THE ECONOMIC REVIEW

A REVIEW OF THE FOREIGN PRESS

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ECONOMIC SURVEY

FRANCE

POLITICAL AND GENERAL

The Premier and the Ruhr Occupation.

In a recent statement made to the Finance Commission of the Chamber on the Bill for grants to meet the expenses of the occupation of the Ruhr, M. Poincaré supplied the following particulars :—

The occupied area in the district is 2,800 sq. km., with an annual production of 90 mill. t., and that left unoccupied 500 sq. km., producing 8 mill. t. The coke furnaces in the occupied area produce 14,200 t. as against 300 t. produced in the unoccupied part. Of the estimated number of 570,000 miners in the Ruhr district, 500,000 are employed in mines under French control. After paying a high tribute to the work of General Degoutte, M. Poincaré reminded the Commission that the German Government, in concert with the industrial magnates, had carried on an organised resistance from the very beginning, that the "Schutzpolizei," in reality a military organisation, had been dissolved and 1,000 Prussian officials expelled from the district.

The Premier admitted that up to date, owing to the numerous difficulties encountered, the economic results obtained, from the point of view of a realisation of security, had been insignificant, and that only by a prolonged and steady occupation, could the programme of utilising the economic resources of the district in manner to settle the reparations question, be carried out. This programme had necessitated the re-establishment of import and export licences, as a result of the economic blockade. M. Poincaré laid stress on the fact that the industrial magnates who are the heart and soul of the German resistance, have repeatedly tried to open direct negotiations with the French Government, but he declared that the latter could only entertain official proposals emanating from the Reich itself. He added that neither could he accept semi-official proposals of a like nature from neutral or allied powers, which, however, he was sure would not be offered. In conclusion he stated that the French and Belgian Governments were fully agreed to hold their pledges until their claims had been paid in full and that a withdrawal from Essen would only take place after this had been accomplished.

As regards the transport of coal and coke, the Minister of Public Works supplied the following particulars : Of late the amount transported had attained 3,500 t. a day, a figure which would shortly be doubled. Of the 114 blast furnaces working in France at the beginning of the occupation, 74 were still alight, a number which would be considerably increased owing to the progress being made in the transport of coal and coke. The stocks at present existing at the pits' mouth were 500,000 t. of coke and 2 mill. t. of coal. As regards the working of the railways he noted with satisfaction that the appeal for voluntary labour had been entirely successful.

Summer Time and Strassburg Time.

The opposition to the institution of summer time on the part of agriculture has caused the Government to drop the Bill, and to set down a Bill for permanently adopting as the official time that of the meridian of Strassburg, which is half an hour in advance of the present ordinary time. The advance of the clock was to take place on the night of Mar. 31. The Farmers' Defence League has accepted the measures. A conference has been held by the Minister of Public Works and other officials to consider the application of summer time to towns, watering places and health resorts.

FINANCE

THE SENATE AND THE BUDGET.

The report on the Budget of M. Henri Béranger to the Finance Commission of the Senate, with the three alternatives open to that body, including sending it back to the Chamber, has already been given, together with a notification of the postponement of its decision

France

by the Commission (*cf.* THE ECONOMIC REVIEW, Mar. 30). The Commission has since decided to consider the Budget, subject to the intention of thoroughly revising it in order to balance it by any means other than a loan, especially by strict economy, and severe repression of frauds on the revenue.

PROPOSED CUSTOMS REVISION.

The Minister of Commerce, M. Dior, has addressed to all the industrial associations a circular letter inviting them to supply him with such information as will assist in the preparation of a new Customs Act in substitution for the existing Acts of 1892 and 1910 now out of date.

M. Dior announced that the new Act was intended by a revision of the assessment and mode of payment of duties, to counteract the chief causes of disturbance of trade due to the variation of prices and the fluctuations of the exchange. After pointing out that a careful consideration of the new tariff was necessary in order to avoid further instability prejudicial to commerce and industry, he indicated the chief branches of the customs system to be subjected to alteration:—

1. Designation and classification of articles subject to import duties.
2. Assessment of duties.
3. Terms of payment of duties.
4. Special protection of industries necessary to the nation (key industries).
5. Anti-dumping measures.

As regards the first, the circular points out that the present designation and classification of articles liable to duty are inadequate owing to the introduction during the last 30 years of new products, which, not being specified in the tariff, have been roughly classed with more or less similar objects, with the result that the duty on such new articles does not correspond to its value. As regards the assessment or nature of duties the circular announces that in accordance with the general opinion expressed by the Chambers of Commerce and industrial associations at various times since 1892, the new Act gives preference to specific duties, providing *ad valorem* duties only in a very limited number of cases.

The circular points out the advantages and disadvantages respectively of payment of duties in paper or gold, the latter being imposed by various countries, notably Spain, but appears to incline to the latter method. The necessity for the establishment of special duties for key industries is pointed out and the example of Great Britain cited.

The circular concludes with the following list of questions to be submitted to the associations:—

1. What alterations are proposed in the designations of articles in a schedule annexed?

2. Should duties be in the main specific as heretofore, or should the *ad valorem* system be rendered general? Can any concrete proposals, justified by figures, be offered with regard to rates of duties?

3. Is it deemed necessary to impose payment of duties in gold?

4. What industries should be the object of a special system or of protection?

5. Do the anti-dumping provisions of Clause 3 of the Act of Mar. 29, 1910, appear to be sufficient, or should they be amplified?

Replies to these questions are to be sent in before May 15. (*Journée Industrielle.*)

THE EXPORT OF CAPITAL.

The approaching termination of the period extending the operation of the Act of 1918 prohibiting the export of capital, moves the *Information Financière* to offer the following criticism of that Act:—

The object of the Act passed under the stress of war was threefold: to check the exodus of capital and consequent evasion of payment of the newly-instituted income tax; to retain in the country capital required for the revival of industry and reconstruction purposes after the war; and, by prohibiting the export of capital and the import of foreign securities, to regulate operations in the exchange and render this class of speculation impossible. Neither official documents published by the Revenue Department nor the parliamentary reports show whether these expectations have been fulfilled. If the Act was justified during the war and in the immediate post-war period, it has now become obsolete and useless, if not positively dangerous. The danger of the export of capital for the avoidance of payment of income tax should not be exaggerated. In the countries which such capital would naturally seek, namely England and the United States, income tax is still heavier than in France, and French investors have been taught the precarious nature of investments in distant countries by the bitter experience of Russia. Finally the present rate of the exchange offers a far greater deterrent to the export of capital than any special Act. There is, moreover, no apparent reason why French capital should systematically avoid French industries, and the Act actually checks the investment of foreign capital in them, since investors will not send their money to a country from which they may not be able to withdraw it. Public confidence is not inspired by Acts of Parliament, and if the Government desires to attract capital it must first set the national finances in order. If it does so it will not appeal for capital for its loans in vain, but if not investors will turn to industry, and failing that to speculation. This argument is confirmed by statistics which show that the amount of capital issues, public and private, dwindled from Fr.45.5 milliards in 1920 and Fr.39.4 in 1921, to Fr.26 in 1922. The Treasury loans during the same period also show a decline from Fr.35.7, and Fr.28.3 to Fr.19 milliards. On the other hand the index numbers of the Bourse show a steady rise in the prices of stocks. The index numbers of pre-war stocks at a fixed interest were 96.4 in July 1921, 99.6 in Jan. 1922, 106.6 in July, and 108.1 in Sept. At the same dates war loans were 96.5, 98.3, 102.6 and 103.9, and stocks at varying interest, 132, 142, 146 and 158. Thus the Act does not appear essential to the country's economic development is incapable of bringing into the Treasury the sums of which it has need, and cannot even be applied effectively to judge from the decisive argument used by the Minister of Finance against the introduction of the "carnet de coupons," namely that the measure, if passed, would cause an enormous exodus of stocks and shares. Further, experience shows that it may hamper but certainly does not prevent the import of foreign shares or the export of capital, since in the teeth of its provisions large blocks of Royal Dutch, Shell, and various Rumanian securities have been introduced into France. Such investments offer neither safety to the public nor benefit to the Treasury, and it would be much preferable that issues should be authorised openly.

INDUSTRY

THE FEBRUARY COAL OUTPUT.

The output of coal and coal products in Northern France in February, as compared with January, is as follows (in 1,000 tons):—

	Feb.			Jan.		
	Coal.	Briquettes.	Coke.	Coal.	Briquettes.	Coke.
West of Field...	670	15	34	728	19	38
Pas-de-Calais*	365	22	6	406	28	3
Nord* ...	374	75	38	432	98	30

* Victims of the invasion.

The decline in output in February is explained by the decreased number of working days, but it shows an increase of 1,372,000 t. of coal as compared with December, a month with the same number of working days. (*Nord Industriel*, Mar. 31.)

NO COAL SHORTAGE.

It was reported, says the *Information Financière*, that owing to deficient transport, there would be a coal shortage in the Nord and Pas-de-Calais. This rumour is contradicted by the authorities, who declare that the danger no longer exists. During the past few weeks the consignments of coal from England have appreciably increased, as on certain days the demand for trucks in the port of Rouen (the great coal port) was four times that of normal times.

THE IRON AND STEEL OUTPUT.

According to figures published by the Comité des Forges de France, the number of blast furnaces alight on Mar. 1 was 77 (as against 90 on Feb. 1 and 116 on Jan. 1), that of those ready to work 93, and of those in construction or under repair 49. Of the 48 furnaces alight in Alsace Lorraine and Eastern France, some were working short time. Forty blast furnaces have been extinguished since the occupation of the Ruhr. The output of pig iron in February was 305,526 t., as against 486,210 t. in January, a decline of 180,684 t.

According to the same authority the amount of cast steel produced in the country in 1922 was 4,534,492 t., of which 4,430,741 t. were in bars and 103,751 t. in castings. This production shows an increase of 1,482,322 t. (46.2 per cent.) compared with 1921, and 1,482,096 t. (47.8 per cent.) compared with 1920. The 1922 output represents about 63.7 per cent. of the 1913 output from the territory included in the France of to-day. The percentage of the output of the chief countries in 1922 compared with 1913 and 1921 (in that order) was France 63.7 and 146.2, Great Britain 76 and 157, the United States 196, 168, Belgium 63, and 202.3, Luxemburg 105 and 185. (*Information Financière.*)

THE SILK INDUSTRY IN 1922.

At the recent general meeting of the Association of Silk Goods Manufacturers of Lyons, the President of the Association, M. Fougère, read his report, which supplies the following information on the business of the industry during 1922 :—

Last year, if not one of the most prosperous in the annals of the industry, was certainly one of the most active. The output was inferior in value to that of 1920, but exceeded it in quantity, which would have equalled that of pre-war years but for the lack of labour and the shrinkage of work due to the eight hour day. For these evils no remedy has as yet been found. The year opened badly with the price of silk at Fr.100 per kg. in March, which, however, gradually rose to Fr.295 in December, giving an average of Fr.220 for the year, exceeding that of 1921 by Fr.50 and inferior to that of 1920 by Fr.44. The price of artificial silk, which is making rapid progress, rose from Fr.45 to Fr.60. The cost of working remained stationary. The rate of wages, which had only declined in 1921 by 16 per cent. on the average (20 per cent. in the country, 12 per cent. in Lyons) again rose 8 per cent. in 1922, leaving a difference of only 8 per cent. compared with 1920, whereas the index numbers of cost of living show a decline of 18.9 per cent. in Paris and 16.5 per cent. in Lyons. The pressure exercised by certain labour associations is consequently not justified. The crisis of 1920 is far from being at an end, and more than one severe setback was experienced in 1922. The sharp fall of the exchange imparted a dangerous instability to the cost of raw material. In spite of all these adverse circumstances, Lyons silk successfully maintained its lead on foreign markets, and in this respect the past year showed an improvement on its predecessors. If the chief market, England, fell off to a certain extent owing to increased competition, there was a marked revival of business with South America, Australia and notably Canada. On the other hand, business with the United States is greatly hampered by the Fordney Tariff Bill, which imposes a prohibitive duty of 90 per cent. on talle and increases duties on other silk products by 10 per cent. The French industry was severely handicapped in respect of Italy by the import duties on silk, which were three to five times higher than those paid by Italian goods entering France. The report, however, exonerates the Ministry of Commerce from responsibility for this situation, and pays tribute to the work accomplished by M. Serruys, the Director of Commercial Agreements, in instituting a policy of co-operation with manufacturers.

No figures of the world's production of silk are as yet to hand for 1922, but in 1921 it was 24.9 mill. kg., of which the proportion provided by the Far East was 86 per cent. and by France 0.7 per cent., or 195,000 kg., practically the same amount as in 1922. The maximum of France's output in 1894 was 396,000 kg., or 6.25 per cent. of the world's output. The reasons for this decline should be sought in the disease of the silk worm, shortage of labour, and the competition of more remunerative branches of agriculture, all of which combine to produce a dangerous situation for the French silk industry. Formerly the eggs as selected in France served as a standard for other countries, and enabled the mills to turn out silk of good taste and texture which gave to the Lyons article a world-wide reputation. These advantages have now been abandoned, and the Lyons industry is to-day dependent on the product of distant lands.

The amount of silk treated in Lyons in 1922 was 5.8 mill. kg., compared with 3.9 mill. in 1921 and 5.5 mill. in 1920. In 1922 the import of raw and worked silks amounted to 5.8 mill. kg. to the value of Fr.1,172.1 mill., and of floss silk and "bourrettes" to 3.7 mill. kg., valued at Fr.136.9 mill. Exports amounted to 1 mill. kg. and Fr.189.5 mill. for raw and worked silk, and to 1.3 kg. and Fr.50.3 for flock and "bourrettes." The output of silk fabrics was valued by the association experts at Fr.2,213.8 mill., and at Fr.2,253 mill. by silk merchants, purchasers and manufacturers of silk goods. The value of exports according to the Customs returns was Fr.1,425.5 mill. which, being based on 1921 values, must be deemed to be an under-estimate, since the values per kg. fixed for 1921 were 22 per cent. less than those for 1922. The real value would be approximately Fr.1,700 mill. The value of the general business done in 1922 may be summarised as follows (in millions of francs) :—

Imports silk...	1,172.1
" floss and "bourrettes" ...	130.9
Exports silk...	189.5
" floss and "bourrettes" ...	59.3
Production of silk goods	2,253.0
	3,804.8
Or Exports alone—	
Silk and floss	248.8
Silk fabrics	1,700.0
	1,948.8

(*Journée Industrielle.*)

THE SUGAR INDUSTRY.

