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# THE ECONOMIC REVIEW

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## ECONOMIC SURVEY

### GERMANY

#### POLITICAL AND GENERAL

##### DR. CUNO'S SPEECH.

Parliament was convened on Mar. 6 and was addressed at length by Dr. Cuno, the Chancellor, on the subject of the Ruhr invasion. He dwelt emphatically on the unproductive efforts on the part of France to cause any economic detriment to Germany. The occupation of the Ruhr, he said, had not affected Germany economically, and would not do so, even were the blockade and the terrorising to be increased. The French action had resulted in liabilities but in no assets to France. The shareholders of Poincaré's undertaking would receive no dividends. If Germany were enabled to get a fair hearing she would not hesitate to seize the opportunity, but Germany's capacity to pay must not be decided by the prejudiced desires of her creditors but by expert opinion. The Government would not give their signature to any proposals they could not fulfil. They would consent to no regulations which separated the unlawfully occupied area from Germany or which did not restore freedom to her illegally punished citizens. Efforts to reach an understanding had failed because France—not Germany—had been unwilling to negotiate. The *Frankfurter Zeitung* applauded the speech, but stated that it did not understand why the Chancellor had added "Let us have no talk of negotiations!" It had heard nothing of any such talk in influential political circles in Germany. If the words were meant for the ears of foreign countries, they were rather unfortunate. Any Powers which had felt inclined to respond to the present appeal of the Chancellor for political intervention, might well refrain. The Right had applauded these words, but they had aroused great unrest among the Social Democrats.

##### SEVERE SPY LAW.

On Mar. 5 were published the terms of an Order whereby any person found working for economic, political or military purposes, for any foreign

Power occupying German territory in time of peace, or sheltering, concealing or aiding any spy belonging to such Power, is liable to life-long penal servitude, or to penal servitude of not less than ten years. A fine up to Mk. 500 mill. may also be imposed. (*Berliner Tageblatt*, Mar. 10.)

#### FINANCE

##### POSTAL BUDGET DEFICIT.

The discussion of the Postal Budget in the Budget Committee of the Reichstag on Mar. 12 revealed an appalling deficit. Whereas the estimates had provided in 1922 for a deficit of Mk.80.6 milliard, the actual deficit amounts to Mk.1,204.6 milliard, revenue having amounted to Mk.764.6 milliard and expenditure to Mk.1,692.2 milliard. Letter post has decreased by more than 50%, parcel post by 43%. Postal connections with Europe have not attained their pre-war height, although overseas postal traffic is almost as great as formerly. (*Berliner Tageblatt*, Mar. 13.)

##### NEW COMPANY RESERVES LAW.

In connection with the issue of Gold Loan, the following Bill has been submitted to the Reichstag: If a joint-stock or limited liability company invests its reserve fund or any portion thereof in the new dollar loan, it may employ, in order to avoid possible exchange losses on such transaction, the premiums on share issues which have recently been placed to the reserve fund. It must then state on the asset side of the balance sheet that so and so much dollar loan among its securities represents the reserve fund. If the loan is sold or redeemed, and if the sum thus obtained exceeds the book value of the security, the amounts written off the reserve fund must be replaced in the fund, not, however, to an extent exceeding the purchase price of the loan.

It is well known that, according to company law, at least one-twentieth of the net profits of a company must be placed on reserve, unless the reserve fund exceeds one-tenth of the value of the original capital. Also, the premium earned on capital issues, either



## Germany

when the company is formed, or when new shares are issued, minus the costs of such issues, must also be placed to the reserve fund. As companies have recently been making large issues at high premiums, their reserves have been greatly strengthened. Furthermore, many companies, in order to avoid depreciation, have invested their reserve fund in foreign currency. The Government is now giving these companies the opportunity to produce their foreign currency without running the risks of exchange losses. (*Vossische Zeitung*, Mar. 10.)

## TRADE

### LEIPZIG FAIR RESULTS.

The Leipzig Fair being now at an end, a general survey of results is interesting. One contained in the *Berliner Börsen-Zeitung* (Mar. 11) is chiefly concerned with the neglect of the Fair on the part of North American buyers. It does not conceal the fact that the cause of this is French competition. The Americans passing through France on their intended way to Leipzig have, owing to the falling state of the franc, remained there to cover their demands more cheaply even than they would be able to do in this city. In the ceramic section, apparently, this was alarmingly evident. The French have been meeting American demands in china ware at prices 33% below the present German ones, and have been making great efforts to satisfy American tastes. English buyers, on the other hand, seem to have been fairly active, and an optimistic note is sensible in connection with the resumption of former trade connections between England and Germany.

Business in the ceramic section, then, may be assumed to have been highly disappointing. China prices were high, and are not likely to fall while wages and other costs remain at their present level. Stoneware did rather better than china, England and the Northern States being the chief buyers. The South American custom, formerly good, fell off this year. Results in the toy section were also poor, especially as regards foreign purchasers. The U.S.A. bought very sparingly, probably because of the doubling of the import duty on toys from 35 to 70%. In the glass section, sales of hollow glass were fairly good; lamp glass did not sell so well. Excellent business was done in compressed glass-ware, partly on account of its price, partly its technical perfection. Trade in musical instruments was not as good as usual. Gramophones sold fairly well, especially to the Northern Lands. England was a fairly good buyer, but not as good as formerly. She was a buyer for pianos, however. The leather goods section did a moderate trade. Travelling requisites were the most in demand. Home buyers were not very active. The chief purchasers were South and North America, Holland and Switzerland. Buying in the metal ware section was uneven. Nickelled and brassed goods sold well and for better class goods the U.S.A. showed an active interest. Enamel goods did not sell well. Foreign buyers bought more than home firms. On the whole, business in the paper section was satisfactory. The demand for crêpe and tissue paper was quite good. The textile section probably did the best trade. Goods for immediate delivery were much in demand. Under-linen sold well, but owing to high prices silk goods were not much in demand. Holland, Switzerland and Scandinavia were active purchasers.

### FOOTWEAR EXPORT TO HOLLAND.

As the Dutch Government have recently prohibited the import of German footwear into the country, the figures representing footwear import into Holland during the last three years are of interest, since they show to what a great extent German imports exceeded those from other countries. In 1920 English footwear imports

amounted to 1,003 t., German to 295 t.; in 1921 German imports totalled 1,252 t., English 581 t., Czecho-Slovakia 37 t.; in 1922 German imports reached the enormous figure of 3,014 t.; the English were 394 t., the Czecho-Slovakian 256 t.—The value of the German footwear imports in 1922 was Fl.9,853, so that the average price per pair was Fl.3.20, i.e. about one-half of the price for Dutch-made footwear. The Dutch papers say that the prohibition is the result of the bad state of employment in the Dutch footwear industry, owing to the competition of the cheap German goods. This leads one to the thought that perhaps the policy of the German department which fixed the minimum prices may have been at fault. (*Berliner Tageblatt*, Mar. 6.)

## INDUSTRY

### THE TEXTILE INDUSTRY.

A report to the *Frankfurter Zeitung* states that the textile mills in the occupied areas are continuing to execute orders, but that difficulties are being experienced in the supply of raw materials, owing to the traffic trouble. The occupied areas enclose some of Germany's most important textile works. Of the 9.5 mill. cotton spindles and 200,000 cotton looms in Germany, about 2 mill. spindles and 40,000 looms, i.e. about one-fifth, are in the Ruhr district; Nevertheless the markets in unoccupied Germany can, if necessary, manage for a time without the output of the blockaded Rhenish works, as all the goods made there are also made in unoccupied Germany. The occupied area is thickly populated and can quite well absorb a large part of its own output. The condition of the Rhenish silk industries is very bad, as owing to the high cost of their products, they are suffering from a shortage of orders. The shortage of raw material has become so acute that short hours and dismissals are taking place. Textile business in unoccupied Germany has been increasingly affected by the difficulty of procuring capital and by the holding back of goods by dealers and consumers on account of high prices. Home purchasers have, on account of the bad experiences made on accepting contracts made on the basis of foreign currencies, resorted increasingly to the purchase of stock goods at fixed paper mark prices. In most districts, lack of orders compelled reduced working hours. The fall of the dollar made the obtaining of foreign raw material and yarns at fairly favourable prices possible, and their prices have sunk considerably. Prices could not fall so quickly in the weaving and clothing industries, as the cost of foreign raw material forms about 60% of the total cost in textile manufacture, and only about 45% in clothing manufacture. The remaining 40% and 55% respectively refers to home costs, viz. wages, freightage, coal, finishing, etc., which are still rising. On the whole the rise in the cost of finished goods has come to a standstill. The woven and knitted goods industries are the most fully occupied, some of them are very busy. The stocking industries are full of orders until about April, and the glove industry is busier. Business in the hat and millinery industries is still very unsatisfactory. Business on the Bremen cotton market livened up when the mark improved. The spinning mills showed moderate demands. Business became quieter again when transport difficulties in connection with the occupied areas arose. On Jan. 31 raw cotton, fully middling, stood at Mk.33,224 per kg. on the Bremen Bourse; on Feb. 15 the price had sunk to Mk.13,509, and had risen again on Feb. 26 to Mk.16,569.

A report from Barmen on the Wuppertal textile industry states that although most of the large works have enough coal to manage with, their supply of foreign raw material is very deficient. Wages are rising. Most of the small and medium sized firms have been obliged to reduce working hours and dismiss hands. Unemployment in the industry is growing apace. The Elberfeld district is crammed full with goods which



cannot be consigned on account of the transport trouble, and the wholesale trade cannot get rid of its stocks. The retail trade has, for some time, not been so receptive as formerly. As it hesitates to adapt prices to the present dollar rate or even to the international market rate, the public are showing the usual passive resistance. Customers are holding back noticeably in the manufactured goods branches. The wholesale trade has lowered some of its prices considerably of late. This side of the business presents a very active outward appearance, which is very deceptive, as customers appear chiefly to make price inquiries and often go without doing business. Business is very uneven in the ready-made clothing line. In ladies' clothing, for instance, business is far more active than in men's. The Barmen ribbon, braid and lace industries can scarcely compete any more on the world market since the fall in the dollar, and are severely affected, since they work chiefly for export. Attempts have been on foot for some time to cheapen costs of production by paying more attention to the quality of goods. A well-known Barmen firm have succeeded in introducing an improvement on their machinery which effects a great saving in raw material. (*Frankfurter Zeitung*, Mar. 4 and 6.)

## SOCIAL AND LABOUR CONDITIONS

### PRICES.

The Reich cost of living index figure (food, rent, heating, lighting and clothing) averaged 2,643 in February (1913-14=1) compared with 1,120 in January. This is an increase of 136%. Leaving out the clothing costs, the index figure is 2,408, and is 132.9% higher than in January. Food costs alone have risen by 133% to 3,185, clothing costs alone by 147.6% to 4,164 times the pre-war cost. Prices rose by leaps and bounds up to the middle of February on account of the Ruhr invasion; after that period they remained fairly stable; certain food prices, directly influenced by the exchange values, even fell.

The *Frankfurter Zeitung* wholesale index figure at the beginning of March was 6,770, compared with 7,159 at the beginning of February (peace-time figure=1), showing a decrease for 98 articles together, of 5.4%. During the same period the dollar fell by 43.6%. It must not be concluded, because the dollar stands 5,381 times higher than its peace-time parity, and the German wholesale price 6,770 times higher, that the German price averages are higher than those on the international market. Since 1914, prices on the international market have risen by about 56%. The tendency to increased prices still, notwithstanding the fall of the dollar, depends on the amount of labour connected with the making of the article in question. Raw materials are falling considerably, yet finished products rise in price all the time. An average taken over ten entirely home-produced articles showed a rise of 30%. Imported goods, on the other hand, showed a fall of 32%.

The economic side of the German Press has lately been full of leading articles clamouring for a reduction of goods tariffs. Industries and trades all justify themselves for not lowering the prices of their goods, by reference to the tariff policy of the Government. Why should they sell at a loss when the Reich demands that prices should be lowered but keeps its own prices up? Interpellation has been made in the Reichstag on this subject, but without success, and it appears that the Ministry of Transport have no intention of lowering goods rates on the railways, and will not allow that present rates are responsible for maintaining prices at their high level. According to a statement made by an official of the Ministry to a representative of the *Vossische Zeitung* (Mar. 8) the highest tariffs on the Reichsbahn are about 8,000 times the amount of the peace-time tariffs. That for coal, on the other hand, works out at about 3,170

times that of 1913 for 750 km. travelled, and that for potatoes, for 500 km., only at about 772 times the tariff of 1913. The average tariff, therefore, per kilometer ton, is at present about 3,200 times as high as the 1913 tariff. According to the estimates of the Reich Statistical Department, average wholesale prices on March 5 stood at about 5,257 (1913=1). Goods prices could therefore be reduced by a good third before they stood on a level with freight rates. Account must also be taken of the fact that passenger rates for third and fourth class are only about 800 times higher than those of 1913, and that, therefore, notwithstanding certain higher rates, the railways have to spend millions in order to maintain traffic at all. There can be no question of lowering freight rates. Possibly here and there certain rates may be modified, but a general decrease is beside the question.

