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## ECONOMIC SURVEY

### FRANCE

#### POLITICAL AND GENERAL

In order to relieve the Minister of Finance of some of his multifarious duties, the office of Under-Secretary of Finance has been created, and M. Aubigny, a member of the Entente Républicaine Démocratique, M. de Lasteyrie's own party, has been appointed to the post. The Under-Secretary's functions, says the *Journée Industrielle*, have not yet been officially defined.

A vigorous campaign is being conducted in rural districts against the introduction of summer time, to such an extent as to render it doubtful whether the Government Bill for the permanent introduction of the system will pass the Chamber. Dwellers in towns are prepared to accept it as a matter of course, seeing that it has been in practice every year since the war. Although the system has proved beneficial and economical in towns, yet as applied of late years to the country it has entailed many disadvantages for certain classes of agriculture. The deputies of the agricultural departments are either vehemently taking part in the campaign, seeking to effect a compromise, or are inclined to submit. The latter, however, even if they privately favour the measure, are not prepared to sacrifice their seats to personal inclination. It seems certain that the question will play a prominent part at the next elections in agricultural districts. It is not a party question, but it affords an opportunity for would-be deputies to oust those now in Parliament, a situation easily calculated to cause politicians to lose their heads.

#### FINANCE

##### THE BUDGET IN THE SENATE.

As already announced (*cf.* THE ECONOMIC REVIEW, Mar. 30), the reporter of the Senate has advised the Commission not to decide upon its attitude on the Budget Bill as sent up from the Chamber before hearing the Minister of Finance. On Mar. 20 both the Premier and Minister of Finance appeared before the Commission.

According to a communication to the Press, M. Poincaré stated that, as the Chamber had rejected all fresh taxation and passed a Bill deciding to make up the deficit of Fr.3,700 mill. by the issue of Treasury Bonds, the Government had confined itself to transmitting to the Senate the Bill as passed by the Chamber. He added that the Government was prepared to co-operate with the Commission in reducing expenditure to the utmost and in applying or adapting fiscal measures in existence to balancing the Budget. He urged the Commission to examine the details of the Budget with all despatch. M. de Lasteyrie, replying to the various technical questions raised by the reporter, expressed the opinion that, in view of the improved yield from taxation, the deficit might be estimated at 2 milliards. After the departure of the Ministers, the Commission decided to postpone its decision as to the course to be pursued. (*Journée Industrielle.*)

##### COMMENT ON THE FINANCIAL SITUATION.

The various stages of the Budget through the Chamber, and the proposals for balancing it at each, have from time to time been recorded in the pages of this review, but it may be of interest to reproduce the comprehensive survey of, and comment on, the financial situation given in the *Revue des Deux Mondes* (Mar. 1) by M. René Pinon, who now writes the fortnightly political survey in that publication in succession to M. Poincaré, who performed that task until he took office at the beginning of last year.

The post-war Budget, writes M. Pinon, is split into two parts, the ordinary Budget comprising all expenditure which normally devolves on the French taxpayer, and the Budget of recoverable expenses properly payable by Germany, hitherto met by loan. In order to make provision for this second part the Government is about to issue 13 milliards of short-dated bonds to replace those issued in 1921 which fall due this year. The ordinary Budget shows a deficit of Fr.3,900 mill., which the Minister of Finance proposed to cover by loan, considering that the economic revival would during the year yield an increase of revenue, provided



## France

that this recovery were not hampered by excessive taxation, and that at the end of the year a small loan would suffice to meet the deficit. This theory, although sharply criticised by the Finance Commission, was finally adopted by the Chamber. But since the end of 1922, owing to the failure of the Paris Conference and to the upheaval caused by the occupation of the Ruhr, the Government has deemed it essential to balance the Budget without having recourse to loan, and with that object introduced a Bill authorising the levy for one year of an addition of 20% on all taxes; that is to say that for each Fr.100 of taxes now paid Fr.120 would be payable. As time pressed, M. de Lasteyrie deemed direct and simple methods best. It was important to balance the Budget, and thus convince friends and foes alike that France was prepared to make every sacrifice to save her credit and restore her finances. The Finance Commission of the Chamber opposed this proposal on the ground that it did not seek out the best and least burdensome sources of revenue, and that it overcharged certain duties (customs and turnover tax) which would thus become prohibitive and kill business. The Commission therefore limited the increased duties to 10% on tobacco and on certain registration duties, giving an estimated increase of Fr.425 mill., and proposed to check the frauds on the revenue practised in declarations for probate and for income tax by the issue of "carnets de coupons" (cf. THE ECONOMIC REVIEW, Mar. 9). This proposal was finally adopted by a majority of four, owing to the persistence of M. Bokanowsk, the reporter to the Commission, but it was vigorously opposed by M. de Lasteyrie and finally rejected by the Chamber, which, through the passing of an amendment by M. Brousse, adopted the Government's original proposal of meeting the deficit by loan (cf. THE ECONOMIC REVIEW, Mar. 23, p. 247).

M. Pinon, thus having reviewed the financial situation up to the date of his article, proceeds to comment on it in the following terms:—

It is absolutely necessary this year, and above all in the succeeding years, to adopt other financial methods. For the past three years, with a revenue of 20 milliards, the State has spent 40 milliards, although with the best of objects, namely, the immediate reconstruction of agricultural, mining and industrial production in the devastated areas, and it was permissible to believe that the payments by Germany at the end of that period would refund this outlay. At present everything is being done to make Germany pay eventually, but meanwhile it will be prudent to regulate expenditure as if Germany were not going to pay. The power to borrow is not inexhaustible, indeed it may be conjectured that the limit is within sight, and were it to be overstepped the Government would be faced with the alternative of suspending payment or of entering on a policy of inflation in which it would be impossible to stop.

It is necessary to achieve a twofold result—to balance the Budget by an increase of revenue, and above all to relieve the State accounts by a reduction of expenses. Such reduction, however, can be applied neither to the national debt, to military expenditure—already greatly reduced—to the inadequate Foreign Affairs grants, nor to those of any other public department. It is therefore necessary to look elsewhere, to examine closely reconstruction expenditure, and to consider the possibility of postponing a large part thereof until payment is made by Germany. However disagreeable such a decision must be, there must be no hesitation in adopting it if it is indispensable. France has already restored 50% of war damage, but at the cost of a depreciation of the currency which is equivalent to a loss of a large part of accumulated wealth. The problem to be solved is whether the advantage of making good immediately all war damages—a most equitable intention—can be placed

in the balance with the maintenance of a sound currency, and sound credit.

There can be no question of delaying the rebuilding of villages nor the completion of factories already half restored. But by confining for 1923 Government expenditure to the restoration of buildings, the burden on the current national accounts would be notably relieved. The Act of 1919 can be revised without serious disadvantage and without injustice. Nobody denies that abuses have taken place, especially as regards the transfer of war damage certificates. It is outrageous that a private person should be able by the purchase of such certificates to build himself a private house, or that a manufacturer who has not suffered war damage should be in a position to increase his buildings or plant by acquiring certificates for compensation intended for the reconstruction of a historical chateau. All payments are not equally urgent; a scale of priority should be drawn up in which account should be taken of the importance of the damage suffered and of the instalments already received. To sum up, the balancing of the 1923 Budget is the least important aspect of the problem which affects the national accounts and the future of the national currency. It is urgently necessary to supply the solution by limiting, for instance, the total expenditure on reconstruction in 1923 to 8 milliards. The present crisis brings home to us the danger of unlimited inflation and of currency depreciation. If the Government comes to a decision in time, it will have the support of the Chamber and the country.

## TRADE

### FOREIGN TRADE.

The following are the official foreign trade figures for January and February, compared with the preceding year:—

	Value (in millions of francs.)		
	Imports.	1922.	Difference in 1923.
Foodstuffs ... ..	1,009.1	730.3	+ 278.7
Industrial material ... ..	2,819.5	2,009.4	+ 810.0
Manufactured goods... ..	658.6	553.0	+ 105.5
	4,487.3	3,292.9	+ 1,194.3
	Exports.		
Foodstuffs ... ..	429.0	290.2	+ 138.8
Industrial material ... ..	1,164.6	750.4	+ 414.1
Manufactured goods... ..	2,180.3	1,895.0	+ 285.2
Postal parcels ... ..	250.7	207.1	+ 43.5
	4,024.7	3,142.9	+ 881.8
	Quantity (in 1,000 tons.)		
	Imports.		
Foodstuffs ... ..	850	612	+ 237
Industrial material ... ..	6,888	6,634	+ 253
Manufactured goods... ..	256	239	+ 17
	7,995	7,485	+ 509
	Exports.		
Foodstuffs ... ..	186	135	+ 51
Industrial material ... ..	3,748	2,641	+ 1,107
Manufactured goods... ..	447	293	+ 154
Postal parcels ... ..	5	4	+ 0.7
Totals ... ..	4,386	3,073	+ 1,313

(Economiste Français, Mar. 24.)

### TRADE IN IRON ORE IN 1922.

The French iron mines showed renewed activity in 1922. Imports show a decline as compared with 1920 and 1921, whereas exports, as compared with 1920, have nearly doubled. The total figures are (in 1,000 tons): Imports, 1922, 375; 1921, 456; 1920, 404. Exports, 1922, 9,472; 1921, 5,298; 1920, 4,840. The chief countries from which imports came in 1922 were



(in 1,000 tons): Luxemburg, 228; Algeria, 80; while exports went mainly to the Saar, 2,688; Belgium, 2,400; Germany, 1,985. (*Information Financière.*)

## INDUSTRY

### THE COAL INDUSTRY IN 1922.

The report read at the general meeting of the Central Committee of the Coal Mines of France by the President, M. Darcy, supplies the following information on the situation of the industry in 1922:—

At the opening of the year, says the report, the depression in the industry was at its height, stocks were gradually accumulating at the pit's mouth, disposal of the daily output was more and more difficult, and foreign competition was exercising acute pressure on a restricted market. Suddenly, in part owing to the coal strike in America, which withdrew 50 mill. t. from the market, besides diverting British coal to America, the situation improved. The return of prosperity, rapid beyond expectation, has coincided with the rise of the £ sterling, checking the purchase of British coal, and the occupation of the Ruhr has temporarily removed German competition. Thus the financial year has concluded in circumstances diametrically opposed to those attending its opening. This sudden revulsion has taught, somewhat roughly, a lesson which should not be disregarded, namely, that the security of the national supply, as well as the relief of a trade balance, still on the debit side, will only be attained in proportion as the results of home production shall remain on the level of the needs of home consumption. The restriction of consumption in 1921, and the consequent glut of the market, leave no room for illusion.

Output during 1922 was satisfactory, having risen from 28.9 mill. t. in the preceding year to 31.9 mill., showing an increase of nearly 3 mill. t. To this increase the mines in the devastated areas contributed about five-sixths, their output having risen from 5.5 to 7.8 mill. t. Nevertheless, output is 22% below that of pre-war times, and 30% below the normal if that of the coalfields of the recovered provinces is added. These figures, therefore, show the task which lies in the future. The economic crisis of 1921 caused a decline of the consumption of home industries to 8.7 mill. t., or 65% of the normal. Henceforth French industry, with certain exceptions, has recovered activity, balance, and in some instances prosperity. The revival of industry is demonstrated by the increased consumption of coal, which during 1922 reached 58 mill. t., Without, however, under-estimating the reality of this progress, it should nevertheless be noted that the consumption is much below the normal standard, which in pre-war days may be estimated at 15 millions for post-war France, that is to say, the old area with the addition of Alsace and Lorraine. In spite of improvement home output only satisfies 55% of home consumption, leaving the balance to be supplied at great expense by imports. These have risen from 17.6 to 22.3 mill. t. of coal; 3.5 to 5.1 mill. t. of coke, and 1.1 to 1.4 mill. of briquettes.

The decline in imports noted in 1921 only appears to have been temporary, and due to a passing restriction of consumption.

*Foreign Coal.*—The import of British coal during the year amounts to 12 mill. t. of coal, and 138,000 t. of briquettes, considerably more than the average annual pre-war import of about 10,000 t. The import of German coal, as compared with 1921, fell from 5.5 mill. t. to 3.7 mill. t., while that of coke rose from 3 mill. to 4.3 mill. The import of Belgian coal also increased, as did that of Saar coal, which is technically foreign, and delivered under the head of Reparations.

*Coke.*—Last year a considerable decline in the output of coke was noted, which fell from 2.9 mill. t. in 1913 to 782,534 in 1920 and 744,756 t. in 1921. The same situation practically continued in 1922, as the French

iron and steel trade, whose needs were reduced owing to the economic crisis, was able to cover them by the delivery of 4.3 mill. t. by Germany, an increase of 1.2 mill. t., on the figures of the preceding year, and the receipt of 497,000 t. from Belgium, as compared with 72,000 t. in the preceding year.

*Cost Price.*—The steady decline of British coal prices forced French coal owners to undertake the difficult task of reducing expenditure. This reduction had to be applied in the main to wages, which constituted two-thirds of the cost of production. One by one the owners induced the men to grasp the situation, with the result that the consequent reduction of wages enabled prices to be cut. The year 1922, which opened with a reduction of wages in the Nord and Pas-de-Calais field, confirmed and stabilised lower prices. The coal owners did not take advantage of renewed activity and the easy disposal of their stocks to raise prices, a moderation for which the consumer and the general public should be grateful. Prices at the pit's mouth were on an average 30% lower than in 1920. This double reduction of cost and sale price might have been consolidated, and perhaps extended, if on the one hand the cost of living had taken the downward turn which had been anticipated, and if on the other external events had not disturbed the normal working of the mines. Of late wages have again reached nearly, if not quite, the maximum obtaining before the crisis. There has been no hesitation in according every possible privilege to the workmen. The average wage of the miner (underground and surface) will thus shortly reach the rate of 1920, Fr.19.45 a day for the whole of France, independent of family allowances, as compared with Fr.17.66, the average rate prevailing as a result of the reductions. These two figures represent respectively an increase of 260 and 221% on the 1913 rate, and are higher than the index number of the cost of living fixed, in November at 213%.

