

THE
ECONOMIC REVIEW

A REVIEW OF THE FOREIGN PRESS

[REGISTERED AT THE G.P.O. AS A NEWSPAPER.]

Vol. VII. No. 16.

APRIL 20, 1923

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ECONOMIC REVIEW

A REVIEW OF THE FOREIGN PRESS.

A Review and Bibliography of Current Publications dealing with
Finance, Industry, Commerce, and Social Organisation.

Vol. VII. No. 16.

April 20, 1923.

Price 1s. Weekly

Editorial Offices :

6, JOHN STREET, ADELPHI, LONDON, W.C.2.

Telephone : Gerrard 1396.

Subscription Rates (Post free, home or abroad)

1 YEAR	-	£2 : 12 : 6
6 MONTHS	-	£1 : 7 : 6

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NOTES OF THE WEEK

Although the universal economic disturbance and distress caused by the French occupation of the Ruhr forms the *leitmotiv* of German propaganda, some European countries appear to find certain compensations. The Czecho-Slovakian coal industry, which at the end of last year was suffering from absolute stagnation by reason of its inability to compete in price with British coal, has suddenly, owing to recent events in Germany, experienced a complete revival in the Ostrava district. All the stocks of coke have been disposed of, and orders exceed the available supply. An equally sudden revival of the iron, steel, engineering and textile trades in the same country may also perhaps be attributed, at least in part, to this cause. In Spain, the iron and steel works in the neighbourhood of Bilbao have, since the occupation, sprung into unprecedented activity since the war, and owing to the cancellation of contracts by Germany are in receipt of important orders. No complaints of French action appear to come from any of these quarters. In France itself the Lyons Spring Fair undoubtedly benefited, as it was attended by a large number of French and Belgian purchasers excluded in a spirit of reprisal from the Leipzig Fair.

* * *

In view of the activities of Herr Stinnes, who is undoubtedly one of the outstanding figures in the industrial and political life of Germany, it is not without interest to note the opinion held of them by a certain section of the German race, whose chief organ is the *Prager Tagblatt*, and all the more so because the German population of Czecho-Slovakia continues to distinguish itself by its close sympathy with their former fellow-countrymen across the frontier rather than with their Czech compatriots. Our contemporary recognises at the outset that it is difficult for foreigners to believe in Germany's incapacity to pay reparations when they find people like Stinnes buying up iron works in Vienna, acquiring big businesses in Czecho-Slovakia, Yugo-Slavia and Holland, all running into

millions upon millions, and at the same time paying practically nothing in taxes, while industry in England, Czecho-Slovakia and other countries is overburdened with taxation.

* * *

But what is not yet sufficiently realised, it says, is the extent to which Herr Stinnes has roped in German brains by buying up the Press of the country; for he is said to control no less than seventy-one different newspapers. These, however, represent but a tithe of the power he actually wields, for by acquiring the Hirsch Bureau, now known as the Telegraphen-Union, with which the Dammert Publishing business has been amalgamated, he supplies, directly or indirectly, news and articles to thousands of German newspapers, including also Democratic, Catholic and Socialist journals. "For 5,000 marks per month (about 15 cents) the Union supplies the leading Berlin papers with several daily services of telegraphic news—including ordinary unadulterated reports that no paper can well dispense with. In this manner the distortions manufactured in his News Bureau at Bielefeld find their way into the entire German Press. Not long ago his chief organ, the *Deutsche Allgemeine Zeitung*, announced under a thick-type heading that the French were about to massacre some two or three hundred thousand Germans in the Ruhr district. The entire public in Germany is sick of reading these and similar 'horrors.'" Of particular interest, continues the *Prager Tagblatt*, are the reports sent out from London and New York by Stinnes correspondents, whose articles are full of contempt for the Northcliffe Press, though it is clear that "the *Daily Mail* is a monument of courtesy and truth compared with the leading Stinnes organ."

* * *

The *Tagblatt* further points out that the recent publication of the balance-sheet of the German Luxemburg Coal Mines and other Stinnes concerns shows that their liabilities in German marks must

Notes of the Week

approach somewhere near the figure of 100 milliards. The assets show a somewhat similar figure in marks, but they consist largely of foreign securities and real property. If the liabilities in marks of the Stinnes companies be compared with Germany's paper-money circulation, it will be seen that a very large proportion of this latter is represented by the debts of Stinnes and his concerns. Or, to put it in simpler fashion, when the German mark, after Rathenau's assassination, sank to one-tenth of its previous value, while the widows, orphans and disabled ex-soldiers lost, within a few days, nine-tenths of their Savings Bank deposits, and later lost even more of their meagre capital, the money was not actually lost, but passed into the possession of Stinnes. From the published balance-sheet of the various Stinnes concerns one gains the gratifying assurance that these great sacrifices on the part of the widows, the orphans and others have not been made in vain. Stinnes and his people have profited by this misfortune of Germany to the extent of some milliards.

* * *

"More business in government, and less government in business," a dictum of President Harding, was quoted by Mr. F. I. Kent at the Congress of the International Chamber of Commerce recently held in Rome as a principle for the guidance of European Governments in the reconstruction of their countries. A strong tendency towards the adoption of this maxim through the reduction or abolition of *étatisme* has for some time been discernible in various countries on the part, if not of the Governments, most certainly of the governed. One Government, however, that now presiding over the destinies of Italy, has vigorously pursued this policy since taking office last November, by the promulgation or preparation of decrees, referred to in another column, authorising the Government to transfer to private enterprise the State railways the telephone service, the post office, the parcels delivery service, and the manufacture of matches, for the transfer of which negotiations are on foot. The monopoly of life assurance accorded to an institution under Government control founded in 1912 has been abolished. France has shown more caution, and a strong agitation in Parliamentary and Press circles for the suppression of the Government monopoly of tobacco and matches has hitherto failed to bear fruit. The partisans of suppression point to the example of Great Britain, which draws a far larger revenue from tobacco without a State monopoly than does France. Although no active steps have as yet been taken by the authorities in France in withdrawing from State management of industrial undertakings, public opinion appears to be more and more opposed to *étatisme*, which has formed the subject of a recent discussion by the Society of Political Economy of Paris.