The Head Association of German Retail Traders met on Mar. 8 in consultation with representatives of the Reich and State Ministries, of the Chamber of Commerce, of consumers' interests and of the Press, to discuss the vital question of the decrease in prices demanded by the public as well as the Government. It was stated by a representative of the Retail Trade that the rate of the dollar could only govern price movements absolutely where goods made solely for foreign raw material were concerned. For all other goods both the exterior and interior depreciation in currency values must be considered. The recent interior depreciation was shown in the official cost of living index figure, which had risen lately, although the dollar had sunk in value. A representative of the sugar industry stated that sugar prices had had to be doubled because the methods of administration of the industry had been so disastrous; the permitted prices had not served to cover the costs of production and had resulted in a loss of many milliards. Prices in the textile industry, said its representative, had been considerably lowered; silks had sunk by 44% between Feb. 15 and 28, and cotton by 29%. It was finally remarked that no amount of regulations would cause prices to fall; that would only come to pass when increased production was possible.

### LAW FOR EMPLOYMENT OF THE DISABLED.

*Glückauf* (Feb. 10) publishes an explanatory account of the new Law of Dec. 23, 1922, for the employment of the seriously disabled, in which the following points are of interest:—

Germany was the first of the belligerent nations to give preferential rights to work to her war victims by legal measures. These were incorporated in the law for the employment of the seriously disabled of April 6, 1920. This law applied to those seriously disabled by the war who were drawing 50% or more of the full pension, as well as to the accidentally disabled. Other seriously disabled persons could also benefit by the provisions of the law on certain conditions. Both public and private employers were obliged to fill about 2% of their places with these persons. Of about 250,000 persons seriously disabled by the war and 100,000 seriously disabled by accident in Germany, there were in December 1922 only about 17,000 out of work, half of which number could not, by reason of the extent of their injuries, have been any longer fit for permanent work. For the 9,000 who required placing, there are to-day about 22,000 openings by reason of the foregoing law. The lack of adjustment is due chiefly to the housing shortage, which often makes the utilisation of seriously disabled persons impossible, especially in country districts and large industrial areas. The allocation of the seriously disabled to posts, against the will of the employer, only occurs if there is any malevolence on the latter's part, and the employer is often able to make a choice of suitable workers among the disabled. In this he is assisted in every way by the head welfare departments, and these disabled persons are usually assigned to places which they are



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competent to fill notwithstanding their infirmity. Most of them draw the full tariff wage of the full-bodied worker.

The new law does not alter any fundamental ideas of the original one, and was chiefly drawn up to regulate once and for all the dismissal restrictions which lapsed on Dec. 31, 1922. These restrictions remain fundamentally the same. A seriously disabled person must receive at least four weeks' notice, or longer if the law obliges. Dismissal may not take place until sanctioned by the head welfare department. New provisions have been made regarding the treatment of the seriously disabled in strikes and lock-outs, whereby employers are obliged to re-instate them. The employer must notify the head welfare department of any vacancy created by the leaving of a seriously disabled person, but it does not follow that that particular vacancy must be filled again by a disabled person. This is a great improvement on the former provision in that respect, which obliged the employers to select another disabled person notwithstanding the difficulty of fitting them to that particular vacancy. By regulations which came into force on Sept. 1, 1922, a far larger number of public posts will be available for disabled persons. Greater facilities for obtaining work are to be extended to disabled persons who have not suffered disablement in the war or in an industrial accident, i.e. to natural cripples, persons suffering from natural disabilities, disabilities due to age, etc. Blind persons, for instance, quite apart from those blinded in the war, are to benefit under this law, if they cannot otherwise procure suitable occupation and if the actual war victims are not prejudiced by their employment. These conditions apply in like manner to other disabled persons.

New regulations also apply to the lodging of grievances. Formerly disputes concerning the obligations of employers went before an arbitration committee. In other appeals against the decisions of the head welfare office the Minister of Labour could be called in. In yet other cases the decision lay with the Advisory Council of the head welfare department. In future all disputes will go before a special committee consisting of persons professionally qualified to deal with disputes connected with the disabled, viz. the chief of the head welfare department and eight members, two of whom must be employees seriously disabled by the war, one accidentally disabled or otherwise infirm person, two employers and a representative of the industrial or mining council, of the trade unions, and of the public labour bureau. If necessary a special central arbitration committee, by which final decisions may be made, may be set up by the Ministry of Labour. Finally, mention must be made of the clause whereby employers may assist the seriously disabled by giving or leasing them settlements. This clause is intended to apply chiefly to mining areas and to the disabled who would be difficult to place in industries, especially to consumptives.

## AGRICULTURE

### AGRICULTURAL YIELDS IN 1922.

The area under cultivation in corn suffered very badly in 1922 from the wet summer, and yields of grain were poor. The areas under cultivation were as follows, in comparison with the figures for 1913 and 1921:—

	1,000 hectares		
	1913.	1921.	1922.
Winter wheat ...	1,464.2	1,274.8	1,186.2
Summer wheat ...	212.8	166.7	187.9
Winter spelt ...	272.1	150.7	126.8
Winter rye ...	5,152.2	4,185.1	4,076.4
Summer rye ...	107.5	80.5	66.2
Total bread grain ...	7,208.8	5,857.8	5,643.5
Summer barley ...	1,381.4	1,136.5	1,151.9
Oats ...	3,925.5	3,163.0	3,202.0
Potatoes ...	2,802.4	2,647.6	2,721.6
Sugar beet ...	—	389.5	417.3
Fodder beet ...	—	729.6	784.7

The average yield per hectare was as follows in d.ctr.:

	1913.	1921.	1922.
Winter wheat ...	24.1	20.6	14.1
Summer wheat ...	24.0	18.6	15.5
Winter spelt ...	16.1	13.7	8.9
Winter rye ...	19.4	16.0	12.7
Summer rye ...	13.5	10.8	9.1
Potato bread grain ...	20.3	17.0	12.9
Summer barley ...	22.0	17.1	14.0
Oats ...	22.0	15.8	12.5
Potatoes ...	157.1	98.8	149.4
Sugar beet ...	—	204.9	258.6
Fodder beet ...	—	244.3	315.5

In comparison with 1921 bread grain yielded 2.6 mill. t. or 26.5% less. The decrease in the rye yield was 1.6 mill. t. or 23%. These bad yields were compensated in part by the increased yield of 14.5 mill. t. or 55.5% of potatoes. The total yields in 1922 were:—

	Tons (1,000.)		
	1913.	1921.	1922.
Winter wheat ...	3,533.5	2,624.6	1,667.2
Summer wheat ...	510.5	309.9	290.5
Winter spelt ...	437.8	207.2	113.4
Winter rye ...	9,988.2	6,712.4	5,174.0
Summer rye ...	144.6	87.0	60.0
Total bread grain ...	14,614.6	9,941.1	7,305.1
Summer barley ...	3,040.3	1,934.1	1,607.6
Oats ...	8,620.0	5,006.0	4,015.5
Potatoes ...	44,023.4	26,157.1	40,665.4
Sugar beet ...	—	7,979.8	10,791.6
Fodder beet ...	—	17,825.5	24,754.7
Clover ...	9,623.4	7,136.7	7,026.7
Lucerne ...	1,382.2	1,147.9	1,486.6
Hay from cultivated land ...	2,325.0	1,257.8	1,370.3
Hay from other land ...	23,529.8	15,914.9	17,870.4

Price movements on the markets were influenced by the value of the mark. The following comparisons are of interest. The figures represent the average prices per 50 kg. in paper marks:—

	Rye.	Wheat.	Barley.	Oats.
August, 1921	171.1	218.8	210.0	172.3
January, 1922	311.9	386.5	35.84	290.6
December „	13,587.0	14,866.0	13,118.0	13,187.0

(Konjunktur, Mar. 3.)

### HOPS YIELD IN 1922.

The hops yield in 1922 amounted to 62,161 d.ctr., showing an increase on the yield of the year before of nearly 30,000 d.ctr. or 93%. It must be remembered that the 1921 yield was the smallest recorded since 1878, so the comparison is not a very useful one. The average yield per hectare for the whole country is estimated at 5.2 d.ctr. The area under cultivation in hops is slightly larger than in 1921, but is still 46% smaller than the 1913 area. (*Wirtschaft und Statistik.*)

### CORN IMPORTS IN 1922.

The definite foreign trade statistics for corn, etc., are now officially published, and show how much smaller imports are as compared with pre-war days:—

	Imports in tons.		Exports in tons.	
	1913.	1922.	1913.	1922.
Rye ...	352,534	539,592	934,463	1,998
Wheat ...	2,545,959	1,392,575	538,313	4,269
Malt barley ...	151,156	267,016	6,104	2,696
Other barley ...	3,087,067			
Oats ...	505,022	90,566	661,653	5,608
Maize ...	918,655	108,416	35	—
Peas ...	147,403	8,758	7,640	4,263
Beans ...	35,131	36,357	2,388	646
Lentils ...	29,453	2,837	2,001	163

The increased import of rye is only apparent since exports, which in pre-war days were two or three times greater than imports, have now practically ceased. Wheat imports in 1922, after deducting the export quantities, only amount to about two-thirds of the 1913 figure. Barley import figures are still worse; unfortunately, the figures for brewing and other barley are no longer given separately. The increase in maize imports is due to the fact that it is no longer used as fodder, but to the extent of about 95% in spirit manufacture instead of potatoes and corn. This fact, in conjunction with the decreased barley import, show from what a shortage of fodder Germany is suffering now. (*Vossische Zeitung*, Feb. 27.)



## FRANCE

## POLITICAL AND GENERAL

## THE ECONOMIC POSITION.

The recent sharp rise of wholesale prices and its effect on retail prices and consequently on the cost of living has afforded the welcome excuse to Socialists and Communists to call for a rise of wages. The *Journée Industrielle* (Mar. 9), in an editorial, repudiates all responsibility for this rise on the part of industry and commerce, and throws it on the Government. Industry and commerce, asserts this journal, have not only failed to profit by the rise, but are actually suffering from it, since it affects not their profits alone but the very source of their being. The rise only affects transitorily those who have stocks of goods in hand, but with few exceptions, French manufacturers and dealers, warned by their experience in 1920-21, when many failures occurred through excessive accumulations of unsaleable stocks, take care to keep their raw material and finished products down to a minimum. Moreover, it is not long since the crisis has become less acute. The recovery has only been discernible in certain industries, such as textiles, which work for large consumers, and this recovery has only declared itself superficially and by fits and starts, without any guarantee of outlets, precisely owing to the high cost of production. As all the world knows, the cost price depends on several factors such as wages, transport rates, the cost of fuel, and taxation. Taxes remain high, the cost of fuel has increased under the influence of the depreciation of the exchange, and the recent miners' strike. In addition, there has been no change in transport rates. French industry is handicapped by appreciably higher wages than those paid by its trade rivals. The present prosperity of the Italian factories for instance, is entirely due to cheap labour. Turning to the iron and steel and engineering industries, it will be soon seen that they are far from having weathered the crisis. They have great difficulty in maintaining their already greatly reduced business activity. If a rise in wages be insisted on the activity of industries will decline still further, the more so that the instability of the exchange and the locking up of capital already render these industries so precarious that they cannot afford to risk another element of chance, such as higher wages. This rise will bring to a standstill the slight improvement effected in the building trade. Stimulated by the increase of current coin during the past few weeks, consumption of foodstuffs will increase, retail prices will rise, and the Government officials will claim higher wages—all factors in increasing the deficit.

## FINANCE

## THE BUDGET VOTE.

After prolonged discussion and the presentation of innumerable proposals for balancing the Budget, the Chamber has finally decided to adopt the scheme originally introduced by the Government of meeting the deficit by the issue of Treasury Bonds, thus avoiding, with an eye on next year's elections, hint the critics, the imposition of further taxation. An amendment for the compulsory endorsement of bearer securities introduced by the Socialists was rejected by 365 votes to 215, the Minister of Finance having declared that the Government would make of this amendment a

question of confidence. This was followed by the acceptance by 315 votes to 243 of an amendment introduced by M. Emanuel Brousse for meeting the deficit in the manner mentioned. According to the calculations of the proposer of the amendment, the deficit of some 3,700 mill. would be reduced as follows:—

	Fr. (mill.)
Increase of estimates of direct taxes ... ..	600
Increase of indirect taxes and turnover tax ...	350
Payment of sums due by railways ... ..	500
Redemption of the national debt (by payment in Rentes of the war profits tax) ... ..	820
	<hr/>
	2,270

If these estimates prove correct the deficit will be reduced to about Fr.1,450 mill. By this vote, comments the *Journal des Débats*, the idea of balancing the Budget, the discussion of which has occupied the time of the Chamber for two months, has vanished like smoke, and the deficit has also evaporated, thanks to the optimistic estimate of increased yield from taxation. This critic likens the Chamber to passengers on the great wheel who, after having passed some time in the air, return safely to their starting point. If he, adds M. de Lasteyrie, had displayed more energy, and if the Finance Commission had not run after "will o' the wisps," the Budget would have long since been passed by both Chambers. M. Bokanowski, the reporter to the Finance Commission, played the part of Cassandra, for after having himself calculated on an increased yield from indirect taxes, now denounces the realisation of M. Brousse's calculations of an increase of Fr.350 mill. in the taxes on consumption as a great misfortune, since it implies the continued depreciation of the franc and a further rise in the cost of living. This burst of eloquence gave the final touch to the scheme humorously described as "tending to balance the Budget for the year 1922."