The report of the General Directorate of indirect taxes announces that the amount of juice subjected to refinement up to Mar. 15 was 42.4 mill. hl., as against 26.8 mill. up to Mar. 15, 1922. The amount of sugar extracted was 387.4 mill. kg. as against 233.9 mill. last year, being an increase of 154.5 mill. Of the 89 refineries, 87 have terminated their refining operations. (*Information Financière.*)

France

EXHIBITION OF MOTOR FISHING BOATS.

The Under-Secretary of State for the Mercantile Marine has organised a national and international competition of motor fishing boats, consuming liquid fuel of a specific weight of over 810 kg. the litre. The exhibition will be held at Boulogne from Sept. 9 to 16. At the same time will be held an international exhibition of marine motor engines of all classes and an international exhibition of motor engines for winches and windlasses. Money prizes will be offered for the exhibition of motor fishing boats and engines for winches and windlasses, and medals and diplomas will be accorded to the marine motor engines. (*Nord Industriel*, Mar. 31.)

COMMUNICATIONS

RAILWAY EARNINGS.

The following table shows the earnings of the leading railways for the first 10 weeks of the year: (*a*) the earnings, and (*b*) actual difference, in millions of francs; (*c*) the difference per cent. compared with the corresponding period of 1922:—

	(*a*)	(*b*)	(*c*)
State	182.0	+ 12.0	7.11
Paris–Lyon	325.5	+ 13.9	4.4
Nord	202.2	+ 1.6	0.8
Orléans	169.2	+ 10.5	6.61
Est	188.5	+ 9.5	5.35
Midi	89.1	+ 7.4	9.04
Alsace-Lorraine et Guillaume-Luxembourg	77.7	— 2.1	3.08

(*Information Financière.*)

GERMANY

FINANCE

THE FLOATING DEBT.

Between Mar. 11 and 20 the floating debt augmented by Mk.1,455.6 milliard. On the latter date it had reached the huge figure of Mk.5.8 billion (*cf.* The Economic Review, Mar. 30, p. 269). Revenue from taxes and Customs during that period amounted to only Mk.101.8 milliard, and from the Forced Loan to about Mk.2 milliard. Expenditure was extraordinarily high, chiefly owing to the additional costs occasioned by the Ruhr occupation and to the prepayment of the quarterly and monthly salaries which fall due on April 1. Payments in foreign currency under the Versailles Treaty cost Mk.97.6 milliard, the cost of the State Railways was Mk.368 milliard. Treasury bills stood at Mk.5.8 billion and included bills to the value of Mk.8.5 milliard with a redemption period exceeding three months. (*Frankfurter Zeitung*, Mar. 30.)

REICH REVENUE IN FEBRUARY.

The revenue from taxes and Customs in February amounted to Mk.337.7 milliard, compared with Mk.281.9 milliard in January. Property and traffic taxes brought in Mk.217.7 milliard compared with Mk.157.9 milliard the month before. Taken singly, results were as follows—the figures in brackets refer to January:—Income tax, Mk.103.8 milliard (94.5); tax on business turnovers, Mk.83.2 milliard (43.3); customs, Mk.20.9 milliard (19.3); tax on security transfers, Mk.14.6 milliard (3.6); coal tax, Mk.26.6 milliard (67.2); tobacco tax, Mk.15 milliard (10.6); spirit monopoly, Mk.7.3 milliard (0.046); export dues, Mk.46.6 milliard (24.4). The fall in the yield of the coal tax owing to the Ruhr occupation is striking. (*Deutsche Allgemeine Zeitung*, Mar. 30.)

HIGHER TAXES.

The Bill to adjust tax rates in accordance with the currency depreciation, which has been the subject of lengthy discussion for many weeks, has now been passed, notwithstanding Socialist objections. All direct taxes are increased, with the exception of the tax on business turnovers, which is still under discussion.

Income tax rates are now as follows: amounts up to Mk.400,000, 10 per cent.; on the next Mk.200,000, 15 per cent.; on the next Mk.200,000, 20 per cent., and so on. On the third complete million the rate is 40 per cent., and on income exceeding Mk.7.75 mill., 60 per cent.

Property tax rates are as follows: the first Mk.400,000 is free of tax. After that the tax is 1 per thousand on the first Mk.1.5 mill., and rises to 10 per thousand on a sum exceeding Mk.60 mill. These rates are doubled, trebled or quadrupled in the first year according to the amount of the taxable property.

Succession tax rates are as follows: 10 per cent. on inheritances exceeding Mk.400,000; 10 per cent. on every additional Mk.400,000 up to 100 per cent. on an inheritance exceeding Mk.4 mill. After that the rate is still 10 per cent. on every additional Mk.400,000 up to Mk.10 mill., on every additional Mk.600,000 up to Mk.16 mill., and on every additional Mk.800,000 up to Mk.20 mill. After that the rate amounts to five times the basic rate.

The Corporation tax rate is 15 per cent. on the dividends or any other payments to shareholders. As the 10 per cent. tax on interest and dividend payments (Kapitalertragssteuer) is suspended, the Corporation tax will be increased by 25 per cent. for the next few years.

The rate of the forced loan, which, like the property tax, is assessed triennially, is 1 per cent. after the first Mk.600,000 and rises to 10 per cent. on amounts exceeding Mk.6 mill. (*Frankfurter Zeitung, Deutsche Allgemeine Zeitung.*)

GOLD LOAN RESULTS.

The results of the subscriptions to the Dollar Loan within Germany are not yet definitely announced, but there is reason for presuming that of the Loan to the value of 100 million gold marks underwritten by the banks, only Mk.50 mill. worth has been taken up by the public in the first two weeks of its floating. Several organs of the Press have expressed their satisfaction at this presumed result, but Georg Münch, the financial editor of the *Vossische Zeitung*, states in the issue of April 1: "The German security market is the mirror of our poverty. What significance have the colossally high rates at which shares stand to-day? Computed in gold values, they represent only a small percentage value. The reason is that we lack the capital necessary to raise shares in value to the extent to which prices have been raised. Just because prices have been raised and because the cost of living is so high, little remains for new investments, and at the same time old capital and the entire substance of the public are being consumed. From this consideration we come to the real reasons for the poor results of the Dollar Loan. Reich and State loans were formerly absorbed in the shortest possible time. Now, however, the subscriptions to the Gold Loan amount, in two weeks, to only 50 mill. gold marks. The banks, by reason of their guarantee, must take over responsibility for the remaining 50 mill. True, the loan could only be subscribed to by holders of foreign currency. And who are they? Wholesale traders, industrials, the banking world, and many of the public. Whoever acquired foreign currency did so in order to secure the gold value of his capital. It represents the reserves of merchants who import foreign goods for us, and of industrials who require foreign raw material in their works. These reserves were to be applied to the purchase of dollar loan only in so far as the foreign currency was not required for current business. The currency acquired from an excess of caution was to be produced. The Reich reckoned on acquiring in this way 200 mill. gold marks. Only one quarter of this sum has resulted from public subscription. This is yet further proof of the exhausted condition of our economic system. It is also a proof of the general mental depression in business circles caused by the enemy pressure."

NEW PRUSSIAN LOAN.

The Prussian State Bank (Seehandlung) is issuing a new loan at par. The rate of interest will be 2 per cent. under bank discount rate, and will not be lower than 7, nor higher than 15 per cent. The present issue, therefore, will bear interest at 10 per cent. The loan will be divided into Mk.50,000, Mk.100,000 and Mk.500,000 certificates. It will be redeemable as from 1928. The proceeds of the loan are destined for assisting State enterprises such as the electricity and harbour works.

This is the first Prussian loan since 1914. The Prussian debt at present is not large. In comparison with other public bodies, Prussia possesses many advantages, as it comprises much valuable property in kind. It owns 280,000 hectares of State domains, 2,400,000 hectares of forest land and, notwithstanding the losses in the Saar and Upper Silesia, still possesses magnificent hard coal, lignite, potash and iron works. These possessions alone are sufficient guarantee for the new loan issue. (*Deutsche Allgemeine Zeitung*, Mar. 30.) (N.B.—The value of the total issue is not stated.)

NEW COMPANIES.

The *Frankfurter Zeitung* (Mar. 31) learns of the intended formation in that city of a Getreidekredit A.-G. (grain financing company) with a share capital of Mk.1 milliard, to be paid up to the value of 180 per cent. A similar institution was recently founded in Berlin, but the share premium was fixed at 50 per cent. About eighteen firms have already subscribed to the capital, and several more are expected to combine in taking over shares to the value of Mk.800 mill. The remainder, to the value of Mk.200 mill., will be offered for public subscription.

The Transeuropäische Finanz A.-G. has been founded in Munich with a capital of Mk.101 mill. for the purposes of financial and commercial trading of all kinds, especially for the employment of foreign capital in home concerns. (*Berliner Börsen-Zeitung*, Mar. 29.)

SHIPPING COMPANY RESULTS.

A number of annual reports of shipping companies, which *Hansa* (Mar. 24) reproduces, are interesting. The figures in brackets are those for 1921. The Woermann Line in Hamburg, whose share capital amounts to Mk.20 mill. (20), showed gross profits of Mk.391.64 mill. (20.40 mill.), and net profits of Mk.335.53 mill. (18.57 mill.). A dividend of 8 (8) per cent. was declared and Mk.519,100 (31,800) carried forward. The book value of the fleet was entered at Mk.143 mill. (40 mill.). The Deutsche Ostafrika Line in Hamburg, share capital Mk.20 mill. (20), showed gross profits of Mk.442.16 mill. (24.46 mill.) and net profits of Mk.14.47 mill. (3 mill.). A dividend of 12 (12) per cent. was declared, and Mk.291,900 (205,900) carried forward. The book value of the fleet was entered at Mk.114.96 mill. (57.49 mill.). The Globus Reederei A.-G. in Bremen showed gross profits of Mk.5.77 mill. and net profits of Mk.3.73 mill. The book value of the fleet was entered at Mk.419.17 mill. The Unterweser Reederei A.-G. in Bremen, share capital Mk.2.5 mill., showed gross profits of Mk.305.98 mill. and net profits of Mk.2.60 mill. The book value of the fleet was entered at Mk.277 mill.

TRADE

KIEL FAIR SURVEY.

Reports on the results achieved at the Kiel Fair serve only to strengthen the impressions gained at the other recent German fairs of Leipzig and Breslau. They demonstrate, with indisputable clearness, the extent of the economic crisis affecting all circles of the German people. That in foreign countries is in some degree, too, reflected, but in this connection it must not be forgotten that neglect to come forward as a purchaser may in great part be due to disappointment that prices are not as much below the level of international market prices as was anticipated. This was evidently frequently the case at Kiel, where prices scarcely fell below the world market level and often exceeded it. Reductions were often made which must have spelled ruination, but even then foreign purchasers could with difficulty bring themselves to come forward. Home purchasers were suffering visibly from lack of funds, although they were actually the mainstay of business here. The Kiel industries in particular, notably the shipbuilding industries, were good customers. North-west German landowners were good buyers of high-class agricultural machinery and implements. Among the foreign visitors, the Northern States were the best represented, but Holland, Italy, England, Greece, the Balkans, China and the Dutch Indies were represented by active buyers. Denmark and Bulgaria bought considerable quantities of agricultural machinery. Business in the textile section was uneven. In the footwear section it was decidedly dull. This was also the case in the heavy engineering and electrical sections, where much possible business was spoilt by the difficulties attending export. (*Deutsche Allgemeine Zeitung*, Mar.28.)

TAR EXPORT PERMITTED.

The embargo on the export of tar products of all kinds which was established in the middle of February, has been temporarily raised, as the fuel supply of the country is more satisfactory than was expected. (*Vossische Zeitung*, Mar. 31.)

INDUSTRY

COAL PRICES LOWERED.

At a joint assembly of the Reich Coal Association and the Reich Coal Council on March 27 the question of a reduction in coal prices was discussed. The opinion was practically unanimous that the general costs of coal mining had not sunk sufficiently to warrant a reduction in prices. On the other hand, it was agreed that the endeavours of the Government to bring about a gradual decrease in general prices must be assisted from this side. It was therefore decided to propose a slight reduction in coal prices. The average decrease in respect of hard coal was fixed at Mk.3,000 per t. in Upper Silesia, Saxony, Lower Silesia, Obernkirchen and Düren, and a similar decrease was fixed in respect of Bavarian hard and bituminous coal. The decrease for Barsinghausen coal was fixed at Mk.2,000 per t., for Central German lignite briquettes at Mk.5,000 per t., for rough lignite at Mk.1,900, for Bavarian lignite briquettes at Mk.2,800, and for Bavarian rough lignite at Mk.1,100 per t. By reason of the uncertain conditions in the Ruhr, a decrease in the price of Rhenish coal was considered out of the question. The decreases come into force on April 1. They amount, generally speaking, to decreases of 3 per cent. on hard coal and of 9 per cent. on lignite.

The Reichsrat have agreed to the proposal to reduce the coal tax from 40 to 30 per cent. (*Frankfurter Zeitung*, Mar. 28.)

The *Berliner Börsen-Zeitung* draws attention to the fact that the former coal prices were fixed at a time when the dollar stood at 36,000, and that since it now stands at about 21,000 the reduction in price is extremely

Germany

small. It must not be overlooked, however, that at the present time the mining industry has, at any rate, temporarily, to contend against wages, general working costs, and costs of material which are as high as ever. Also, coal consignments have, notwithstanding the embargoes on the Ruhr, decreased somewhat. If the mines consented to lower their prices it was in the hope of effecting a general reduction in prices. Experience alone will show whether success will be achieved. Regard must be had to the psychological effect, for it is well known that the prices of many goods have been raised in view of the rising coal prices.