* * *

What practically amounts to a sulphur trust has been formed by the agreement recently concluded between the sulphur producers of the United

States, where the industry has undergone an extraordinary development during the last twenty-five years, and those of Sicily, the two countries which, apart from the product extracted from the iron pyrites of Spain and Portugal, practically hold a monopoly of the world's sulphur. This agreement, the details of which will be found in another column, has been concluded with the object of controlling the world's sulphur market by fixing prices and apportioning the amount to be supplied by each contracting party. The contract provides that prices shall be fixed in such manner as to bring them gradually back to pre-war level according to gold parity, and as a first step to the accomplishment of this laudable purpose the contracting parties have immediately raised the existing price by a dollar per ton. During the post-war period the very existence of the Sicilian industry has been threatened by the competition of that of the United States, owing to the latter's more up-to-date methods of extraction, notably the use of the Frasch process. So hard-pressed was the Sicilian industry that it recently petitioned the Italian government to guarantee a loan to the Reale Consorzio Zolifero (the sulphur combine) to enable it to tide over the crisis.

* * *

It is announced that a British resident in Brazil is about to throw upon the market a new textile product named "fibraso," a plant discovered in that country some years ago, and a company is to be formed for the sale of the article. Although the name of the plant will be revealed, the special process of the treatment of the fibre will be kept secret. The fibres are very fine, six feet long, and seven or eight times stronger than cotton. They can be dyed any colour, which they preserve; the waste in preparation is only 10 per cent., and the product is capable of being sold cheap and put on the market at the rate of 100,000 tons a year. "Fibraso" resists the action of salt water, and its extreme strength enables it to be used in the manufacture of indestructible fabrics, such as sails, canvas and belts, and in the preparation of pneumatic tyres.

* * *

The Nord de France Committee of the British Chamber of Commerce of Paris is for the third year in succession holding an examination in commercial English. Last year there were 104 candidates. This examination, for which no fee is payable, is open to candidates of both sexes from Northern France of at least fifteen years of age. Successful candidates receive the official diploma of the British Chamber of Commerce of Paris. This year's examination will be held on May 19 at the Ecole Supérieure de Commerce et d'Industrie, 36, Rue Nicolas Leblanc, Lille.

THE ECONOMIC REVIEW	
:: is printed by the ::	
Crypt House Press, Gloucester	
SPECIALISTS IN BOOK AND	
— MAGAZINE PRINTING —	
INQUIRIES INVITED	
Head Office :—	London Office :—
Crypt House Press, Gloucester.	1 Quality Court, W.C.2.
Telephone—734 Gloucester	Telephone—1003 Holborn

FRANCE

POLITICAL AND GENERAL

The *Journée Industrielle* refers to a message from Saarbruck announcing that certain domiciliary visits have brought to light numerous documents revealing the existence of a plot among the Nationalist Socialists for an insurrectionary movement in the Saar. The object of the plot was, on a signal from Germany, to damage the railway lines, especially the tunnels, in order to cut off the communications of the French troops, especially with those quartered on the Rhine. The matter has been placed in the hands of the legal authorities.

The Commission of Administration of the Saar (an international body, cf. "The Economic Situation in the Saar," THE ECONOMIC REVIEW, April 13) has published the following information with regard to the police investigations which have been conducted. The secret societies formed for the purpose of disturbing by force the situation created by the Treaty of Versailles, whose activities have even caused anxiety to the German Government, have shown a disposition to extend these activities to the Saar. In order to prevent operations so subversive of law and order, the President of the Commission of Government ordered, on April 5, investigations to be conducted at the residences, first of persons known to be connected with the above societies, and secondly of those whom the first investigations revealed also to be implicated. The matter has been placed in the hands of the Public Prosecutor.

FINANCE

BUDGET CREDITS FOR APRIL AND MAY.

By an Act passed on Mar. 30, provisional credits have been opened to Ministers, amounting in the aggregate to Fr.4,519,772,015 to enable them to meet Budget expenditure for April and May. Supplementary provisional credits have also been opened for the same months to the amount of Fr.483,226,565. (*Information Financière.*)

AMOUNTS DUE FOR WAR DAMAGE.

In reply to a question addressed to him in writing by a deputy, the Minister of the Devastated Areas has, in the *Journal Officiel*, supplied the following information: (1) As to the approximate amounts found due in respect of war damage; (2) as to the amount actually paid (the amounts given represent in all cases millions of francs): (1) amounts due in respect of (a) requisitions, 8,769.8; (b) goods and property other than land and buildings, 18,407.9; (c) land, houses, etc., 58,611.8; (d) total, 85,789.6. This total is distributed among the 10 devastated departments as follows:—Aisne, 15,808.8; Ardennes, 5,663.3; Marne, 6,344.6; Meurthe-et-Moselle, 4,395.7; Meuse, 4,137; Nord, 25,662.4; Oise, 2,412.1; Pas-de-Calais, 13,453.7; Somme, 7,366.4; Vosges, 515. (2) The total amounts already paid up to Dec. 31, 1922, are: Goods, 12,903.3; industrial buildings and land, 14,221.7; other buildings and land, 11,140.1; total, 41,202.5. The total is distributed among the departments in the following amounts: Aisne, 5,891.1; Ardennes, 2,645.6; Marne, 2,381.4; Meurthe-et-Moselle, 2,811.9; Meuse, 1,443.9; Nord, 16,514.8; Oise, 842.3; Pas-de-Calais, 6,095.1; Somme, 2,352.6; Vosges, 286.3.

The figures of the amounts paid include: (1) advances and payments on account in cash; (2) the like in kind; (3) payments by way of annuities; (4) covenants to pay by annual instalments. (*Information Financière.*)

TRADE

A NEW EXPORT PROHIBITION.

In order to keep down the cost of living, the Government has issued a Decree temporarily prohibiting the export of live stock and fresh meat. M. Martin, President of the Butchers' Association of Paris, and of the General Association of French Butchers, in an interview with the *Journée Industrielle*, expressed the view that the new Decree had come too late to cause a decline of prices, firstly, because the grass-fed cattle will not be ready for the market for another six weeks, a period very critical as regards prices; and, secondly, because, owing to the approach of warm weather, the public is more disposed to abandon ordinary meat for "prime cuts," the price of which is as high as ever. Had the Decree been promulgated a fortnight earlier it might have produced the desired fall in prices, but even now it may check a further rise. Retail butchers, he added, welcome the Decree as tending to stabilise prices, since sharp sudden rises (such as the recent sharp rise of Fr.3 per kg. for veal) are very prejudicial to their business.