*The Yield from Labour.*—These sacrifices, however, have not been repaid by increased individual yield. The average yield in 1921 of 790 kg. for underground workers and 620 for the average of all classes had fallen in the last quarter of 1922 (the most favourable in this respect) to 779 and 523. The diminution of the yield of the individual workmen, compared with that of pre-war times, is 18% for the underground worker and 24% for all classes. The reproach levelled at the mine owners in some quarters of not having made sufficient use of machinery is unfounded. The attempts made by French mine owners to introduce the use of machinery in spite of difficulties unknown in other countries are not sufficiently recognised. In a certain mine the number of mechanical pick-hammers has risen from 21 in 1914 to 558 in 1922, and the percentage of coal extracted by machinery from 11 to 55. There is no doubt that this process has been adopted to its utmost extent, and there is equally little doubt that it can never fully make up for the decline in the yield from manual labour. The consequences of the Act of June 24, 1919 (the Eight Hour Day Act), are just as was anticipated. They were no less dangerous to the supply of the country's needs than prejudicial to cost price, in which from 1913 to 1922 the share of wages was multiplied by a coefficient of 5. One of the first effects of the pressure of British competition was to attract the attention of the public and legislation to the consequences of the Act, which has seriously fettered the productive power of the country, not only by reducing the average daily work in the mines to 6½ hours, but by the uncompromising rigidity of its provisions.

*The Tax on Output.*—A serious contingency, both as regards extent and principle, should be noted, namely, the revenue measure affecting coal passed by a small vote in the Senate, which, if sanctioned by the Chamber, will impose a duty on the output of coal. On the pretence of a mere alteration of the levy of the turnover tax for alleged purposes of simplification, a tax may be introduced prejudicial both from the theoretical and



## France

practical points of view. This attempt is the more dangerous in that a tax on coal, however much it may be condemned in principle, is the easiest of all for needy Treasuries to collect, a quality which will render it perpetual and liable to increase.

### THE COKE PROBLEM.

An article in the *Information Financière* deals with the position of the iron and steel industry as regards coke, and the writer complains that foreigners do not seem to understand the conditions under which the industry has to work. Even in France there is no clear idea of the position in which the ironmasters of Eastern France have been placed. The writer then proceeds to elucidate the position in the following terms: Before the war France produced 4,027,424 mill. t. of coke with 4,205 furnaces, of which 2,340 were engaged in the working up of bye-products. Consumption absorbed some 7 mill. t., and imports in 1913 amounted to 3 mill. t. The recovery of Alsace and Lorraine gives rise to further requirements, amounting to 5 mill. The increase thus given to the capacity of producing pig iron has been estimated at 750,000 t. In all, 12 mill. t. of coke are required to ensure an efficient supply to the metal industry, and 18 millions if all the ore which it is possible to extract at present were treated. The Loire district is able to supply 400,000 t. of coke a year, just about sufficient for local needs. The Nord and Calais can supply not only the needs of the district, but can also share in supplying Eastern France. The deficiency of coke, therefore, solely affects the output of pig iron in Lorraine. The smelting works of Eastern France have absolute need of foreign coke, and particularly that of the Ruhr product. The Treaty of Versailles assigned to France a certain fixed annual amount of coal equivalent to 600,000 t. of coke a month, reduced by the Reparations Commission to 450,000 t. The French Government might have sold the coke by auction and thus made a profit on the price invoiced by Germany. It, however, preferred to deliver the coke at cost price, for which it has been criticised, and the ironmasters of the East constituted the *Société des Cokes des hauts*

fourneaux ("Scof") for the distribution of the consignments among those concerned. The Government's object in renouncing its profits was to facilitate the export of iron. The appreciable increase of output due to the recovery of Lorraine, 9 mill. t. compared with 5.2 mill., caused manufacturers to consider the possibility of foreign outlets for a very considerable part of their output, whether of pig iron or of steel. The hopes of the Government were not disappointed, as pig iron and semi-manufactures were sold in large quantities in Germany, Belgium and Great Britain. Exports amounted to 720,000 t. of pig iron in 1922 (664,000 in 1921), and 2,071,000 t. of iron and steel. The authorities, however, stipulated that the ironmasters of the East should take a specified number of tons of coke from the coal mines of the Nord, in order not to check production and cause loss to the coke producers. To the "Scof" was also assigned the distribution of this commodity, and it fixed standard prices necessitated by the varying prices for coke. Coke from the Nord is much dearer than the Westphalian product, for which reason the iron manufacturers of the East rejected proposals made by the carbonisers of the Nord. "The latter," explained an ironmaster, "complain that we do not encourage them to develop production by taking it all, but that is impossible seeing that the price of coke governs the price of pig iron and that the prices at which they offer it would prohibit export, upon which we depend." The argument is sound since a coal mine can always find outlets, whereas metallurgy depends on circumstances external and internal beyond its control. The coke producers, it is true, have to consider the high wages which they have to pay, but perhaps would be more lenient to the iron works were they not in a position to dispose easily and cheaply of their superior products to the railways.

The coke problem has another side. To its original price must be added cost of transport, which should be reasonable and should be reckoned in such manner as not to burden unduly the cost price of pig iron. Now the cost of transport from the Ruhr to Eastern France is appreciably inferior to that from Northern France. This gives a further advantage to the Westphalian coke in the eyes of the ironmasters of Lorraine.

## GERMANY

### FINANCE

#### MARK STABILISATION SUGGESTIONS.

Dr. Heinz Potthoff, of Munich, discusses in *Plutus* the chances of success of the recent action of the German Government for the stabilisation of the mark. He draws attention to three important factors which he considers are bound to thwart the result aimed at, viz. railway tariffs, taxation policy, and loan issues, and suggests at some length a remedy for the second adverse factor. He says: "There is some probability of truth in the rumour that the Reichsbank undertook its important step towards the stabilisation of the mark unwillingly and only under pressure from the Government. One has only to consider how many factors are required in order to insure the permanent success of such action and to prevent economic unrest and danger. The scheme must be embraced not only by the law and the administrative powers, but by all classes in industry and social life. A dollar parity of 20,000, that is to say, a depreciation of our currency to 1/5,000 of its original value, can never be maintained, with whatever compulsory measures, unless the internal depreciation of the mark is much less than the external depreciation. Any attempts to adapt our economic capacity to that of the

world market, and to raise the level of our prices and wages to those of foreign countries, will be as futile as ever. Consequent on the unfavourable production conditions of to-day, our export capacity rests for the greater part on the difference between the purchasing power of the mark at home and abroad. In like degree as we approach international prices will this capacity sink, and with it will disappear the possibility of maintaining the dollar parity at 20,000. If, therefore, there is to be no recurrence of the old competition between currency, prices and wages—the vicious circle—the purchasing power of the mark within Germany must be kept well over 1/5,000 of the former peace-time standard. If the Government alone cannot bring this about with compulsory means—hitherto all official attempts to regulate prices have been reduced to nought by the consumers—it is at any rate the first condition of success that they shall not themselves make regulations which stand in absolute conflict with their action in support of the mark, and must destroy its effect. Everything which promotes price increasing, helps to depreciate the value of the mark. At the present time three factors in particular would seem to be injurious.

1. *The Freight Tariffs of the Railways.*—Simultaneously with the rise in the value of the mark and the appeal on the part of the Government to reduce the cost of



living, the goods tariffs were doubled on Feb. 15. They are now, on an average, 5,700 times higher than before the war. The rise is considerably higher than the rise in the price of the goods transported. It therefore creates a further rise in prices. More particularly it is higher than the rise in the rate of the dollar, which is to be kept at about 1/5,000 of the mark. This contradictory state of affairs cannot be maintained. If the Government wish to retain the purchasing power of the mark in America at 1/5,000, they must take every means to maintain its purchasing power in Germany at 1/3,000 or, at lowest, at 1/4,000 of its peace time capacity. The prerequisite for this is that the cost of transport should not be greater than the price of the goods should be. Unless transport tariffs are reduced it will be impossible to lower prices.

2. A similar reasoning applies in still greater measure to *taxation*. All the important taxation measures of the war and reconstruction period have the bad fault that they induce increased prices, and that they therefore serve the Reich to very little purpose, because they increase its expenditure, especially as regards salaries and wages, and they often cost the Exchequer more than they bring in. If the measures in support of the mark are to be permanently successful, a number of such taxes must disappear and must be exchanged for productive taxes which will lower, not raise prices. Such a tax exists, and it is unwarrantable that it has never been applied. It is the tax on ground rent. All economists agree that a tax on ground rent cannot be evaded. Ground costs nothing to produce, nature provides it. Its value, that is to say the value of the bare ground without buildings or capital expenditure, etc., is only capitalised ground rent, viz. the capitalisation of the tribute which the private owner of the ground can obtain by means of a monopoly on the utilisation of the given area. The value adjusts itself according to the rent obtainable. Every improvement, every relief, especially as regards credit and taxation, raises the value of the ground along with the rent. Every reduction in the rent through taxation reduces the capital of which the rent forms the interest, and reduces at the same time the value of the ground. The value of ground to-day is lower than ever before. For various reasons it has not risen in price in the same ratio as the mark has depreciated. Municipal land is selling at from 60 to 100 times, and agricultural land at prices up to 1,000 times only of peace prices. Very little land has actually changed hands and most owners still enter it on their books at the 1914 gold value.

The Reich has it in its power to determine, by the imposition of a heavy land tax, in how far land is to participate in the movement of the mark. The higher the annual tax, the lower must the value of the land remain, in order that from the proceeds of the land the tax may be paid and the interest suffice the owner. He must have previous cognizance of the extent of the tax, in order to make his valuation accordingly. With the present freedom from land taxes such valuation would be high, possibly from 2 to 3,000 times, and may be soon from 5 to 6,000 times the pre-war price. This would imply burdening the German people with the payment of interest on 500 billion marks, or 500,000 milliards, taking a pre-war value of 100 milliard gold marks. Such a burden can and must be avoided. Were the Reich to impose an annual tax of 50%—graduated according to the size of the property—the owner might only assess the rateable value at about 150 times the pre-war value in order to allow himself sufficient margin to pay the tax and obtain sufficient rent from his returns of from 2 to 3,000 times the pre-war proceeds. The proceeds on agricultural land are, generally speaking, certainly higher than this to-day. The rate of taxation could therefore be much higher, say a graduation of from 50 to 100%. Even this rate would not necessitate a valuation higher than about 100 times the gold value. A tax of this description would bring large funds to the Exchequer and would certainly not prove a heavier burden

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on ground landlords than before the war, since the new property tax does not represent anything like the actual value of property to most owners. Keeping the ground rent and the value of land down in this way would be the most effective means of keeping prices down and checking the depreciation of the currency.

3. Lastly, mention must be made of the so-called stable value (*wertbeständig*) loans which many provinces, municipalities and societies are issuing, and to which the Reich has now added a Gold Loan. The problems connected with these loans will not be discussed here, but there is no doubt that they will ultimately bring about a depreciation in the mark, and are in direct conflict with the process of stabilisation. Such a state of affairs is unbearable. It deprives the non-speculating classes of the population of their last grain of confidence in the currency policy of the Government. Confidence is the basis of currency value. Not foreign countries alone, but Germany itself must believe in the depreciated paper of the Reichsbank, or its value will sink into a bottomless pit.

#### 1922 BUDGET DEFICIT.

The total deficit on the 1922 Budget amounts to Mk.7.1 billion. In the autumn it was estimated at Mk.843.2 milliard. It has therefore augmented since then by Mk.6.2 billion. General administrative expenditure figures in it to the extent of Mk.2.8 billion, transport, posts, etc., to the extent of Mk.1 billion, and expenditure under the Peace Treaty to the extent of Mk.3.1 billion. By way of comparison, it is interesting to note that the 1920 deficit amounted to Mk.123.4 milliard and that for 1921 to Mk.160.6 milliard. (*Frankfurter Zeitung*, Mar. 22.)

#### GOLD-BACKED ACCOUNTS DEPRECATED.

The Central Association of German Bankers has recently given much attention to the proposal of the



## Germany

introduction of gold-backed credit accounts, and has decided most emphatically against the advisability of such a measure.

German technical and daily papers are devoting much space to discussions of this proposal. The partisans of the procedure are of opinion that a sound basis for trade will thereby be created. They forget that the economic misery in Germany to-day is the result of under-production and of the large sums paid away in reparations. They fix their gaze on the currency conditions alone, which are only of secondary importance in connection with our general economic conditions at present. They forget that if reckoning in gold marks were to become general the catastrophe of the paper mark would be complete, for it is a matter of long-trying experience that the introduction of a better currency immediately causes the inferior one to depreciate. This would spell disaster to those who could not adopt the gold method of reckoning, and prices would fly up. It would be especially disastrous to the State, which can only cover its deficit by means of paper marks. The Reich already can no longer control its expenditure. The 1922 deficit amounts to Mk.7.1 billion. What will happen if, through internal experiments, the value of the paper mark sinks still further? We shall only be able to return again to a gold currency and to reckoning on a gold basis if pre-war economic conditions and the balance of foreign payments can be achieved. (*Deutsche Allgemeine Zeitung*, Mar. 5.)