## THE POSITION OF THE FRANC.

M. Maurice Kellersolm, in *Information Financière* (Mar. 13), considers the position of the franc in the following terms:—

The factors in favour of and against the franc continue much the same as hitherto, together with the following: The continuous rise of wholesale prices as disclosed by the latest cost of living index numbers, which is a determining factor on the exchange. The parity of purchasing power is violently upset to the detriment of the franc, or rather shows a tendency to become steady at a necessarily lower level, as prices in Great Britain and even in the United States have not shown a corresponding rise. The increased cost of living is of a nature to reduce by several points, in the quotations of sterling, for example, the margin for pure speculation. As quotations in sterling persistently oscillate between 77 and 78, each factor which contributes to raise the strictly *economic* value of that currency, apart from the psychological and sentimental element, contributes at the same time to diminish the share of the latter in determining the real price, or in other words it may be calculated that, had the weight of public opinion of late told as heavily against the franc as it did in January, the pound sterling would to-day stand at 85. The fact that this figure has not been reached, when purely *economic* reasons have been working against the franc, is a sign that the general opinion throughout the world is veering round in its favour. The *moral* position of the franc is better,



## France

in spite of adverse appearances caused by the persistently high level of prices. Unfortunately it must be admitted that the economic position has not become more brilliant.

It is possible that the adverse factor consisting of the rise of prices may be only transient, for it is a factor which is in itself due to the depreciation of the franc. The excessive international bearing of the French currency would have thus succeeded, by checking the increased cost in France of all raw materials, in partially stabilising the devaluation of the franc. First of all it must eventually react on foreign trade and by restricting imports and promoting exports, reduce the debit balance. On the other hand there is no permanent incitement to speculation which cannot continue indefinitely unless adequately justified by events. The bare movement against the franc is based on a belief that France must encounter insurmountable financial difficulties in the near future; if these difficulties do not arise, or rather if they are not sufficiently serious to bring to the ground the whole structure of French finance, speculation must sooner or later beat a retreat. This will bring about a deflation of the price of imported material, and a general deflation of prices as a consequence (assuming that all other factors remain steady); or in other words an increased purchasing power of the franc at home and finally a lowering of the foreign exchange. Another though less important factor in the depreciation of the franc, which is partly economic, partly moral, is the end of the farce of balancing the Budget which terminated, as might have been expected, namely, by meeting the deficit with an issue of Treasury Bonds. Although the deficit will be less than was feared at one time, should the increased yield from taxes recorded in January be maintained, and should no fresh expenditure become indispensable during the financial year, the circumstance will certainly be used abroad to the full for purposes of anti-French propaganda.

## INDUSTRY

### ALSACE AND LORRAINE IRON ORE.

The *Journal du Four Electric* makes the following announcement:—

The output of iron ore in the department of Meurthe-et-Moselle (one of the recovered departments) during 1922 compared with 1921 (figures in brackets)—(in 1,000 tons): Nancy field, 552 (607); Briey field, 7,311 (4,071); Longwy field, 1,400 (66); total, 9,273 (9,347). (*Information Financière.*)

### ALUMINIUM IN 1922.

The output of aluminium in France in 1922 exceeded 12,000 t., as against 8,500 in 1921.

Owing to the increased sale, however, the stocks in hand at the beginning of the year were rapidly disposed of. Export of the raw metal in bars or waste amounted to 1,840 t., compared with 812 t. in 1921, and furthermore stocks formed abroad, especially in the United States of the metal previously imported from France, were also sold off. (*Information Financière.*)

### THE COTTON PROBLEM.

The incubus of being dependent on the foreigner for its supply of raw cotton weighs heavily on the French textile industry, and the means of relief from this vassalage, by the cultivation of the product in the colonies, continue to be discussed in the Press. This situation has for long absorbed the attention of the industry, and with the object of obtaining a direct supply from the colonies, the Association Cotonnière

Coloniale was founded in 1904, and up to the present has achieved satisfactory results. The Association was founded in the Colonies 21 shelling works, and at the same time has distributed among the native growers a large number of hand shellers and hand presses. The Association has recently been reorganised under the auspices of the general cotton association, and is now engaged in increasing its activities with the co-operation of the cotton manufacturer and the Government. Thanks to its efforts, the export of cotton from the French colonies, other than Indo-China, has risen from 1,037 kg. in 1904 to 1,423,710 kg. in 1919. In French West Africa vast areas are suitable for cotton growing. Indo-China exported 7,500 t. in 1915, and its possibilities of development are considerable.

France's cotton trade in 1912 and 1921, respectively, was as follows: In 1912 she imported 3,454,978 qu. to the value of Fr.566 mill., of which 2,811,415 qu. were from the United States, 269,000 from Egypt, 166,000 from British India, 77,000 from Great Britain, 36,000 from Belgium, and 31,175 from Germany; and exported 695,122 qu. to foreign countries (Germany, Belgium, Italy, Great Britain, Switzerland and Russia), and 8,857 to her colonies. In 1921 she imported 299,993 t., of which 160,000 were from the United States, 15,348 from Egypt, 11,271 from British India, and 11,107 t. from Great Britain, and re-exported 22,800 t. to Belgium, Germany, Switzerland, etc., leaving 177,193 t. for home consumption.

The Niger district, of which Timbuctoo is the centre, offers considerable possibilities for the cultivation of cotton, but the chief difficulty lies in finding an outlet. Efforts are being made to establish trade relations between Tuggort, on the Algerian border of the Sahara, and Timbuctoo. Hitherto the products of the Niger basin, cotton, ivory, rubber, etc., have been brought to Tuggort by caravan, but the journey across the desert occupies several months and is fraught with considerable danger. A solution of the problem has perhaps been found in the successful journey across the Sahara recently accomplished by the Citroën motor-cars furnished with caterpillar wheels. Pending the construction of the railway between the two places, this experiment may lead to the establishment of the desired trade relations. A transport service of this kind will be an excellent substitute for caravan transport, now out of date, and rendered precarious by the shortage of camels since the war. The projected railways linking up Segou with Dakar and the Ivory Coast may also afford a solution, but these railways are still only in project. The great object to be accomplished is the rapid transport of cotton from the Niger basin to the North African ports, which will despatch them to the mother country and other Continental countries. The Citroën method of transport may perhaps be expensive, but will be worth trying in view of the high price of raw cotton at present asked by the United States, and will at least be a step towards freeing France from her vassalage to that country whose friendship, doubtless delightful, is certainly expensive. (*France Tealite*, Feb.)

### THE EXPORT OF OLD METAL.

The French and Belgian Governments have come to an agreement for the export of scrap iron to Belgium in exchange for the import of Belgian coke into France. Belgium agrees to allow the export of 30,000 t. of coke a month, in return for which France will authorise the export of 15,000 t. of scrap iron, for re-casting, to Belgium.

The question of the prohibition of the export of scrap iron, copper and brass, has become a burning one in the French metal industry. The Committee of the Scrap Metal Association of the Haut-Rhin, Bas-Rhin, and Meurthe-et-Moselle, (the former Alsace-Lorraine), has pronounced in favour of unrestricted trade in scrap iron and in copper and brass waste, and demand the suppression of the prohibition of the export of scrap iron.



The Committee of the Metal Association, on the other hand, upholds the prohibition of the export of copper and brass waste, and has addressed to the Minister of Commerce the following communication on the subject: "The requirements of French industry in metal waste increases daily owing to the steady growth of consumption; the available quantity of metal waste is continually on the decline by reason of the increasing export, which is ten times that of pre-war days; the consequence of the two facts above cited is a serious increase in the cost of waste metal."

The following particulars on the supply of metal waste has been furnished by the Association: "Copper and brass waste existed in large quantities after the war (shell and cartridge cases, old pipes, etc.), constituted a metal reserve, and should have been jealously preserved. In fact, this waste, carefully refined, could have been used again in the manufacture of copper and brass bars and leaf. The quantity of old metal which may be employed in re-casting is extremely important, seeing that old and new metal can be blended in equal proportions, the whole of the metal waste in France can be thus consumed. The total output of the factories of copper and brass consists in normal years of 112,000 t. of demi-products, without counting castings such as bronze. Thus the industry can utilise at least 60,000 t. a year of metal waste. Before the war, France purchased annually 40,000 t. of waste from Germany, whereas for the past three years she has exported 20,000 t. to that country. This difference represents exactly the 60,000 required by the French industry. These 20,000 t.

could have been easily taken up, and would have been equivalent to an equal quantity of new metal worth on an average Fr.5,500 per ton, which it would not have been necessary to purchase abroad, procuring for the purpose Fr.110 mill. worth of British and American currency." (*Journée Industrielle*.)

## SOCIAL AND LABOUR CONDITIONS

### THE COST OF LIVING.

The general index number of wholesale prices reached 487.6 in February, as against 447.3 in January, and 418.4 in December. The index numbers for articles of food for the same period were respectively 465.1, 424.8, and 404. (*Information Financière*.)

### PROPOSED ANNUAL LABOUR EXHIBITION.

According to a statement made to the press, Mr. Dior, Minister of Commerce, Mr. Albert Peyronnet, Minister of Labour, and Mr. Gaston Vidal, Under-Secretary of State for Technical Education, called a meeting of representatives of industry and commerce on Feb. 21, to consider a scheme for holding annually a Labour Exhibition in order to encourage handicrafts and the training of apprentices. The exhibition will aim at illustrating the development of apprenticeship and technical education, and will confer diplomas upon the best workers. (*Temps*, quoted by the *Report of the International Labour Office*, Mar. 2.)

# ITALY

## FINANCE

### BUDGET RETRENCHMENT.

The Finance Minister, Signor De Stefani, has set about using "the axe" in good earnest, beginning with his own department by way of setting a good example. He has already effected a saving on the estimates of L.251 mill. He has decreed the abolition of several directorates in the public departments, but has instituted a new office, that of General Purveyor to the State, under whose control will be placed the supply of stores to the State printing expenditure, the hire of premises for the Government Service, etc. This new office, by dealing with State contracts on a business footing, is expected to save the country many millions of lire. Expenditure on the staff of the Revenue and Excise departments has been appreciably cut down. Various changes have been introduced into the State monopolies, and negotiations are on foot for the transfer of the manufacture of matches from the State to a syndicate which would undertake to pay to the State duties on manufacture. Considerable savings have been effected in the State tobacco factory, but during the current financial year these savings have been counterbalanced by the additional expenditure incurred owing to the increase of stocks in consequence of the favourable condition of the market. Yet another saving is the reduction of interest on Treasury Bonds. The Minister is of the opinion that these various economies will begin to bear fruit during the financial year 1923-24, and that the deficit will be so reduced as to bring the issue of Treasury Bonds during that year below the estimate now before the Chamber. These various accounts in the aggregate are calculated to show an economy of L.134 mill. in the estimates of the former Ministry of Finance, and of L.127 mill. in those of the former Ministry of the Treasury. (The two are now united.) New savings may be effected, notably in

special expenditure, by the introduction of measures of reform which are now under consideration. (*Corriere della Sera*.)

## TRADE

### FOREIGN TRADE.

Efforts are being made by the Customs department to bring up to date the foreign trade returns (which have hitherto been lamentably in arrear) by publishing the figures for one month in the course of the ensuing month. This desirable result has, however, not yet been achieved, but the figures have recently been published up to the end of November 1922—a decided improvement on previous publications. The figures, which are final, are as follows (in millions of lire, those for 1921 being given in brackets): November 1922: imports, 1,254.6 (1,124.7); exports, 1,045.6 (718.2); debit balance, 200 (406.5); for the first 11 months of 1922: imports, 13,813.0 (15,391.6); exports, 8,283.8 (7,420.8); debit balance, 5,529.6 (7,070.8). The following table shows the value of the chief classes of goods imported and exported during the first 11 months of 1922 (in millions of lire):—

	Imports.	Exports.
Live stock, food and tobacco ... ..	4,663.4	1,935.2
Oil-yielding seeds and fruit oil, animal and vegetable fat, and wax ... ..	571.3	148.0
Textile material and products ... ..	3,226.4	3,858.4
Minerals, common metals, iron and steel and engineering products, agricultural implements ... ..	1,249.7	612.8
Stones, earth and non-metal-bearing minerals, bricks, pottery, and glass ... ..	1,448.0	323.5
Alloys and materials for weaving and in-laying ... ..	423.1	137.9
Chemicals, medicaments, dyeing and tanning material ... ..	1,110.4	369.0
Miscellaneous ... ..	1,120.3	898.2

The publication of the quarterly returns will show whether the decline in imports and increase in exports



## Italy

are due to price or quantity, but inasmuch as wholesale prices remained fairly steady in the autumn of 1922 it is to be assumed that the increase of exports is chiefly in respect of quantity. (*Economista d'Italia*.)

## INDUSTRIES

### THE FOOD PRESERVING INDUSTRY.

The following details on the present condition of Italy's food preserving industry are taken from an article by Signor Germano Violi in *Problemi Italiani* (Mar. 1):—

It is only during the last ten years that the food preserving industry can be said to exist in Italy, and even now the small establishments are much scattered, and large industrial organisations furnished with up-to-date plant are still very limited. The capital invested in the industry certainly exceeds L.500 mill., and not less than 60,000 hands are employed. Every class of food is preserved in the country, both vegetable and animal, but the latter is naturally of less importance than the former (fruit and vegetables), seeing that Italy does not go in for cattle raising on a large scale, as is the case in South America and Australia, and Italian waters are not very productive of fish, whereas agriculture yields fruit and vegetables of the finest quality. A number of manufacturers endowed with a sense of the position and possibilities of the industry founded in Rome in 1919, the *Associazione Italiana delle Conserve Alimentari*, which absorbed two large local Associations, with the definite object of organising the production of and trade in preserved foodstuffs.

Over 100 factories throughout the country immediately became affiliated to the new Association, which soon succeeded in freeing the industry from the fetters imposed on it by Government prohibitions, and began to inaugurate the necessary changes in methods of production, to organise the supply of raw material and to attract the attention of the country. But it is a fact that the spirit of organisation is not too well developed in Italy, and for this reason even this new Association has not made the progress which it should have made. The industry is at the present moment passing through a phase of indecision and doubt, chiefly due to the fact that it is but imperfectly acquainted with the conditions of the industry in other countries.