OIL IMPORTS IN 1922.

Statistics published by the Ministry of Commerce show the import of oil into France during 1922 to be 1,117,819 t., as against 778,638 t. in the preceding year. The amounts of the various classes of oil imported are as follows (the amounts for 1921 being given in brackets): Raw oil, 995 t. (372); lamp oil, 288,876 t. (195,175); petrol, 561,904 t. (415,478); mazout and heavy oil, 73,436 t. (40,863); lubricating oils, 189,178 t. (117,750). (*Information Financière.*)

THE EXPORT OF POTASSIUM.

The amount of chloride of potassium exported during the first two months of 1923 was 1,190,400 metric quintals, as against 703,456 during the corresponding period of 1922. (*Information Financière.*)

TOGO'S EXPORTS.

The former German colony of Togo, now held by France, has just emerged from the period of reorganisation, and is showing increased activity in production. The chief exports during the first eleven months of 1922 are as follows, in tons (the figures in brackets representing the corresponding period of 1921): Copra, 585 (169); cotton seed, 733 (7); palm oil, 935 (99); cacao, 2,477 (1,394); coconuts, 5,571 (1,380). (*Information Financière.*)

THE BORDEAUX FAIR.

Since the foundation of this fair, writes a Bordeaux correspondent of the *Journée Industrielle*, colonial exhibits have been continually on the increase, and, finally, by an agreement concluded between the Committees of the Fairs of Paris, Lyons, and Bordeaux, assigning to each a special character, the Bordeaux fair is to be international and more particularly colonial, while that of Paris will be essentially national, and that of Lyons international and industrial. In order to impart to the Bordeaux fair its colonial characteristic, the Government has during each of the six years since its foundation appointed the Minister of the Colonies to conduct the opening ceremony, and each year the participation of the colonies has been a dominating factor in the growing success of the fair. So far, the various colonies have occupied stalls like other exhibitors, but this year the Committee has assigned to them special pavilions, each with distinctive characteristics. Tenders have been invited for the construction of special

France

pavilions, representing a Pagoda for Indo-China, an Arab Palace for Algeria and Tunis, a Moorish Market for Morocco, and a Bungalow for West Africa. The Committee has invited the colonies to contribute half the total expense, estimated at Fr.250 to 300 mill., of this undertaking, the other moiety to be provided by private subscription and a State subsidy.

INDUSTRY

THE FEBRUARY COAL OUTPUT.

The figures for the coal output of the three districts of Northern France have already been given in a previous number. We now add the output for the whole of France for the month, including the districts already dealt with, which is as follows: Coal, 2,410,980 t.; lignite, 67,604; total, 2,478,584. (*Journée Industrielle*.)

FUTURE PROVISION OF COKE FOR FOUNDRIES.

It is anticipated that the proposed requisition of coke in the Ruhr mines, to take effect from the middle of April, will supply to the French iron and steel industry, which, since the occupation, has been suffering from a shortage, 6,000 t. a day, about the quantity delivered by Germany prior to the occupation. The eight coke works originally occupied by the French have been increased to 11, and will number 21 by the end of April. Thanks to the increase of the working gangs, production will amount to some 9,000 t. of coke a day, or 275,000 a month, of which 90 per cent. falls to France. The stocks of coke in the mines now in the hands of the French exceed 500,000 t., and are continuously being renewed. (*Journée Industrielle*.)

RECONSTRUCTION OF THE TEXTILE INDUSTRY.

The textile industries of the North have been severely tried, first by the war, and subsequently by the economic crisis. They will, perhaps, be called upon to face serious difficulties in the near future.

SPINNING.—The manufacture of threads (for sewing, lace, guipure, embroidery, darning, shoemaking and saddlery) has been localised in the valley of the Lys. Of the 640,000 spindles employed in spinning flax, hemp and tow, before the war, nine-tenths belonged to the Lille district, which thus practically absorbed the national production and produced, in 1913, 72,000 t. of flax threads, 35,000 of hemp, and 200 of ramie threads. Of this quantity 11,000 t. were exported. The Germans sold the best of the machinery and plant to Bohemia, Austria, Hungary and Holland, the rest they destroyed. Thanks to the strenuous efforts made since the armistice, four-fifths of the flax spinning mills have been reconstructed, and 50 per cent. of the spindles have resumed work. The North has once more begun to produce every number of threads from the coarsest to the finest, both dry and damped. In 1922 the manufacturers of sewing threads of Lille and district formed themselves into an association. The Union of Manufacturers of Northern France has been formed, also at Lille, for export purposes. Jute spinning employs 25,000 spindles, chiefly at Dunkirk. The Cotton Spinning Association of Lille alone comprises 25 establishments, employing 13,000 hands, and working two million spindles. At Roubaix-Tourcoing, cotton spinning worked before the war 1,126,000 spindles for spinning, and 266,910 for twisting, of which 850,000 and 216,000 respectively have resumed work. It is expected that the 1914 figure will soon be exceeded. The Roubaix-Tourcoing cotton industry employs 11,000 hands.

Roubaix-Tourcoing, the centre of the woollen industry, works 12,000 combing machines, and over a million spindles, produces 30 mill. kg. of thread a year, and employs 15,000 hands. These towns produce every quality of combed wool. Their carding works own 153,000 spindles, employ 2,500 hands, and turn out 8½ mill. kg. a year.

WEAVING.—In 1909, the mills of Lille and its district worked 15,200 mechanical looms, of which the Germans carried off the best and destroyed the remainder. In 1922 only half the weaving factories had been reconstructed. Just before the war Roubaix-Tourcoing turned out annually 42 mill. kg., or 107 mill. metres of cloth fabrics. In 1920 the cloth weaving industry of these towns employed 25,000 workmen, working 19,000 looms, as compared with 27,000 workmen and 23,000 looms in 1914. It produced 30 mill. kg., and paid 86 mill. francs in wages. Its turnover was Fr.620 mill. A filip has been recently given to the carpet and rug industry of Roubaix-Tourcoing by the imitation of oriental carpets, technically termed "Tapis a points noués." At Tourcoing 1,100 carpet looms are at work, giving employment to 2,000 hands, and supplying three-fourths of the consumption of France. Upholstery is manufactured in the same district, and among the class of goods most in demand are imitations of Gobelin and Flemish tapestry. To-day 4,500 looms manufacture every kind of upholstery. The manufacture of rugs, bed quilts, etc., alone, occupies 2,000 hands. (*Nord Industriel*, April 7.)