### NEW BANKS.

A bank has been founded in Berlin under the title *Deutsche Festmarkbank* with an original capital of Mk.100 mill. and a guaranteed capital of 110,000 stable marks (*Festmark*), which is not repayable during the lifetime of the company, and ultimately only after all other obligations have been satisfied. The guaranteed capital represents about Mk.550 mill., according to present day values. The main object of the bank is to finance stable value (*wertbeständig*) loans. (*Frankfurter Zeitung*.)

A bank has been founded in Leipzig under the title *Bank für Handel und Gewerbe* (Trade and Industry) with a share capital of Mk.100 mill. It will shortly raise its capital to Mk.750,000 in order to take over the banking department of the Association for the Protection of Trade and Industry, under the auspices of which the foundation has occurred. (*Deutsche Allgemeine Zeitung*.)

## INDUSTRY

### COAL AND ORE OUTPUT.

*Hard Coal*.—The output in West Upper Silesia in February amounted to 709,597 t., compared with 789,082 t. in January. The daily output average was 30,852 t. (31,563 t. in January). The coke output amounted to 126,477 t., compared with 128,954 t. in January; the briquette output to 11,288 t., compared with 9,775 t. in January. The fall in the coal output is due in part to the smaller number of working days in the month, in part to an accident in the Heinitz pit which impeded the output. The extra shift agreement concluded on Jan. 25 for the purpose of compensating for the smaller output in the occupied Westphalian area has not been very beneficial yet, and has only resulted in an output of 1,419 t. The waggon supply was satisfactory.

The Lower Silesian hard coal output totalled 491,248 t. in February, with a daily average of 20,409 t., compared with 498,324 t. and a daily average of 19,166 t. the previous month. The coke output figure was 78,288 t. compared with 87,180 t. in January, and that of briquette production 9,966 t. compared with 9,932 t. in January. The waggon supply was deficient to the extent of 101 waggons—0.3% of the total requirement of 36,813 waggons.

The Saxon output amounted to 352,817 t. of hard coal, compared with 368,965 t. in January. The coke and briquette supply together was 19,268 t., compared with 21,281 t. in January. Of the 28,895 waggons required, 2,970 were not forthcoming.

*Lignite*.—In the Central German lignite fields the output of rough coal totalled, according to provisional estimates, 8,289,004 t. in February; briquette production amounted to 1,846,702 t., coke production to 33,473 t. The respective January figures were 8,769,438 t., 1,943,161 t., 37,185 t. The respective decreases in February are 5.5, 5, and 10%. The average daily output figures in February exceeded those in January by 2.4% for rough lignite, and by 3% for briquettes; coke production showed a decrease of 2.5%. The increases are due to the introduction of Sunday shifts. The total output figures for February 1922 were 6,915,393 t. in respect of rough lignite, 1,489,917 t. in respect of briquettes and 31,927 t. in respect of coke. The 1923 figures show, therefore, respective increases of 19.9, 24, and 4.9%. The lower output in February 1922 is due to the railway strike proceeding at that time. Sales of rough lignite in the month under review were rather weak, owing to bad conditions in various lignite-consuming industries. The briquette supply, on the other hand, was barely sufficient to meet requirements, chiefly because large quantities were officially requisitioned for consignment to areas which had formerly used only Rhenish-Westphalian fuel. Coke sales were good. So was the waggon supply. Wage increases occurred during the month. By virtue of an agreement concluded on Feb. 7, wages in the heart of the coalfields were raised, on an average, by Mk.3,900 per shift. In the border districts of Forst and Oberlausitz the rise was 92% of this increase, and in the other border districts 90%. Employees also received an increase in salary. Coal prices were raised accordingly. Owing to the above-mentioned bad state of industry, offers of unskilled labour were considerable. There was a shortage of hewers for deep mining. A strike in one of the pits was still proceeding at the end of the month.

The output in the Bavarian lignite fields totalled 81,155 t. of bituminous coal, 163,006 t. of lignite, 6,960 t. of hard coal. The January figures were 83,524, 167,686 and 3,134 respectively. The demand was lively and the waggon supply satisfactory.

*Ore*.—In the Lahn and Dill hematite districts the cost of material, of explosives for instance, and the rise in wages were so great, that general costs rose higher than the state of the currency warranted. Sale prices, therefore, rose all round. The railway waggon supply was sufficient.

The Siegerland iron ore mines were unable to send consignments to the foundries in the occupied districts, and had to dispose of them elsewhere. Output has not yet suffered much, and it is hoped that the fuel supply will last until foreign fuel arrives. (*Berliner Börsen-Zeitung*, Mar. 22, 23.)

### INDUSTRIAL CONDITIONS IN MANNHEIM.

According to an account in the *Frankfurter Zeitung* (Mar. 21) of conditions in the industrial district of which Mannheim forms the centre—the ports of Mannheim have been occupied since the beginning of March—no dismissals or restriction of working hours have yet occurred in the engineering and armature industry. The supply of raw materials is plentiful. Orders have decreased lately, as the Rhenish-Westphalian industries will not place any here until political conditions alter. The district is suffering, as regards its export trade, from the exchange conditions. This particular industry can only sell abroad at a loss. Prices for foreign transactions cannot be raised. On the contrary, foreign competition tends to lower them. If the cost of living and consequently wages and salaries do not soon fall, competition on the international market will no longer be possible. Great anxiety is displayed regarding the future.



Some difficulty is being experienced regarding the supply of material for the manufacture of fixed motors. The coal supply is not a very important factor in this industry, as it supplies its own motor power. With a few exceptions, work is proceeding as usual, and dismissals have not occurred. The currency question influences this industry and the motor and automobile industries very vitally, and much affects their working. The improvement in the mark brought about a decrease in orders from abroad, and home orders are also slack. Payments are not coming in as well as they might do. Orders are still sufficient, however, to obviate any dismissals or restrictions in working hours. Conditions in the electrical machinery and steam turbine industry are worse. Prices are higher than those on the international market. This is chiefly because of the unfavourable output conditions. Wages in the Mannheim finished products industry are by far the highest in any German centre of this industry. Still, dismissals have not yet been necessary. Employment is not yet adversely affected in the chemical industry, although currency conditions and the money shortage everywhere at home are causing great anxiety. Although it is not correct to speak of actual sale stoppages, sales are very slow. The rubber industry is still very busy, but a marked holding back on the part of both home and foreign buyers has been noticeable for the past fortnight. The industry has sufficient orders to last it for some months. The cellulose and packing-paper industry is fully occupied and has supplies of Swedish and English coal as well as lignite. The paper factories are, however, suffering from the falling off in foreign orders resultant on the appreciation of the mark. The footwear, leather and furniture industries are very quiet. Sales are not good, as consumers are awaiting a further drop in retail prices. Here a certain number of dismissals have been necessary, as the present money shortage and dearth of credit do not permit of manufacture for stock. Conditions are very bad in the Baden cigar industry, and amount to a crisis. It usually employs 40,000 male and female workers. To-day scarcely 10% of this number are fully employed, 25% are out of work, and the rest are working short time, sometimes only eight hours a week. The reason for this is, in part, the extravagant height of tobacco product prices, which has led to greatly restricted consumption, and in part the fall in export quantities owing to foreign import restrictions.

The situation, generally speaking, is not yet greatly affected by the coal question. The continuous coal shortage in previous years obliged the Ruhr industries to import foreign coal long before the Ruhr occupation, and also to adapt their firing installations to the use of lignite. The foreign currency measures of the Reichsbank have had a far more injurious effect. The complaint is not so much of the actual measures, but of the manner in which they were effected. A more gradual improvement in the mark would have obviated the great financial losses suffered, and would have permitted trades and industries to make their calculations for some way ahead.

#### THE CHEMICAL MARKET.

A report on the chemical market in 1922 in the *Chemiker-Zeitung* states that during the first quarter of the year the market showed a steady upward tendency, which slackened somewhat towards April and May. In August purchasing again became active, and remained so until the middle of December. Since then the market has been dull again. Whereas during the first half of the year, until about August or September, export business with the Western States having sound currencies offered certain advantages, active export trade with these countries is no longer possible, since our prices

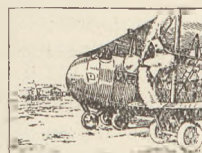
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have in many instances attained the level of the international market. We have, as a matter of fact, been obliged for some months past to import various important chemicals, such as chromium salts and sulphuric acid.

There was a special demand during the year for Glauber-salt, and calcined varieties have almost disappeared from the market. Chromium salts, soda and formic acid were also in great demand. By reason of the development of the film and photographic industries, bromides were in great request and the factories could scarcely meet the demand. The almost unpayable prices for coal and freightage do not permit of an optimistic forecast. Even were the mark to be stabilised in 1923, a corresponding stabilisation of prices in the chemical industry could only result very slowly, on account of the high cost of wages and raw material. A very large capital is necessary to enable chemical manufacturers, and wholesale traders as well, to keep going. Compared with us, many foreign countries have a huge amount of capital at their disposal. America, for instance, is making great efforts to displace us finally from our former leading position on the world's markets.

During the last week of the year prices were as follows, per kg., for a number of goods: Home caustic potash, Mk.600; home caustic soda, 530; home formic acid, 500; home ammonium bromide, 1,100; home potassium bromide, 1,050; home sodium bromide, 1,200; Glauber-salt, cryst., for export, 130; sodium salicylate, for export, gold Mk.4; sodium bichromate, for export, per t. \$13. The approximate quotations for metals were: Aluminium, Mk.2,800; antimony, 750; lead, 850; copper, 2,100; nickel, 4,025; zinc, 1,275; tin, 5,950, all per kg.; gold, Mk.4,500 to 4,900, and platinum Mk.22,000 per gm.



# ITALY

## FINANCE

### REVENUE RETURNS.

The aggregate yield from taxes direct and indirect for the first eight months of the financial year (July 1 to Feb. 28) was L.8,444.4, compared with L.8,446.3 for the corresponding period of 1921-22, showing a decline of about L.2 mill.

The following tables show the composition of the yield (a) for the eight months, (b) for February, in each of the two years (in millions of lire):—

(a)	1922-23.	1921-22.	Difference in 1922-23.
Direct taxes ... ..	2,851.3	3,130.5	-279.2
Stamp, concession duties, etc. ...	911.9	1,022.9	-110.9
Registration duties ... ..	706.9	622.2	+ 84.6
Indirect taxes on articles of consumption ... ..	1,778.4	1,267.5	+510.9
Industrial monopolies ... ..	2,038.8	1,986.7	+ 52.1
Lottery ... ..	156.8	120.5	+ 36.2
Commercial monopolies ... ..	—	295.6	-295.6
<b>Total ... ..</b>	<b>8,444.3</b>	<b>8,446.2</b>	<b>- 1.8</b>

(b)	Feb. 1923.	1922.	Difference in 1923.
Direct taxes ... ..	634.9	731.9	- 97.1
Stamp, concession duties, etc. ...	111.3	83.4	+ 27.9
Registration duties ... ..	85.5	64.3	+ 21.1
Indirect taxes on articles of consumption ... ..	240.9	214.2	+ 26.6
Industrial monopolies ... ..	226.4	218.2	+ 8.1
Lottery ... ..	18.1	14.8	+ 3.2
Commercial monopolies ... ..	—	18.9	- 18.9
<b>Total ... ..</b>	<b>1,317.2</b>	<b>1,346.0</b>	<b>- 28.8</b>

(*Economista d'Italia.*)

### REDUCTION OF THE POST OFFICE DEFICIT.

The deficit in the Post Telegraph and Telephone accounts originally estimated at L.500 mill., has been reduced by the present Minister of Posts, Signor di Cesaro, to L.425 mill. for the financial year 1923-24. During 1923-24 the burden on the Post Office estimates of L.175 mill., the aggregate premium on foreign postal orders will disappear. This still formidable deficit will be met by further provisions which will attain their full effect only in 1924-25. A saving of L.50 mill. will be effected by the reduction of some allowances to officials, and further savings by the reduction of certain services which are not indispensable, such as some deliveries of letters, the closing of telegraph offices in the towns after midnight, the conversion of head into secondary offices, and of receiving offices into agencies, etc. (*Economista d'Italia.*)

### THE SAVINGS BANKS.

The position of the savings banks at the end of November 1922 was the following (in millions of lire): Deposits during the year 3,081.9, withdrawals 2,756.5, surplus of deposits 325.4, amount standing to the credit of depositors on Dec. 31, 1921, 8,149.8; total amount of credit at end of November 1922, 8,475.3. (*Economista d'Italia.*)

## TRADE

### CONGRESS OF THE INTERNATIONAL CHAMBERS OF COMMERCE.]

The second congress of the International Chamber of Commerce was opened at Rome on Mar. 19 by the Italian Premier, Signor Mussolini, who concluded his speech of welcome by assuring the congress that probably every Government, and certainly his own, would give every consideration to the resolutions which it might pass. The congress is well attended, Italy sending some

200 representatives, the United States 160, Great Britain 60, France 50, Holland 15, Czecho-Slovakia 14, Belgium 9, etc. The President of the Congress is Signor Cossin.