At a rough computation the number of food preserving factories working in Italy may be placed at some 500, without taking into account the smaller ones which often are but mere adjuncts to agricultural undertakings. Most of these, however, confine themselves to the production of one class of food (tomatoes being the favourite class), which is a characteristic of small concerns, seeing that they only work during a specific period succeeding the harvest of their raw material.

The industry manufactures chiefly for export, as home consumption takes no more than some 3-10ths of the output, and imports are unimportant. This trade was badly hampered by the unjustified prohibitions of export imposed during the war, and finally, when in 1920 these restrictions were removed, the industry discovered that its former markets had undergone a complete transformation. Italy's best customers, the United States and the Argentine, had owing to the cessation of imports from Italy, founded food preserving factories of their own. Although statistics are lacking the following figures will give a fair idea of the average annual output of the various classes of preserved foods (in 1,000 quintals); preserved tomatoes 600, vegetables and garden stuffs 300, fruits preserved in sugar 60, meat 100, fish 60. It may be confidently stated that, as all the raw material required can be raised at home, there is no limit to the possibilities of production. The export of the various classes of foods varied between 1913 and 1920, as shown below (the amount being given

in 1,000 quintals and the value—in brackets—in millions of lire):—

*Preserved tomatoes*.—1913, 467 (32.7); 1914, 390 (24.7); 1915, 415 (31.1); 1916, 280 (32.2); 1917, 153 (30.5); 1918, 82 (24.6); 1919, 314 (86.3); 1920, 334 (92).

*Fruit, vegetables and garden stuffs preserved in vinegar, salt and oil*.—1913, 140 (19.6); 1914, 217 (18.4); 1915, 93 (9.7); 1916, 137 (16.4); 1917, 59 (9.7); 1918, 34 (11.7); 1919, 107 (51); 1920, 157 (73.1).

*Sweets and fruits preserved in sugar and honey*.—1913, 13 (2.1); 1914, 9 (1.8); 1915, 4 (0.9); 1916, 1 (0.3); 1917, 0.9 (0.6); 1918, 0.4 (0.3); 1919, 2 (2); 1920, 5 (4.2).

*Preserved meat*.—1913, 43 (8.9); 1914, 27 (6.9); 1915, 21 (5.3); 1916, 15 (5.5); 1917, 6 (3.6); 1918, 2 (2); 1919, 10 (11.3); 1920, 27 (29.5).

*Preserved fish*.—1913, 23 (2.8); 1914, 19 (2.2); 1915, 11 (1.2); 1916, 11 (2.2); 1917, 6 (2.4); 1918, 2 (1.1); 1919, 14 (6.9); 1920, 21 (8.6).

Trade in preserved tomatoes, Italy's premier preserved food product, which fell off during the war, now shows signs of recovery. The following figures show the exports to Italy's chief customers for this commodity in 1913-1919 and 1920 (in 1,000 quintals): United States, 207, 11, 57; Great Britain, 63, 174, 94; Argentine, 62, 11, 53.

These figures show the marked recovery which took place from 1919 to 1920. Brazil, which in 1920 actually took more preserved tomatoes than before the war, promises to be a good customer for this product in the future. On the British market Italian tomatoes, which had more than doubled their sale in 1919, had to give way in the following year to the American product. France and Switzerland have abandoned Spanish for Italian tomatoes, which are deemed superior and have doubled their pre-war purchases. On the whole it may be stated that demand for the product has fallen off on the American markets and improved on the European.

Legislation for the proper production of preserved food is practically non-existent, and what there is, while to a certain extent it protects the consumer from the point of view of health, leaves him totally unprotected against fraud. A Bill to amend these deficiencies, approved by the National Export Congress held at Milan in January 1922, has been set down and may ultimately appear on the statute book.

### DISCOVERY OF COAL IN SARDINIA.

Signor F. Dure, a former deputy, supplies the following particulars in *Echi e Commenti* (Mar. 5) of the coal still unworked in Sardinia:—

The island of Sardinia is particularly rich in minerals of all kinds, including copper, silver, iron, zinc, lead, antimony, manganese, anthracite and lignite, and also those of the rarer kinds such as asbestos, molybdenum and wolframite. Important deposits of lignite have recently been discovered in the Connesa field, of iron in the Nurra field and of anthracite in the Ogliastra field. In 1913 only 390 t. of anthracite and 25,000 t. of lignite were produced, as against 43,000 t. of lead ore and 132,000 t. of zinc. In 1917 the amounts had increased to 13,000 t. of anthracite, and 70,000 t. of lignite. To-day a still more important advance is in prospect. The studies and researches of German mining experts interned in the island during the war and followed up by the Italian engineers Martelli, Soglia, and Lotti, a former director of the Geological Department, have given reason for assuming the probability, practically the certainty, of the existence of a vast coal field of 400 km. in extent. In the Ogliastra field, under porphyry beds 200 metres thick, are already being worked deposits of anthracite from 2 to 4 m. thick alternating with argilliferous and arenaceous shales. This anthracite contains 1.8% of pure carbon, and gives out 6,000 to 7,000 calories.



## SOCIAL AND LABOUR CONDITIONS

### THE COST OF LIVING IN DECEMBER.

The index numbers of the eight chief articles of food (bread, paste, rice, beef, oil, bacon, potatoes and milk) in Rome in December last are 406.8 compared with 418.7 in November and 474.2 in December 1921; the index numbers of the weekly cost of living of a working class family consisting of two adults and three children were: food 476, general 439.1, in December compared with 477.1 and 438.2 in November and 457.8 and 422.8 in December 1921; and those of a middle class family of the same size were: food 514.2, and general 372.9 in December,

compared with 515.2 and 372.6 in November and 506.2 and 363.6 in December 1921. (*Bollettino del Ufficio Municipale di Roma*, December.)

### UNEMPLOYMENT IN ROME.

The Municipal Labour Employment Bureau of Rome gives the number of unemployed on Mar. 1 as 8,199 of which 6,167 male and 2,032 female, being an increase of 71 (all female) compared with Feb. 1. The increase is entirely in the clerk and employee class (men and women), the number of unemployed in which rose from 1,206 on Feb. 1 to 1,300 on Mar. 1, whereas the number of unemployed among workmen has declined by about 200. (*Economista d'Italia*.)

## CENTRAL EUROPE

### POLITICAL AND GENERAL

#### CZECHO-SLOVAKIA'S NEW FINANCE MINISTER.

The President of the Republic has nominated M. Bohdan Becka to be Minister of Finance in succession to the late Dr. Rasin. M. Becka is a member of the National Democratic Party, and was closely associated with Dr. Rasin in the conduct of this country's finance policy during the latter's terms of office.

#### DECLINE OF COMMUNISM IN CZECHO-SLOVAKIA.

According to figures published by the Prague Socialist organ, the *Socialdemokrat*, the Communist Party in the country had a membership last year of 254,000. Since then, the defections have been such that the number of members is now no more than 132,000. The annual Congress was the scene of very acrimonious discussion between the two main trends of opinion within the party—those, on the one hand, who would render unquestioning allegiance to Moscow and its dictates, and those, on the other hand, who demand a certain freedom of action at home for the Czecho-Slovak Communist party. Even those, however, who are for complete submission to Moscow expressed the opinion that the "working classes in Czecho-Slovakia are not yet ripe for a radical policy." (*Gazette de Prague*.)

#### HUNGARY'S CHASTENED ATTITUDE.

Denunciations of Hungary's position of disturbing element in Central Europe have been so loud and so frequent in the Czecho-Slovak Press that the following admission by the *Gazette de Prague* of a chastened attitude on the part of that country deserves notice:—

"Prospects of the adoption of a more conciliatory and practical foreign policy by Hungary are the subject of discussion in the Central European press. Ever since the War ended, Hungary has proved more or less of a stumbling block to tranquillity and to efforts at co-operation among all the Succession States with a view to accelerating reconstruction and a return to normal economic and political conditions. An emancipation from the influence of the extreme Nationalist elements has long been the first needful step to be taken by Hungary, and it is at least a hopeful sign that the possibility of its being taken is already seriously discussed."

### FINANCE

#### APPORTIONMENT OF THE RAILWAY LOAN OF THE EMPIRE.

The Reparations Commission has apportioned the railway debt of the former Austrian Empire, among the Succession States as follows:—3% Debentures (in francs): Czecho-Slovakia 62.8%, Rumania 11.8%, Hungary 11.6%, Austria 10.5%, Yugo-Slavia 3.1%; 4% Debentures in marks (1883 issue): Czecho-Slovakia 80%, Austria 20%; 4% Debentures, francs and marks (1900 issue): Czecho-Slovakia 80.4%, Austria 19.6. (*Gazette de Prague*.)

#### AUSTRIA: DEPOSITS WITH THE VIENNA BANKS.

Deposits in the Vienna banks in January show an increase compared with December of 35.7 milliard kronen. The largest increase was shown by the first Austrian Savings Bank with 6.6 milliards, its deposits having risen from 13.2 milliards on Dec. 31 to 19.8 milliards on Jan. 31. This is followed by the Central-bank of the German Savings Banks with an increase of 4.7 milliards, the Zentral Europäische Länder Bank with 4.3 milliards, the Bankverein, the Depositenbank, and the Verkehrs Bank with over 3 milliards each, the Anglo-Austrian Bank with 2.4 milliards, the Merkurbank with 0.8, the Niederosterreichische Eskomptegesellschaft with 0.6, the Neue Wiener Sparkasse with 0.5, the Postsparkasseamt with 0.5, and the Union Bank with 0.3. (*Berichte aus den neuen Staaten*.)

#### THE HUNGARIAN BUDGET.

Our Budapest correspondent supplies us with the following particulars of the Budget estimates for 1922-23.

The estimates for the financial year 1922-23 provide for Revenue of Kr.152.8 milliards, expenditure of 193.4 milliards, leaving a deficit of 40.6 milliards as compared with 11.5 milliards for the year 1921-22. Three-eighths of the deficit are attributable to the departmental estimates and five-eighths to State undertakings. This increase of the deficit is regarded by the Minister not as actual but as based on the exchange, the quotation of the Hungarian krone in Zurich being 0.23 as compared with 0.84 last year. This difference is proportionate to the difference in the amount of the deficit. There remains, therefore, no other means of meeting current necessities than inflation. The most productive sources of revenue, the turnover tax and duties on articles of consumption yield Kr.44.8 milliards, which fall almost entirely upon the population of the towns. Of the direct taxes the Land Tax is estimated at Kr.10, Income Tax at Kr.8, and Customs duties at Kr.9.7 milliards.



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### Central Europe

Of revenue the interest on and expenses of the public debt require 25 milliards finally and 11 milliards provisionally. The apportionment of the State debt of the former monarchy has not yet been completed. Calculated at the present rates of exchange, the interest on Hungary's pre-war debts amounts to Kr.3,555 mill., and on those contracted since the outbreak of hostilities to 61.2 milliards, expenditure on State railways to 26.2 milliards, and the debit on foreign trade to 224 mill. (gold), as against 36 in 1913. The part payment of State officials in kind (a form of payment unique in the world) absorbs 36 milliards (the pay of civil servants before the war was 2 milliards). In this payment in kind 203,000 heads of families and 747,000 persons in all participate, and however laudable may be the attempt to save the middle class from ruin, yet it is an intolerable burden to maintain every eleventh person in the State out of the public funds. Recently the Government officials have claimed a further increase in pay of 66.7% (20 milliards of fresh expenditure). An inadequate commencement has been made in the indispensable reduction of the staff of civil servants by the dismissal of 12,000 officials, of whom 6,400 were reinstated, in submission to public clamour. The number of Hungary's civil servants is sufficient to govern a world empire. The depreciation of the currency can be illustrated by the following examples: the Regent's civil list has had to be raised from Kr.2 to 12 mill., the expenditure on his office from Kr.32 to 201 mill., the cost of the National Assembly from Kr.18.6 to 108.1 mill., pensions from Kr.160.3 to 1,870.7 mill., and the cost of the inter-allied commission from Kr.30 to 850 mill. For reparations expenditure (the delivery of live stock and coal), Kr.4.5 milliards are provided. It should be noted that the war profits tax has fallen from Kr.900 to 400 mill. Expenditure on the Post Office

and Railways is estimated at Kr.55.5 milliards as against 6.4, an increase for which no one can account. Even the Finance Minister, who is a practical politician, does not dream of increasing the already intolerable burden of taxation.

### HUNGARY'S NOTE CIRCULATION.

Our Budapest correspondent informs us that during 1922 the State note circulation increased from Kr.25,174,941,187 on Jan. 1 to Kr.75,886,987,171 on Dec. 31 (paper). With the increase of the notes their value declined by 20.6%. Securities quoted on the Budapest Bourse had a total value of 42 milliards at the beginning and of 368 milliards at the end of the year, quotations having increased by 463.3% during the year and by 57.6% in December alone. The lowest rise is shown by Bank and Savings Bank stocks (297.1% and 176.3% respectively), and the highest by iron, steel and engineering companies' stocks 941.3%, mines and brickworks 748.8%.