STATE COAL POLICY CRITICISED.

The *Berliner Börsen-Zeitung* publishes, in its issue of March 25, an article by Dr. Georg Mumme on the expected reduction in coal prices, in which the author discusses a question of most vital interest in connection with German coal economy—the prejudicial effect on German coal production of the freedom from taxation accorded to the imports of English coal. After touching on the various costs in the coal mining industry and drawing attention to the fact that from that standpoint a reduction in prices is not warranted, he points out that its only justification lies in the economic conditions existing to-day among consumers' circles. Not only are consumers restricting their coal consumption because they consider that a drop in prices is unavoidable, but general economic conditions are so bad that all prices are too high for the German consumer with his lowered purchasing power. The questions to be solved are, in how far will a fall in coal prices result in improved conditions all round and on the coal market in particular, and where should the lever be applied in order to achieve this purpose without weakening unnecessarily the finances of the Reich? An examination of existing coal prices does not finish the matter. With a depreciation in the mark amounting to 5,000, the wholesale price of lignite briquettes shows an appreciation of 12,000 and of rough lignite 8,000. Then, we have not yet accounted for the effects of the high freightage costs, nor for the fact that the capacity of the miners has sunk to about two-thirds of their pre-war capacity. Further, coal is rendered dearer by the high taxes and other charges devolving on it. The mines obtain, in actual fact, a bare third of the price which the consumer has to pay. The costs of production of the coal forms but a basic stratum below which prices cannot be fixed, but it is not by lowering mine prices alone that coal will be rendered cheaper. A certain relief can only be afforded to the consumer by co-operative action between all the factors which determine the final price of the coal.

The Minister of Finance has just declared his readiness to lower the coal tax if the mines on their side will assist to reduce coal prices. The colossally high rate of the tax—40 per cent., and 36 per cent. on lignite—was only instituted in the spring of 1922. It was introduced chiefly under pressure from England, who wished to make dearer for France her cheap reparation coal and also to increase the sale of her own coal to Germany. Foreign coal was finally allowed into Germany free of duty. The burdening of our coal with so high a tax was only possible as long as the difference between internal and external prices corresponded approximately to the difference in the internal and external value of the mark. When the coal tax was established at so high a rate, it was already quite evident then that it must be reduced as soon as the difference between the internal and external purchasing power of the mark disappeared. A clause in the bill establishing the tax provided for its increase or reduction in accordance with economic conditions. Unfortunately, a very vital factor renders its reduction difficult. The coal tax has, notwithstanding its temporary character, become one of the strongest pillars of the financial system of the Reich. At the present price level, the Budget income from the coal tax in 1923 is estimated at about two-and-a-half billion marks. The tax should be lowered at the very least to the rate at which it stood before it was doubled under pressure from England, viz., to 20 per cent. It would then be quite possible, provided that freightage charges for inferior brands of coal were lowered below those for the more valuable kinds, to reduce the price of lignite by 30 per cent. Not only would that induce greater utilisation of lignite, to the advantage of the consumers obliged to use hard coal, but it would reduce the working costs of the lignite-consuming industries, and would finally assist in reducing prices generally. The increase in consignment would then also compensate for the reduction in freight rates for the transport of lignite. With regard to the smaller yield to be obtained from the coal tax, it must be stated that the effect of so high a tax contributed greatly to the inflation of prices, and that the proceeds from it are in a great degree unreal, as is the case with the greater proportion of the German tax yields to-day.

A further measure towards the completion of the price reduction policy, very necessary also on political grounds, is the cessation of the freedom from taxation of foreign coal imports. This freedom was agreed upon early in 1922 when Germany was suffering from a notorious coal shortage. Such preferential treatment is beside the question when a superfluity of home coal exists. The German coal mines are faced by the problem of bulk dismissals while foreign coal comes in free of tax! Even a 20 per cent. tax on English coal would increase the demand for home-produced fuel; it would likewise compensate for the deficiency suffered by the Reich in connection with a reduced coal tax, and would greatly ease the money market. For an import of, on an average, 1 mill. t. a month of English coal, Germany has to pay £1.75 mill., or not less than 175 milliard paper marks. It goes without saying that this greatly increases the difficulties of the Reichsbank in supporting the mark. Most vital political reasons also demand the restriction of English coal imports to a minimum in order to prevent both England and Czecho-Slovakia from continuing to enjoy the fruits of the French action in the Ruhr, thus having every interest in prolonging it. Only when Germany ceases to import English and Bohemian coal in such quantities will these countries be opposed to the French destruction mania.

AGRICULTURE

PRUSSIAN VINTAGE YIELD.

Prussian vineyards covered 19,253 hectares in 1922. Of these, 16,542 hectares bore fruit and 2,711 hectares gave no return. The surrendered districts and the Saar are not included in these calculations. The vineyard areas in the Central Rhinelands have augmented steadily—by 11.3 per cent.—since 1878, as the following table shows. The other districts show a noticeable decrease—by 77.4 per cent.—in the wine-growing area.

	Area under vine (in hectares). 1878.	1893.	1913.	1922.
Rhein, Main, Moselle districts, etc.	16,609	17,357	18,433	18,483
Other districts	3,409	3,037	1,660	770
Total ...	20,018	20,394	20,093	19,253

The total vineyard area has thus decreased since 1878 by 765 hectares or 3.8 per cent. It would seem as if vine-growing were soon only going to be profitable in the districts lying along the Rhine and its tributaries, and would be replaced in the other Prussian districts by a more profitable form of cultivation.

The 16,542 fertile hectares yielded 682,280 hectolitres of must to a total value of Mk.12,459,629,768, or 41.2 hl., to a value of Mk.753,207, per hectare. The value of the yield per hl. was therefore Mk.18,261.8. In 1921 16,516 fertile hectares yielded 496,377 hl. to a total value of Mk.853,933,437, i.e. a yield of 30.1 hl. per hectare; the price per hl. was Mk.1,720.3. If the earnings of the separate districts be examined, the Moselle district is found to stand at the head with over Mk.1 mill. The Rhine districts, with about Mk.800,000, come close behind, and the Lahn and Main districts earned over Mk.600,000 and 850,000 respectively for red wine. The total yield and earnings are not far off the record year 1915, and are exceeded in no other year since official records were kept, although it might have been expected that the vines would have suffered from the long, severe winter. The quality of the wine produced is disappointing and corresponds to the less favourable year 1919. (*Berliner Börsen-Zeitung.*)

SOCIAL AND LABOUR CONDITIONS

LABOUR MARKET CONDITIONS.

A report on labour market conditions during March in the *Berliner Börsen-Zeitung* (Mar. 30) states that the economic crisis was accentuated week by week, and that its effect was most severely felt in the industrial labour market, conditions on which grew noticeably worse during the month. In the rural districts the seasonable demand for labour somewhat lessened the strain, but it was all the more felt in the towns and industrial areas. In the metal-working and textile industries and the clothing trade the unemployment crisis was particularly severe. An increase took place in the number of works which restricted their activities and resorted to short time working. Dismissals also augmented. Difficulties in the supply of raw materials often impeded production. Emergency work was instituted on all sides. According to information collected in over 290 towns in unoccupied Germany, the number of unemployed receiving benefit during the first fortnight of March augmented by about 12 per cent., the rise in the latter half of February being already 15 per cent. on the previous fortnight.

In agricultural districts there was a great demand for unmarried workers. In the forestry districts, owing to the stoppage of timber felling in various centres, a number of workers had to be dismissed. In the unoccupied coal mining areas very few dismissals took place. In the potash mines conditions tended on the whole to deteriorate, and dismissals and short time working were effected in various quarters. Notwithstanding the good weather, private building activities are practically non-existent; consequently the building material industry is short of work. The Silesian Lime and Cement Works report a decrease in orders by about 50 per cent. and have had to reduce their activities. Conditions in the metal working industry are strikingly worse. Even the shipyards in Hamburg and Bremen and on the Lower Weser, which until now have been well employed, have been obliged to dismiss large numbers of workers. The chemical industry, except in Offenbach-on-Main and Bitterfeld, is in similar straits. By reason of sale difficulties and shortage of capital, the position of the spinning and weaving mills is as bad as ever, and that of the leather industry has deteriorated. In all the branches of the timber working industry the unfavourable situation is the same and has resulted in reduced working. Most branches of the food industry are suffering; only in the North German margarine industry is employment good. The situation in the tobacco industry is very bad. The clothing industry complains of a very bad season. In the ready-made clothing trade dismissals were frequent. In the footwear trade working hours were reduced to 24 hours or three days a week, and unemployment increased. In a number of towns the labour market suffered the additional burden caused by dismissals of Government and tramway employees.

HOLLAND

POLITICAL AND GENERAL

The Minister of Foreign Affairs, on the question of the obstacles to trade arising out of the Franco-Belgian occupation of the Ruhr, stated in the Second Chamber that the difficulties were due primarily to the regulations promulgated by the occupying authorities, but that these had been aggravated by the passive resistance of Germany. The difficulties bore upon trade in general, upon the delivery of coal due under the Dutch-German Convention, and upon the navigation of the Rhine. With regard to trade in general, export of a variety of goods from the occupied territory was forbidden, except under a special permit to be obtained by the exporter and subject to a 10 per cent. *ad valorem* duty. But the German Government had forbidden its nationals to apply for any such permits, or to enter into any communication with the occupying authorities or to deal in any goods on which these authorities might directly or indirectly levy a Customs duty, even when such duty was payable by the foreign importer. The 10 per cent. *ad valorem* duty, in any event, penalised the Dutch purchaser, seeing that the German Government already included the amount of the export duty (Ausfuhrabgabe) in the price of the goods. The French and Belgian Governments, however, had decided to exempt from the 10 per cent. *ad valorem* duty all goods exported in respect of contracts entered into before Feb. 21, and in all such cases the purchaser himself would be entitled to obtain the necessary permit. With regard to the supply of coal under the Dutch-German Convention, the Reparations Commission had recognised the right of Holland to delivery, and as indicated below, in our report of the February Trade Returns, in the first two months of the year Germany actually delivered 42 per cent. in excess of the amount stipulated in the Convention. With reference to the navigation of the Rhine, both the French and Belgian Ministers of Foreign Affairs had given assurances that the trade interests of Holland would be respected to the utmost limits of possibility. In spite, however, of the favourable attitude of the occupying authorities, the economic life of Holland and the trade of her seaports especially were suffering seriously, not only as a result of the occupation of the Ruhr, but also of that of the Rhine Provinces. The Minister of Justice further stated that he had given orders to reinforce by contingents of police drafted from the interior of the country the guard on the frontier, in anticipation of a possible inrush of German labour from the occupied territories as a result of unemployment there, or owing to other causes.

As set forth in another column, the Second Chamber has passed the Government Bill to restrict for the remainder of the year the importation of footwear, owing to the depression from which the boot and shoe trade is suffering acutely. The measure, according to the Berlin correspondent of the *Telegraaf*, has aroused great indignation in the German capital, strangely enough not against Holland, but against the German Leather Goods Export Bureau, for selling to that country goods at prices lower than she was willing to pay. In the ordinary way of business the German manufacturer

Holland

was prepared to receive complaints of the high price of his wares, but to be found fault with on the score of the cheapness of his goods was a novel experience, which as a business man he promptly took advantage of by at once raising his export prices to Holland. The German Export Bureau itself does not question the justness of the Dutch complaint, especially in respect of orders prior to February 1922, when accounts were settled in marks; but now that restrictions have come into force in the interest of the German exporter and prices are reckoned in high valuta and the volume of export has been reduced, it is hopeful that the complaints of the Dutch consumer have been amply satisfied. The Czecho-Slovakian industry, on the other hand, bewails the new policy of the Dutch Government as likely to damage its interests; but as it only exported 256 t. to Holland in 1922, as against 394 t. supplied by Great Britain and 3,014 t. consigned by Germany, the injury is comparatively speaking small, especially in view of the price—Czecho-Slovakian boots and shoes costing on an average Fl.4,403 per ton as against Fl.3,199 paid for the German article: the British price, however, was Fl.4,879. It is easy to see now why the German export trade in footwear has risen from 2,912 t. in 1913 to 5,121 t. in 1922, the bulk going to Holland and Denmark.

Another Utrecht Fair, the eighth of its kind, has come and gone, and has proved a great success, notwithstanding that the depression which set in towards the end of its predecessor and considerably affected its prospects had not yet come to an end. As the *Telegraaf* remarks, this institution is gradually becoming a true reflex of trade and industry. The first fairs were held at a time when all kinds of small concerns had sprung up under the influence of the war and were in a flourishing condition. Most of these have since disappeared, while those which were built up on more solid foundations have been consolidated into reliable concerns. The first of these international fairs, too, suffered from the effects of the valuta competition, but this is now a matter of the past, Germany even being in a position to sell at normal prices. The only drawback is that the large industries have of late been curtailing their representation, which spoils the show as a comprehensive view of Dutch industry. The high cost of travelling and hotel accommodation is a factor that has to be taken into account as affecting the attendance of buyers, although the effect this year was not as marked as in 1922, the list of exhibitors amounted to 704, as compared with 539 in September. Holland was represented by 426, Germany directly by 13 and indirectly by 131, Great Britain by 1 and 42 respectively, Belgium by 12 and 10, France by 2 and 15, America by 15, Switzerland by 2 and 10, Austria by 6, Italy by 4, Denmark by 1 and 3, Sweden and Rumania by 1 and 2 each, and Czecho-Slovakia, Finland, Norway, Hungary and Egypt by 1 each. The electrical engineering, machine and metal industry, with the textile and clothing industries, were the groups most largely represented, the former numbering 181 and the latter 141 participants.

FINANCE

FEBRUARY REVENUE RETURNS.