The first question on the agenda of the congress was the "Publicity of customs regulations and of customs tariffs." The Belgian representatives proposed that the Governments signatory of the Convention of June 5, 1890, should accord to the International Customs Bureau of Brussels the extra subsidies demanded by changed conditions. Subject to certain reservations by the British representatives, the following resolutions were passed: (1) That customs measures adopted by the various nations, and changes introduced into the customs tariffs should be regularly published by each State by the League of Nations, and by the International Customs Bureau of Brussels; (2) that a scheme for improving the working of that bureau should be considered; (3) that the different Governments should make public proposed alterations of their tariffs with the object of affording opportunity for negotiation; (4) that each individual Government should communicate to the League of Nations a schedule of the duties, whether import or export, to be applied, with the rates appended; (5) that in ensuring proper publication of custom house regulations account should be taken of the International Chamber of Commerce. A further resolution was unanimously passed that a general list of customs duties with explanatory notes should be drawn up by those States which had not yet done so. Finally a resolution was passed for simplifying and facilitating the issue of certificates of origin. (*Economista d'Italia.*)

### SENATOR EINAUDI ON FREE TRADE.

The Commission of inquiry into war expenditure after paying warm tribute to those enterprises which adapted themselves to the manufacture of war material, and thus contributed to the ultimate victory, declared in favour of the suppression of import duties on iron and steel, and urged this measure precisely in the interests of national defence. Senator Einaudi, one of the leaders of the growing free trade movement in Italy, in the *Corriere della Sera* (Mar. 13), makes this ruling a strong point in his indictment of protection. Italy, writes this distinguished economist, lacking in commodities for export in comparison with those which she is compelled to import, and therefore incapable of providing sufficient freights for vessels visiting her ports, will soon find a difficulty in importing. She will always find it more advantageous to import one ton of finished iron and steel than three of the raw material and fuel necessary for the production of that ton. Freed from the protective duties which increase the price of iron and steel, engineering and other industries such as agriculture and building, which have a large consumption of iron, will prosper. A greater blow at the protectionist tariff of Mar. 1, 1921 (than the pronouncement of the Commission) could not well have been imagined. The whole of protection in Italy pivots on the duties on iron and steel and chemicals. Once these are abolished—and the chemical industry is similarly situated to the iron and steel—the whole structure falls to the ground. Agriculture is by nature free trade, and henceforth the textile industry will be able to exist without artificial support; its silk branch was always in favour of free trade. Certain duties may be retained here and there, in very exceptional circumstances, when their absolute necessity is demonstrated. But it would be still better, as the economists have always claimed, to grant bounties to those special undertakings, the existence of which is deemed necessary for national defence; the Commission proposes to support by means of remunera-



tive prices a small iron and steel industry which would consume not more than 200,000 tons of iron from Elba, the reserves of which are too valuable to be squandered hastily. But the abolition of the duty on iron and steel is the main point, and would be of good augury for the liberation of national business from "private" taxes. Above all, the country would be relieved of the virus which contaminates its political life. Theoretically, it can be thought that protective duties are accorded only to young and promising industries or to those which are necessary to national defence, but in practice it is quite otherwise, and in consequence the protection is a poison which infects politics. Instead of being left free to attend to the serious business of the country, politicians are influenced by the wealth of those who, for their own ends, call for protection against foreign competition. And the latter, in order to induce them to give way, artificially create public opinion, by means of the foundation of propaganda journals and of bribery. If only politicians were relieved of the dilemma of accepting or refusing private demands, and if only the Government were powerless not only to impose duties but to bolster up industries, banks, and shipbuilding yards, and would leave them to go bankrupt if they conduct their business badly, and if only it becomes impossible to make profit out of favours, duties, and State contracts, then politics will have been purified. Public men will then be able to devote themselves to the business of the State without fear of being banned from public life for refusing to pander to private interests. For years economists have preached this truth, only to be reviled as visionaries, doctrinaires, or even emissaries of the foreigner.

To-day, however, the Commission of Inquiry also preaches this same truth, and is unfortunately compelled to illustrate its views by examples taken no longer from 18th century England, or from modern America, but from Italy of to-day and yesterday. One hears tell of publicity offices which distribute millions among the newspapers, of propaganda agents and self-styled students whose duties are to influence public opinion in favour of protective tariffs; people have been heard to boast of profitably investing their money in press campaigns since the profits derived from the protection attained thereby are far in excess of the initial outlay. These proceedings contaminate business as well as politics, for the manufacturers themselves, if they had not by propaganda and corruption found an easy road to wealth would have been compelled to devote their energies to improving their business, and the country would possess sound, active and self-supporting undertakings. Thus the objects aimed at by demanding the abolition of protection are honest politics and prosperous business.

## SOCIAL AND LABOUR CONDITIONS.

### THE EIGHT HOUR DAY DECREE.

The Decree just promulgated regulating the hours of industrial labour contains the following provisions:—

*Clause 1.*—The maximum working day for workmen and employees in industry and commerce of whatsoever nature and kind, even if they be charitable or technical training institutions, such as offices, public works, hospitals, or wherever work paid by salary or wages is performed, in the service or under the direct control of others, shall not exceed eight hours a day, or 48 hours a week of effective work. The Decree does not apply to domestic service, the managing staff of businesses or commercial travellers. For work on board ship, in public offices and services even if managed by private enterprise, special provisions shall be made.

*2.*—In agriculture the Decree shall apply to casual labour. For other forms of labour contracts, provision will be made in concert with the Minister of

Agriculture. The Decree does not apply to profit-sharing contracts.

*3.*—Defines effective work within the meaning of the Decree as the application of assiduous and continuous work, but does not include disconnected work, or hours of mere attendance, or the duties of a watchman.

*4.*—In agricultural or other work dependent on technical conditions or on the seasons, the eight hours a day or 48 hours a week may be exceeded within the limits to be fixed by a Royal Decree to be promulgated on the initiative of the Minister of Labour and Social Welfare.

*5.*—Provides for overtime by agreement between employer and employed, of not exceeding two hours a day or 12 hours a week, at increased wages of not less than 10% of the regular wage.

*6.*—Provides for exceptions with the consent of both sides in the case of preparatory or supplemental work which has to be performed outside the ordinary working hours.

*7.*—Provides for extension of hours in the case of *force majeure* or where the cessation of work at the usual hour constitutes a danger to the person or production, notice of such extension to be given by the employer to the Inspector of Labour.

*8.*—Provides for avoidance of contracts infringing the Decree.

*9.*—Breaches of the Decree by employers and their representatives punishable with fine of L.10 a day to be doubled for subsequent offences. Power reserved to the Government to provide higher prices in the regulations for the execution of the Decree.

*10.*—Empowers Ministers specified to promulgate further regulations for determining the preparatory and complementary work referred to in clause 6, and for the general application of the Decree.

*11.*—Empowers Minister of Labour to suspend temporarily the operation of the Decree in certain industries.

*12.*—The Decree to come into operation four months from the date of publication, with power to the Minister of Labour to grant an extension up to 12 months in the case of factories which prove that in order to carry out the terms of the Decree, important alterations of plant are necessary.

*13.*—Reserves power by Decree to amend existing Labour Laws tending to hamper the introduction of the hours of work provided by this Decree. (*Economista d'Italia*, Mar. 16.)

## COMMUNICATIONS

### TRANSFER OF THE STATE RAILWAYS TO PRIVATE ENTERPRISE.

The following draft scheme for the transfer of the State railways to private enterprises has been presented to the Cabinet by the Minister of Public Works and approved.

The transfer of the railways for a determined period is to be absolute and final, so that they shall henceforth be worked entirely as an independent enterprise, and there shall be no question of their being worked on behalf and for account of the State. Under these conditions the period for which the lines are leased must be of sufficient length to afford to the lessee a fair prospect of making profits after allowing for the uncertainties and risks of the period of transition. Power to rescind will, however, be reserved in the event of the estimate of economic conditions on which the contract is based proving erroneous.

Owing to the unavoidable delay in furnishing particulars of the working of each individual line (earnings, expenditure, etc.), it will be necessary to base the conditions of the contract between the State and the lessee (guarantee of gross earnings, etc.) on approximative data. The lines shall be transferred in the condition in which they happen to be, subject to works to be



## Italy

undertaken strictly for the purpose of effecting the transfer. Delivery of stock and stores shall be made in the quantity and of the kind which shall be held to correspond to the necessities of the undertaking. The lessee shall be liable for the upkeep, ordinary and exceptional, of the lines and stock and for the retransfer of the property at the termination of the concession, and shall guarantee such retransfer by the deposit of a sum to be fixed in each individual case. It was not thought expedient to compel the lessee to purchase the stock, both because this would, owing to the increased amount of capital required, have been an obstacle to the formation of a company or body to take over the railways and because the interest on such increased capital would have reduced and retarded the State's share in profits. In order to provide for renewals of stock and additions to the undertakings, the lessee shall covenant (a) to constitute a reserve fund for the repair of damages, renovation of plant, and the repair of rolling stock; (b) to extend the property whether the line itself or stock and plant.

The lessee shall have full liberty to organise the service as it shall deem best, and to decide as to the amount of staff which shall be required. Consequently from the date of transfer, the staff of the railway shall cease to be officials of the State. The lessee shall also have full liberty to fix wages provided that he guarantee that the new scale of wages shall remain in force for a period of not less than five years, and shall guarantee permanent employment to the classes of specially skilled railway officials, and shall submit to the approval of the Government the regulations affecting the legal position of the staff as regards their contract and the guarantees thereof.

The State reserves to itself a share of profits in the simplest form possible such as a share in profits in excess of such an amount as shall permit of the distribution of a dividend of 7%.

The amount of capital of each company or undertaking shall be fixed by the deed of concession, and shall in each case be strictly limited to such sums as shall be required for, the guarantee deposit, the purchase of stores, working capital, and general expenses. This limitation of capital is made with the object of facilitating the flotation of new companies and assuring to the State a speedy share in profits.

The Cabinet has also approved the concession to private enterprise of the direct line from Florence to

Bologna, for which several tenders have already been offered. (*Corriere della Sera*.)

## LABOUR CONDITIONS ON THE STATE RAILWAYS.

The following information is taken from the report on the working of the State railways for the year 1921-22:

During the period under review the number of workers employed decreased considerably. On June 30, 1922, the total number of railwaymen was 226,907 (160,521 permanent and 66,386 temporary employees), representing a decrease of 8,553 as compared with the previous year. The economies resulting from the reduction of staff were counterbalanced, however, by the increase in wages and salaries. In spite of the application of the principle of the eight hour day in several grades which had not previously enjoyed the eight hour day, an increase in output was recorded. During the year strikes and political disturbances were much less numerous and work was interrupted only by some cases of unnecessary absence from work, a few cases of sabotage and a strike on May 1.

The relation between number of staff and mileage for the years 1913-14, 1920-21 and 1921-22, was as follows: 1913-14 average number of workers per km. 70.78, average number of workers per million train-kilometres, 1,296.5; average number of workers per million axle kilometres, 40.49; for the post-war years the averages were (in the same order): 1920-21, 14.66; 2,260.8, 64.26; 1921-22, 14.06, 1,999.8, 57.30.

During the past year workers employed in supervision of the permanent way (*guardiani*) were accorded the eight hour day and weekly rest. The staff, however, was not increased in number because the introduction of the eight hour day was accompanied by a reorganisation of the system of supervision of the permanent way and level crossings, which enabled considerable economies to be effected.

On June 11, 1922, two Royal Decrees (Nos. 987 and 988) were issued providing for the allocation of special bonuses to the train staff, so that rates of pay might be more in proportion to the actual output of the individual worker. These Decrees were based on the Decree of Feb. 23, 1921, the object of which was to regulate the shifts of the train staff so as to secure increased individual output and thus effect economies in working while at the same time maintaining the principle of the 48 hour week. (*Relazione 1921-1922, Amministrazione Ferrovie dello Stato, Rome, 1922, quoted by the Report of the International Labour Office, Mar. 9.*)

# CENTRAL EUROPE

## POLITICAL AND GENERAL

### REDUCTION OF THE AUSTRIAN CABINET.

As a first step towards the administrative reform demanded by the Geneva relief programme, it has been decided, after considerable discussion, to reduce the Cabinet to eight members. To effect this the Ministry for Foreign Affairs will be abolished. Austria will thus be the first State to do without a Foreign Minister, and his duties will be absorbed by the Chancellor, whose functions will be extended in other respects, but what they are to be the Act, according to the *Neue Freie Presse* (Mar. 22), does not clearly define. The Ministry of War will be amalgamated with that of the Interior, and the Ministry of Communications with that of Commerce.

### ACT FOR THE PROTECTION OF THE CZECHO-SLOVAKIAN REPUBLIC.

The centre of political interest at the beginning of March, remarks the *Central European Observer*, was the passing of the Act for the protec-

tion of the Republic, due to the assassination of Dr. Rasin by a young Communist. The outrage was not sufficient in itself to justify a special Act, as the crime could have been duly punished by the laws in force, but it was to be judged not only intrinsically, but by its reflex influence on those who aim at undermining the foundations of the constitution.

The opposition to the Bill came, as is natural, mainly from the Communists, but it is not easy to understand why the German and Hungarian minorities should have associated themselves with the Communists in that opposition.

### CABINET-MAKING IN POLAND.

The latest reports from Poland show that efforts are being made to bring about a change in the Government by substituting a parliamentary cabinet for the non-parliamentary ministry now presided over by General Sikorsky. Attempts are being renewed to bring about a Coalition of the Right and Centre. The Polish press, particularly that of



the Left, is much exercised by secret conferences between Witos and Korfanty, and is indignant at the "conspiracy" of the former with the Right. The Right contends that Grabsky's plan for a reform of the State finances, the most important question to-day of Polish internal policy, can only be carried through by a parliamentary government responsible to the parties supporting it. This responsibility, however, is a stumbling-block for Witos. For the plan of reform demands great sacrifices from the peasantry, and for Witos it would be much more convenient if a non-parliamentary government should impose these sacrifices upon his constituents rather than a government which his party, too, would have to support. For this reason it is doubtful whether a parliamentary government can be constituted before the reform plan has been passed by the parliament.

IMPENDING GOVERNMENT CRISIS IN HUNGARY.