COMMUNICATIONS

THE ALSACE AND LORRAINE RAILWAYS.

The Minister of Public Works has decided to include the railways of Alsace and Lorraine in the combine of lines of public interest. This ruling takes effect from Jan. 1 last. He has submitted to the *Conseil d'Etat* a draft decree setting out the terms on which the new lines, their staffs, and the public interest depending on the lines, shall be represented on the Supreme Railway Board, under the terms of the agreement of June 28, 1921. (*Information Financière*.)

FEBRUARY TRAFFIC IN THE PORTS.

The amount of traffic in French ports in February was as follows:—Arrivals, 3,190 vessels; cargo discharged, 2.6 mill. t., as compared with a monthly average for the first quarter of 1922 of 2.6 mill. t.; amount shipped, 0.6 mill. t. The total amount of cargo unloaded during the month included 1.4 mill. t. of coal. (*Journal de la Marine Marchande*.)

COMMERCIAL AVIATION.

M. Louis Hirschauer, in the *Journée Industrielle*, after giving the traffic figures of the commercial aviation service, considers how, in the future, this service can be supported by the State, having regard to the present position of its finances. In 1922, he writes, French commercial aeroplanes carried 8,000 passengers, 400,000 kg. of parcels, and 40,000 kg. of letters, a satisfactory result in consideration of the fact that 1922 was only the third year of its activities. But, similarly to the experience of the railways in their early days, the financial results were not so satisfactory. So well had this result been anticipated that the Government had in 1919 instituted a system of bounties large enough to cover the deficit in working, however large it might be, as indeed it was last year. Considerable doubt exists at present as to the possibility of continuing this policy, for although a full development of this service is to the public interest, the national resources are limited, and the result of the system of bounties to sailing ships is scarcely encouraging. Thus it is proposed that the present system of yearly bounties, which has not fulfilled expectation, should give place to other methods; that is to say, to a fixed annual grant for a certain number of years, high enough to fulfil its purpose, and not beyond what Parliament can afford, in the present state of the national finances, which is likely to continue for some years to come. Aviation circles have, therefore, propounded the theory of long-term contracts between the State and the companies, accompanied by loans guaranteed by the Treasury, which will only give such

guarantee on being satisfied that it has to deal with sound companies, and that the amounts guaranteed are within the means of future Budgets.

M. Hirschauer then proceeds to consider the possible lines of the suggested contracts. Taking into consideration the probable development of aviation during the next ten years, it may be assumed that the French companies will carry from 8,000 to 15,000 passengers a year, which, together with parcel and mail rates, should give a gross annual profit of Fr.300 to 350 mill. This estimate, based on calculations made in lectures given at the High School of Aviation, optimistic as it may appear, since it assumes a traffic twenty times greater than at present, nevertheless assigns to aviation a very moderate position in the transport of the future; for instance, the earnings in 1921 of a single shipping company, the *Compagnie Générale Transatlantique* amounted to Fr.450 mill.

The capital required for an undertaking of this nature must be the same as gross earnings, which, at first sight, appears small, as compared with the capital necessary to other transport undertakings, but which will be sufficient if the almost total absence of buildings and the rapid writing off of flying stock be taken into account. These 300 mill. could be subscribed in the form of Fr.200 mill. in debentures, and 100 mill. shares. The advantages of such a method to the State would be that subscription by the companies of one-third of the

amounts would be a guarantee of their soundness. The guarantee of interest and repayment of debentures would be equivalent to a liability of Fr.25 mill. a year for 15 years, an amount somewhat less than that at present charged on the estimates in respect of bounties. Let it be added that the State will pay an indirect subsidy to aviation by the grant of some Fr.70 mill. a year for buildings and construction of aeroplanes. The 100 mill. of capital should be easily forthcoming, being partly subscribed by the railway and shipping companies. Seeing that by carrying a larger number of passengers than land and sea transport is able to cope with, and thus increasing general traffic, aviation will stimulate the transport of an increased amount of goods too heavy for it to carry, by which the other transport services will benefit. Thus, should this kind of co-operation be established, any deficit in the earnings of air traffic will be relatively unimportant, as it will be more than made good by the additional earnings of the railways and the shipping companies from the increased traffic caused by aviation. This argument may be illustrated by an example taken from the railways, where the expresses, run at a loss in themselves, give a stimulus to traffic, which causes an increase in the highly profitable transport of heavy goods. Thus the aviation and railway and shipping groups will be mutually interdependent, the latter supplying capital, to be refunded by increased profits due to the former.

GERMANY

POLITICAL AND GENERAL

IS GERMANY STARVING ?

The Reich Statistical Office has published, under the title of "The Economic State of Germany under the After-Effects of the World War," a collection of material based chiefly on official data, which aims at correcting the erroneous impressions under which the rest of the world is suffering with regard to Germany's present position. The section dealing with the proofs of Germany's physical deterioration is based on figures which are simple but striking. It runs as follows:—

The lowered standard of living in Germany is shown in the immense reduction in consumption. This is especially evident with regard to food commodities, primarily with regard to foods formerly imported. Before the war Germany had a considerable import surplus of eggs, milk, butter and livestock. To-day this no longer exists or is barely noteworthy. In 1913 the surplus import of eggs amounted to 2.49 kg. per head of the population; in 1922 there was, instead, an export surplus. The surplus import of butter was 0.8 kg. in 1913 and 0.01 kg. in 1922 per head; similarly, the livestock surplus import was 2.1 kg. in 1913 and 0.4 kg. in 1922 per head. The great decrease in the meat supply is amply demonstrated by an examination of the official slaughter-house figures. Reckoning the average weight of the animals—cattle, pigs and sheep—on the 1908 and the 1922 basis, the 1922 weight of meat totalled 13,769,807 d.ctr., compared with 23,878,871 d.ctr. in 1913, a reduction in the later year of 42 per cent. The total meat consumption (surplus import *plus* home slaughtering) of Prussia in 1921 worked out at 33.1 kg. per head of the population, compared with 49 kg. in 1913, a decrease of 15.9 kg. or 32.5 per cent. In the harvest year 1913–14, the amount of bread corn per head of the population was 249 kg.; in 1921–22 this figure was 181, or a decrease of 27 per cent. on the pre-war amount. The 1913–14 potato supply amounted to 47,192,298 t., or 700 kg. per head of the population; the 1921–22 supply amounted to only 20,747,128 t., or 340 kg. per head, i.e. a decrease of 51 per cent.