### HUNGARY'S FOREIGN DEBT.

According to the estimate of the Hungarian Finance Minister, the total debt owed by Hungary to allied countries, comprising the national debt, the Budapest municipal loan, and debts due from financial, commercial and industrial establishments and private persons, amounts in all to Kr.170 milliards. (*Gazette de Prague.*)

### CZECHO-SLOVAK CAPITAL IN GERMAN INDUSTRIES.

The Berlin *Vossische Zeitung* states that the participation of Czecho-Slovak capital in the industries of Saxony is steadily growing. The paper gives several concrete examples, including shipping, engineering, electricity and glass interests. (*Gazette de Prague.*)

### POLAND'S FINANCES.

A reform of the State finances, announces a Warsaw message, is about to be undertaken. Under the proposed scheme of reform, revenue will be raised to meet expenditure. The estimates will be divided into administrative estimates and estimates of monopolies, which will be in turn subdivided into ordinary and special estimates with the object of anticipating a decline of revenue—owing to depreciation of the currency.

Pending the restoration of the exchange to normal conditions, a stable standard will be created; the railways will be managed on business lines; local railways will be leased, and the construction of new lines will be entrusted to private contractors.

Should it be impossible to raise a loan forthwith the number of diplomatic representatives abroad will be reduced. Direct and indirect taxes will be raised to the pre-war amount. The deficit of the ordinary departmental estimates will be met by a levy on capital. Deficits in the special departmental estimates and in the working of monopolies and state enterprises will be met by loans external and internal.

The report of the Budget and Finance Commission supplies the following figures for the National Debt on Jan. 1, 1923 (in millions of Polish marks):—State debt to the Issue Bank 675,600; 5% "Assignats," 1918, 106.7; 5% short-dated loan 1920, 2,129.3; 4% Premium 1920, 4,903.1; Treasury Bonds 47,270; Total 741,896.6. In the payment of the levy on capital, bonds of the short-dated loan 1920 were used to the value of 4,500 mill., so that there remains 737,396.6, making together with the gold loan of 1922 of 23,200 a total indebtedness of 760,596.6, equivalent if converted into Swiss francs to Fr.223.7 mill., about 8.2 francs per head of the population.

The foreign debt on Jan. 1, 1923, was divided among the various lending countries in the following proportions (reckoned in millions of Swiss francs.): United States 984, France 356.3, Italy 20.2, Holland 29.7,



Norway 16.3, Denmark 0.3, Sweden 1.3, Switzerland 0.07. According to Geneva quotations on Jan. 2, 1923, the total foreign debt amounts to 1,519.5 Swiss francs, or Fr.34.3 per head of the population. The total indebtedness of 65.2 Swiss francs per head of the population compares favourably with that of France which is 3,353 per head. (*Berichte aus den neuen Staaten.*)

## TRADE

### REVISION OF THE FRANCO-CZECHO-SLOVAK COMMERCIAL TREATY.

Negotiations for a revision of the Commercial Treaty with France, which had been broached as early as February 1922, enter their final stage in Paris this month. The preliminary negotiations have already been concluded. The existing convention expires on May 2, having been denounced. The Commercial Treaty with France, which was concluded on Nov. 4, 1920, for the period of one year, was subsequently prolonged automatically every six months. The term of annulment for the second period (after the conclusion of the first year) was fixed at three months before the expiration of each half-year. The revision of the convention has been the subject of negotiation between the two countries for some time. The Czecho-Slovak proposals have already been submitted to the French Government, and there is every reason to believe that the French negotiators will soon lay down their counter-proposals. It would appear that this is the reason why the French Government has decided to negotiate on a new basis, and has consequently denounced the existing Treaty.

### PATENTS REGISTERED IN CZECHO-SLOVAKIA.

At the end of 1922 there were 8,077 registered patents in Czecho-Slovakia. The owners of these patents were domiciled as follows: 2,032 in Czecho-Slovakia, 4,166 in Germany, 1,529 in Austria, 451 in the United States, 334 in Switzerland, 280 in France, 205 in Great Britain. In 1922 applications to the number of 5,431 were made for new patents, but only one has so far been granted. (*Gazette de Prague.*)

## INDUSTRIES

### THE FISCAL BURDEN ON AUSTRIAN INDUSTRY.

The technical review, *Industrie*, supplies the following particulars of the taxes borne by Austrian industry, which is thereby seriously hampered in competing with its foreign rivals:—

1. *Special profits tax.*—All joint stock companies are subject to the special profits tax under the personal Tax Act, and now since the beginning of the year all private firms with restricted liability are also so subject. The rate of the tax is at present about 50% of net profits, which additional charges, including turnover, dues for the Chamber of Commerce, etc., bring up to 67%.

2. *General profits tax.*—All private firms and businesses not being joint stock companies or firms with restricted liability, are liable to the general profit tax, the rate of which must not exceed 5% of net profits. In addition are imposed for 1922 local taxes amounting in Vienna alone to 1,753%, in Lower Austria 2,000%, etc. The profits tax is generally based on the net profits of the preceding year, but in the case of firms with restricted liability with a capital of not exceeding Kr.1 mill., of inheritance or of changes in the composition of the firm, a new assessment is made on the basis of profits for the current year. Moreover, actual outgoings such as the interest on capital, etc., may not be deducted from profits.

3. *Income tax.*—The maximum rate of tax is at present 60% of income, a rate which last year was slightly modified, but chiefly in the case of small

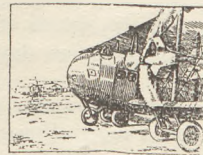
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incomes, wages, salaries and the like. A shareholder's income is paid twice, by the company and by the individual. In addition, a percentage duty, usually 40%, is payable on the remuneration of directors and managers, although profits tax has already been paid on the whole remuneration before deducting this percentage. Profits distributed by way of bonus pay a duty in all of 89-91%, although last year the special profits tax was exempted from all additions. In general profits from industrial undertakings, are burdened with a tax of from 48% to 70% in all.

As regards joint stock companies, taxation may be calculated as follows: Special profits tax 70%, income tax on dividends reduced by this amount 40-50%, in all 80% to 85%. In pre-war days private firms paid profits tax with additions 3%, income tax 5%, total 8%.

4. *Levy on capital.*—This tax attains in some cases 60%.

5. *Indirect duties.*—Among these are the banking turnover tax of  $\frac{1}{4}$ % on every transaction, the valuta turnover tax of 4%, payable on every dealing in the exchange, and the tax on sales of goods at present 1%, to be raised next year to 2%.

6. *Local taxes.*—The Federal States and municipalities impose even heavier burdens on industry than does the State. These taxes were only introduced after the war. The wages and provident tax amounts to 4%. In several Federal States a second duty on production is imposed as well as duties on the use of electricity and gas. In Lower Austria this duty is as much as 35% of the price of the electric current. Recently all the Federal States have introduced a tax on buildings which in the case of factory buildings is equivalent to an additional tax on production, since factories as such contribute in no way to profits and possess no rental value. (*Berichte aus den neuen Staaten.*)



## Central Europe

### REVIVING INDUSTRIAL CONDITIONS IN CZECHO-SLOVAKIA.

There are further indications that the industrial crisis under which the country has been labouring since the early Autumn is on the decline. In the next few days the Prague Iron Company is to set an additional blast furnace going at Kladno, while the Skoda Engineering Works at Pilsen have received considerable orders from England, Italy, Switzerland, and Denmark. In the textile trade a number of mills in various parts of the country are taking on again, in whole or in part, the hands who have been out of work for some months. The Czecho-Slovak Collieries, too, are in receipt of improved orders both domestic and foreign.

An indication of this improvement is probably to be seen in the fact that the shares of the Prague Iron Works have, during the last few days, risen by some Kr. 200.

The drinking glass industry is also beginning to show signs of revival. The *Prager Presse* announces that so far 46% of its factories, employing 12,800 workmen have resumed work and that 5 new undertakings have been founded. (*Gazette de Prague*, Feb. 10.)

In the *Prager Tagblatt*, Dr. K. Uhlig, the economic expert, says that the industrial crisis in Czecho-Slovakia is practically at an end. "Throughout the whole period of the crisis," he writes, "the export trade has on the whole been maintained and has not suffered, and we can look forward to a speedy recovery which, in the next few months, may culminate in quite a boom." He shows that a feature of the crisis has been an increase in the value of exports and a decrease in imports—a proof that it is the home consumers and not the foreign markets that temporarily stopped purchasing. Dr. Uhlig gives a comparison of the trade balance for various periods since 1921, and by expressing the values in terms of dollars, shows how, in consequence of the appreciation of the Czecho-Slovak krone, an extraordinary growth in the excess of exports over imports has taken place. The figures in millions of dollars are: 1921, exports 28, imports 23; 1922, first half-year exports 28, imports 21; end of October 1922 33 and 20; end of November, 40 and 14. It will thus be seen that the credit trade balance advanced from the equivalent of \$5 mill. in 1921 to 26 mill. at the end of Nov. 1922.

### IRON, STEEL AND ENGINEERING IN CZECHO-SLOVAKIA.

The *Narodni Listy*, reports a further improvement in the prospects of the iron, steel and engineering industry. There is an increased demand, and the Czecho-Slovak exporter will soon be able to gain orders from abroad. Considerable oversea orders have already been received. On the other hand, the quality of the German iron has deteriorated, while prices have risen, so that German competition is no longer so serious as during the last few months.

### RENEWED DEMAND FOR CZECHO-SLOVAK COAL.

The *Narodni Listy* writes: "Last year there was a whole series of coal strikes in this country—mainly due to the absolute stagnation in the demand for coal and coke, the prices of which were higher than those of English coal. There was nothing to be done but to reduce working expenses. This has been done, and in conjunction with events in Germany, has brought about a complete change in the situation. Freight tariffs having also been reduced, Czecho-Slovak coal has become cheaper for Austria, Hungary and even Germany, than is Upper Silesian coal." The *Prager Presse* reports that all stocks of coke at Ostrava—the main coke-producing district in this country—are sold out and orders are coming in too fast to be met. The demand for coal too, is such that, to meet foreign and domestic demands, the present stocks will not suffice.

## AGRICULTURE

### THE CZECHO-SLOVAK HARVEST IN 1922.

The following final figures of the yield from various crops in Czecho-Slovakia in 1922, as compared with the previous year, have just been published by the Statistical Bureau (the figures represent 1,000 tons, those for 1921 being given in brackets): winter wheat, 467 (592); winter rye, 1,015 (1,081); spring barley, 548 (606); poppy seed, 4 (4); hops, 5 (2); potatoes, 6,046 (2,724); sugar beets, 4,428 (3,548). (*Gazette de Prague*.)

## SOCIAL AND LABOUR CONDITIONS

### COST OF LIVING.

AUSTRIA.—According to the report of the statistical office for January and February, the cost of living has shown an upward tendency during those two months, especially in the prices of meat, sugar and coal, a state of affairs in conflict with the present economic situation. The weekly expenditure of a grown man was (in kronen): January 1921, 1,664; January 1923, 291,639; February 1923, 297,043. If the index number for January 1921 is taken at 100, the index number for January 1923 is 17,526 and for February 17,851. The Statistical Office, on information furnished by the Joint Commission, places the index number for January at +1 and for February at +2. Taking the index number for July 1914, as 1, the numbers in January and February 1923, are as follows: food, January 10,717, February 10,784; clothing, January 14,821, February 15,093; dwelling, January 166, February 346; heat and light January 14,180, February 14,527; general, January 9,454, February 9,601. The variations in the index numbers, compared with the previous month, during the last 6 months are as follows: Aug.-September +91; September-October —8; October-November —6; November-December —3; December-January +1; January-February +2. (*Neue Freie Presse*.)

CZECHO-SLOVAKIA.—The index numbers of wholesale prices for the past month show an increase from 1,003 on Jan. 1 to 1,019 on Feb. 1, which represents an all-round rise of 2½%. Imported commodities rose by 2.8%, while home wares increased to a slightly less extent, i.e. 2.2%. Textile raw materials and semi-manufactures rose by 5.2%, hides by 35%, leather by 7.2%, coffee by 6.4%, tea by 3.8%, and sugar by about 7%. Among cheaper items were beer, wine, salt and malt. It is often asserted that Czecho-Slovakia is the dearest country in Europe. This is certainly not so in respect of foodstuffs. A list of English retail food prices recently sent to the Prague *Narodni Listy* by its London correspondent shows that in most cases Czecho-Slovakia is cheaper than England. Butchers' meat, potatoes, butter, eggs, bread and sugar are considerably lower in Czecho-Slovakia. On the other hand, tea, coffee, cheese and game are cheaper in England. The comparison is made on the basis of Kr.160 to the pound sterling. (*Gazette de Prague*.)

### THE POPULATION OF CZECHO-SLOVAKIA.

The Official Statistical Bureau publishes the final figures of the census taken on Feb. 15, 1921. The total population of the Republic is 13,611,348, made up as follows: Czecho-Slovaks 8,760,957, Germans 3,123,448, Magyars (Hungarians) 747,996, Russianians 461,465, Jews 180,535, Poles 75,852, other Czecho-Slovak subjects 23,052, aliens 238,943. (*Gazette de Prague*.)

### STRIKES IN CZECHO-SLOVAKIA.

In November, 23 strikes and lock-outs took place, compared with 42 in October. The number of workers



affected was 2,600 as against 6,250 in the preceding month. The loss of working days was 24,000 compared with 77,200 in October and the loss of wage, Kr.640,000 (in October Kr.2,130,000). Two disputes were settled in favour of the workers, 15 in favour of the employers, 6 by mutual concession, while 6 continued on into December. (*Gazette de Prague.*)

## UNEMPLOYMENT IN CZECHO-SLOVAKIA.

According to figures issued by the Ministry of Social Welfare, the number of persons in receipt of unemployment pay in January last was 190,000 (135,000 men and 55,000 women). This is an increase on December 1922 when the unemployed numbered 152,550. (*Gazette de Prague.*)

# NORTHERN EUROPE

## FINANCE

### RUSSIAN BILL ISSUE.

The Soviet Government have empowered the Finance Commission to issue special financial bills for 1,000, 2,500 and 5,000 gold roubles to the total value of 20 mill. gold roubles. They will be three-month bills, and will be repayable in paper roubles according to the official gold rouble rate of the day. After the expiry of the redemption period they will be liable to interest at 6%. (*Ost-Express*, Feb. 26.)