The proposal for a reduction in the number of State employees which has been put forward by M. Kallay, the Minister of Finance, and has received the backing of the Prime Minister, Count Bethlen, has evoked great agitation among the members of the civil service, who are receiving support from ultra-clerical organisations such as the "Move" (Hungarian Defence Association) and the "Ebredök" (the Awakening Hungarians), and the opposition has culminated in the presentation of an ultimatum to the Government demanding that the proposed reduction shall not be carried into effect. If the Government insists upon proceeding with the measure the State employees will answer with a general strike. The Government has met the threat of the State employees by emphasising the fact that under no circumstances will any disturbance of the public order be permitted. On the occasion of the recent Kossuth celebrations the Christian Socialist students organised a demonstration in favour of the State employees before the offices of the Liberal daily paper *Az Est*, in the course of which bloody conflicts took place between the students and the police. This movement on the part of the State employees and the extreme clerical students is also supported by the more extreme of the Christian Socialist deputies, who form the Right wing of the Government party led by Count Bethlen. The organ of this group, *Szozal*, in its issue of the 17th writes that the Christian Socialists cannot, in view of the course pursued by the Bethlen Cabinet, continue to support the Government. According to the latest reports from Budapest, the ultra-clerical members have already practically broken away from the Government party. If these reports are correct, a serious Government crisis in Hungary is inevitable, for it was just these ultra-clerical deputies who were the main supporters of the policy of the Regent Horthy. (*Central European Observer*, Mar. 24.)

FINANCE

A CZECHO-SLOVAK ISSUE BANK.

The Banking Committee of the Ministry of Finance, announces the *Gazette de Prague*, at a meeting held in memory of Dr. Rasin, decided, with a view to continuing the policy of the last Finance Minister, to invite subscriptions for the capital of the new National Issue Bank. The *Prager Tagblatt* gives the following details about the procedure: The Banking Committee will deal with this question at one of its meetings, and will, in the near future, invite public subscriptions. The capital of the Issue Bank will amount to 75 millions of Czecho-Slovak gold monetary units. It is still to be decided whether this unit is to be the krone or the franc; most probably it will be the latter. The dollar is also mentioned in this connection. The Bank itself will only be opened

when circumstances permit the adoption of a gold standard. For this, the stabilization of the exchange value of the krone is necessary, and also an increase in the gold reserve of the Banking Office, and a general improvement in the economic situation of Europe.

Subscriptions will, therefore, only be a preparatory measure. The amount to be contributed by the Banks has not yet been fixed. Subscriptions may be made either in gold, foreign currencies, or in Czecho-Slovak kronen.

THE NEW POLISH FINANCE BILL.

The Polish Sejm has recently been engaged on the discussion of the new and original Finance Bill, introduced by the Finance Minister, M. Grabski.

M. Grabski's Bill contains an idea which is completely new and which up to the present has never been applied, that is the idea of a money index. He will introduce an abstract money, equal in value to the Swiss franc. The revenue and expenditure of the State and of the Communes will be regulated in this money. The abstract money itself will be calculated every fortnight according to the index of the wholesale price of goods. To begin with, the abstract money will be worth as many Polish marks as are necessary to buy a stock of merchandise equal to that which one could buy in Poland in 1914 for a Swiss franc.

Subsequently, the value will be increased or diminished once a fortnight in accordance with the changes in the price index of the wholesale goods.

Now it is this idea, which stands at the head of M Grabski's programme, which is provoking the most animated discussion. With regard to the remaining items, separation of the State Estimates, enterprises, economies, increase of taxes, etc., there is almost complete agreement, but the money index appears as a novelty which offers serious disadvantages.

The Society of Economists and Statisticians holds that the introduction of the money index will increase prices. Up to the present the Statistical Office has published a monthly index of the increase in the cost of living, with the result that the price of goods increases the next day in a proportion which is always greater than that of the published index.

It is to be feared that the publication of the wholesale prices will only serve as a still more powerful factor in increasing prices.

Generally speaking, the money index has more opponents than supporters, but Mr. Grabski adheres to the idea firmly, as it seems to him to be the best means of guaranteeing the State against the losses which it is constantly suffering through the depreciation of the Polish mark. (*Central European Observer*, Mar. 21.)

TRADE

CZECHO-SLOVAKIA'S FOREIGN TRADE.

The Prague Statistical Bureau has just issued official figures relating to the foreign trade of Czecho-Slovakia in January last. A new method of compilation has been adopted, the figures being based on the invoice value of the merchandise as declared by the exporting and importing firms themselves. In this way much greater precision is arrived at than by the old method of having the value of the exports and imports assessed by experts on the basis of quantities.

The figures are as follow —

		Value (in millions of kronen.)	
Exports	...	...	776.7
Imports	...	...	430.8
Credit Balance	...	...	345.3
		Quantity (in 1,000 tons.)	
		Jan. 1923.	Jan. 1922
Exports	...	710	695
Imports	...	161	290
Balance	...	549	405



## Central Europe

The chief buyer countries were (in millions of kronen) : Austria, 146.8 ; Germany, 138.3 ; Great Britain, 108 ; and the chief seller country was Germany 175.6, the second being the United States with 44.6. The chief classes of goods were (in millions of kronen) : Exports—timber, coal, peat, 141.8 ; cotton goods and yarns, 138.3 ; sugar, 82.2 ; woollen goods and yarns, 80.4 ; imports, cereals, 48.3 ; cotton goods and yarns, 46.9 ; woollen goods and yarns, 32.3. (*Central European Observer.*)

### HUNGARY'S FOREIGN TRADE BALANCE.

The following information on Hungary's foreign trade balance is supplied by the Deputy-Secretary of State, Dr. Alois, and Szabody, director of the Royal Hungarian Statistical Office :—

Since Hungary's foreign debt, he writes, has assumed its present gigantic proportions, the foreign trade balance plays a much more important part than before the war in the business life of the nation. In the first place the emigration movement, especially that part of it directed towards America, formed a substantial item in the national cash accounts. This surplus, however, has not lost its significance since emigrants start not from dismembered Hungary but from those parts of its territory, of which it has been shorn. According to data to hand, the credit balance of the emigration account amounts to 5.3 milliard paper kronen (Kr.23.8 million gold), covering about two-thirds of the interest on Hungary's pre-war debt of 7.8 milliards. Naturally, therefore, the balance of foreign claims cannot be satisfied until foreign trade shows a balance in favour of export.

The value of imports in 1922 amounted to Kr.166 milliards, and that of exports to 91 milliards, leaving a debit balance of 75 milliards. This debit balance is disastrous, especially when its importance in the national balance sheet is realised. The national balance sheet for 1922 shows a deficit of 91 milliards, so that more than four-fifths thereof must be attributed to the loss on foreign trade account. Among the most important articles of trade in 1922, the price of imports was on an average 476 times the price in 1913, while that of the chief exports had only increased thirty-fold.

The various items of Hungary's foreign trade in 1922 show the following results (in millions of kronen) : Forestry and fishery, imports 22,799, exports 34,357.9 ; products of mines and iron foundries, imports 121,196, exports 54,585.9. The import of finished industrial products is valued at Kr.95 milliards, composed as follows (in millions) : Textiles, 55,352 ; paper products, 6,153 ; machinery and electro-technical products, 5,758 ; chemicals, 3,532 ; iron, 3,374 ; leather, 3,235 ; mineral oil, 2,839. Of imported semi manufactures the figures were, in milliards : Wood, 7.2 ; leather 7 ; cotton wool and threads 5.6 ; iron 2.1. Of the mining and iron and steel products, coal comes first with 11.7 milliards, followed by iron ore, 1.2 ; raw metal, 5. Of agricultural and forestry products, timber stands first with 6.5 milliards ; followed by raw tobacco, 2.3 ; raw jute, 1 ; and raw cotton 0.9 milliards.

Owing to the decline in agricultural output, coupled with the poor harvest of 1922, the export of industrial exceeded that of agricultural products. The exports of the various industrial products amounted in 1922 (in millions of kronen) to : Foodstuffs, 20,765 ; machinery and electro-technical products, 10,925 ; iron, 2,838 ; textiles 2,795. Among agricultural produce, the first place was taken by wheat and rye meal, 18 milliards, followed by sausage 1, wool 2.5, cattle 0.7, fresh and preserved meat 2, and horses 1.5 milliards. The export of eggs, compared with 1921, increased from 24,000 to 865,000 quintals in weight, and by Kr.3.6 milliards in value.

## SOCIAL AND LABOUR CONDITIONS

### UNEMPLOYMENT IN CZECHO-SLOVAKIA.

During the first half of February 205,500 persons received unemployment doles, i.e. 150,000 men and 55,500 women, besides 190,000 persons members of the families dependent on them. The number of partially employed, supported by their employers, was 65,200 (with 37,600 dependents). According to these figures unemployment in February has decreased as compared with January. In February 1922 the number of unemployed drawing direct State doles was 32,718 persons, the number of unemployed supported by their former employers 28,298. In the middle of December 1922 the figures were 152,550 and 91,134 persons respectively ; in the middle of January 1923 193,362 and 88,601 respectively. The total number of all unemployed, however, is much higher, and was estimated at the beginning of January at 438,000. The total number of persons drawing unemployment doles directly or indirectly was 281,162 in the middle of January and 270,753 in the middle of February. (*Central European Observer.*)

### INDEX NUMBERS IN CZECHO-SLOVAKIA.

Index numbers of retail prices in Czecho-Slovakia for February show a decrease of seven points in Group I. (Foodstuffs, Fuel, Petroleum, Soap), and an almost negligible rise of three points in Group II (Textiles, Footwear, Men's Hats.) For the purpose of comparison we give one or two past figures :—

	1922		1923	
	July.	Dec.	Jan.	Feb.
Group I.	1475	962	941	934
Group II.	1735	1107	1061	1064

Among the reductions are eggs (13½%), beer (3½%), butter and milk (2½%), coal (2%), petroleum (2.7%), potatoes (2½%), while the following articles show a rise : Beef (5½%), pork (2.3%), flour (1.8%), fats (1.8%), sugar (1½%).

The wholesale index number on March 1 was 1,928, as against 1,919 on Feb. 1, or 0.8% higher. Prices of foodstuffs show an increase of 2.6%, while industrial articles decreased 1.3%. Home products have risen more than imported goods. The greatest increase is shown by foodstuffs, especially vegetable foodstuffs, sugar, salt, metals and ores and textiles. Animal foodstuffs, flour, beer, eggs and certain industrial articles (hides, glass) have gone down in price. (*Central European Observer*, Mar. 25.)

## COMMUNICATIONS

### ELECTRIFICATION OF STATE RAILWAYS.

AUSTRIA.—In Austria, according to a statement made by the Minister of Communications, the electrification of the Innsbruck-Landeck line should be completed in the course of the current year. The same applies also to the Attnang-Steinach line through the Salzkammergut. Preparations have also been made for commencing work on the Schwarzach-St. Veit line to Villach via Bad Gastein.

CZECHO-SLOVAKIA.—Immediately after the establishment of the Czecho-Slovak Republic in 1918, the Ministry of Railways began to study the question of electrification of the State lines—in the first place those in the neighbourhood of Prague—and it has now been decided to start operations on the line from Prague (Wilson Station) to Pilsen.

According to the *Prager Presse* this line has been chosen owing to its favourable situation as regards proximity to power stations. The electrification of the line will not be completed before 1926. Should it prove successful, work will at once proceed on further branches of the State lines. (*Central European Observer.*)



# RUSSIA

## FINANCE

### THE BUDGET.

The Budget estimate submitted to the State Planning Committee by the Commissariat for Finance, and relating to the period October 1922 to September 1923, provides for revenue amounting to R.913 mill. in gold roubles, and computed in accordance with the index for goods, and for an expenditure amounting to R.1,333.6 mill. The deficit of R.420.6 mill. is to be covered to the extent of R.80 mill. by credit operations, and the remainder by note issues. The expected revenue from direct taxation, inclusive of taxes in kind, figures in the Budget at R.341.7 mill., from indirect taxation at R.144.6 mill., from customs at R.14.7 mill., from transport, posts, telegraphs, etc., at R.328.2 mill., from State property at R.43.6 mill., from State industrial, commercial and financial undertakings at R.15.3 mill. On the expenditure side, the estimate for the Commissariat for War is R.197.8 mill.; Commissariat for Marine, R.19 mill.; Commissariat for Transport, R.432.9 mill.; Commissariat for Finance, R.122.9 mill.; Commissariat for Agriculture, R.18 mill.; Commissariat for Food, R.70.2 mill.; Commissariat for Education, R.45.3 mill.; Commissariat for Home Affairs, R.40.5 mill.; Supreme Economic Council (supreme industrial administration), R.32.2 mill.; Commissariat for Posts and Telegraphs, R.28.5 mill.; Commissariat for Health, R.14.8 mill.; United Autonomous Republics, R.45.8 mill.; loans and subsidies to industry, R.88.7 mill.; loans to agriculture, R.55 mill.; financing the State Bank, R.25 mill.; various loans and advances, R.59.3 mill. (*Ost-Express*, Mar. 13.)

## TRADE

### FOREIGN TRADE STATISTICS.

According to preliminary official statistics, total exports from the Soviet Republic amounted in January to 55,623 t. to a value of 4,533,000 gold roubles, compared with 72,262 t. to a value of R.6,636,000 the previous month. The value of food exports was R.317,000, of raw material and semi-manufactures R.4,126,000, and of finished products R.90,000. Imports amounted to 41,067 t. to a value of R.6,919,000 (*sic*), compared with 55,365 t. to a value of R.11,595,000 the previous month. The value of food imports was R.745,000, animal products R.854,000, timber, timber products and basket work R.65,000, ceramics R.32,000, fuel, asphalt and rosins R.369,000, chemicals and chemical raw materials R.1,203,000, ores, metals and metal goods R.2,912,000, paper R.161,000, textiles R.280,000, ready-made clothing, haberdashery and writing material R.300,000. Besides these commercial goods, 7,246 t. of "goods for famine purpose," to a value of R.7,410,000, were imported. No details are given regarding the latter imports, the value of which exceeded that of the commercial imports, the decrease in which was officially only in part imputed to the shipping difficulties of this winter month. (*Ost-Express*, Mar. 19.)