When the consumption of the absolute necessities of life decreases, it denotes clearly that the purchasing power of the public has dwindled. To-day the German can scarcely purchase the simplest food luxuries. The working classes can no longer afford to procure practically indispensable drinks such as tea and coffee. The coffee consumption in Germany fell from 2.44 kg. per head in 1913 to 1.70 kg. in 1921. In the same period of time the French coffee consumption rose by one-fifth, viz. from 2.91 to 3.52 kg. per head, and that of the U.S.A. by over a third, viz. from 4.01 to 5.48 kg. per head. The consumption of beer in Germany fell from 102 lit. per head in 1913 to 38 lit. in 1920. (*Berliner Börsen-Zeitung*, April 5.)

EFFECTS OF RUHR OCCUPATION.

The report of the Prussian Chamber of Commerce for March shows clearly the results on the economic system of the Ruhr occupation. In the mining industry, the Central German lignite fields and the Upper Silesian coal mines suffered from a shortage of sales. In the latter district output was slightly affected by one or two small strikes. The coke output here was satisfactory and consignment, especially to West and South Germany, was active. The Lahn and Dill hematite mines have been obliged to increase their pithead stocks owing to consignment difficulties. In the potash industry, home demands were poor, probably because farmers have satisfied their demands in previous months at lower prices. Foreign business was also unsatisfactory; only for the sulphate salts was there any great demand. Sales of potash by-products also left much to be desired. The iron industry was especially affected by the Ruhr occupation. The Duisburg Chamber of Commerce reports considerable restriction in the activities of the blast furnaces, steel works and rolling mills of the occupied areas, although dismissals were avoided. Sales were very difficult, consignment to unoccupied Germany being entirely stopped. The supply of the iron manufacturing industries in the occupied parts became increasingly difficult. Foreign endeavours, especially on the part of interested English dealers, to negotiate with the occupying powers, in order

Germany

to enable these industries to fulfil their contracts, have been useless so far, and the works were obliged to produce for stock. The Oppeln Chamber reports that there was a noticeable falling off, even in the unoccupied areas, of the demand for ores. Home prices for ores were often higher than the foreign, and although the supply was plentiful, sales were poor. The Upper Silesian blast furnaces bought Spanish as well as Swedish ores. A good supply of scrap metal met an equally active demand, and prices fell. No foreign trade was done, as purchase abroad by German consumers was impossible, notwithstanding the improvement in the mark. The pig-iron market was very quiet; the activity of the foundries was much reduced. Zinc sales were small notwithstanding reduced prices. In all the other branches of industry consumers held back owing to the uncertain political situation. The Berlin Chamber reports no shortage of semi-manufactured and finished iron products, but states that wholesale traders are in difficulties on account of poor sales and shortage of capital. From Solingen comes a report of bad conditions in the small iron-ware and steel goods industry, and from Lüdenscheid a similar account of the state of the aluminium-ware industry. Pessimistic reports on the locomotive industry, with mention of increasing unemployment, come from Berlin and Cassel. From Münster, Aix, Mühlhausen, Bielefeld, Breslau, Berlin and elsewhere come unfavourable accounts of conditions in the clothing industry; bad business and shortage of capital is visible in practically every branch. Frankfurt and Berlin report an almost entire absence of business in the footwear industry and trade, although prices have fallen by about 50 per cent. The Görlitz chemical industry suffered owing to a falling off in foreign orders caused by prices on the German market standing higher than those on the international market. Sales were bad and prices fell in the timber trade. The wholesale paper trade, according to the Berlin report, is almost at a standstill. The rubber industry in Hanover is working short time; home sales are bad; some dismissals have occurred. Berlin reports sale difficulties in the wine and beer trades, and from Harburg come reports of poor sales in the oils and fats industry, and also in the fodder cake industry on account of the supply of cheaper foreign material. The Duisburg Chamber states that in the occupied areas transport difficulties are further aggravated. The occupying powers are not preventing consignment into these areas, but as the waggons entering there are not returned, the railways have been obliged to restrict transport into them very considerably. Most unusual conditions reigned in the Emden harbours; ore imports were restricted to a few steamer loads, and scarcely any foreign grain came in. The main feature on the Berlin money market was the selling of securities in order to obtain sufficient liquid means to meet the continually-increasing cost of living. There was a disinclination to invest in long-term securities. Some stable form of banking business was more than ever in demand. (*Berliner Börsen-Zeitung*, April 5.)

FINANCE

TWO NEW PROVINCIAL LOANS.

The Hessian State is offering two new loans for public subscription. The one, to the value of Mk.2 milliard, will bear a rate of interest 2 per cent. below the Reichsbank discount rate, and not lower than 8 or higher than 16 per cent., and is offered at par. The other is a lignite-rye loan at 6 per cent., divided into 30,000 units. The value of each unit is the price on Mar. 19 of 1 t. of lignite produced in the State mines of Oberhessen, plus the price on that date of 1 ctr. of rye as fixed by the Chamber of Agriculture in Darmstadt. The price of the unit is therefore Mk.44,000. A share may be $\frac{1}{2}$, 1, 2 or 5 units. The loan may be redeemed

between 1926 and 1928 at a price fixed by the Rhenish Lignite Syndicate and the Darmstadt Chamber of Agriculture. The mark loan is redeemable during the same period.