Notwithstanding the unfavourable conditions affecting trade and industry, the February revenue returns are extremely satisfactory, although the total is actually Fl.1.6 mill. below that for January, but this is largely accounted for by the difference in the length of the month. The Ordinary revenue amounted to Fl.35.92 mill., or Fl.5.78 mill. more than in February 1922, while the aggregate for the first two months was Fl.10.04 mill. above that for the corresponding period last year. It would be a mistake, however, in the opinion of the *Nieuwe Rotterdamsche Courant*, to take this increase as proof that the economic position of the country is not as serious as it has been represented to be, or even that there is a real improvement in the general depression, seeing that the increase arises chiefly from accidental circumstances, such as belated effects of the short-lived revival that followed the war, the creation of new sources of revenue, and the raising of already existing duties and taxes. The items which contributed most to the improvement as compared with February 1922 were the Dividend and Bonus Tax, which shows an increase of Fl.2.66 mill., and the Income Tax, which has yielded a surplus of Fl.2.06 mill. The Household Tax and Ground Tax likewise helped to swell the increase, as did also the Stamp Duties, the return from which, however, was Fl.250,000 short of the estimate. The comparatively new Tobacco Tax, which gave Fl.1.41 mill., disappointed expectations, the proceeds being 33 per cent. below those for either of the previous two months. On the other hand, Registration Duties show a falling off of over Fl.700,000, being Fl.250,000 below the estimate; and when the total receipts from this source, Fl.1.42 mill., are compared with the Fl.5 mill., Fl.6 mill. and Fl.7 mill. obtained in certain months in 1920 a clear idea is afforded of the depression that has intervened in industry since those days. The Excise Duties, in their turn, point to a decline in the spending power of the community, that on distilled liquors showing a decrease of Fl.1.1 mill., while the returns from beer and wine are also on the down grade. The Property Tax, again, has yielded only a little over one-half of the previous February return. It is interesting to note that, notwithstanding the serious effects of the occupation of the Ruhr on the trade relations between Holland and that territory, the revenue from Import Duties is Fl.123,000 higher than in the corresponding month last year. With regard to Extraordinary revenue, the Supertaxes in support of the Sinking Fund for the 1914 Loan show an increase of Fl.1.52 mill., but the most striking feature of the returns is the sudden revival of the War Profits Tax, which produces Fl.13.04 mill. as against Fl.8.42 mill. in February 1922, from which date it gradually declined to Fl.3.25 mill. in May and seemed likely then to become non-productive within a very short period. As a matter of fact, the yield for February is the largest monthly return obtained since Jan. 1921.

TRADE

FEBRUARY TRADE RETURNS.

The Trade returns for February as compared with the previous month are, says *In- en Uitvoer* (Mar. 28), by no means unsatisfactory, if we take into account the number of working days in each month, as the value of the imports works out at practically the same figure, while that of the exports shows an increase of Fl.4 mill. Carrying the comparison further, and setting the figures against those for February 1922, the result is still more encouraging, as they show an increase of Fl.10 mill. in respect of imports and one of Fl.11 mill. in respect of exports, and this notwithstanding the Franco-Belgian embargoes on trade with the Ruhr. Whereas the adverse balance of trade in January was Fl.82 mill. as compared with Fl.66 mill. in 1922, that for February was only Fl.67 mill. as compared with Fl.68 mill. The following table shows the amount and value of imports and exports, and the adverse balance of trade for the previous four years, exclusive of specie and bullion :—

	Imports.		Exports.		Balance.
	Kg. (mill.)	Fl. (mill.)	Kg. (mill.)	Fl. (mill.)	Fl. (mill.)
1919	10,848	2,826	2,727	1,411	1,415
1920	13,830	3,336	4,215	1,701	1,634
1921	17,218	2,240	5,715	1,370	870
1922	19,481	2,027	6,908	1,221	806

The monthly adverse balance of trade for 1919 was Fl.117 mill., for 1920 Fl.136 mill., for 1921 Fl.73 mill., and for 1922 Fl.67 mill. It would be idle to speculate on the basis of the returns for the first two months of 1923 as to the possibilities likely to be realised over the year.

The following table gives an analysis of the returns according to groups of goods : (*a*) Live stock ; (*b*) Foodstuffs for man and beast and beverages ; (*c*) Semi-manufactured goods—(i) of animal origin, (ii) of vegetable origin, (iii) of mineral origin ; (*d*) Manufactured goods ; (*e*) Other goods ; (*f*) Gold and silver specie and bullion :—

Imports.

	February.		January and February.	
	Tons.	Fl. (1,000)	Tons.	Fl. (1,000)
(*a*) ...	81	130	254	224
(*b*) ...	254,559	42,709	522,526	88,899
(*c*) i ...	8,097	6,991	15,142	12,516
ii ...	108,451	29,828	252,552	63,459
iii ...	841,409	20,149	1,691,286	39,702
(*d*) ...	254,174	62,020	560,255	129,610
(*e*) ...	1,091	360	2,432	822
	1,467,862	162,189	3,044,443	335,016
(*f*) ...	—	8	7	482
Total ...	1,467,864	162,197	3,044,450	335,498

Exports.

	February.		January and February.	
	Tons.	Fl. (1,000)	Tons.	Fl. (1,000)
(*a*) ...	1,474	894	3,125	1,747
(*b*) ...	143,143	35,980	271,944	70,430
(*c*) i ...	5,474	3,244	11,182	6,080
ii ...	29,120	9,086	79,818	18,743
iii ...	286,634	5,844	599,213	12,505
(*d*) ...	122,383	38,713	260,560	75,110
(*e*) ...	2,067	841	3,677	1,477
	590,299	94,606	1,229,522	186,093
(*f*) ...	7	482	11	814
Total ...	590,306	95,088	1,229,533	186,907

The leading lines imported in February, says the *Gazette de Hollande* (Mar. 28), were coal, maize, wheat, linseed, raw untwined cotton yarns, linseed cake and meal, cocoa beans, clothing for women, girls and infants, raw cotton, Chile saltpetre, woollen or half-woollen goods (not cloth, buckskin or flannel), ground-nuts, barley, wheat meal and flour, refined petroleum, dyed calicoes, knitted and stockinet goods, talc and chemical fats, implements to be driven by electricity, coffee, iron and steel, tea, unwashed or back-washed wool, deals, benzene, fresh beef and veal, shoes, boots and slippers, form iron, and motor-cars.

The principal articles of export were sugar, margarine, bleached calicoes, cheese, coco-nut oil, fresh pork, glow-lamps, coal, condensed skim milk with sugar, ginghams, cardboard, Estate rubber, linseed oil, butter, cocoa butter, eggs and green peas.

With regard to coal imports, it appears that Germany, instead of supplying Holland with the 90,000 t. contracted for, sent no less than 128,000 t., or an excess of 42 per cent., notwithstanding the occupation of the Ruhr.

IMPORT RESTRICTIONS.

The Government Bill to restrict the importation of footwear until Jan. 1, 1924, has been passed by the Second Chamber. The measure defines footwear as all kinds of shoes, boots, etc., with the exception of rubber shoes with cloth uppers and rubber overshoes, and states that the Minister will be empowered under the Bill to prohibit imports unless certain conditions are complied with. The question had been considered whether it would not be possible to encourage the boot and shoe industry to turn its attention to export trade by the granting of export premiums, but it had been found that this would not prove successful unless very high premiums were given, seeing that "the difficulties due to the valuta competition exist abroad as well as at home." Besides, many countries have introduced protective measures in order to restrict imports. In most cases also, adds the *Gazette de Hollande*, the export premium constitutes a gift to the foreign consumer ; and it was for this reason that the export premium in respect of watches had to be abolished in Switzerland.

The case for the Bill rested on the critical conditions of the leather and bootmaking industries in Holland as a result of German competition unfairly favoured by the depreciation of the mark, and statistics showed that the imports of footwear in 1922 were eleven times larger than in 1913. Nevertheless it met with considerable opposition, chiefly on the ground that the principle of the measure is diametrically opposed to Free Trade, which has always been the basis of Dutch economic policy. It was also objected that, as the Bill would only be in force for a few months, and as the whole of the demand during that time could be supplied from stock, its effect would be to penalise the consumer, for already since its introduction the prices of footwear had gone up. As pointed out in the *Telegraaf*, assuming the effect of the Bill to be to bring down imports to the level of 1913, the result would be that the price on an average would be forced up by Fl.2 per pair ; and as nearly everyone bought at least one pair in nine months, the country, with an estimated population of seven millions, would be mulcted to the extent of Fl.14 mill. The Minister in charge of the Bill repudiated any intention on the part of the Government to depart from the established Free Trade policy of the country, and declared that in the event of prices rising exorbitantly steps would be at once taken to facilitate importation. As a matter of fact, the average price in January, calculated on 91,336 pairs, was Fl.3.20 per pair ; in February, on 263,449 pairs, it was Fl.2.95, and in the first two weeks in March, on 128,169 pairs, Fl.3.27. Further, although as a general rule unemployment did not keep pace with import, the Government hoped that the Bill would lead to a decrease of unemployment, basing their expectations on the experience of Denmark and Switzerland in connection with the same industry. The Left as a body, nevertheless, voted against the measure.

SOCIAL AND LABOUR CONDITIONS.

RENT ACT AMENDMENT BILL.

Under the Rent Act, which was designed to restrict the practice of raising rents to which the enormous increase in wages in the building trade had given rise, owners had leave to raise their rents, without notice to the Rent Commission, up to a maximum of 20 per cent. in excess of the recognised average wage in force on Jan. 1, 1916, or, alternatively, up to a maximum of 10 per cent. above the average ruling on Jan. 1, 1918, while the Rent Commission had power to sanction increases up to a maximum of 50 per cent. in excess of rent at the former date or of 37½ per cent. at the latter. The Government, however, being of opinion that measures should be taken to abolish gradually the Rent Commissions, although dissenting from the view that the time had come to abolish those institutions altogether, drafted a measure to afford owners of house property greater latitude in the fixing of their rents. Accordingly the Bill allows owners to raise their rents, without previous notice, up to the above maximum of 50 or 37½ per cent., in the hope that this concession will encourage the building of houses, the shortage of which is badly felt. The measure was passed in the Second Chamber by a majority of 51 to 19, but not before an amendment had been carried depriving owners who neglected to keep their houses in proper repair of the power of fixing their own rents.

Holland

SUMMER TIME.

The decision of the Second Chamber to abolish Summer Time, which now awaits confirmation by the First Chamber, has aroused considerable opposition in the country, and protests are said to be pouring in. Great satisfaction, however, is felt in the agricultural centres of population, and the Royal Dutch Committee of Agriculture has petitioned the First Chamber in favour of the Bill. Meanwhile the Minister of Agriculture has laid before the States General the results of an enquiry made in the various provinces by the Provincial Deputy States, who derived their information direct from the communes within their jurisdiction. These results are very much divided, and lead to no definite conclusion. In agricultural centres many leading authorities strongly favour the abolition of summer time, but the opposition is equally imposing, and this is further borne out by a statement made by the President of the Central Committee of Action for the maintenance of summer time at a general meeting in Amsterdam to the effect that they had obtained 350,000 votes in support from all over the country. As the *Gazette de Hollande*, however, is careful to point out, 230,000 at least of the signatories are townsmen; and our contemporary suggests that, while the private interests of so important an industry even as agriculture must not be considered apart from the general economic and hygienic interests of the community, reckoned in terms of the saving in lighting and heating and of the benefits to health accruing to the town population, a compromise might be effected on the basis of local requirements, to which the railway service, the various markets and the school hours might be adapted.

THE EIGHT HOUR DAY.

The *Staatscourant* publishes a Decree setting forth the concessions sanctioned by the Minister of Labour in his exercise of powers conferred upon him by the Labour Act. Being of the opinion that a general regulation should obtain with regard to the recovery of losses of wages due to the observance of feastdays under Art. 28, sec. 5, and Art. 97, sec. 4, of the Act, he ordains that in works where Jan. 6, Mar. 19, the Thursday following the week after Pentecost, June 29, Aug. 15, Nov. 1 and Dec. 8 are kept as holidays, these lost days may be made up each within the fortnight following the feast, provided that not more than ten hours are worked on any one day, and subject to the following regulations: the working hours to fall between 6 a.m. and 7 p.m., or in industries where a wider margin is allowed, within the limits sanctioned; the total hours of work during the period of recovery not to exceed 96; a special notice to be exhibited in the works setting forth the arrangements made; and notification to be sent to the Labour Board Inspection Bureau. The only objection raised is that the concession is surrounded by too many restrictions and formalities, although it is admitted that absolute uniformity in the conditions as applying to all industries, each having special requirements, would militate against the smooth working and probably affect the normal output.

SPAIN & PORTUGAL

POLITICAL AND GENERAL

SPAIN: CABINET CRISIS AVERTED.

Owing to the opposition, headed by Cardinal Soldevilla, Archbishop of Saragossa, to the anticlerical measures proposed by the Minister of Finance, Sr. Pedregal, a politician of the Extreme Left, the Premier tendered the resignation of the Government. After consultation with the King, he decided to continue in office, Sr. Pedregal being excluded from the Cabinet.

THE ECONOMIC SITUATION IN PORTUGAL.

The *Commercio do Porto* gives the following survey of the economic situation in Portugal during March:—

Business, which appeared inclined to revive after the publication of the bank balance sheets, again fell off towards the end of the month by reason of the fluctuations of the exchange. Discount is not easy to obtain and rates are higher, a circumstance due not only to the scarcity of ready money, but also to the depreciation of the exchange. The situation is dull and uncertain. Dealings in the exchange, which for some time had practically remained unchanged, owing to the small amount of business, suddenly took a speculative turn towards the end of the month, as the London exchange rose without apparent reason from 2 1/32 to 2½. Although the issue of a £4 mill. loan has been approved, this will in no way affect the exchange unless another foreign gold loan be issued, which would involve high interest and sound security. The country has sufficient natural resources to warrant a return towards normal conditions, but it is necessary that proper use should be made of such resources, and the present policy of waste should be abandoned, and strict economy be practised. The majority of traders have gold accounts to settle, and are consequently in considerable need of foreign currency. The note issue has increased without any set off, and, moreover, an increase of over Esc.160 mill. is talked of, part of which are to go into circulation. There is a large floating debt, the Treasury notes in circulation amounting alone to Esc. 380 mill. The deficit can no longer be estimated, and there is a grave want of confidence in the public administration, so that the loan can exercise little or no influence on the course of the exchange market.