## INDUSTRY

### HARD COAL OUTPUT.

The coal industry in the Donetz Basin usually undergoes a crisis in the summer months, caused by financial difficulties and by the great migration of workers on to the land. The crisis in the summer of 1922 was far less harmful in its effects than that of the previous summer. Although the number of hewers sank from 17,825 in January 1922 to 5,735 in August, i.e. the Donetz coal industry lost 65% of its workers, the coal output amounted between June and September to 64,280,000

poods compared with 38,825,000 poods in the same months of 1921, when 11,200 hewers were working. This astounding increase is said to be due to a great improvement in the capacity of the Donetz Basin hewers, which was then four times as great as their capacity in the summer of 1921, and amounted to 90% of the pre-war output capacity. Official output statistics show, however, that the effects of the 1922 crisis are taking longer to overcome than that of the previous summer. The June to September outputs for 1922 and 1921 are compared above; the October to December outputs were 95,379,000 poods only in 1922 and 132,407,000 poods in 1921. The total outputs of all the Russian hard coal mines in the last three months of 1922 was 139,343,000 poods, compared with 187,242,000 poods in the same period of 1921. Taking the monthly outputs singly for this period, the total output in October 1922 was 38,014,000 poods (50,513,000 in 1921); in November, 48,329,000 (61,788,000); and in December, 53,000,000 (74,941,000). (*Deutsche Allgemeine Zeitung*, Mar. 16.)

According to a recent report of the *Ost-Express*, the bad cold and snowstorms in February have been so prejudicial to labour conditions in the Donetz Basin that according to provisional estimates the coal output will amount to only about 29 mill. poods. The January output amounted to 32.7 mill. poods and that in December 1922 to 41.1 mill. poods.

The Labour and Defence Council have assigned one million gold roubles for the purchase of foreign coal for shipping requirements.

### THE PETROLEUM INDUSTRY.

According to the *Ekonomicheskaja Zhizn*, the President of the State Planning Commission, at a recent meeting called to discuss the promotion of petroleum exportation, stated that since the establishment of Soviet rule until April 1, 1922, petroleum products had been exported to a total of 2.6 mill. poods. Between April 1 and Nov. 1, 1922, about 10 mill. poods to a value of about 12 mill. gold roubles had been exported. During 1923 petroleum exports were to amount to 36 mill. poods, but he did not think this would be possible; at most, an export of from 20 to 21 mill. poods could be effected. Owing to competition, it was extremely difficult to find a market for petroleum. Since 1904 the United States and Mexico had been conquering the markets. He demanded that the Russian Petroleum Syndicate should, by virtue of the Decree of Oct. 16, 1922, be included in the list of State organisations permitted to conduct direct transactions with foreign countries. This request was granted by the Commission. The Syndicate was commissioned to draft a programme of measures for promoting the Russian petroleum export.

The average monthly output of petroleum in 1922 was, according to official statistics, 15.23 mill. poods for Baku and 23.5 mill. poods for the whole industry. During the last quarter of the year the total output was 75,785 mill. poods, showing an increase of 20% on the figure for the same period of 1921. The number of wells under exploitation increased in the Baku district from 1,406 in September 1922 to 1,463 in October and to 1,545 in November. (*Deutsche Allgemeine Zeitung*, Mar. 21.)

### AGRICULTURAL MACHINERY.

Before the war, the Russian agricultural machinery industry had, notwithstanding the small extent of Government assistance and Customs protection, a finer output than any other branch of Russian engineering. During the war it suffered extremely, and a deterioration was noticeable until 1921, after which year an improvement set in slowly. The State Trusts comprise 98% of the output. During 1922 the agricultural machinery



## Russia

industry specialised more in the perfecting of tools. Fewer wooden ploughs were made, and the output of iron ploughs, sowing machines and mowers increased. The output of knife harrows and scythes also augmented. Agriculture is certainly slowly entering on normal conditions again. The deteriorated working capacity of the people, coupled with the shortage of credit, are, however, acting as a deterrent on the consumption and production of agricultural machinery. If an index figure of 100 be taken as the output figure for 1920-21, the 1921-22 output compares with it as follows: Ploughs 103.8, sowing machines 1,352.1, mowers 149.5, threshers 288.0, scythes 115.8.

In 1921-22 thirty-five of the largest factories were working with 13,060 hands. The output value of these factories before the war was 32 mill. gold roubles. The programme for 1921-22 had provided for the manufacture of 1,855,972 poods of agricultural machinery and tools to a total value of 8,865,900 gold roubles. The actual output was only 973,805 poods—52% of the programme—to a total value of R.5,569,281—63% of the intended value. This poor result was brought about by several causes. In the first place, the State did not finance production to anything like the extent provided for in the programme. The fuel supply fell short of requirements by 43.8%, the metal supply by 40%, the building timber supply by 39.8%. Another vital cause was the diminution of the labour supply to 69.9% of the forecast. In certain articles, however, the output was greater than that provided for. The production of reserve parts exceeded the programme by 9%, that of scythes by 33%, that of threshers and averruncators by 150%, and that of hay-rakes by 250%. The yearly output of a Moscow worker in 1921-22 amounted to 135 poods—79% of the programme—to a value of 680 gold roubles—42.5% of the peace-time output value.

For 1922-23 the Head Administration of the Agricultural Machinery Trusts has drawn up a programme which provides for the manufacture of 212,000 poods of ploughs, 25,400 poods of harrows, 17,200 poods of winnowing sieves, 1,335,000 poods of scythes, 530,000 poods of sickles, and 305,700 poods of reserve parts. The programme provides for a total output of all machinery of 3,305,089 poods—61% of the output of the factories belonging to the Trusts—to a total value of 19,650,000 gold roubles. If this programme is executed, the output will exceed that of last year by 245% in weight and by 120% in value. Plans for the revival of the industry provide for the resumption of work in all the factories in the land between 1922 and 1927. By the latter year production is to have attained 65% of the normal. Between 1927 and 1931 output will be brought up to the normal and a number of new works will be started. By the latter year the output of the old factories is to amount in value to 60 mill. gold roubles, and that of the new works to R.90 mill. Great plans are also drawn up for the manufacture of tractors, of the American types "Improved Fordson" and "W.D.," in the Aksai Works, the Kharkov Locomotive Factory and the works of the Petrograd group. (*Weg zum Osten*, Mar. 2.)

### STATE OF THE MOSCOW INDUSTRIES.

The reconstruction of the Moscow industries began in 1921 and was completed last year. There are at present in this district 37 trusts comprising 432 factories with over 163,000 workers and 17,800 employees. There are also a number of closed-down works which belong to the Moscow Economic Council. Of the 37 trust managers, 27 belong to the Communist Party, the remainder to no party, and most of them were originally working-class men. The trust directors comprise 65 Communists and 44 non-party men; 53 of them were formerly workers and 27 employees.

In every branch of the Moscow industries production was on the increase last year and is still progressing,

and the capacity of the workers has improved. Further progress depends chiefly on the supply of raw materials, of which stocks are at present alarmingly small. This is especially the case in the textile industry; the whole of Russia has only sufficient stocks to last until May. The purchasing of foreign cotton has been conducted on energetic lines; some of it has already reached Russian ports. Wool stocks, however, will scarcely suffice to employ the industry for another month. As sheep-breeding in Russia has diminished alarmingly, the prospects in the wool industry are very poor. The heavy industries have no such raw material crisis with which to contend. Their stocks are still considerable and all further necessities can be procured within the country. The state of the chemical industry is satisfactory. The works have sufficient raw material for a year. Similar conditions apply in the timber working, ore and leather industries. The position of the industries which work with agricultural products is far more unsatisfactory. The fuel supply of the Moscow industries is covered, on the whole, with the exception again of the textile industry, which only possesses supplies sufficient for two months. The heavy industry has a two months' supply, the chemical industry five, the food industry has enough for nine months. Most of the textile works have their own peat land and have adapted their firing to the use of peat.

The financial position of all the Moscow industries is extraordinarily difficult. Their total working capital amounts to 91,900,000 gold roubles. They have received financial assistance from the credit institutions. The Moscow and Supreme Economic Councils granted them total long term credits in 1922 to the extent of R.85 mill. The State Bank granted them short term credits of 6 or 7 trillion roubles. With money requirements amounting to dozens of trillions of roubles monthly for each trust, these credits could not really afford very great assistance. Various trusts resorted to panic sales, which brought temporary relief to them, but were in the end the cause of all the difficulties which to-day burden the Russian markets. (*Revaler Bote*, Mar. 16.)

## SOCIAL AND LABOUR CONDITIONS

### UNEMPLOYMENT DATA.

According to official estimates, the number of unemployed registered in eight-three Governments of the Soviet State on Dec. 1, 1922, was 539,000, 24% of whom were in Moscow and Petrograd. Men represented 56% and women 44% of the numbers; 31.7% were Government employees and officials. The number of unemployed has increased steadily throughout the year, by 293% as regards men and by 316% for women. In December 1922 and January 1923 the lists were revised and 30% of the names struck off. Unemployment continued to augment during the first two months of 1923. (*Ost-Express*, Mar. 16.)

### COST OF LIVING IN MOSCOW.

The following index numbers refer to the retail prices of goods on the Moscow markets in February. The numbers in brackets denote the percentage relationship to the previous week's prices. Taking the index for 1913 prices as 100, the figure, in thousands, for grain products was 20,429 (107), fodder grain 18,688 (104), vegetables 16,376 (116), meat and fish 24,265 (106), fats 26,851 (111), milk products and eggs 35,665 (103), groceries 18,135 (106), soap, soda, etc., 31,613 (107), clothing and footwear 40,419 (102), household implements 44,758 (116), lighting and heating 24,688 (110), small articles of furniture 13,742 (105). The index number representing all articles of food was 28,419 (107) and all other necessities of life 36,423 (107), so that the index number for the total cost of living stood at 32,027 (107). The gold index number was 27,200 (104).



## SPECIAL ARTICLES

WORKMEN'S COUNCILS IN  
VARIOUS COUNTRIES*(Concluded from Mar. 30)*

## CO-OPERATION BETWEEN MASTERS AND MEN IN FRANCE.

Again in 1910, at Grenoble, M. Régis Joya and his two chief partners, MM. Romanet and Mayet, set up a factory council with the threefold object of increasing friendly relations between employers and employed, promoting the prosperity of the concern, and initiating the workmen into the working of the business. The meetings of the council are attended by the managers, the chief engineer, the chief accountant, the leader of the unskilled workers, the heads of workshops, foremen, and all workmen with twenty years' of continuous service. The system of an elective council was rejected on the ground that "it would be used by so-called labour associations alien to the factory. Under the influence of leaders arrogating to themselves the privilege of advising and directing the working class, those elected would, generally speaking, be taken only from among sowers of discord, with a fine flow of words but small accomplishment in the way of deeds, people discontented on principle, usually of more than doubtful morality, regarding the employer as the natural enemy and setting themselves up as supreme arbiters." On the other hand a workman who has worked continuously in the factory for twenty years is specially adapted to serve as intermediary between his comrades and the management. In the Joya works, employing 250 hands, skilled and unskilled, the "factory council" includes 36 workmen with upwards of 20 years' continuous service. The council meets once a month and deals with much the same questions as the council established by the Harmel works, but on matters connected with the working of the factory the workmen have the right to express their opinion but not to vote.

At Vienne the Pascal-Valluit cloth mills have an elective council, to which the 1,732 hands employed elect 32 representatives, male and female, by secret ballot. The object of the owners in creating this council is to get into close touch with the men. At a private informal sitting held once a month, the sanitation of the workshops, existing works of social welfare and schemes for the institution of new ones, are discussed.

"Through this chat, says a member, we mutually instruct one another, get better acquainted with one another, in consequence whereof how many prejudices disappear?"

At Lyons, again, there are several establishments which have constituted councils of workmen between whom and the management the most cordial relations exist. Councils have been set up with similar results in the Cortaillod electric cable factory and the important Bally boot factory at Schoerenwerd.

These councils, created spontaneously without any interference from the Government, are similar to those founded in Germany by Herr Max Roesler in his art pottery works at Rodbach in Coburg, which are known to fame and often cited as examples owing to the excellent monograph on them by their founder. Here the system consists of councils elected in each workshop by workmen of at least 21 years of age with not less than one year's service, the elections being subject to the approval of the manager and the chairman of the shop council. Above these councils is a central council. The central council has repeatedly decided that no workman must join the Socialist Union of art pottery workers as being incompatible with the organisation and the principles of the factory. One of the

advantages of the system is the initiation of the workmen into the difficulties of the undertaking which usually puts an end to any preconceived ideas they may entertain as to the excessive profits of the owner.

LABOUR CO-OPERATION *versus* LABOUR CONTROL.

But the revolutionary parties of all countries are resolutely opposed to the creation of simple councils co-operating with the management of factories in settling questions within the province and in the interest of the workmen, but desire "labour control." defined by the latest manifesto issued by the Central Committee of the revolutionary syndicalist committees in the following terms: "Labour control must lead to the management of undertakings by the workmen. In the workshop the organ of control should constitute the primary cell of the new organisation of production. It must therefore be created in order to enable the working class to educate itself for its duties of manager. The immediate objective of labour control is to induce the workmen to claim its institution. The establishment of control will therefore enable the workman not only to obtain suitable wages but to acquire a capacity for management."