This is the first case of a loan issue based on a combination of values in kind. Hesse has both lignite and rye at its disposal. The proceeds of the loan will be used primarily for improvements in the State lignite mines in Oberhessen. These two new loans are the only loan debts of the Hessian State at present. The 1921 State Budget showed a surplus of several milliards, and notwithstanding increased expenditure, the result of the financial year 1922 should be fairly favourable. Hesse comprises 75,000 hectares of forest land, 13,500 hectares of agricultural land which bring in about Mk.2 milliard, and lignite mines which produce annually about 200,000 t. of coal. (*Frankfurter Zeitung*, April 1.)

IMPORTANT CHANGE IN PRUSSIAN BANK CONSTITUTION.

Owing to the great demand for credit on the part of agricultural co-operatives, the Prussian Central Co-operative Bank (*Preussische Zentralgenossenschaftskasse*), which raised its capital early in 1922 from Mk.125 to 500 mill., is again raising it to Mk.2 milliard by an increase in the State participation together with participation on the part of the affiliated financial branches of the Bank. The Minister of Finance is empowered to guarantee in the name of the Prussian State any credits raised by the *Preussenkasse* at the Reichsbank. The constitution of the Bank has been altered. As it worked formerly almost exclusively with State capital, the committee consisted mainly of State representatives and of experts appointed by the State. In future, if the original capital invested in the Bank by other persons than the State amounts to not less than one milliard marks, and if it is paid up to the extent of at least a quarter, the committee may be composed of holders of such capital to the extent that for every Mk.25 mill. of paid-up capital the right of one vote shall exist. Smaller investments may be amalgamated in order to create this vote. This alteration in the constitution is worthy of note, as the wording of the Bill in connection with its legalisation shows. It states that the Government hope thereby to prepare the ground for a system of co-operative self-help in the realm of clearing-house activities, and to enable direct State aid, such as the *Preussenkasse* is now receiving, to be relegated to the background. This idea has long been gaining ground in co-operative circles.

NEW PRICE-FIXING METHODS.

The complications connected with price-fixing for goods are leading to some very novel financial arrangements in the German trade. The *Deutsche Allgemeine Zeitung* (April 7) now reports that the Association of Cravat Manufacturers have come to the following arrangement with the Reich Federation of Textile Retailers: Prices will be reckoned on a basis of 20,000 paper marks to a dollar; 25 per cent. of this price will remain fixed, the remaining 75 per cent. will suffer increases or decreases in accordance with the rate of exchange, based on the average rate of the dollar for the previous week. These increases or decreases in price will amount to $\frac{1}{4}$ per cent. on every 50 points above or below the 20,000. The price will be finally fixed on the day of delivery, or if the purchaser pays two-thirds of the amount in cash or by cheque when placing the order. By this arrangement, the purchaser stands the risks of currency depreciation to the extent of three-quarters, the seller to the extent of one-quarter of the price.

A different arrangement has been made by the Central Association of Corset Manufacturers. They announce that in order to adjust any variation in price which may occur between the day of purchase and that of delivery, prices will be altered to the extent of 3 per cent. for every 10 per cent. wage alteration experienced, and of

5 per cent. for every 10 per cent. alteration in the rate of exchange. These conditions do not apply to the purchase of goods in stock.

INDUSTRIAL SELF-INSURANCE.

An increasing number of industrial companies in Germany are receiving permission at their general meetings to run the entire or partial risks of self-insurance. Formerly, this practice was exceptional in industry, and was, as for instance in shipping industries, occasioned by special circumstances. It may be interpreted, in part, as the official declaration of conditions which have been automatically developing ever since the appearance of currency and money value difficulties. As a matter of fact, a veiled form of self-insurance has existed for years in that a number of works were under-insured as regards their plant, stocks, etc. This was brought about by the difficulty of obtaining complete protection through insurance at reasonable prices, owing to the continually-rising value of goods. The insurable amount was continually subject to revision and everyone did not care to be always adjusting the deficiency. The insurance companies did not always offer satisfactory conditions, and their rates were too high for many clients. It is noteworthy that even the Gerling system of insurance, which is peculiarly adapted to deal with the subtleties of industrial insurance, and which possesses well-organised branches throughout Germany to-day, has not been able to prevent the self-insurance movement in industry. The insurances on the stable mark and gold mark system offered now have been no more successful in preventing this practice. It is to be hoped that the movement visible among insurance companies towards cheaper and more modern forms of insurance will quash the development of self-insurance, for the latter is attended by very great risks. It necessitates either a very considerable control over capital and credit, or a good many years free from accident, in which insurance reserves may be amassed from accumulated premiums, a state of affairs upon which one can never rely. (*Frankfurter Zeitung*, Apr. 4.)

INDUSTRIAL COMPANY RESULTS.

The Elektrizitäts-A.-G., formerly Schuckert and Co., in Nürnberg, shows, together with many of its subsidiary undertakings, a very profitable year in 1922. Gross profits amounted to Mk.83,472,859, compared with Mk.26,762,762 in 1921 and Mk.2,761,048 in 1920. Net profits amounted to Mk.56,595,190 (14,551,296 and 1,946,291). Mk. 2,800,508 (701,278 and 0) were allotted to the reserve fund, and Mk.1,328,016 (585,038 and 525,727) carried forward. A dividend of 66½ per cent. was declared, compared with 16½ in 1921 and 1½ in 1920. Of the subsidiary concerns or undertakings in which this company participates, the following details are interesting: The Siemens-Schuckertwerke, Berlin, declared a dividend of 80 per cent., compared with 16 per cent. in 1921. The Continentale Gesellschaft für elektrische Unternehmungen, Nürnberg, declared a dividend of 8 per cent. (5 in 1921). That of the Osterreichische Siemens-Schuckertwerke, Vienna, was 20 per cent. (8). This company raised its capital by Kr.150 mill. to Kr.350 mill. in January 1922. The Rheinische Elektrizitäts-Aktiengesellschaft in Mannheim raised its capital three times during 1922; it now amounts to Mk.121 mill. The Kreis-Elektrizitätsversorgung Unterfranken A.-G. in Würzburg, the development of which is proceeding actively, has for the first time paid a dividend of 4 per cent. The Hamburgische Elektrizitätswerke in Hamburg declared a dividend of 12 per cent., compared with 10 in 1921. The Beton-Schleuderwerke A.-G. in Nürnberg (concrete works) raised their capital in August 1922, from Mk.6 to 18 mill. (*Berliner Börsen-Zeitung*, Mar. 21.)