TRADE

OPENING FOR BRITISH MANUFACTURERS IN SPAIN.

Although shipbuilding in all its branches received a great stimulus during the war, and there are now yards in Spain capable of competing with those abroad as regards hulls, yet in the production of engines and equipment they are still deficient. British firms should take advantage of this opportunity, as well as that of supplying a probably increasing demand for fittings and tackle of all sorts. Spanish firms, protected by the special laws already enacted in their favour and by a high tariff, will be keen competitors for certain articles, but in such a wide field the British manufacturer, whose products have the advantage of a traditional reputation in Spain and are known all along the coast, should be able to increase his sales. (*Report of the British Chamber of Commerce for Spain.*)

INDUSTRY

SPAIN'S MINERAL WEALTH.

The *Exportateur Français*, with a view to stimulating trade between France and Spain by an exchange of the latter's minerals for the former's manufactured goods, gives the following brief survey of Spain's mineral wealth, which, as it is of equal interest to other manufacturing nations, it may be usefully reproduced. The chief mineral wealth of Spain consists of the following products :—

Pyrites.—From the port of Huelva are exported annually some 3 mill. t. of pyrites, from which are extracted in Europe and America 1.3 mill. t. of sulphur for the manufacture of sulphuric acid, and 1.2 mill. t. of iron. Thus Spain provides seven-tenths of the world's output of pyrites, and delivers to industry four-fifths of the world's consumption of sulphur. The *Exportateur Français* suggests that as Spain possesses seven-tenths of the raw material for the manufacture of sulphuric acid, and France provides two-thirds of another ingredient, phosphates, an economic alliance might be concluded between the two countries (presumably for a monopoly of this product).

Potassium Salts.—Up to 1919 Germany practically possessed a monopoly of potassium salts in her potassium deposits of Stassfurt and Alsace, the latter of which now belong to France. In about the year 1917 or 1918, however, immense deposits of potassium salts were discovered in the provinces of Barcelona and Lerida (north-eastern Spain). Of these the State reserves to itself 350,000 hectares, which means that it intends either to develop them itself or constitute a monopoly of them.

Lead.—Spain is the largest lead producer of Europe, and France is practically devoid of this mineral. Nevertheless, as before the war, French foundries continue to purchase it through German brokers instead of applying direct to the source to the mutual benefit of producer and consumer.

Platinum and Gold.—Since the Soviet system has checked for some time to come the output of platinum in the Ural mountains, which furnished 90 per cent. of the world's supply, the price of this metal has assumed exorbitant proportions. Thus, it has become necessary to work poor deposits, containing less than one gramme to a ton of raw ore. Spain possesses an unworked deposit, of which it might be possible to obtain a concession.

There is a considerable amount of gold in Spain, which was worked in classical times, but the working has since been abandoned owing, firstly, to the Moorish invasion, and subsequently to the discovery of the new world. But now by reason of the high price of gold and the exhaustion of the mines, prospectors are casting their eyes on the Peninsula, where important deposits are to be worked.

Mercury.—The Almaden quicksilver mines are the richest in the world, and the State, which owns them, can at any time sell so cheaply as to be able to establish a world monopoly. Up to 1921 the Almaden mines were leased to Rothschilds' London House (*cf.* The Economic Review, Mar. 16, p. 231), which sold its products to the world at large chiefly through German brokers. Since 1922 the administrative council of the mines has endeavoured to sell the product direct to consumers or consumers' associations.

Mineral Oil.—Even this product has been found in Spain, notably in the centre and south, where the State and private industries have obtained large tracts of oil-yielding territory, but as Spanish industry is not in a position to work these deposits they offer a profitable field for foreign enterprise.

COAL BOUNTIES IN SPAIN.

The *Gaceta de Madrid* has published a Royal Decree regulating the grant of bounties on the output of national coal, as follows : A maximum of Pes.2.50 per ton on output of all coal, and a maximum of 3.25 per ton transported to the coast by railway or coasting steamers or shipped for export. The maximum amount granted by the Government for the above purpose is Pes.1,250,000 a month. These bounties shall be solicited by the owners working their mines, and shall be paid by the Mines and Metallurgy Department of the Ministry of Public Works, subject to due verification of their authenticity.

QUICKSILVER SALES.

The value of the quicksilver sold by the Government mines of Almaden was : January, Pes.3,264,599 ; February, 1,042,390. (*España Económica y Financiera.*)

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POLITICAL AND GENERAL

The Elections in Yugo-Slavia.

The *Zagreber Tagblatt* gives the result of the elections as follows :—Radicals 107, Democrats 53, Radich party (Croatian autonomists) 70, Clericals 22, Mahometans 19, Dzemiet 14, Farmers' League 12, Socialists 4, Germans 6, Rumanian 1, miscellaneous 5. *Neue Freie Presse*, in its comment on these results, considers that the most important feature is that whereas in old Serbia they show a centralising tendency, in the other provinces the autonomist idea prevails.

Several parties, notes the *Novosti*, have disappeared, including the Communists, South Slav Republicans, the National Mahometan organisation Maglialic, National Socialists, Frankianer, Croation Farmers' party in Bosnia, the Croatian Union, etc. Parliament opens on Apr. 16. M. Paschisch, the present Premier and the Leader of the Radicals, hopes with the assistance of the Dzemiet and a number of the Serbian party to obtain a majority in Parliament, provided always that the Radich party remains aloof as heretofore. The whole political situation appears to hinge upon the attitude adopted by the Croatian leader.

The Bulgarian Government.

The Bulgarian Cabinet, the resignations from which have already been noted in these pages (*cf.* The Economic Review, Mar. 2 and 30), has been reconstructed and is now composed as follows :—Premier and Foreign Affairs, M. Stamboliisky ; Interior, M. Popov ; Education, M. Botev ; Public Works, M. Storanov ; Justice, M. Douharov ; Communications, M. Atanasov ; War, M. Mouraviev ; Finance, M. Janev.

Bulgaria's Reparations.

On Mar. 21, announces the *Echo de Bulgarie*, an agreement was signed by M. Stamboliisky on the one hand and the British, French and Italian representatives on the Inter-allied Commission for Bulgaria on the other, as to the reparations payable by Bulgaria. The Bulgarian Premier has issued the following communication to the Press on the subject :—

"The Bulgarian Government and the Inter-allied Commission for Bulgaria have, after long negotiation, reached an agreement on the question of Bulgarian Reparations which the Inter-allied Commission is to submit to the approval of the Central Reparations Commission in Paris. The Bulgarian Government has published a ukase assigning the revenue from the Customs to secure payment of reparations in accordance with the scale of payments settled by the Inter-allied Commission in Bulgaria jointly with the Bulgarian Government."

The terms of the agreement are favourable to Bulgaria since they take into account its economic

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and financial situation. They are calculated so as to allow of a resumption of the economic development of the country, which has been arrested for some years. M. Stamboliisky has telegraphed to the Premiers of France, Italy and Great Britain, Lord Curzon and M. Barthou, President of the Reparations Commission in Paris, thanking them for their assistance and goodwill in the conclusion of the agreement.

Sentence on War Criminals in Bulgaria.

A Reuter message from Sofia of Mar.31 announces that the Supreme Court has rendered its judgment in the case of certain Generals and Ministers of the Radoslavoff Cabinet which was in office at the time of Bulgaria's entry into the war.

Radoslavoff, Tontcheff, Pecheff, Chriiv, Popoff, Dintcheff, and Petkoff have been sentenced to imprisonment for life, General Naidenoff to 15 years' imprisonment, General Jekoff, the Ministers Apostoloff, Koznitchki, and Popoff to 10 years, and General Boydjieff to five years.

All the accused persons lose their political and civic rights for life. They are further ordered to pay collectively war damages amounting to 32,700,000,000 leva. Radoslavoff, who left Sofia immediately after Bulgaria's collapse in 1918, was condemned in *contumaciam*.

FINANCE

RUMANIAN TRADERS' DEBTS TO FOREIGNERS.

A Bill has been drawn up for regulating the payment of debts from Rumanian traders to foreigners, based on the recent agreement with British creditors, the substance of which is as follows :—All persons whose liabilities were incurred before Nov. 1, 1918, in order to be accorded time for payment under the present Act must give security, the amount of which shall be fixed by the office to be founded in accordance with the provisions of the Act. This security shall not be less than the value of the foreign currency, and shall be deposited with the creditor. All persons whose liabilities were incurred subsequently to Nov. 1, 1918, and prior to Jan. 1, 1922, must deposit security in lei equivalent to the average value of the foreign currency during 1922. Whenever the security shall fall below the agreed value the deficit must be made good. The security may also be altered at the discretion of the office.

The security shall remain on deposit until the debt shall have been fully paid. The security, if consisting of specie bills, claims, or shares, shall be deposited with the National Bank of Rumania. The time for repayment shall be not less than 12 years from the date of the introduction of the Bill, and it is granted in respect of all civil and commercial debts contracted in the currency of countries with an appreciated exchange, provided that the debtors deposit the security as aforesaid. In respect of debts incurred between Nov. 1, 1918 and Jan. 1, 1922, debtors shall pay during the first four years 7 per cent. per annum, of which 4 shall be assigned to interest, and 3 to repayment of capital. But if the rate of the foreign exchange is below the present rate, the debtor shall during the fifth year pay an additional percentage in excess of the 7 per cent. calculated in proportion to the improvement of the leu. But, whatever the improvement in the rate of the leu, the debtor shall in no case be compelled to pay within a period less than 12 years, and whatever the rise in the rate, the debtor must not pay less than 7 per cent. per annum. The period of 12 years indicated in this clause is calculated in respect of debts payable at a fixed period after the promulgation of the present Act, but the yearly instalment shall be increased by the Office in such manner that the sums to be paid at the end of the minimum period of 12 years shall be equivalent to the amount of the present claim. The annual instalments shall be payable half-yearly, and the date of payment shall be the same in the case of all debtors. Debts incurred prior to Nov. 1, 1918, shall be paid in the manner to be determined by the Foreign Payments Office subject to the ratification of the court of the place of domicile of the debtor. In determining the manner of payment the Office has power to suspend payment for a period of not exceeding three years, and may fix annual payments of unequal amounts, beginning with the lowest, with gradual increases, without fixing a term for payment of less than 12 years, including the period of suspension. The interest on such unpaid instalments shall be 3 per cent. In no case can the Office order the payment of instalments higher than those of the post-war debts. The certificate issued by the Office is subject to revision by the court, as regards the amount of the guarantee and the term of suspension. Other points shall be definitely settled by the Office, in the spirit of the agreement with the British creditors.

For arranging the payment of these debts, there will be created a Commission styled, the "Office for the Payment of Private Debts in Foreign Currencies," with its headquarters at Bucarest. This Office shall take applications from debtors, who take advantage of the Act, assess the amount of the security to be given, record any non-performance of covenants to pay, apply to the courts on its own initiative independently of creditors, and investigate at will the manner in which the debtor shall manage his property.

The present Act shall apply even where a final legal judgment has been delivered or an agreement or compromise arrived at prior to the date of the Act. All renunciation of the benefits of the Act shall be void. The Act shall apply to all security given by debtors, even if it be higher than that therein provided. (*Bursa*, Mar. 25.)

RUMANIAN CAPITAL ISSUES IN JANUARY.

The *Analele Bancilor* of February, quoted by the *Berichte aus den neuen Staaten*, announces that public companies in Rumania during January raised 119 mill. lei of capital, of which 28 mill., in the form of new foundations, and 91 mill. of fresh capital. The capital of newly-founded companies was distributed among the various classes of undertakings as follows (in millions of lei): Banks, 6 ; building, 1 ; forestry 5 ; commerce 6 ; oil 5 ; various 5. The classes of enterprises which increased their capital (also in millions of lei) were : Banks, 52 ; building, 6 ; electricity, 4 ; forestry, 3 ; metallurgy, 12 ; textiles, 4.5. ; various, 8.8.

RAILWAY EARNINGS IN YUGO-SLAVIA.

The earnings of the Yugo-Slavia State railways between July 1 and Dec. 31, 1922, as given by the *Yougo-Slovenski Lloyd*, amounted to Dinar 708.3 mill. The earnings for the whole financial year were estimated at Dinar1,250 mill., the proportion for six months being 625 mill., so that results show an increase on estimates of 82 mill.

THE YIELD FROM TAXATION IN YUGO-SLAVIA.

During the first six months of the financial year 1922–23 (Aug. 1, 1922, to Jan. 31, 1923) duties and taxes have yielded Dinars 225.6 mill. compared with 150.3 mill. in the corresponding period of the preceding year. (*Obzor.*)

THE YIELD FROM TAXATION IN BULGARIA.

The yield from indirect taxes in Bulgaria during the eleven months from Apr. 1, 1922, to Mar. 1, 1923, amounts to Lev.,1,754.3 mill. and the revenue from State monopolies during the same period to 235.8 mill. (*Echo de Bulgarie*, Mar. 26.)

SPECIAL ARTICLES

THE WORLD OIL SITUATION*

By A. C. Bedford, President of the Standard Oil Company.

Oil is without doubt one of civilisation's most important natural resources. And yet we are just beginning to learn how dependent we are upon it. The wheels of machinery cannot turn, ships cannot move across the seas, our industrial age would come to a complete standstill—without oil. But the world is only now coming to realise the significance of the two vital facts, first, that man can no more manufacture oil than he can manufacture a grain of wheat; and, second, that nature's supplies of oil are not inexhaustible.

These transcendent facts far outweigh the importance of those elements in the oil situation which appear to excite most acutely many writers for the Press; they are, indeed, factors to which the statesmanship of the world may well give primary consideration as against thoughts of imperialistic aggrandisement or even of strategic protection.