The objection that the workman placed in general control of the whole factory, will have to acquaint himself with the operations of all departments, technical and administrative, is met as follows:—

"On the other hand, if the control is exercised according to the various processes of manufacture, several controllers may be appointed to each workshop or department, who, while doing their own work, will be able to follow the operations from one department to another, in unison with the controllers of the same article in process of manufacture in neighbouring workshops. It will suffice that the controllers should have knowledge of the distribution of work in the workshop (that is to say, that they should be assisted by the officials in charge of the accounts of that workshop).

It is here that appears the full economic value of control according to processes of manufacture, since it will easily enable the workman to ascertain the cost price of the article manufactured, which is the key to the manufacturer's position. Acquainted with the cost price workers will have in their own hands the data regulating prices and will know exactly to what extent they are being "imposed upon." The scheme, therefore, provides for the creation of control in several stages, from the labour representative in the workshop to the general control committee, consisting of from four to sixteen members, nominated by the union from a list of those elected at a meeting of workmen, officials and technical workers.

Such is the programme, the execution of which, in the opinion of its authors, will enable the workmen to lay hands on production. The combined committees of control will form the means of carrying out the future general management of national business, and France will be provided with a second edition of the Bolshevik revolution. But the syndicalist revolutionary committees do not doubt that it will succeed since this time the councils will hold the secrets of the owners. Their mistake is that they cannot see that production, managed by a council, even if not a Soviet, will gradually decline until its yield becomes insignificant. Not that among the workmen men capable of managing a business are not to be found, but in order to make full use of their qualities they must act as responsible managers directly interested in output and not as agent of the mass of workmen. And this is the fundamental error of collectivism. One of the chief objections to the creation of workmen's councils was formulated by M. Isaac, a former Minister of Commerce,



## Special Articles

at a meeting of the Federation of French manufacturers and traders in the following terms: "These Councils will but give birth to a kind of economic parliamentary system, as disastrous as the other, and as incapable of a rapid settlement of pressing questions. Pranks of this kind in business are costly." A division of management is against reason. The head alone must give orders, but may usefully take the opinion of his subordinates upon which he will act or not at his own discretion. Therefore a council cannot conceivably be at the head of the hierarchy and must confine itself to the functions of an advisory board.

This was made clear by the French Society for the legal protection of workers by its resolution passed on July 1, 1919, on the question of the share of management to be assigned to labour. It favoured the institution of mixed committees in all industrial enterprises, especially in those conducted by joint stock companies, in the interest both of the staff and of the enterprise, but refused to such committees all share in financial management or in the choice of the staff, and even went so far as strictly to limit the technical, commercial and labour questions to be submitted to it.

In the course of the debate, M. Legouez, one of the employer's representatives, exposed the illusion contained in the idea of consulting the workmen on general management of manufacture, and on methods of execution. "During the war," he asked, "did anyone dream of consulting the private soldier on the time or object of an attack? The workman must be trained and he must understand as thoroughly as possible the working of the factory; it is indispensable that conversations should take place between the management and the workmen on technical and commercial questions, but the decision must not be left to a council." A resolution to much the same effect was passed by the latest meeting of the Union of Social Catholics at Lyons.

The opinion of other authorities on industrial and labour questions as to the utility of workmen's councils and their limitations may be quoted.

M. Eugene Schneider says: "The necessary connection between the mass of workmen and the employers can only be assured by educating both classes on parallel lines. The future leaders of industry must get to know their subordinates, and the workmen must be able to judge their employers at first hand. The two classes must learn to understand and to trust one another. But how many of our fellow countrymen understand the handling of the human mind and the psychology of crowds? Our generals owe part of their success to the fact that the psychology of soldiers in modern armies was taught in the military schools. A military writer such as Colonel Ardant du Picq, should serve as a model to our future captains of industry."

M. Auguste Keufer, a convinced syndicalist who has made of the Book Federation the most powerful and homogeneous of all labour associations, writes as follows:—"However much one may favour the participation of workmen in the control, management and organisation of work, it must be admitted that they are not prepared either by their general and technical knowledge, or by their industrial or commercial experience to play the part which the labour leaders desire to assign to them forthwith." And again. "However ardent partisans Frenchmen may be of the democratic system in politics, which has even penetrated into Oriental countries, with an ancient and traditional civilisation, their convictions cannot prevent them from realising the imperfections and flaws in this system which is very far from invariably assigning the majority of votes to the most competent or to those best qualified to direct the policy of democratic countries. Rivalries, intrigues and bribery play a fatal part in political struggles. Without going to Russia for an example of the failure of labour control—we may seek it nearer

home, in the Grand Duchy of Luxemburg. In October 1920, the Luxemburg Government, under pressure from the trade unions, decided to create factory councils. Six months later disorders broke out in a metal works, owing to a dispute between the council and the management. All the councils throughout the industry supported the revolutionary movement, and in certain cases the workmen seized the factories and mines, declared them to be the property of the workmen, and took over the management, with the result that on Mar. 11, 1921, the Government promulgated a decree suppressing the councils "which had been created by way of experiment with the object of promoting good understanding between masters and men.

"Workmen's councils," concludes M. de Turlé, "even with strictly limited functions, will prove harmless if only a spirit of co-operation among the workmen is substituted for the spirit of class rivalry."

### THE EIGHT HOUR ACT AND THE FLIGHT OF LABOUR FROM BELGIUM.

The *Revue du Travail* publishes a summary of the Report produced by the Labour Inspection Board for West Flanders on the flight of Belgian labour into France. As we have already had occasion to point out, Belgian workmen, and not only men engaged in seasonal industries, have been seeking and finding employment in France by tens of thousands, especially in the building trade. In 1922, notwithstanding the steady reduction of unemployment in Belgium, and in spite of the fact that there is abundance of work in the building trade there, the migration of Belgian workmen to France has gone on increasing at the rate of from four hundred to five hundred a week. Surprising as this statement may appear, our information is amply confirmed by the official evidence furnished in the Report, evidence which, on the face of it, must be regarded as above suspicion.

The document begins by showing how serious the volume of the exodus is. In the Department of the Nord, it says, the returns show that in December 1922 the number of Belgian workmen regularly crossing into France for the day was 30,620 and 11,760 for the week, or a total of 42,380 in regular employment in that country. Roughly, two-fifths of this labour was engaged in the metal industry, one-fifth in the textile industry, one-fifth in the building trade, and one-fifth in agriculture. In the good months, May and June, the number of Belgians employed in the Department of the Nord and in the Maubeuge district was estimated at 120,000, as against some 60,000 before the war. In the French Ardennes Belgian labour before the war amounted to about 20,000 hands, almost wholly engaged in the metal industry. The output in this industry has now fallen to the extent of 50 per cent.; but notwithstanding this depression the figures of Belgian labour remain practically the same, the brick-making and building trades having absorbed a much larger amount than heretofore. As regards districts further south, the influx of Belgian labour has not been increased.

The reasons given for this migration of labour are sevenfold: first, the shortage of French labour in the devastated areas; second, the higher rate of wages paid in France; third, the travelling allowance, ranging from Fr.2 to Fr.3 per day; fourth, the trade union regulations, which allow the workers greater latitude; fifth, the permanent transfer, as a result of the war, from the Department of the Nord to departments further south of labour engaged in the textile industry; sixth, the advantages accruing from the rate of exchange, which represents an increase of from 9 to 10 per cent. in wages; and seventh, the longer hours worked per day, as, for instance, in the building trade, in which under an agreement between the employers and the men the latter are enabled to work eight hours a day during four months of the year, nine hours a day during four other months, and ten hours a day during the remaining four months.

The Report then proceeds to give data showing the distribution of Belgian labour in France. The following table sets out (1) the name of the arrondissement, (2) the number of men travelling to and fro daily to their work, and (3) the number of men who only return to their homes once a week:—

Avesnes ... ..	6,000	1,800
Cambrai ... ..	—	110
Douai ... ..	—	350
Dunkirk ... ..	120	—
Hazebrouck ... ..	150	100
Lille ... ..	22,800	3,500
Valenciennes ... ..	550	900
Maubeuge ... ..	1,000	5,000
Total ... ..	30,620	11,760

Strictly speaking, wages are not really very much higher than in Belgium. The standard scale provides for a wage of Fr.2 an hour for a labourer, Fr.2.25 for one engaged on special work, and Fr.2.50 for a skilled workman, but actually these wages, as in Belgium,



have been raised by Fr.1 an hour. Besides, many employers pay travelling expenses, ranging from Fr.2 to Fr.3 a day, while the operation of the rate of exchange is equivalent to a wage increase of from 9 to 10 per cent.

The evidence is indisputable. What then, asks the *Echo de la Bourse*, are the motives that drive Belgian labour to find work in France? The answer is supplied by the Government officials as the result of a searching enquiry by responsible authorities who side neither with the employers nor with the trade unions, and are consequently impartial: it is because the workman is afforded an opportunity in French industry of working as long hours as he likes, of earning as much as he chooses to, and because he is free there of the vexatious control of his own trade unions. The Belgian working-man forsakes his own country because there he is not allowed to give his employer an hour or two of overtime, of which the national economy is sorely in need, for which the employer is only too ready to pay a higher wage, and the earnings from which would materially benefit the labourer's home. But the Act and the tyranny of the trade

unions forbid it. Consequently the worker crosses the frontier in order to regain his personal liberty, which the Act restricts, and to retrieve his personal dignity, which the trade union authorities trample under foot. It is not we who say so, continues our contemporary, but an impartial government body: in France "the trade union regulations give the workman greater latitude," and "the working day there is longer." Cometh the day when it will be possible to draw up an account of the losses Belgium has suffered from this exodus of labour, we will be fully justified in throwing the responsibility for these losses on the trade unions, who forced the Eight Hour Act on the country, and on the much too complaisant politicians who under cover of the *union sacrée* have prepared the way for this national disaster. Meanwhile we have the spectacle of thousands of excellent Belgian workmen engaged in the economic and industrial revival of France, testifying to the fact that, in order to be free to work as they choose and earn as much as they like, they are forced to leave their own country.

## NOTES ON NEW BOOKS

### EMIGRATION LEGISLATION.

*Emigration and Immigration: Legislation and Treaties.* Published by the International Labour Office, Geneva. Pp. xv. + 439. Price 6/-, or \$1.25.\*

This book is the outcome of a resolution passed by the International Emigration Commission, which met at Geneva in 1921, asking the International Labour Office to investigate the question of the international co-ordination of legislation affecting emigration, and it is intended to prepare the way for the elaboration of uniform legislation by setting forth the measures at present in force in the different countries of the world. The laws, regulations and treaties of seventy-six countries have been consulted, and, considering that this is the first work of the kind which has been published, it may be regarded as complete as it is humanly possible to be at the present time.

The volume is divided into three parts, dealing respectively with legislation concerning emigration, legislation concerning immigration, and international agreements concerning emigration and immigration, and each part is further subdivided according to the subject dealt with. An analysis is given of the varying definitions of the terms "emigrant" and "immigrant," and the points of resemblance and difference are summed up. The other chapters follow in logical sequence, those in the first part of the book dealing with restrictions on emigration, passport systems, emigration funds, protection of emigrants by means of official information, measures taken to supervise agents, transport questions, etc. In a similar manner the second part deals with conditions of admission, organisation of immigration, admission and rejection of immigrants and treatment of immigrants after arrival.

Part III. consists of an analysis of international agreements which have a bearing on emigration. This is a vast field, for practically all treaties affect the interests of emigrants to some extent, and even if we restrict ourselves, as the International Labour Office has done in this case, to the most important and precise treaties, we find that reference has to be made to more than a hundred texts. These treaties are partly concerned with migration as a whole and partly with one particular aspect of the problem only. Among the first we find conventions relating to the slave trade, the emigration and recruiting of Chinese coolies, the labour and emigration treaties of 1919 to 1921, commercial treaties, etc., while in the second category are the multitudinous conventions concerning social insurance, poor relief, repatriation, nationality, etc., many of them confined to two countries, but including also a number of general interna-

\* Copies can be obtained from Messrs. Constable and Co., Ltd., 10, Orange Street, London, W.C.2.

tional conventions agreed to, either on the initiative of social reform associations before the war, or of the International Labour Organisation since the war.

In the whole book there is a great mass of information analysed and set out in convenient form, with a detailed table of contents which facilitates reference to particular points. There are also appendices which give a complete list of the acts, regulations, treaties, conventions, etc. consulted.

At the end there is a supplement bringing the volume up to date to August 1922.

## RECENT PUBLICATIONS

*The Welsh People.* Chapters on their origin, history, and laws, language, literature and characteristics. By John Rhys and David Brynmor Jones. (T. Fisher Unwin, London. 10/- net.) This is the sixth impression of a book of great value to the student of Wales and the Welsh. Nothing has been added to the last edition, which was published in 1909; but it remains an expert survey of the subject, substantiated by the best available facts.

*The Effects of the War on Credit, Currency, Finance, and Foreign Exchanges.* One of the reprints (new series) published by the British Association for the Advancement of Science, Burlington House, Piccadilly, London, W.1. Price 6d.

*International Aspects of Unemployment.* By Watson Kirkconnell. (George Allen and Unwin, Ltd. (6/6 net.)) In the preface this volume is described as "the mental reaction of a native-born Canadian to an international problem." Mr. Kirkconnell treats the question of unemployment as an "index to disharmonies and hazards in our whole international civilisation."