### RUSSIAN EXCHANGE REGULATIONS.

The Soviet Government have published new exchange regulations whereby traffic in foreign notes and currency as well as in gold and silver bullion is permitted. The State Bank only retains a purchase monopoly for Russian gold coinage of the old denomination. The right, granted in July 1922, to State and Co-operative organs to make and receive payment in gold coinage, is withdrawn. Payments in foreign currency media may only be made and received in foreign transactions. Exchange operations may only be conducted on the Bourse or through credit institutions. State and Co-operative organs which are not members of the Stock Exchange may conduct such operations only through the Exchange Committee of the Commissariat for Finance, which will control all exchange operations. State and Co-operative organs must deposit all their foreign currencies in the State Bank or in other banks permitted to conduct exchange transactions; the latter must, for their part, deposit with the State Bank the foreign currencies entrusted to them. Compulsory depositing only applies to private persons and private firms in connection with the currencies accruing to them by reason of export transactions, and in respect of which the State Bank has the first purchase rights.

### THE ESTHONIAN MONEY MARKET.

A report in the *Revaler Bote* of Feb. 22 on the Esthonian money market states that the Esthonian mark, which had stood for some time at about 342 to the \$, showed a distinct improvement during the last fortnight, finishing on Feb. 19 at 338.50. The reason for this is in part that export trade during the winter months exceeded import, and that therefore the supply of bills was greater than the demand. The chief cause, however, for the upward movement, was the situation on the timber market. This was, briefly stated, the following: Prices, which had been firm all the year, rose again lately. The stoppage in the Swedish timber industry, due to the lock-out, naturally caused an increased demand in England. Finland was the chief country to profit by this, and it was this circumstance which brought about an improvement in the Finnish mark recently. It must be noted, however, that London importers showed a great interest in the smaller timber-producing countries, Esthonia for instance. The capital requirements of our timber industries are met by advances from London firms. The foreign currency procured in this manner comes to Esthonia and goes to the forest districts. This is the reason of the present situation on the Esthonian money market.

An extraordinary money shortage exists in both town and country, caused by an ever-increasing crisis in the business world. The demand for credit is so great that it cannot be nearly met by the banks. The firms which did import and export business when the mark was low in value, are now forced to place their foreign currencies on the market. Many firms are in financial difficulties, and if the number of commercial bills offered shows no striking increase, that points to the efforts being made to place these undertakings on a sound footing. The policy of the State Bank should be to collect all superfluous foreign currencies, and at the same time to ease the money market by the issue of new bank notes. The rise in value of the Esthonian mark shows that the anxiety concerning inflation, displayed justifiably when the State was in process of reconstruction, is unjustifiable now, and that, on the contrary, the supply of currency media should be adapted to the actual demand. A cautiously executed policy of this kind might also prevent a further rise in the rate of exchange. Export trade and agriculture, in particular, may find themselves in a difficult position if foreign currencies fall in value. The present circulation of State notes amounts to about 4 milliards of marks. This sum could be decidedly increased with great advantage, provided of course that the new issue was financed by a loan placed in the right quarters.

### ESTHONIAN BANKING.

There were in Esthonia on Jan. 1, 1922, besides the "Eesti" Bank—the State Bank—16 joint-stock banks and 5 banking houses. In the course of the year, 3 new banks were founded. An examination of their total balance sheets on Dec. 1, 1922, showed that the cash in hand and current accounts had risen from Mk.335 mill. to 699 mill.; discounted bills and loans had risen from Mk.2,431 mill. to 5,049 mill. The total capital—original capital plus reserves—rose from Mk.566 mill. to 831 mill. Rediscounted bills and debts to other banks rose from Mk.201 mill. to 345 mill. A noticeable feature was the increase in the amount of protested bills, which rose from about Mk.4 mill. in January to 9,686,000 in November, falling in December to 8,641,000. (*Revaler Bote*, Mar. 7.)

## TRADE

### FINLAND'S FOREIGN TRADE.

The economic progress of Finland during the last year is registered, above all, in her foreign trade statistics. The export surplus of F.Mk.508 mill. with which 1922 closed, was an occurrence never formerly experienced in this country; in 1919 it was import trade which showed a surplus of F.Mk.1,629.5 mill. The 1922 export quantities were 93.4% of those in the normal year 1913, import quantities were 25.6% behind the normal. As regards imports, rye comes at the head, the import of rye meal being negligible. Sugar imports have increased very much. The value of raw material imports was F.Mk.1,271 mill. (834 mill. in 1921), that of manufactured goods F.Mk.801 mill. (681 mill.), proof of the increasing industrial activity of the country. Further proof is afforded by the increasing importation of hard coal and coke and of foundry iron. Cement, on the



## Northern Europe

other hand, is scarcely imported any more, which points to the competition existing among the home industries.— Dealing with exports, the value of timber and paper exports rose to F.Mk.2,292.7 mill., or 51% of the total export values, compared with F.Mk.1,529 mill., or 45% of the total export values in 1921.—The import values were distributed over the various countries as follows (the 1921 figures are in brackets): Germany, F.Mk.1,315.3 mill. (1,206.9); Great Britain, 852.2 (709.0); U.S.A., 609.1 (613.9); Sweden, 247.1 (267.3); Holland, 202.1 (190.2). Export values were distributed as follows (1921 figures in brackets): Great Britain, F.Mk.1,651.1 mill. (1,142.5); France, 458.3 (215.7); Germany, 385.4 (372.2); Holland, 370.2 (272.5); Belgium, 313.0 (187.4). Imports from Russia rose from F.Mk.0.5 to 18.6 mill., exports from 55.5 to 139.2 mill. Imports from Esthonia rose from 28.2 to 55.6 mill., exports to Esthonia from 51.3 to 63.6 mill. The large proportion of Finnish exports accruing to Great Britain is striking. Exports to nearly every country, except Norway, Sweden and Spain, have increased. Germany takes the first place in the import trade with 33% of the total imports; England follows with 22%, and the U.S.A. with 15%. (*Revaler Bote*, Feb. 17.)

### RUSSIAN NAPHTHA EXPORTS.

According to provisional official estimates, the naphtha exports from Soviet Russia in 1922 amounted to 11,856,000 poods, of which 4,815,000 poods were petroleum, 2,873,000 were benzine, 3,099,000 were lubricating oil, and 588,000 were fuel naphtha. England, with 55.7% took most of the exports, Germany came next with 23.8%, Persia next with 8%, France 6%, Turkey 4%, Hungary 2%, Belgium and Latvia, together, 0.5%. The value of the exports—leaving out those to Persia—amounted to 15.1 mill. gold roubles. It is hoped to export naphtha to the value of 22 mill. gold roubles in 1923, although latterly certain difficulties have come in the way of large exports to the West on account of the action taken against the Russian naphtha industry by the Shell and the Standard Oil Company. A new regulation of the naphtha export trade will aim at conducting the trade solely through the State Naphtha Syndicate, which will open head agencies in Berlin and Constantinople, and sub-agencies in thirteen towns in Bulgaria, Persia, Egypt and Turkey. The Syndicate is asking the Commissariat for Foreign Trade for far greater liberty of action, as present regulations greatly impede business. (*Ost-Express*, Mar. 1.)

### RUSSIAN TIMBER EXPORTS.

The *Revaler Bote* (Feb. 27) publishes some interesting facts, by K. Danischewski, concerning Russian timber exports in 1922, from which the following points are extracted:—

Exports during 1922 were fairly satisfactory, and amounted to about 200,000 standards, or 7% of the record export figure of 1913. Comparison with the timber exports of Finland, a country which is developing on sound lines, is of interest. Her 1913 exports amounted to 903,000 standards, the 1921 exports to 640,000, and the 1922 to 847,000. The Russian exports came off the most part—185,000 standards—from the Northern forests; 40,000 standards came from the Petrograd Forestry Trust, and the remaining 5,000 from the Dwino, Sapado, and Karelia districts. The value of the timber exports in 1913 was 163 mill. gold roubles, about 11% of the total Russian exports. The 1922 value was 3.5 mill. £ sterling, or 30 mill. gold roubles. (The percentage of the timber export values to the total trade values is not stated. According to the Commissariat for Foreign Trade, the latter figure was 65.79 mill. gold roubles, and timber export values, although at the head of the list, are given only as 13.3 mill. gold roubles.

Krassin spoke of export values amounting to 200 mill. gold roubles in 1922).

The greatest difficulties in connection with the export of the timber consisted in the tonnage shortage and the lack of markets. The English market was really the only one which came into consideration, as the attitude of Belgium, Holland and France was still very distrustful. It was with great difficulty that a very little business was done with France. It was impossible to charter shipping until after the concluding of contracts, but in the autumn freighting was not costing more than from 65 to 100 shillings. Considerable legal difficulties were experienced. Everywhere doubts were raised concerning legal ownership on the Russian side. Several consignments were held up, but were released later. Still worse was the quite justifiable mistrust regarding the quality of the timber, for it was found necessary to export chiefly old material, which was often spoilt. The quality of the timber was often only ascertained at the time of shipment. Deductions in respect of old sawn timber ran as high as £2 per standard. Deductions on newly-sawn goods from old timber did not exceed from 3 to 8 shillings. The packing was often bad and the goods worthless. New material will be placed on the market in 1923. The Timber Trusts have decided to work under the discretion of the Central Timber Export Bureau, and its foreign departments in London, Berlin and Riga, and it is hoped thus to avoid the errors of 1922. The French, Dutch and German markets are now becoming available.

### RUSSIAN METAL EXPORT PROHIBITION.

The Russian Government Department concerned with the metal industry has received instructions to give primary attention to the supply of metals for home use. The export is permitted only of metal supplies already waiting at the ports, and of a number of old ships. Industrial scrap iron and waste may not be exported from the works. The export of rails, axles, spokes and locomotives is also prohibited. Metals other than iron, and their waste, may not be exported, with the exception of antimony up to 100,000 poods, in exchange for foreign lead. The Petrograd State Trade Department has received permission to export 200,000 poods of scrap iron in exchange for coal. (*Ost-Express*.)

### LITHUANIAN EXPORT MODIFICATIONS.

The unrestricted export from Lithuania of agricultural products and timber is now permitted. Exception is made in the case of flax, for which an export permit is necessary, and for fuel, the export of which is prohibited. (*Ost-Express*, Feb. 22.)

## INDUSTRY

### UKRAINE TRACTOR FACTORY.

The Ukraine Economic Council have decided to start the manufacture of agricultural tractors in the Ukraine. Output is to begin in the Kharkov Locomotive Construction Works, where costs will not be very high. Application has been made to the Labour and Defence Council for a non-interest-bearing loan of 3,106,000 gold roubles to equip the Ukraine works for the production of tractors. (*Weg zum Osten*, Feb. 2.)

## COMMUNICATIONS

### STATE OF VOLGA SHIPPING.

A report from Moscow to the *Ost-Express* announces the conversion of the Volga shipping administration into an autonomous State shipping concern, in which the naphtha transport ships will form a separate unit. According to official accounts the Volga shipping is in a disastrous state. Of the existing 1,492 steamboats and 1,838 sailing boats and tugs, most of which are wooden ones, 1,048 steamers and 1,780 sailing boats were in need of repair, but up to the middle of January, only 20 and



15% respectively were finished. Some of the work had had to be completely stopped for lack of money and timber. Only 7% of the required credits were forthcoming from the Government.

## SOCIAL AND LABOUR CONDITIONS

### WAGE SYSTEM IN RUSSIA.

The official regulation of wages in Soviet Russia is at present limited to fixing a monthly wage minimum for labour and a salary maximum for officials in charge. This is effected by a committee consisting of equal numbers of State officials and Trade Union representatives. Its practical significance is very slight, as the fixing of wages by collective bargaining has been gaining more and more ground during the last few months. This movement, which has resulted in greatly improved wage conditions, began in February 1922, and had, by the end of the year, made such progress that in Petrograd it was practically general as regards workers and employees alike. Continual conflicts are arising between the Trade Union organisations and the administrations of the State undertakings and Trusts. The latter take the standpoint that wages must be adapted to the financial state of the undertaking, and that indiscriminate wage raising impedes production. The Unions demand higher wages and other means of cheapening production. The State industries demand participation in the vital questions regarding labour, in order, so say their representatives, to correct the mistakes of the Labour Commissariat and the Unions from the standpoint of production.