To suggest the possibility of great nations going to war over oil is to suggest that civilisation shall plunge to its downfall in the struggle to control the very natural resources which are intended to aid and promote the progress of mankind. To suggest that great nations and great aggregations of capital should engage in cut-throat commercial competition over one of nature's bounties which ought to be carefully conserved, economically marketed and intelligently used, is to suggest that the gratification of national and corporate avarice is liable to become more dominant over the policies of nations and their citizens than conceptions of intelligent co-operation to foster the progress of civilisation.

No one can regard the petroleum situation in the world to-day in a comprehensive manner without being convinced that a clear vision of all the elements in that problem leads to but one conclusion, and that is the supreme importance of co-operation on the part of the peoples of the world both in exploiting and utilising the oil resources which nature has so sumptuously provided.

The fundamental elements of the oil problem are comparatively simple, but they have been complicated in recent years by developments which have not yet cleared up, and which are of so abnormal a character as to create a recurring divergence from the ordinary processes of progress, a divergence which cannot be corrected by any measures of a superficial character. To assure stability and constructive effort the cure must be fundamental.

The abnormal situations to which I refer exist primarily in Russia and Mexico. Next to the United States, those are the two most important oil-producing countries in the world. Private capital has for many years invested large sums of money in developing the petroleum resources of those two countries. These investments were made in reliance upon the continued protection given by the laws then existing and upon the assurance of the permanent validity of rights duly acquired and utilised.

In the case of Russia, the Soviet Government, following the revolution, seized practically all private property, including, of course, industries which had been developed by alien capital. The result has been extremely serious. There has been a steady reduction in the output of oil, and, what is more vital, there has been an absolute stoppage in the development of facilities for oil production. Russia's need at the moment is for private capital to assist in exploiting her oil resources. The problem there is largely domestic because Russia under normal conditions needs practically all of her own oil for her own uses. But a country which is in need of such tremendous development as is called for in Russia must have access to enormous new reservoirs of capital if she is once more to resume the road of progress. Therefore the primary question in Russia is who will provide the necessary private capital for future development.

If Russia wishes to nationalise all her private industries every consideration of right and justice compels her adequately to compensate those who had invested their money in the development of industries in Russia prior to the revolution. New private capital cannot go into Russia wisely and safely until proper adjustment is made of the old claims and until assurances are given of the protection of private property for the future.

In Mexico the problem is not fundamentally dissimilar from that in Russia. Under the presidency of Mr. Diaz, Mexico encouraged and enjoyed a great importation of foreign capital for investment in developing her oil resources. The results were extremely profitable to the country. American capital aggregating probably $500,000,000 has been invested in the exploitation of oil in Mexico. In 1922 the United States imported from Mexico 132,000,000 barrels of oil. Without that supply we should have been unable to meet the heavy demands upon us and at the same time maintain a normal reserve supply. Since the end of the Diaz government, however, the old laws governing the exploitation of oil in Mexico have been thrown into the discard, and the confiscatory provisions of the present Constitution and of governmental decrees, together with what many consider to be arbitrary and excessive taxation, constitute a menace to American enterprise.

And it should be stated that this reference to the abnormal political conditions in Mexico in no way relates to the very serious change which has recently come about in the physical conditions affecting the production of Mexican oil. A few years ago Mexico gave promise of vast and permanent productivity, and for a few years that promise was justified. In reliance not alone upon the security of the laws, but also upon what appeared to be the reasonable promise of permanency of supply, a large investment of new capital had been attracted to Mexico for purposes of exploration and development, to say nothing of the money expended for tanker fleets, manufacturing plants, storage and other necessary facilities. The recent exhaustion and other untoward developments in the two important Mexican fields, however, have been such that exploitation of fully two-thirds of the estimated producing area has been abandoned. Consequently the operating companies which made so huge an investment in Mexico will receive only a meagre return on their outlay. In fact it is safe to say that the existing oil companies in Mexico face a collective loss of at least half of their original investment. Thus is illustrated one of the extreme hazards of the business.

The situations in Russia and Mexico constitute the chief abnormal elements in the world's petroleum problem. A problem of less difficult character arose from the fact that immediately following the war, and growing largely out of conditions developed during the war, there was in some countries a tendency toward government monopolisation of the oil business. This tendency was most evident in France and Italy, and for a time it presented an obvious danger. Clearly, if a government engages in any business which competes with the private industry of other countries factors are introduced into the relationship between nations

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which are extremely delicate and difficult. Fortunately, both France and Italy realised the unwisdom of such a government monopoly, and both those countries now frankly encourage the development of their petroleum markets under the auspices of private industry.

It is a matter of encouragement to note that throughout Europe, indeed throughout the world, the swing is away from exaggerated government intervention in business. The world over, there is a reaction against the claims, criticisms and illusions of Socialism and against assumption by the State of activities which can best be carried on by the individual.

Let us now consider the broader and more normal aspects of the larger problem. Prior to the Great War the world gave no serious consideration to the thought that its petroleum supplies might become exhausted. The commercial development of oil throughout the world was largely a search for markets. The United States produced much more petroleum than it needed, and great additions to our national prosperity were realised out of the marketing of our surplus supplies among foreign peoples. The competition among oil companies doing an international business was almost exclusively in marketing their products. The war, however, progressively revealed the extent to which modern civilisation is dependent upon its oil supplies. It brought the world face to face with the stern reality that petroleum resources are limited and exhaustible, and it drew into clear relief the fact that the oil problem of the future was not that of finding markets but that of obtaining supplies. Of course there will always be ups and downs in industrial activity, and petroleum production may at times afford a temporary over-supply, but in the long run the problem is unquestionably as stated.

To be sure, the war revealed the strategic importance of oil. Many have believed that the active interest of the British Government in the oil situation since the war has grown out of a realisation of the fact that as an island country her very existence was dependent upon the efficiency of her navy, and that her navy must have assurance of adequate supplies of petroleum.

No one can believe, however, that either the British Government or the British people are interested in oil supplies primarily from the strategic standpoint. In the first place, no one could contemplate the possibility of war between Great Britain and the United States without feeling that such a catastrophe would probably mean the complete downfall of modern civilisation. The great English-speaking peoples of the world are undoubtedly drawing closer together, and to suggest that their governments or peoples should base national policies merely upon the necessity of acquiring possession of oil supplies in order to be assured of protection in the event of war against one another is to assume that mankind regards its own deliberate suicide as not being outside the range of possibility.

But, assuming that strategic considerations were behind the effort of different governments to obtain increasing power over the development of the world's oil, the fallacy involved in any such effort is obvious. Suppose, for example, that prior to the war British capital had created an oil-producing industry in Germany. What good would it have done? Would not the Germans have seized such supplies immediately? As a matter of fact, the United States had participated in a petroleum development in Rumania. Of what value was that to us or to the Allies after Germany had taken possession of Rumania?

Strategic factors in the world search for oil may accordingly be regarded as of minor importance. No matter what sensational writers may say, it may be regarded by serious observers as a fact that the great nations of the world are not engaged in an insatiable search for oil merely to be able to supply their warships, flying machines and motor trucks for purposes of armed conflict. The fundamental problem is far deeper than that, and really concerns itself with measures which look to the progress rather than the destruction of civilisation.

In order to state the matter in proper perspective let us for a moment consider the position of the United States. This country contributes about 70 per cent. of the world's current petroleum production. Since the establishment of the industry we have produced a total of about 6,500,000,000 barrels. The United States is not only the largest producer, but by far the largest consumer of petroleum and its products, both as to gross and per capita. The enormous development of the American automotive industry is in a large measure responsible for this extraordinary condition. Reports indicate that in 1923 more than 12,000,000 motor cars and trucks will have to be supplied with gasoline and oil. And this takes no account of the enormous number of farm tractors, motor boats, aeroplanes, and gasoline power plants of which there are no official records. Likewise, it gives no indication of the demands for fuel oil on the part of marine engines, power and heating plants, and railroad locomotives which, owing to the growing scarcity of coal, now burn oil.

While the United States has been producing and using these enormous supplies of petroleum—indeed founding its industrial progress more and more upon this basic product—there has always been a substantial surplus, which has called for the use of American initiative and enterprise as well as the expenditure of American capital in the development of foreign markets. America supplies a substantial part of all the petroleum used in Great Britain, France, Italy, and Germany. The American oil can is one of the most familiar articles in the domestic life of the peoples of the Far East, particularly of India and China. The American petroleum industry has contributed what is by far the most important manufactured article entering into the export trade of the United States. The development of this business has, indeed, resulted in profit to those who conducted it; but in addition it has also resulted in great comfort and convenience to millions of people throughout the world. American oil may truthfully be claimed to have been one of the veritable agencies which have brought about the spread of civilisation. And, up until very lately, the world had to depend almost entirely upon the United States for this indispensable product.

But the production of oil is not a mere matter of distribution. The oil must be found before it can be distributed. And no one can ever tell just where it may be found next. The spirit of the pioneer, even of the adventurer, must be invoked in this unremitting search for supplies. That is an important reason why fundamentally the oil business does not take on the character of a public utility.

It should be noted that with all its expansion in the United States the oil industry has remained essentially a free industry. Its very nature prevents monopolisation or group control. No man or group of men can restrain others from seeking oil, nor, when it has been found, can they restrict or augment its flow. The expansion in the United States has come about not through the realisation of excessive profits upon the capital invested, but because of the application of the petroleum products of this and other countries to a myriad of new uses. The industry has flourished because conditions of free competition have obtained, and because the industry has experienced a long period of unexampled and almost uninterrupted growth in seeking supplies and finding the markets for petroleum products. The very nature of the industry precludes any artificial price-fixing effort. The road the industry has travelled is strewn with the bones of those who have endeavoured to run contrary to this natural law.

It has been frequently pointed out that during the war period the petroleum industry in the United States was permitted, under official supervision, to function according to the wisdom and experience of its own administrators. The petroleum industry was almost unique during that period in being permitted, within due and proper limits, to govern itself. It is the belief of those familiar with the petroleum industry that that policy has been shown by experience, not alone in the United States but in countries throughout the world, to be the policy calculated to effect the wisest and most economical production and distribution of even so important a basic product as petroleum.

In recent years the development of oil in Russia, Persia, the Dutch East Indies, Mexico, South America, and elsewhere, has opened up supplies affording opportunities for the investment of capital by other nations and also providing sources of supply relatively near at hand to markets which had already been opened up and developed and which until then had been largely provided for by supplies from the United States. Out of this situation has grown the present international oil problem, which, in so far as it is political, may be described as the problem of the "open door." That question may be simply stated thus: In the development of the natural resources of the world shall the nationals of one country have equal rights with the nationals of another? The United States has an acute interest in that question, around which revolve all the real international controversies which have arisen over oil.

This problem ought not to be viewed in any narrow or selfish sense. Even assuming that there could be superficial reasons of nationalistic self-interest which would apparently justify a country in withholding from other nationals the privilege of exploiting its natural resources, would that policy be fundamentally sound? Should not the interests of the world as a whole receive due consideration?

It must never be forgotten that oil is a mining business. The supplies of oil are hidden away under ground, and the search for them is accompanied by great expense and many disappointments. Petroleum is the most uncertain of natural resources. Broadly speaking it is impossible to say to-day where oil will be found to-morrow, and, having been found, how long the supply will last. The risks of the business are tremendous, as is effectively illustrated by the recent experience in Mexico.

There can be no assurance that the exhaustion which has taken place in Mexico will not sooner or later occur in any other field now under development or to be developed. It is obvious, therefore, that the seeking and developing of oil resources must be done by business organisations equipped with adequate capital, and that no matter how large any one organisation or interest may be its resources will still be unequal to meeting the fast growing demands of the world situation.

It is equally obvious that no existing interest, regardless of its size and importance, would consider it the part of wisdom to concentrate all of its resources in the development of a single territory, no matter how promising that territory might be. There should be international collaboration with a pro-rating among nations and interests of the risks involved.

This consideration applies very decidedly to the development of oil in a country like Mesopotamia. It is a fact that the oil deposits there are practically an unknown quantity. Development has not proceeded to a point which demonstrates their commercial possibilities. Such a development would require a very large expenditure of money for the building of pipe lines and other facilities of production. Even if the United States herself should be given exclusive privileges in Mesopotamia no single financial interest would be justified in assuming the risk of an investment which might involve such great loss.

In the proper development of Mosul and Mesopotamia, American interests—not merely one American interest, but all important American interests—should co-operate with the interests of other nations, to the end that the risks involved in the investment of capital shall be widely distributed, and thus minimised; and also to the end that the resources of that country shall not, any more than the resources of any other undeveloped section of the earth, be exploited for the exclusive benefit of a single nation or group of interests.

The position of the Government of the United States on this subject has been made very clear in a wide range of diplomatic correspondence. The point should be emphasised that our government has struggled for the maintenance of a principle affecting every American commercial interest, and not merely the oil industry and certainly not any one interest in the oil industry. All our government has been seeking is that all American nationals shall have the same commercial rights and opportunities in other countries that we grant the nationals of those countries in the United States. There are no restrictions as to residence or citizenship as far as concerns the ownership or management of companies formed to carry on commercial or industrial operations in the United States. To be sure, Congress in 1920 enacted a mineral leasing law for public lands, forbidding the acquisition of government property by the nationals of any foreign country that denies reciprocity to Americans. But the general situation has been that while American capital has been long predominant in our petroleum development there are very substantial foreign interests engaged in the business here which enjoy the protection of the same laws that afford protection to our own citizens.

Similar freedom of opportunity for the citizens of the United States to develop foreign oil resources is not permitted by a number of other nations. No more terse statement of the situation has been made than is contained in the report of the Federal Trade Commission of the United States to the American Congress, published February 11, 1923, in which the situation was summarised as follows:—

"The most important instances of discrimination by foreign governments against citizens of this country are the exclusive policies of the Governments of Great Britain and the Netherlands in respect to the oil fields of India and the Dutch East Indies, and the 1922 San Remo agreement of Great Britain and France covering the undeveloped oil fields of Mesopotamia and of the British and French colonies.

"Denial of reciprocity of treatment to citizens of this country appears to exist with respect to the petroleum industry of Australia, British Borneo, certain African colonies, British Honduras, British Guiaña, and Trinidad, France and French possessions, Italy and the Netherlands and its dependencies."