*Stabilisation.* By E. M. H. Lloyd. (George Allen and Unwin, Ltd. 4/6 net.) This book analyses the chief causes and consequences of the existing instability of prices and production, and points the direction in which a remedy is to be found. It sketches a programme of currency reorganisation based on the plan approved at the Genoa Conference for stabilising the general level of prices by international co-operation between the Central Banks; and it suggests an extension of the same principle of stabilisation to particular commodities such as coal, oil, wheat, cotton, rubber, and other staple raw materials and foodstuffs.

A comprehensive policy of stabilising prices and production by international co-operation, in the interests of producers and consumers alike, is put forward as the best means of combating agricultural and industrial depression and of checking an otherwise inevitable drift towards a further period of high prices and profiteering.

## THIS JOURNAL

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CHART ILLUSTRATING TABLE I

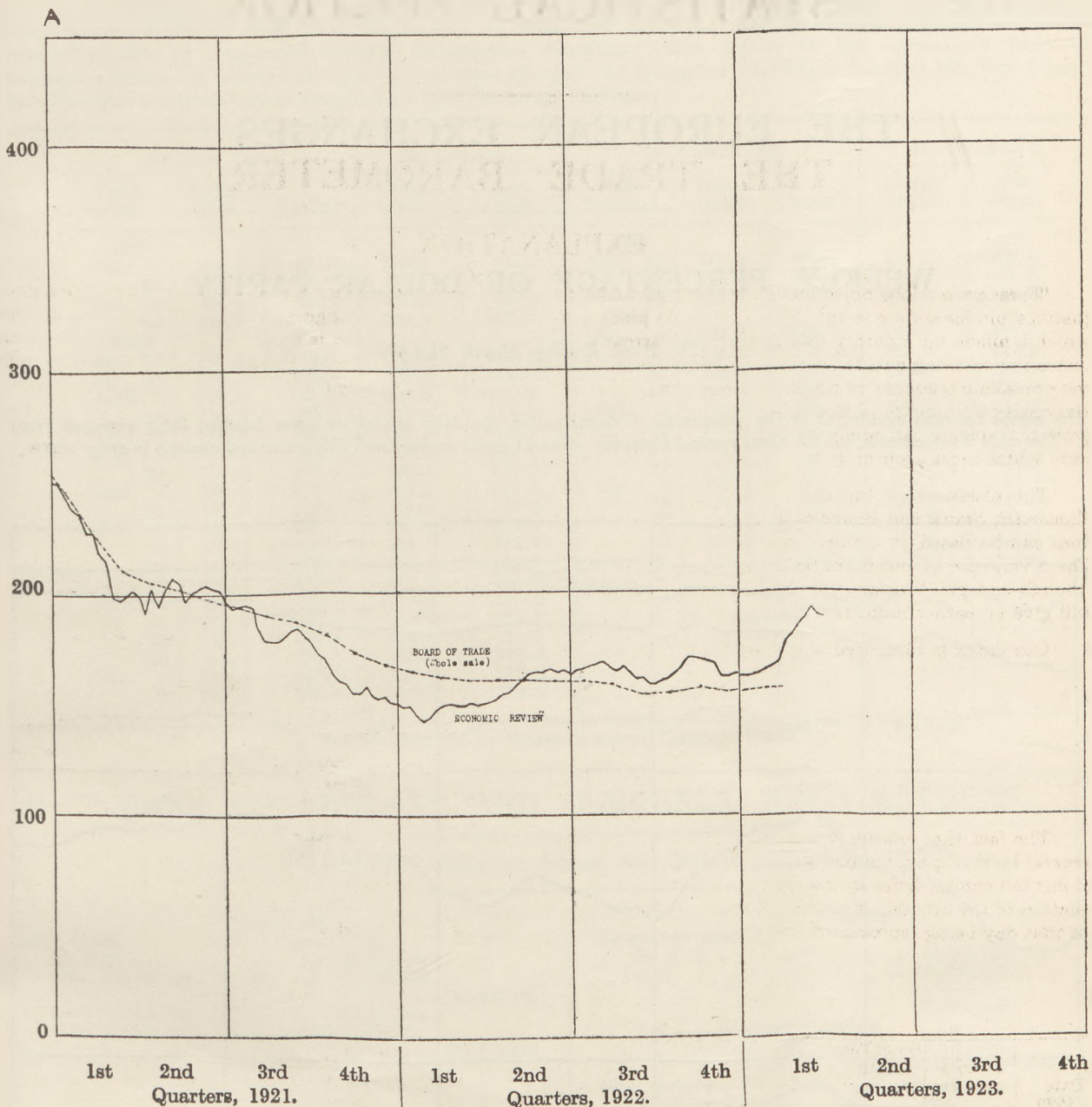


TABLE II.

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.												
Jan. 27 ...	90.6	90.5	92.4	108.8	85.3	100.0	82.6	101.1	94.4	96.1	94.18	... Jan. 27
Feb. 24 ...	101.4	85.3	94.3	136.9	90.0	106.7	76.8	106.4	104.4	94.1	99.77	... Feb. 24
Mar. 31 ...	94.3	84.2	93.4	126.3	90.3	106.7	87.0	116.2	97.1	103.8	99.93	... Mar. 31
Apr. 28 ...	92.9	89.4	89.6	149.1	87.9	106.7	78.3	113.5	115.8	107.7	103.09	... Apr. 28
May 26 ...	99.1	89.2	88.7	155.3	101.1	115.6	89.9	123.8	118.4	107.7	108.88	... May 26
June 30 ...	92.9	90.4	81.1	152.6	111.7	111.1	91.3	117.7	114.4	119.2	108.24	... June 30
July 28 ...	92.9	94.5	97.2	157.9	110.1	111.1	97.1	119.0	116.5	119.2	111.55	... July 28
Sept. 1 ...	92.4	93.8	94.3	121.1	113.9	111.1	92.8	108.9	112.8	148.0	108.91	... Sept. 1
" 29 ...	94.3	95.2	92.9	135.1	105.9	117.8	96.4	82.8	104.0	134.6	105.90	... " 29
Nov. 3 ...	95.5	107.5	100.0	140.3	119.9	133.3	106.5	91.9	104.8	134.6	113.43	... Nov. 3
Dec. 1 ...	95.5	102.6	94.3	136.9	121.5	133.3	107.2	93.9	96.3	134.6	111.61	... Dec. 1
" 29 ...	89.4	106.7	91.5	138.6	126.0	120.0	93.5	90.4	89.7	138.5	108.43	... " 29
1923												
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
" 23 ...	113.2	135.3	133.0	143.9	133.4	124.4	91.3	89.3	84.6	213.5	126.19	... " 23
" 30 ...	113.2	131.8	133.0	150.9	125.5	124.4	91.3	89.3	88.2	211.5	125.91	... " 30

\*Revised Quotation.



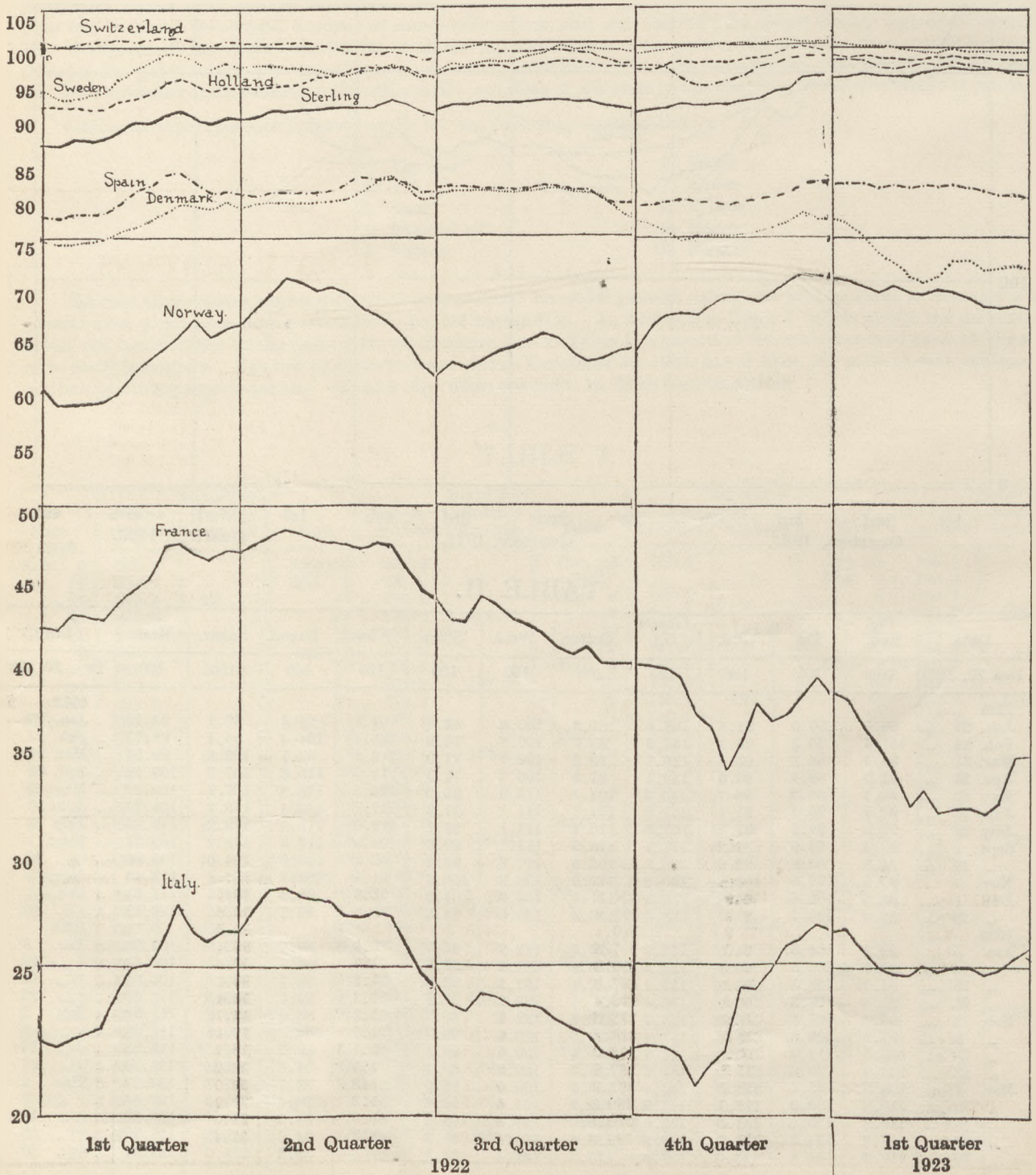
**Statistical Section**

**THE EUROPEAN EXCHANGES**

**WEEKLY PERCENTAGE OF DOLLAR PARITY**

(To Week Ending March 31st.)

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	Dec. 16	121.1	103.1	116.1	113.8
29	91.1	92.0	91.1	94.4	23	121.6	102.9	118.3	113.5
Dec. 2	97.4	99.4	94.2	96.0	30	121.7	102.5	119.5	113.3
30	100.0	100.0	100.0	100.0	<b>1923</b>				
<b>1922</b>					Jan. 6	120.5	102.8	122.1	113.5
Jan. 28	100.8	102.1	102.3	104.4	13	122.2	102.6	122.3	114.0
Feb. 25	105.2	100.8	103.6	109.0	20	120.4	102.0	123.3	116.8
April 1	109.8	101.5	103.5	112.2	27	120.8	101.1	122.2	115.8
29	114.4	103.1	117.6	116.9	Feb. 3	122.5	102.1	122.2	114.8
June 3	118.8	102.9	113.5	115.7	10	125.4	102.1	122.5	115.1
July 1	114.5	103.6	110.0	114.7	17	127.3	101.6	123.2	115.6
29	119.4	106.0	112.8	116.7	24	126.8	101.1	126.4	116.2
Sept. 2	124.9	106.6	114.1	112.1	Mar. 3	128.6	99.8	129.5	116.3
30	121.2	105.8	113.2	112.0	10	128.0	99.5	128.9	116.5
Oct. 7	123.9	106.1	113.3	111.7	17	129.2	98.5	129.3	117.0
14	127.6	104.4	114.5	112.3	24	127.3	97.8	129.0	118.1
21	125.7	102.8	114.3	113.0	31	126.7	98.0	128.4	118.5
28	121.7	102.0	114.8	113.0					
Nov. 4	122.1	103.4	114.5	113.0					
11	118.2	103.1	115.0	113.6					
18	117.6	102.4	114.7	114.5					
25	114.4	102.0	115.0	115.4					
Dec. 2	118.3	102.2	115.7	115.0					
9	120.5	102.8	116.2	114.3					

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

### BANK OF ENGLAND AND CURRENCY NOTE RETURNS.

Combined Balance Sheet for 29th March, 1923.

LIABILITIES.				ASSETS.			
Notes Issued.	£	£		Government Debt.	£	£	
B. of E. ... ..	145,433,180			B. of E. ... ..	11,015,100		
Less those in C.N. Reserve	22,450,000			C.N. ... ..	241,293,999		
		122,983,180				252,309,099	
C.N. outstanding	284,122,944			Less C.N. Investment Reserve			
C.N. called in but not yet cancelled	1,492,701			Account ... ..	12,318,547		239,990,552
		285,615,645					
				<i>Other Securities.</i>			
				B. of E. ... ..			8,734,900
				<i>Gold Coin and Bullion.</i>			
				B. of E. ... ..	125,682,180		
				C.N. ... ..	27,000,000		
				C.N. Balance at B. of E. ...	190,193		152,873,373
				<i>Silver Coin</i> ... ..			7,000,000
							408,598,825
							408,598,825

### 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. ... ..	123.0	285.6	408.6	152.9	37.4	39.1



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