The Feldmühle Papier und Zellstoffwerke A.-G. in Stettin (paper and cellulose works) show for 1922 profits which allowed the payment of a dividend of 300 per

cent. During the year they raised their original capital from Mk. 25 to 80 mill. and their preference share capital from Mk.12 to 40 mill. After deduction of factory costs, the gross profits amounted to Mk.582.52 mill., compared with 15.03 mill. in 1921. Net profits totalled Mk.263.38 mill. compared with Mk.7.55 mill. in 1921. Mk.3.14 mill. (0.45 mill. in 1921) were carried forward, Mk.155.84 mill. were placed on reserve and Mk.63.04 mill. placed to a special reserve fund in respect of wages, premiums and freights. The dividend in 1921 was 25 per cent. (*Frankfurter Zeitung*, Mar. 23.)

INDUSTRY

PIG-IRON PRICES LOWERED.

The Pig-Iron Union has lowered, as from April 1, the price of hematite by Mk.32,000, of Siegerland open-hearth pig-iron by Mk.53,000, and of spiegel-iron by Mk.64,000 per ton. The maximum price of hematite pig-iron poor in copper will therefore be Mk.646,300, of foundry pig-iron No. 1, Mk.616,300, of Siegerland open-hearth pig-iron, Mk.843,700 and of spiegel-iron, Mk.939,600. If smelted with foreign fuel, the reduction will be Mk.15,000. Hematite will then stand at Mk.770,000, foundry pig-iron No. 1 at Mk.740,000. (*Deutsche Allgemeine Zeitung*, April 7.)

TIMBER MARKET REPORT.

A report from the North and East German timber market states that whereas up to the middle of February only the prices of sawn timber had sunk, the prices of rough timber are now giving noticeably. The number of purchasers who are in a position to satisfy the new payment conditions of the Forestry administrations is dwindling all the time owing to the money shortage. The decreased demand, together with the practical stoppage of sawn timber sales, has led to very cautious buying on the part of the saw mills. One hears of offers of soft wood at Mk.130,000, which before the Ruhr occupation was fetching Mk.200,000. Good quality round timber has also fallen in price. In saw mill circles a healthy endeavour to assist in lowering prices is visible. In this connection, the hopes of the consumers who are building on a considerable fall in prices, are not likely to be realised. Freights and charges on imported timber will prevent this possibility. Offers of timber from Czecho-Slovakia at present are fairly large, and considerable loads of sawn timber are offered every day from Pomerania. The foliage timber market is very quiet. There is no sale for either oak or ash. Railway sleepers are in demand. No business is being done in ground sleepers, as sales to West Germany have stopped. (*Berliner Börsen-Zeitung*, Mar. 26.)

SOCIAL AND LABOUR CONDITIONS

EMIGRATION IN 1922.

Wirtschaft und Statistik gives some interesting data in connection with emigration from Germany during 1922 from which the following points are extracted:—

During the first half-year of 1922 the number of German subjects who emigrated from German and foreign ports totalled 11,303, and showed a decrease of 4,359 on the emigration figures for the second half of 1921. In the second half of 1922 the totals were 25,224, i.e. 123 per cent. more than during the first half of that year. The exodus became especially marked in August, waning somewhat towards the end of the year. Most of the emigration took place via Hamburg, through which port 16,884 emigrants passed during the second half of the year, 8,035 emigrating in the same period by way of Bremen and Bremerhaven. The number of foreigners who emigrated by way of German ports also increased considerably during the latter part of the

Germany

year, and amounted to 30,039 persons, of whom 20,663 passed through the Port of Hamburg and 9,376 emigrated by way of Bremen and Bremerhaven. The total number of emigrants from Germany in 1922—36,527—compares with 24,135 in 1921 and with 8,458 only in 1920. The 1921 figure, however, includes 197 persons who emigrated via Antwerp, 660 via Genoa, and 24 via Trieste, whereas no statistics are available in respect of German emigration through these ports in 1922. The number is not likely to be very large, as, owing probably to the currency difficulties, most of the known emigrants in 1922 used German ports. The percentage through Hamburg was 65.5, through Bremen 32.8, and through Amsterdam and Rotterdam together, only 1.7.

Of the 35,887 German emigrants who emigrated by way of German ports in 1922 (of the total of 36,527, the Dutch ports registered 640), 19,196 were males and 16,691 were females. There were 313 (0.8 per cent.) babies under 1 year; 3,845 (10.7) children between the ages of 1 and 14; 1,336 (3.7) between the ages of 14 and 17; 5,075 persons (14.1) between the ages of 17 and 21; 12,897 (35.9) between the ages of 21 and 30; 9,672 (27.0) between the ages of 30 and 50; and 2,749 (7.7) over 50 years of age. These figures show that 50 per cent. of the emigrants were between the most enterprising ages of 17 and 30. As regards their calling, the greater number of emigrants were from industrial occupations

and the building trade. Agriculture and forestry showed the next greatest number, then came trade, inn-keeping, professional classes and domestic servants. Miners formed the smallest number, only 740, but this number is considerably greater than in 1921, when it was only 87. North America was the destination of 24,608 persons (67.3 per cent. of the total), the Argentine was given as the destination of 4,996, and Brazil and the rest of South America as the destination of 5,991 emigrants. Only 57 emigrants were destined for European countries. Of the 24,608 going to America, 12,568 were women.

COST OF LIVING.

The Reich index figure representing the average cost of living in March (food, clothing, lighting, heating and rent) is 2,854 (1913-14=1) compared with 2,643 in February. In contrast to the acute rises during the last few months, this increase by 8 per cent. is quite moderate. Leaving out the clothing costs, the figure has risen by 9.1 per cent. to 2,627. The cost of food alone has risen by 4.1 per cent. to 3,315, clothing costs alone by 3.8 per cent. to 4,323. The check on prices already experienced during the second half of February continued. A number of food commodities are considerably cheaper. This applies to foreign fats, meat and fish and to rice, pulse and potatoes. Butter, milk and eggs, on the other hand, are dearer, and rent, heating and lighting are considerably higher. (*Vossische Zeitung*, April 4.)