The attitude of the British Government in regard to Mesopotamia was summed up by Lord Curzon, the Foreign Minister, in the wise statement that "oil is a commodity in which the world is interested, and as to which it is a great mistake to claim or exercise a monopoly." Continuing his statement, the British Foreign Minister added that "with the full knowledge and support of the British Government, negotiations have been proceeding to associate the interests of other countries and other parties on this concession, so that all those that are equally interested may have a share."

British capital and, in fact, the British Government are also interested in the development of Persian oil resources under a concession granted by the Persian Government in 1901 and afterward acquired by the Anglo-Persian Oil Company Ltd., to the capital of which the British Government has contributed about $25,000,000, but in the management or commercial policy of which it has no voice. Persia ranks fifth as an oil-producing country and the British concession includes about 500,000 square miles from which practically all of the current production comes. The output in 1921 was about 16,673,000 barrels, or 2.2 per cent. of the total world production for that year.

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The United States Government has made it clear that it has no desire to interfere in the political relations of any power with a colony, a protectorate or a mandated area. But whenever it has been proposed to use such relations for the creation of exclusive economic spheres, wherein the development of a natural and much-needed product would be confined to the parent or dominant power, this country has protested.

The American oil industry is now and has always been anxious to produce and sell oil at the lowest possible price. American oil companies ask for no opportunities which are denied to other nationals in other countries, or which are not accorded to other nationals in the United States. They seek merely the opportunity of engaging alongside the oil interests of other nations in opening up the world's undeveloped petroleum resources. They believe that as the normal development of civilisation depends partly upon oil the best interests of every nation and of the oil companies of every nation will be promoted by the general adoption by all nations of the open-door policy, permitting the efficient investment of capital from any source and on equal terms, and further, by the assurance from all nations that whatever risks the citizens of other countries may assume in the search for and development of oil resources they will at least have the full and equal protection of laws adequately safeguarding the rights of private property.

Such a policy is broad-gauged and fair. To proceed upon any less comprehensive theory would be not alone narrow and egotistic but would ultimately result in failure to effect the most thorough-going and economical production and distribution of the world's limited petroleum supplies.

In the large, the petroleum problem is one of development of our material civilisation. To regard it from the point of view of national boundary lines is to deny its fundamental character. The welfare of mankind is in no small degree dependent upon the world's taking an attitude toward it which will lift it out of narrow conceptions and which will result in its being dealt with by peoples and nations in a spirit of the broadest understanding and co-operation.

THE ECONOMIC SITUATION IN THE SAAR

German propaganda, in order to incite European opinion against the French management of the Ruhr mines, lays great stress on its possible disastrous effects, illustrating its theories by the alleged economic distress produced in the Saar by the same cause. M. Gaston Cadoux sets himself in the *Economiste Français* (Mar. 24) to refute this allegation by the following survey of the economic situation in the Saar district during 1922 :—

The Administration of the Saar.

First of all, he points out, the Commission for the administration of the district was appointed, not by France, but by the League of Nations, and consists of one Frenchman, the President, M. Rault, formerly prefect of the Rhône ; a Dane ; a native of the Saar ; a Belgian and a Canadian, who divide among them the functions of the various administrative departments, and adopt in concert all measures of Government. As early as 1921 a self-styled deputation of natives of the district presented to the League of Nations at Geneva a memorial setting forth the economic distress there prevailing, which the League answered on Dec. 21, 1921, by a detailed report of the economic situation, in which it expressed itself pleased to find that, if the local industry was suffering from the universal economic crisis, it was far from enduring the distress alleged in the memorial, and that the situation was improving. Further protests presented by Germans in 1922 were declared by the League to be equally unfounded.

Foreign Trade.

The joint Chamber of Commerce, Franco-Sarrois, after examining the Customs returns, has published a statement of the foreign trade of the district during 1922. The statement shows the amounts dealt with (*a*) in 1,000 t., (*b*) in 1,000 hl., (*c*) in millions of francs : Imports : total (*a*) 5,220, (*b*) 147, (*c*) 959. Imports for the whole year were divided in value as follows : From France (*c*), 189 ; from Germany, 661.5 ; from other countries, 69.7 ; Exports, total (*a*) 7,897, (*b*) 26, (*c*) 1,593, of which (*c*) 770.6 to France and 769.4 to Germany. It may be noted that the value of exports to the latter country increased progressively from 111.1 in the first quarter to 280 in the fourth, whereas that to France was highest (240.1) in the second quarter, declining to 207.4 in the fourth. From the above figures it will be seen that the foreign trade of the district shows a balance in favour of exports of Fr.635.8 mill., a fact which does not support the allegation of economic distress.

Unemployment.

The small proportion of unemployment to the number of workmen, which was 0.84 per cent. in May compared with the maximum of 1.72 per cent. in January, is also evidence against the charge of economic depression. It should further be noted that the unemployed consist to a large extent of German workmen, chiefly unskilled, from the neighbouring provinces of the Reich. Moreover, such is the demand in the labour market, that many trades, especially building, have had great difficulty in finding skilled workmen, with the result that the Commission of Administration has had to grant them exemptions from the regulations passed to prevent an inrush of foreign workmen.

Mining Results.

The output of the mines under the management of French engineers, shows a tendency, contrary to that prevailing elsewhere, towards an improved individual yield from the workers. The following tables show the number of workers, (*a*) net output and yield per workman, under ground and surface, of the coal mines (monthly), and (*b*) (i) the number of workmen, (ii) the output of pig iron, and (iii) the output of steel bars in the iron and steel works (quarterly) :—

(*a*)	No. of workmen. (i)	Net output. Tons (ii)	Yield per man. Tons (iii)
Jan.	72,200	864,210	535
Feb.	72,154	888,184	592
Mar.	72,055	1,042,866	610
April	71,677	798,673	593
May	71,247	846,868	683
June	70,867	864,906	698
July	70,576	988,242	614
Aug.	70,876	1,019,215	618
Sept.	71,983	984,636	620
Oct.	72,407	1,011,812	623
Nov.	72,520	952,685	624
Dec.	72,790	977,712	627

(*b*)	(i)	Tons (ii)	Tons (iii)
1st quarter ...	31,716	256,655	302.415
2nd ,, ...	32,136	277,378	289.603
3rd ,, ...	32,658	310,292	332.470
4th ,, ...	32,290	314,171	339.430

The above statistics demonstrate how unjustified and unfounded are the attacks on the French administration of the Saar.

☞ *In order to avoid delay in the delivery of Foreign Papers, attention is drawn to the change of address of* The Economic Review, *the Business and Editorial Offices of which are now at* 6, *John Street, Adelphi, London, W.C.2.*

NOTES ON NEW BOOKS

STABILISATION

Stabilisation: An Economic Policy for Producers and Consumers. By E. M. H. Lloyd. (George Allen and Unwin, Ltd. 1923. Pp. 128. 4s. 6d. net.)

The author of this short book has had personal experience of State control of prices and production during the war and was present at the Genoa Conference last year. These two experiences have inspired him with an enthusiastic belief in the efficacy of State (or internationally centralised) management and in Mr. R. G. Hawtrey's currency schemes. The conclusion reached in this book, by arguments which, on account of the limited space allowed for their development, are sometimes a little hasty, is that "international regulation of currency, international control of foodstuffs and raw materials, and international understandings as to prices, markets and output are the foundations on which the future world order will be based." The subject is treated mainly from the point of view of currency and banking, and the villains of the piece are the Cunliffe Committee. The book is quite uncommonly well written in a spirited style which breathes, even when it does not inspire, conviction. The greatest and most fundamental obstacle to the far-reaching schemes propounded is, as the author himself tells us, that "the world has not yet acquired the international mind."

RECENT PUBLICATIONS

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

Foreign Affairs. An American quarterly review. March 15, 1923. (New York, 25, West 43rd Street.) This is the third number of an admirable periodical replete with information covering a very wide field of political and economic questions, as the following summary of its contents sufficiently shows: Two Years of American Foreign Policy, The Tariff as a Factor in American Trade, The United States and Reparations, Islam and Britain, German Public Opinion To-day, Mr. Lloyd George's Foreign Policy, Ethics and International Relations, The World Oil Situation, Canada and Foreign Policy, Mexican Problems, Islam in 1923, and The New Russian Economic Policy. "The World Oil Situation," which reviews the question in a broad and statesmanlike spirit, is from the pen of Mr. A. C. Bedford, President of the Standard Oil Company, and is reproduced on another page by special permission of the Editor. Another interesting article is "The Tariff as a Factor in American Trade," by Mr. Oscar W. Underwood, the Democratic leader in the Senate and a likely Democratic candidate for the presidency next year. His contribution presages the intention of the Democratic leaders to make the tariff an issue in the campaign, and for that reason will challenge further attention.

International Labour Directory (published in the United Kingdom for the International Labour Office—League of Nations—by George Allen and Unwin, Ltd., 10s. 6d., or $2.50). This is the third issue of this useful publication. It gives in a concise form full and accurate information as to official institutions and national and international organisations which deal with labour and industrial questions through the world.

Recent Publications (continued).

Agriculture and the Guild System. By Montague Fordham (published for the National Guilds League by Messrs. P. S. King and Son, Ltd., 1s.). This pamphlet discusses the question of providing a democratic economic basis for the reconstruction of British agriculture and rural life.

STATISTICAL SECTION

THE TRADE BAROMETER

EXPLANATION

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

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

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

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

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

TABLE I.

Date	10 Commodities	Bd.of Tde. Monthly Average	Date	10 Commodities	Bd.of Tde. Monthly Average	Date	10 Commodities	Bd.of Tde. Monthly Average	Date	10 Commodities	Bd.of Tde. Monthly Average
1920											
Sept. 3	379.3		April 29	202.2		Dec. 30	150.0		Aug. 25	166.1	
10	379.7		May 6	207.2		1922			Sept. 1	163.4	
17	379.4	311.4	12	204.3		Jan. 6	148.1		8	160.4	
24	360.6		20	197.0	201.7	13	148.7		15	161.2	153.9
Oct. 1	356.3		27	200.5		20	144.0	164.0	22	158.6	
8	346.8		June 3	201.9		27	141.3		29	158.8	
15	328.6	302.3	10	203.6		Feb. 3	142.3		Oct. 6	159.8	
22	319.8		17	201.8	197.7	10	147.0		13	161.2	
29	315.3		24	201.6		17	149.2	161.8	20	162.8	155.2
Nov. 5	310.8		July 1	196.4		24	149.7		27	165.9	
12	304.6		8	193.3		Mar. 3	148.4		Nov. 3	170.1	
19	293.0	286.9	15	194.4	194.1	10	148.4		10	170.1	
26	283.8		22	194.8		17	149.8	159.9	17	169.3	157.6
Dec. 3	272.0		29	193.6		24	149.4		24	168.2	
10	271.2		Aug. 5	183.8		31	149.8		Dec. 1	167.4	
17	257.0	263.8	12	178.8		Apr. 7	150.3		8	161.5	
23	253.0		19	178.1	190.0	14	151.7		15	161.2	155.7
30	249.8		26	178.1		21	154.1	160.1	22	162.2	
1921			Sept. 2	180.8		28	154.6		29	162.6	
Jan. 7	249.5		9	183.0		May 5	157.8		1923		
14	244.2		16	183.4	187.0	12	159.9		Jan. 5	162.4	
21	237.6	245.9	23	180.0		19	162.1	160.6	12	162.8	
28	235.2		30	176.8		26	163.3		19	163.2	157.1
Feb. 4	227.0		Oct. 7	172.1		June 2	162.9		26	165.3	
11	227.4		14	170.2		9	164.9		Feb. 2	166.9	
18	219.1	225.2	21	163.0	180.7	16	163.6	159.7	9	168.7	
25	215.8		28	159.5		23	164.8		16	177.2	157.6
Mar. 4	198.8		Nov. 4	158.9		30	162.4		23	181.1	
11	197.5		11	155.0		July 7	164.7		Mar 2	184.8	
18	199.0	210.8	18	154.5	172.8	14	165.1		9	188.2	
25	201.4		25	157.7		21	165.8	160.3	16	192.4	
April 1	199.6		Dec. 2	153.6		28	167.3		23	189.3	
8	191.6		9	152.1		Aug. 4	168.1		30	188.9	
15	202.8	204.8	16	153.2	167.9	11	165.9	156.3	Apr. 6	192.2	
22	194.3		22	150.3		18	164.0				