A comparison of the wage obtaining in the autumn of 1922 with the pre-war wage, in certain specified industries is interesting. This wage is expressed in the following table in pre-war roubles and is a combination of money wage and payment in kind:—

	All Russia.			Moscow.			Petrograd.		
	Average 1913.	Jan. 1922.	Aug. 1922.	Average 1913.	Jan. 1922.	Aug. 1922.	Average 1913.	Jan. 1922.	Aug. 1922.
All industries	22	5.77	9.55	25	8.77	14.37	32.0	6.67	14.27
Metal industry	33	5.93	9.90	33	8.90	15.02	45.0	6.69	13.67
Textile industry	18	4.32	6.52	22	9.40	11.42	22.5	4.79	11.88
Chemical industry	20	—	—	23	7.53	17.10	28.8	7.61	19.76
Bookprinting industry	22	—	—	32	8.05	13.43	34.6	8.02	11.47
Food industry	15	—	—	21	11.72	23.20	22.3	5.75	12.82

The monthly cost of living figure (without rent, clothing, etc.) for an adult male worker was estimated at 10 pre-war roubles for the two capitals, and at R.7.36 for the whole of Russia. The average wage (22), therefore, amounted in 1913 to almost three times the cost of living figure, but in the autumn of 1922 to only one or one-and-a-half times that figure. As a whole the wage in January 1922 amounted to 26%, in June 1922 to 35%, and in August 1922 to 43% of the pre-war wage. Only in a few exceptionally flourishing industries, which found good markets, the Moscow and Petrograd chemical industries for instance, did wages approach the pre-war standard. The incomplete statistics for September and October of last year show that, owing to the rise of 89% in the cost of living, wage values have, except in a very few industries, such as the metal working industry, fallen below the August standard. On the whole the heavy industries, working for the State, drew greatly inferior wages to the light industries, not working for it. Even worse was the position of the transport workers and the postal and telegraphic employees and Soviet officials. The average monthly salary of a Soviet Government employee from April to September was R.8.66 (pre-war roubles) or 117.6% of the cost of living figure. The industrial workers' wage exceeded this by about

40% at first, but finally by only 15%. The higher Government officials were even worse off; the April wage amounted to 109% of the cost of living, the July wage to 73%. A medium grade transport worker was receiving in December only about R.4 (pre-war), a metal worker in the provinces about R.10, and a textile worker about R.15. The transport workers apparently remedied the deficit in their budget by helping themselves to State property!

Irregularity and delay in the payment of wages is quite a general occurrence, especially in undertakings chiefly dependent on the State as a purchaser, and in transport undertakings. Complaints to this effect are frequent in the Press. When the industrial Budget for the first quarter of 1922-23 was drawn up, R.9.8 milliard (1922 value) were demanded for the payment of debts to workers alone.

During the first four months of 1922, the wage in kind in the shape of food and other necessities formed a large proportion of the total wage throughout Russia, and especially in the provinces. This altered in May when prices became relatively stable. Whereas, in January, 1922, the money wage in Moscow amounted to 40% of the total wage, it was 80% in August; the respective provincial figures were 15 and 60. Even in 1922, the total wage was occasionally paid in kind, in textile goods or naphtha products, partly owing to the acute money shortage. In January between 8 and 12% of the workers received their wages in money alone, in August this applied to between 30 and 33%. The Government recently introduced a special tax in addition to income tax, on wages and salaries which exceeded the official maxima. The surplus above the fixed maximum is taxable on a progressive scale, viz., 6% on R.500, 10% on R.2,500, 33% on R.5,000 [1923 value, i.e. R.1. (1923) = R.1 (old value)]. (*Ost-Express*, Feb. 23.)

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## SPECIAL ARTICLES

### VITAL STATISTICS IN GERMANY

According to information published in *Wirtschaft und Statistik*, 284,774 living births were registered in 1922 in the 46 German towns with over 100,000 inhabitants, viz. 17.3 per 1,000 of the population, since the total population for 1922 of these towns may be estimated at 16,432,000. This figure is—apart from the war period—the lowest yet experienced. In comparison with 1921, when the births amounted to 20.1 of the total population, the decrease is 2.8% for every 1,000 inhabitants, or 13.9% of the 1921 birth figures.

During the same period, 219,680 deaths, or 13.4% of the population, were recorded. If the 13,916 foreigners who died in Germany be deducted from this reckoning, the result is 12.6% of the total population. This figure is 1.1% higher than that of 1921, which was 11.5%. The increase is due to the influenza epidemic early in the year, for it is in the first half of 1922 that the death rate was so much greater than in the same period of 1921, whereas the second half-year's figure was much lower, and is the smallest recorded for some time. As regards infant mortality, 36,666 children under one year of age died in 1922, viz. 129 to every 1,000 living births registered, the figure for 1921 being 122 per 1,000.

No decision can as yet be made with regard to the vital question whether, on account of the greatly increased cost of living in 1922, deaths from tuberculosis have increased. The difference between the 1922 and 1921 figures is not great; it was only 0.10%, having increased from 1.49 per 1,000 inhabitants to 1.59. Possibly on account of the mild winter of 1921 many tubercular persons who were on the point of death, survived until the long winter of 1921-22, and therefore the increase of mortality is only due to an increase in fatal cases, but not to an increase of morbidity. Deaths from inflammation of the lungs were 1.34 to every 1,000 inhabitants, or 0.24 higher than in 1921. Deaths from other diseases of the respiratory organs were only 0.54 per 1,000 greater than in 1921. Deaths from scarlet fever and measles were about the same as in 1921, viz. 0.02 and 0.06, from diphtheria 0.06, from whooping cough 0.09. Deaths from puerperal fever, which rose so alarmingly during the war, seem on the down grade, and amounted to only 3.9 per 1,000 births compared with 4.3 in 1921.

The pessimistic views concerning the health of Germany adopted by leading German physicians and hygienists at an important recent medical conference in Berlin, reported by the *Frankfurter Zeitung*, place in a very different light the slight deterioration in the public health gaugeable from the above official statistics. Attention was drawn by Professor His to the poor harvest yields in 1922, the effect of fodder shortage and the reparation deliveries on the cattle stocks, and the consequent effect on the standard of living of the population. The results were most clearly shown, he stated, in connection with milk statistics. In 1913 a cow was estimated to give from 2,200 to 2,450 litres of milk; it now gave 1,500 litres at most. The total German milk supply in 1913 was estimated at 26 milliard litres; by 1920 it had sunk to 10 milliard, and was now much lower. It could be shown that in 1913 the milk supply per head of the population was 133 litres, and in 1921

only 85 litres, a decrease of 64%. In reality the decrease was far greater, for the fat content of the milk was now far smaller, and it paid much better to use the milk for butter making or rearing young cattle than to sell it for drinking. In peace-time Berlin received about 1.2 mill. lit. of milk daily, and required about 600,000 lit. of this for feeding children, nursing mothers and invalids. Present imports into Berlin amounted to about 400,000 lit., but of this quantity only about two-thirds was disposed of. And why was this? Simply because the people were unable to pay the price demanded. From Mk.6.20 in November 1921, the price had risen in November 1922 to Mk.170. A workman with three children, who wanted 1½ lit. a day, had to spend 20 or 30% of his income on this small part of his food alone. Most of the people found it impossible to pay for milk. This did not apply solely to Berlin or to the large towns, but to quite small towns as well, even to villages. Everywhere children were found who did not receive a drop of milk. What this signified need not be emphasised. The situation as regards fats was even worse. Even in peace-time the county could not produce its entire fat supply, and of 22 kg. of fat required per head of the population, 6.12 kg. had to be imported. The home production of fats was now 43% lower, and 11.36 kg. per head would have to be imported to meet requirements. In peace-time, 54,660 more tons of butter were imported than exported. To-day, on account of the price, scarcely any was imported. Similar conditions applied to lard. About 70% of the margarine factories were in foreign hands, and about 95% of the fats for making it came from abroad. As the mark sank in value, so the price of margarine rose. To-day, many families found it difficult to afford any. Cheese, formerly a cheap popular food, was now an article of luxury. So were eggs. "This," said Professor His, "is a picture of the food situation to-day. We can only think with horror of what it will be by the spring. Starvation is already with us. Results are not yet visible in the statistics. Starvation is an insidious murderer. It does not kill at one blow, but by slow processes."

The speech of Dr. Dippe was even more to the point. "He who only knows the main streets of our large towns," he said, "will shake his head incredulously in reply to the question 'Are the Germans ill?' But these crowds who buy things at the maddest prices, who indulge in pleasures of all kinds, are they the German people? A thousand times no! They are only a thin deceptive layer, thickly interspersed with foreigners wealthy with their millions of marks, who conceal the truth from the fleeting glance. He who treads our quiet side streets, who accompanies us doctors on our daily rounds, will receive a very different impression. He will see a distressed and ailing people, bearing its increasing anxiety and distress with ever-increasing despair and bitterness. Even the air in the houses no longer suffices for the crowds which huddle together for lack of accommodation. Every day cases of sickness, one sadder than the last, come to our notice, and everywhere our hands are tied, we cannot help; we have to do our best with insufficient, often very dubious substitute medicaments. Truly, the German doctor at the bedside of a German patient, is in no enviable position."

Another eminent man, Professor Krautwig, said: "Our people could not have recovered from all the miseries of the war in these few years. Real recovery



has only been visible in small circles which were better placed socially. In 1921 a more general recovery began to be noticeable. Reports from most towns showed that the children were beginning to increase in weight and in height and to regain strength. Less illness was reported, bodily and mental capacity were greater. Now, starvation has slowly crept on us again. If it continues at the same rate as during the last few weeks, its effects will soon be clear to the whole world. It is true that mortality is not yet strikingly higher, and may not be so for some time. We doctors, however, see clearly what is coming. Already the death knell of welfare institutions has sounded. To the terrors of starvation are added the lack of proper care of the sick and feeble. Krohne is right when he imputes the rising death rate to an alarming increase of sickness and death from cold . . . . No power on earth can prevent us doctors from calling on the whole world, on the doctors and philanthropists of all nations, to make a real Peace."

Dr. E. Jüngst, of Essen, writing in *Glückauf* (Mar. 3), thinks that it is not surprising, in view of the food position, that the health of the population has so deteriorated since the middle of 1922. He states that young people, in particular, are affected. Reports from twenty-four Prussian districts show that the under-feeding of infants and school children is often over 50%. About 10% of the children born in 1916-17 cannot go to school. In Cologne this figure is already 19%, and in some Berlin schools 20%. The milk shortage is appalling. Hundreds of thousands of children no longer get a drop of milk. Deaths from tuberculosis during the first few months of 1922 were

considerably higher than in 1921 (*cf.* official statistics). Deaths from cold increased from 22.6 per 10,000 inhabitants in the first quarter of 1921 to 29.9 in the same period of 1922. Most people are too poor to afford doctors. The chemists have no capital. Doctors are often unable to provide the necessary apparatus, etc. The hospitals are in a state of dire necessity and many have been obliged to close. Already 12% of them, including municipal institutions, also 15% of the infant hospitals and 45% of the crèches in Germany are closed.

The worst suffering is among the middle classes, the most valuable and most cultured classes of the nation. These classes, whose existence depends on a certain standard of well-being, cannot, like other classes of the population, supply the deficits in their incomes in any way. They are faced with absolute poverty. They can no longer fulfil their destiny as the representatives of German intellect. Germany is thereby suffering a blow to her very marrow.

In completion of the above, a short report from Essen in the middle of February, on the milk supply, may be of interest. It states that there are in Essen 22,000 children under two years of age, about 45,000 up to six years of age, and 82,000 school children. During February 1923, the milk imports amounted to between 5,800 and 7,000 lit. daily. This means that there was about a quarter of a litre of milk per diem for every child under two years. As a matter of fact, many children get nothing but sugar water. Owing to the traffic disturbances this small supply of milk often arrives sour, and is unusable. January and February are always bad months as regards milk, but the minimum daily milk supply of Essen during the same months of 1922 amounted to 35,000 litres.

## GERMAN SHIPBUILDING STATISTICS

In 1921 and 1922 German shipbuilding made still further progress on the gradual activity acquired after the war. Although a good deal of new shipping had to be surrendered to the Allies, German shipping profited by the remainder and by the repurchase of much of the merchant shipping delivered to the Entente. In 1921 the surplus of world tonnage led to a falling off in the orders placed in Germany by foreign buyers, but in 1922, owing to the fall in the German currency, large orders came in again. In 1921 the private yards had shipping on the stocks for home and foreign orders to the extent of 1.74 mill. g.r.t., almost the same as in 1920; the total tonnage completed in 1921, however, amounted to 451,000 g.r.t., an increase on the 1920 figure of 37.6%. Although the shipping on the stocks in 1922 had decreased by over 14%—it was 1.5 mill. g.r.t.—the total tonnage completed in the year rose to 742,000 g.r.t. In 1921, 1,667 mill. g.r.t. of mercantile marine shipping, or 96% of the total tonnage under construction, was for the account of German shippers. The number of new ships was one-third more than in 1920, but their average tonnage capacity had sunk from 1,960 g.r.t. to 1,535 g.r.t., partly owing to the number of fishing steamers, tugs, motor boats, and other smaller craft turned out. The number as well as the total tonnage of marine shipping in process of construction in 1922 was considerably less than in 1921, chiefly because the reconstruction programmes of the German shipyards were much influenced by the continuous depreciation of the mark and the superfluity of tonnage on the international market. In contra-distinction to the shrinkage in the average tonnage capacity of 1921 compared with 1920, the average tonnage capacity of the shipping under construction and completed for German owners in 1922 was considerably higher, probably because German shipping is now taking a far larger part once more in trans-oceanic trade. Motor boat construction has made great strides; 73,000 g.r.t. were under construction for German owners in 1920, 135,000 g.r.t. in

1921, and 121,000 g.r.t. in 1922. A great improvement was also recorded in 1922 in the progress of inland shipbuilding. The 1921 figure of inland shipping on the stocks was 55 ships of 14,400 g.r.t.; the 1922 figure was 846 ships of 221,650 g.r.t. This great increase is due chiefly to the orders for reparation deliveries to Belgium, Italy, and France. Orders for foreign owners rose from 59,600 g.r.t. in 1921 to 102,500 g.r.t. in 1922, but both the amount and tonnage of the shipping completed for abroad in 1921 and 1922 were far smaller than in 1920. About 40,000 or 50,000 g.r.t. were under construction in foreign yards for German owners in both 1921 and 1922. This refers chiefly to yards in Danzig and Memel, and to orders given when these cities were German; the shipping in question is for surrender to the Entente. (*Wirtschaft und Statistik*, Feb. 20.)