CHART ILLUSTRATING TABLE I

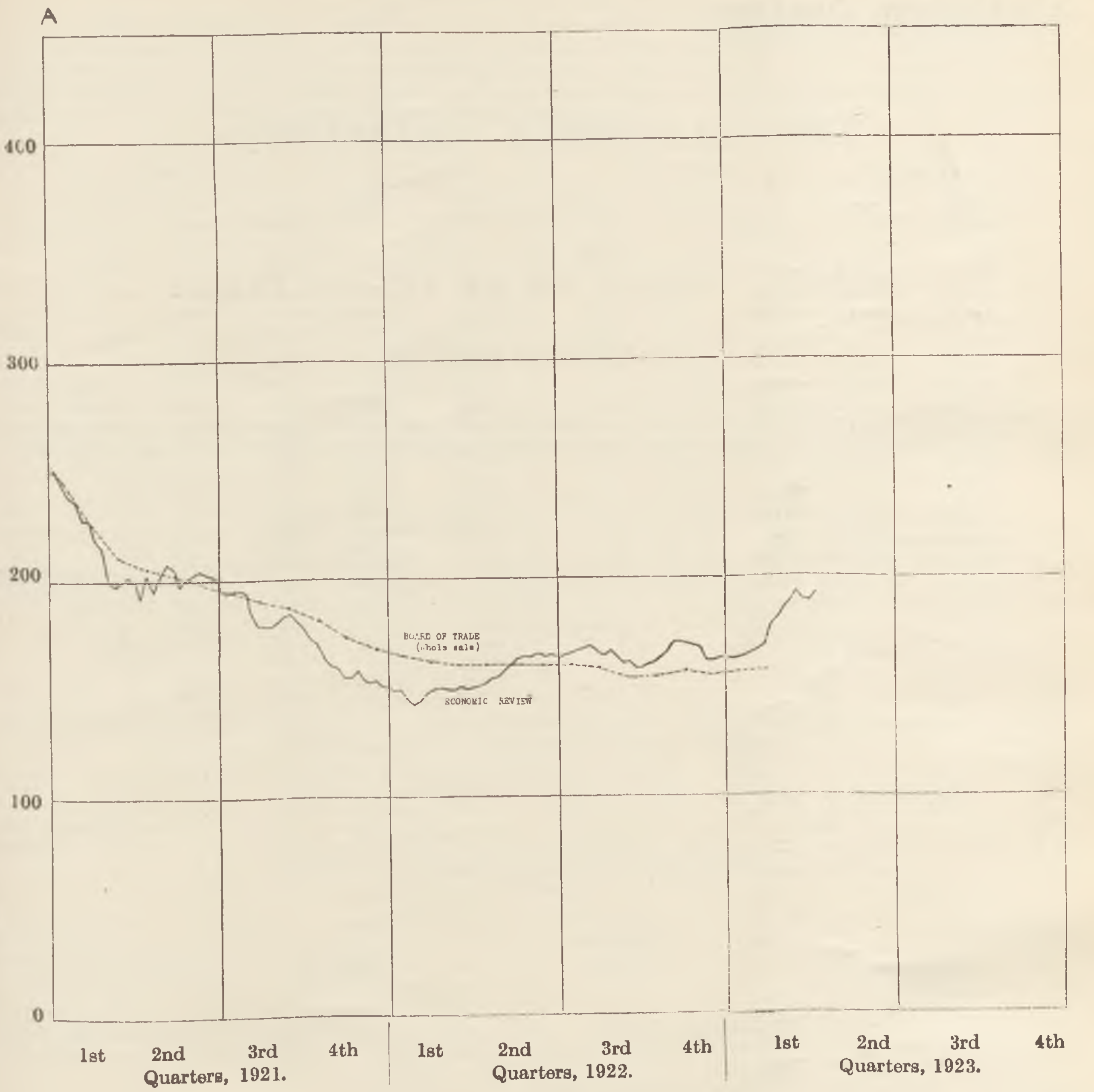


TABLE II.

Date.	Pig iron.	Tin.	Coal.	Linseed Oil.	Cotton.	Wool.	Hides.	Wheat.	Bacon.	Sugar.	Mean.	Date.
Dec. 30, 1921	100	100	100	100	100	100	100	100	100	100	100	Dec. 30, 1921
1922												1922.
Jan. 27 ...	90.6	90.5	92.4	108.8	85.3	100.0	82.6	101.1	94.4	96.1	94.18	... Jan. 27
Feb. 24 ...	101.4	85.3	94.3	136.9	90.0	106.7	76.8	106.4	104.4	94.1	99.77	... Feb. 24
Mar. 31 ...	94.3	84.2	93.4	126.3	90.3	106.7	87.0	116.2	97.1	103.8	99.93	... Mar. 31
Apr. 28 ...	92.9	89.4	89.6	149.1	87.9	106.7	78.3	113.5	115.8	107.7	103.09	... Apr. 28
May 26 ...	99.1	89.2	88.7	155.3	101.1	115.6	89.9	123.8	118.4	107.7	108.88	... May 26
June 30 ...	92.9	90.4	81.1	152.6	111.7	111.1	91.3	117.7	114.4	119.2	108.24	... June 30
July 28 ...	92.9	94.5	97.2	157.9	110.1	111.1	97.1	119.0	116.5	119.2	111.55	... July 28
Sept. 1 ...	92.4	93.8	94.3	121.1	113.9	111.1	92.8	108.9	112.8	148.0	108.91	... Sept. 1
„ 29 ...	94.3	95.2	92.9	135.1	105.9	117.8	96.4	82.8	104.0	134.6	105.90	... „ 29
Nov. 3 ...	95.5	107.5	100.0	140.3	119.9	133.3	106.5	91.9	104.8	134.6	113.43	... Nov. 3
Dec. 1 ...	95.5	102.6	94.3	136.9	121.5	133.3	107.2	93.9	96.3	134.6	111.61	... Dec. 1
„ 29 ...	89.4	106.7	91.5	138.6	126.0	120.0	93.5	90.4	89.7	138.5	108.43	... „ 29
1923												1923
Jan. 5 ...	90.1	104.9	91.5	135.1	125.2	122.2	95.7	89.9	89.7	138.5	108.28	... Jan. 5
„ 12 ...	90.1	106.5	93.4	133.3	126.4	122.2	93.5	91.7	89.7	138.5	108.52	... „ 12
„ 19 ...	91.3	106.1	95.3	135.1	132.4	122.2	93.5	91.7	89.7	130.8	108.81	... „ 19
„ 26 ...	92.4	108.9	100.0	136.9	137.0	122.2	97.1	93.3	83.1	130.8	110.17	... „ 26
Feb. 2 ...	96.0	107.8	113.2	138.2	129.2	122.2	95.7	93.3	86.0	130.8	111.28	... Feb. 2
„ 9 ...	97.9	109.6	113.2	147.4	130.5	120.0	95.7	91.7	88.2	130.8	112.50	... „ 9
„ 16 ...	100.5	114.7	105.7	143.9	131.4	120.0	89.1	90.1	89.7	196.2*	118.13	... „ 16
„ 23 ...	105.2	120.8	113.2	145.6	133.7	120.0	89.1	89.3	84.6	205.8	120.73	... „ 23
Mar. 2 ...	108.5	125.4	128.3	147.4	135.1	120.0	92.0	88.6	78.7	207.7	123.17	... Mar. 2
„ 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
Apr. 6 ...	113.2	130.6	132.1	161.4	127.8	124.4	95.7	90.9	88.2	217.3	128.16	... Apr. 6

*Revised Quotation.

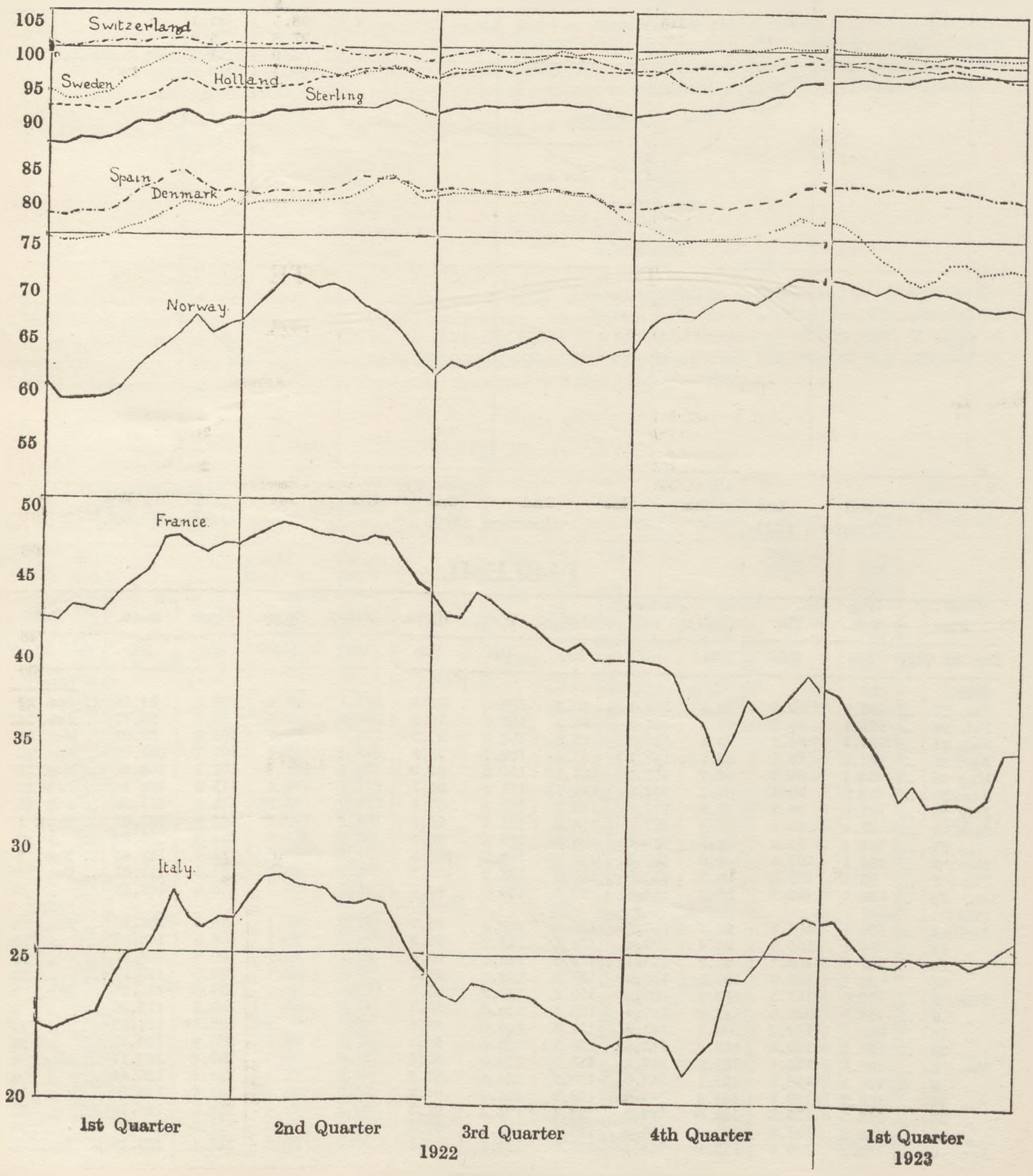
Statistical Section

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.	
Week ending.	Industrials.	Bonds.*	Industrials.	Gilt-edged.
1921				
Oct. 1	88.4	91.3	104.5	94.4
29	91.1	92.0	91.1	94.4
Dec. 2	97.4	99.4	94.2	96.0
30	100.0	100.0	100.0	100.0
1922				
Jan. 28	100.8	102.1	102.3	104.4
Feb. 25	105.2	100.8	103.6	109.0
April 1	109.8	101.5	103.5	112.2
29	114.4	103.1	117.6	116.9
June 3	118.8	102.9	113.5	115.7
July 1	114.5	103.6	110.0	114.7
29	119.4	106.0	112.8	116.7
Sept. 2	124.9	106.6	114.1	112.1
30	121.2	105.8	113.2	112.0
Oct. 7	123.9	106.1	113.3	111.7
14	127.6	104.4	114.5	112.3
21	125.7	102.8	114.3	113.0
28	121.7	102.0	114.8	113.0
Nov. 4	122.1	103.4	114.5	113.0
11	118.2	103.1	115.0	113.6
18	117.6	102.4	114.7	114.5
25	114.4	102.0	115.0	115.4
Dec. 2	118.3	102.2	115.7	115.0
9	120.5	102.8	116.2	114.3

	In New York.		In London.	
Week ending.	Industrials.	Bonds.*	Industrials.	Gilt-edged.
1922				
Dec. 16	121.1	103.1	116.1	113.8
23	121.6	102.9	118.3	113.5
30	121.7	102.5	119.5	113.3
1923				
Jan. 6	120.5	102.8	122.1	113.5
13	122.2	102.6	122.3	114.0
20	120.4	102.0	123.3	116.8
27	120.8	101.1	122.2	115.8
Feb. 3	122.5	102.1	122.2	114.8
10	125.4	102.1	122.5	115.1
17	127.3	101.6	123.2	115.6
24	126.8	101.1	126.4	116.2
Mar. 3	128.6	99.8	129.5	116.3
10	128.0	99.5	128.9	116.5
17	129.2	98.5	129.3	117.0
24	127.3	97.8	129.0	118.1
31	126.7	98.0	128.4	118.5
Apr. 7	126.4	98.1	129.9	120.4

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

BANK OF ENGLAND AND CURRENCY NOTE RETURNS.

Combined Balance Sheet for 5th April, 1923.

Liabilities.

	£	£
Notes Issued.		
B. of E.	145,433,290	
Less those in C.N. Reserve ...	22,450,000	
		122,983,290
C.N. outstanding	286,582,816	
C.N. called in but not yet cancelled	1,492,046	
		288,074,862
		411,058,152

Ratio of Gold to Notes ... 37.2%
„ Gold & Silver to Notes 38.9%

Assets.

	£	£
Government Debt.		
B. of E.	11,015,100	
C.N.	244,351,759	
	255,366,859	
Less C.N. Investment Reserve Account	12,879,352	
		242,487,507
Other Securities.		
B. of E.		8,734,900
Gold Coin and Bullion.		
B. of E.	125,683,290	
C.N.	27,000,000	
C.N. Balance at B. of E.... ...	152,455	
		152,835,745
Silver Coin		7,000,000
		411,058,152

Summary of Combined Balance Sheets.

January 1922 to date.

Date. End of	B. of E. Notes *less* those in C.N. Reserve.	C.N. outstanding inc. called in but not cancelled.	Total.	Gold.	% of Gold to Notes.	% of Gold & Silver to Notes.
1922 Jan.	125.9	304.3	430.2	155.5	36.1	36.8
Feb.	125.9	298.8	424.7	155.6	36.6	37.3
Mar.	125.9	300.4	425.3	155.6	36.6	37.7
Apr.	126.0	301.3	427.3	155.6	36.4	37.6
May	126.1	298.3	424.4	155.8	36.6	37.8
June	124.9	297.9	422.8	154.8	36.6	38.0
July	122.9	296.4	419.3	152.8	36.4	38.1
Aug.	122.9	293.3	416.2	152.7	36.7	38.4
Sept.	122.9	289.1	412.0	152.8	37.1	38.8
Oct.	122.9	288.0	410.9	152.7	37.2	38.9
Nov.	122.9	287.9	410.8	152.8	37.2	38.9
Dec.	122.9	301.3	424.3	152.8	36.0	37.7
1923 Jan.	123.0	280.3	403.2	152.8	37.9	39.6
Feb.	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
Apr. 5	123.0	288.1	411.1	152.8	37.2	38.9

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