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# 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	358.3		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	
Nov. 5	310.8		July 1	196.4		24	149.7		27	165.9	155.2
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		26	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	16	192.4	
April 1	199.6		Dec. 2	153.6		28	167.3				
8	191.6		9	152.1		Aug. 4	168.1				
15	202.8	204.8	16	153.2	167.9	11	165.9	155.8			
22	194.3		22	150.3		18	164.0				



CHART ILLUSTRATING TABLE I

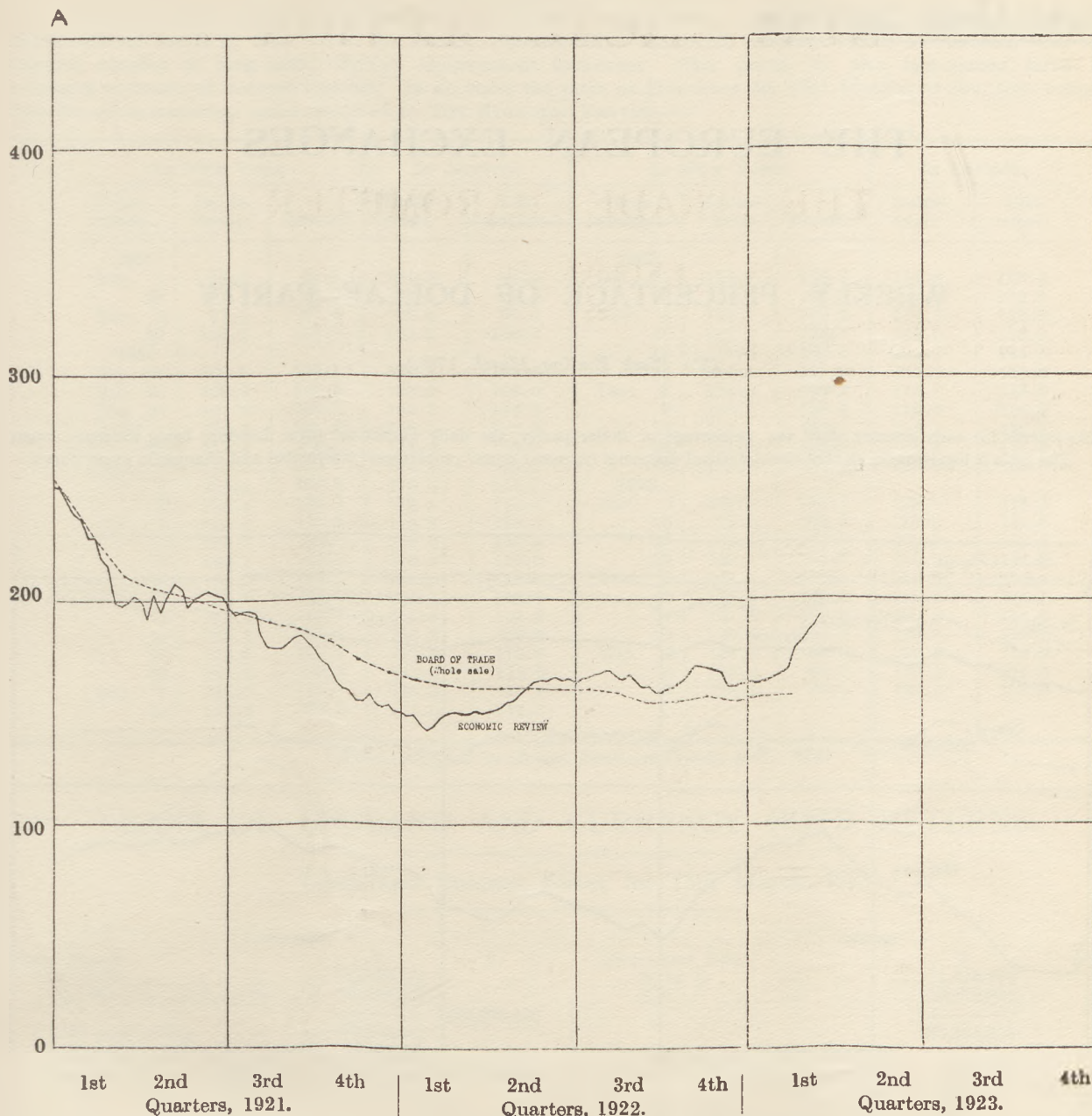


TABLE II.

Date.	Pig iron.	Tin.	Coal.	Linseed Oil.	Cotton.	Wool.	Hides.	Wheat.	Bacon.	Sugar.	Mean.	Date.
Dec. 30, 1921	100	100	100	100	100	100	100	100	100	100	100	Dec. 30, 1921
1922												1922.
Jan. 27 ...	90.6	90.5	92.4	108.8	85.3	100.0	82.6	101.1	94.4	96.1	94.18	... Jan. 27
Feb. 24 ...	101.4	85.3	94.3	136.9	90.0	106.7	76.8	106.4	104.4	94.1	99.77	... Feb. 24
Mar. 31 ...	94.3	84.2	93.4	126.3	90.3	106.7	87.0	116.2	97.1	103.8	99.93	... Mar. 31
Apr. 28 ...	92.9	89.4	89.6	149.1	87.9	106.7	78.3	113.5	115.8	107.7	103.09	... Apr. 28
May 26 ...	90.1	89.2	88.7	155.3	101.1	115.6	89.9	123.8	118.4	107.7	108.88	... May 26
June 30 ...	92.9	90.4	81.1	152.6	111.7	111.1	91.3	117.7	114.4	119.2	108.24	... June 30
July 28 ...	92.9	94.5	97.2	157.9	110.1	111.1	97.1	119.0	116.5	119.2	111.55	... July 28
Sept. 1 ...	92.4	93.8	94.3	121.1	113.9	111.1	92.8	108.9	112.8	148.0	108.91	... Sept. 1
" 29 ...	94.3	95.2	92.9	135.1	105.9	117.8	96.4	82.8	104.0	134.6	105.90	... " 29
Nov. 3 ...	95.5	107.5	100.0	140.3	119.9	133.3	106.5	91.9	104.8	134.6	113.43	... Nov. 3
Dec. 1 ...	95.5	102.6	94.3	136.9	121.5	133.3	107.2	93.9	96.3	134.6	111.61	... Dec. 1
" 29 ...	89.4	106.7	91.5	138.6	126.0	120.0	93.5	90.4	89.7	138.5	108.43	... " 29
1923												1923
Jan. 5 ...	90.1	104.9	91.5	135.1	125.2	122.2	95.7	89.9	89.7	138.5	108.28	... Jan. 5
" 12 ...	90.1	106.5	93.4	133.3	126.4	122.2	93.5	91.7	89.7	138.5	108.52	... " 12
" 19 ...	91.3	106.1	95.3	135.1	132.4	122.2	93.5	91.7	89.7	130.8	108.81	... " 19
" 26 ...	92.4	108.9	100.0	136.9	137.0	122.2	97.1	93.3	83.1	130.8	110.17	... " 26
Feb. 2 ...	96.0	107.8	113.2	138.2	129.2	122.2	95.7	93.3	86.0	130.8	111.28	... Feb. 2
" 9 ...	97.9	109.6	113.2	147.4	130.5	120.0	95.7	91.7	88.2	130.8	112.50	... " 9
" 16 ...	100.5	114.7	105.7	143.9	131.4	120.0	89.1	90.1	89.7	196.2*	118.13	... " 16
" 23 ...	105.2	120.8	113.2	145.6	133.7	120.0	89.1	89.3	84.6	205.8	120.73	... " 23
Mar. 2 ...	108.5	125.4	128.3	147.4	135.1	120.0	92.0	88.6	78.7	207.7	123.17	... Mar. 2
" 9 ...	110.8	130.9	132.1	143.9	139.3	124.4	92.8	89.3	79.4	211.5	125.44	... " 9
" 16 ...	113.2	139.6	141.5	143.9	138.9	124.4	94.2	88.6	84.2	214.4	128.29	... " 16

\*Revised Quotation.



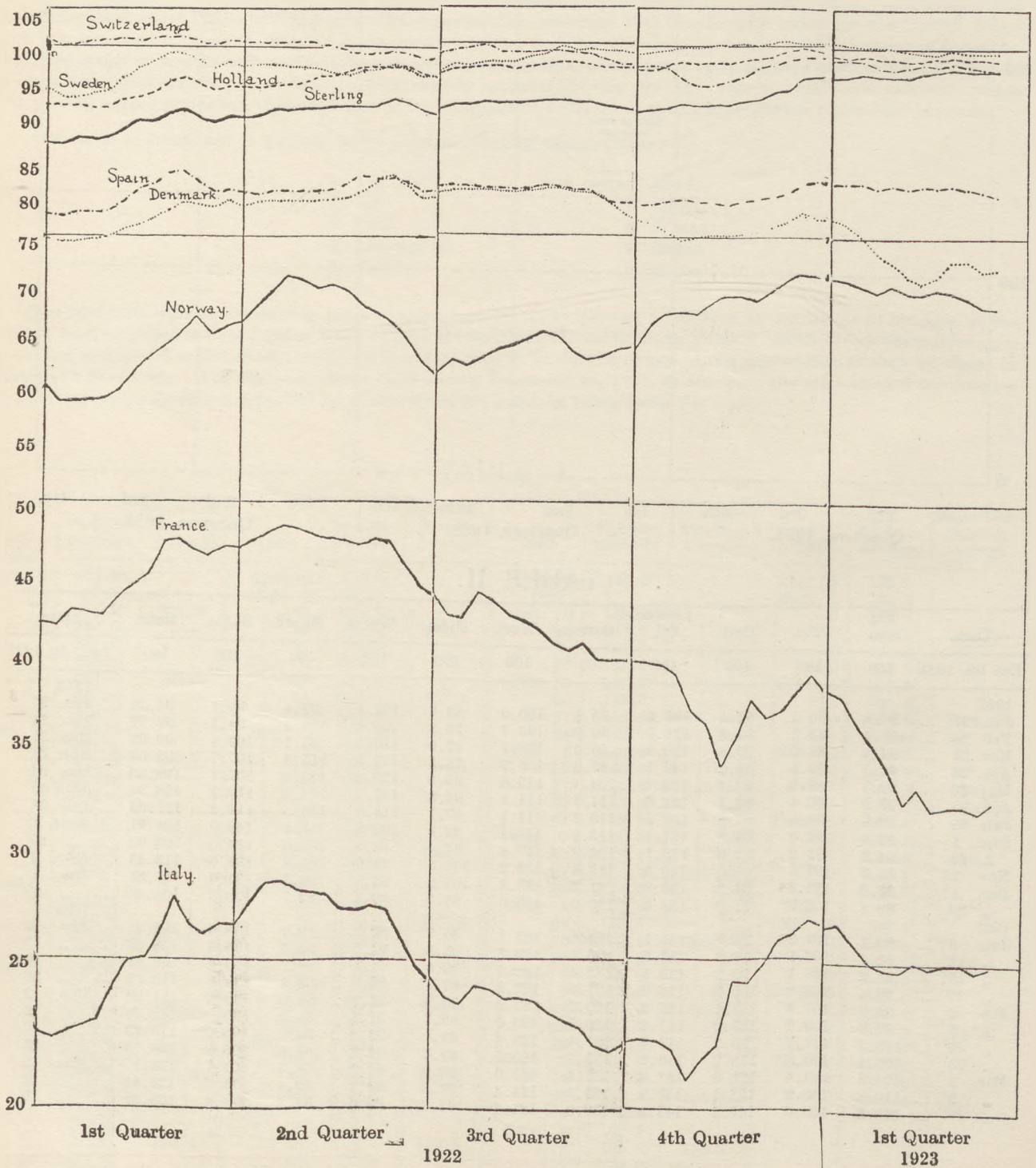
## Statistical Section

### THE EUROPEAN EXCHANGES

#### WEEKLY PERCENTAGE OF DOLLAR PARITY

(To Week Ending March 17th.)

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.
<b>1921</b>					<b>1922</b>				
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
<b>1922</b>					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	<b>1923</b>				
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	123.6	99.8	129.5	116.3
30	121.2	105.8	113.2	112.0	10	123.0	99.5	128.9	116.5
Oct. 7	123.9	106.1	113.3	111.7	17	129.2	98.5	129.3	117.0
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 15th March, 1923.

LIABILITIES.			ASSETS.		
	£	£		£	£
<i>Notes Issued.</i>			<i>Government Debt.</i>		
B. of E. ... ..	145,429,120		B. of E. ... ..	11,015,100	
Less those in C.N. Reserve	22,450,000		C.N. ... ..	236,372,921	
		122,979,120			247,388,021
C.N. outstanding	279,542,240		Less C.N. Investment Reserve		
C.N. called in but not yet cancelled	1,497,483		Account ... ..	11,945,213	235,442,808
		281,039,723	<i>Other Securities.</i>		
			B. of E. ... ..		8,734,900
			<i>Gold Coin and Bullion.</i>		
			B. of E. ... ..	125,679,120	
			C.N. ... ..	27,000,000	
			C.N. Balance at B. of E....	162,015	152,841,135
			<i>Silver Coin</i>		7,000,000
					404,018,843
		404,018,843			404,018,843

### 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. 15 ... ..	123.0	281.0	404.0	152.8	37.8	39.5



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