SWITZERLAND

POLITICAL AND GENERAL

THE ZONE QUESTION.

In reply to the Swiss Note to France of Mar. 19, announcing the result of the cantonal voting on the zone question (*see THE ECONOMIC REVIEW*, Mar. 16, p. 231), Switzerland was informed that in the opinion of the French Government the Federal Council was not justified in accepting the result of the popular vote as a basis of its policy in refusing to ratify the Agreement of Aug. 7, 1921, regarding the free zones. The French Government requested the Federal Council to put in force the terms of that Agreement as soon as possible. They base their request on Article 435 of the Versailles Peace Treaty, which provides that France and Switzerland shall be left to make their mutual arrangements with regard to the Customs areas. They state that this Article represents a *pactum de contrahendo* between the two countries, and that as this pact was concluded without Switzerland resorting to a referendum, popular consent to execute the terms of the pact is not necessary now. This Note has aroused great indignation in Switzerland. The *Neue Zürcher Zeitung* states that, for one thing, the Swiss Parliament never ratified the Article in question; secondly, even if a *pactum de contrahendo* in the French sense exists, it does not in the least follow that the ensuing agreement must be governed by the same legal rules or ratified by the same bodies. Every State has the sovereign right to appoint the bodies competent to conclude international treaties, and cannot tolerate foreign interference in its internal rights. From a purely political standpoint alone, the Federal Council could not be expected to ignore completely the decision of the Swiss people. A recent Swiss initiative provided that State agreements for a period exceeding fifteen years would be subject to a referen-

dum. The Swiss people have made use of this new article in their constitution for the first time in connection with the zone question. The reply has been negative. France is practically trying to induce the Swiss Government to ignore one of the articles in its constitution. This is insupportable. The *Journal des Débats* goes so far as to confess that as things stand, France would lose her case if it were taken before a tribunal, for an unratified agreement cannot be carried into effect. The Agreement was not ratified and ratification can no longer take place. A way out of the difficulty must be found and France must act politically. She must try, in common with Switzerland, to find a *modus vivendi* which will remain in force until the Swiss views allow of the conclusion of a final agreement. Apparently, the French Government realise that they cannot press any further for direct execution of the Agreement. They intend, however, that any new proposals shall be submitted by Switzerland, for, in reply to a further note from this country maintaining the right of the Federal Council to act in accordance with the referendum result, Poincaré has stated, very briefly, that since the Swiss Government are not in a position to ratify the Agreement, he is ready to consider, in the most friendly spirit, any proposals they may care to submit. He intends, naturally, to take account, in any negotiations which may ensue, of the rights accorded to France under Article 435 of the Versailles Treaty. The feeling in France is, undoubtedly, that the Swiss replies should have contained some suggestions which might lead to more fertile negotiations, instead of so baldly announcing the negative result of the referendum. It is also openly stated that any other Government but the Swiss would, if unable to honour their own signature, have resigned. With a peculiar constitution like that of Switzerland, however, the solution to the difficulty must be sought in an "entgegenkommend" attitude on the part of the Federal Council.

FINANCE

THE FALL IN THE EXCHANGE.

The Swiss franc, the parity of which has for some time been below that of the dollar and several other currencies (those of Holland and Sweden), has now shown a decided downward trend. The dollar, the £ sterling, the Dutch, French and Italian currencies, have all, during the last week, improved noticeably. Although the movement is not extensive, this new development necessitates searching investigation. Swiss banking circles have recently noted that international speculation in dollars and £ sterling was proceeding, which reckoned on a fall, but which, when the hopes of the speculators were not fulfilled, was necessarily followed by further covering purchases. This speculative movement will probably only have short-lived results. There are also, however, certain factors which are affecting more permanently the value of the Swiss currency. Swiss export trade is bringing but few foreign bills into the country. The financing of our foreign purchases, especially in America, is therefore very difficult and can only be achieved by acquiring bills through arbitrage, thereby sending up the price of foreign currencies. Mention should be made of the fortunate circumstance that at present no financing of grain imports from America is necessary. On account of the low rate of interest we demand, credits appear to have been granted abroad which have resulted in a certain migration of capital. Credits to South America and Holland, as well as to France, in French francs, are spoken of.

It is difficult to say in how far, apart from international influences, the relatively extensive Swiss note circulation plays its part in the situation. It is a fact that the circulation is large at present, because very few of the notes come back to the Federal coffers. This fact is apparently due to the smallness of the interest paid on short-term ready money. Both large and small banks, chiefly the latter, keep large reserves in bullion at such times, because they cannot utilise their cash in a lucrative manner. This is probably also the case in private circles. On the whole, however, the international factors are decidedly the chief influence on our present exchange conditions. (*Neue Zürcher Zeitung*.)

A CRITICISM.

The report of the manager of the Banque de Dépôts et Crédit, presented to the annual general meeting, dealt at some length with the general financial situation in Switzerland. It drew attention to the improvement in unemployment figures now, and compared the huge total of about 150,000 unemployed in February 1922 with the present number of about 70,000. This improvement should not, continued the report, be attributed chiefly to normal causes. Certain industries have shown signs of improvement, it is true, but the Federation as well as the cantons have intervened with assistance in connection with the building of houses, and special subsidies were granted to certain industries, notably to the watch industry. It would be far better to try and regain competitive contact with foreign countries by lowering wages, increasing the length of the working day, and especially by lowering the cost of home transport, which is making retail prices far too high. Until the disease is attacked at its root, we shall struggle in vain against adverse factors. Notwithstanding the economic crisis, which paralysed all industries in 1922 even more than in 1921, our people would be far less to be pitied than those of many other countries if the federal, cantonal and municipal taxes were not so crushing. It is extraordinary that in a country which did not take part in the world war, and which had only to defend its frontiers, direct taxation should have attained the figure of Fr.692 mill., and indirect taxation Fr.196,400,000. This makes a total of Fr.888,400,000

for a population of 3,900,000 inhabitants, or Fr.228 per head of the population. If regard be had to the fact that a large proportion, say 50 per cent., of the population is exempt from direct taxation, the amount of the direct tax which actually falls on each taxable person is doubled, viz., Fr.404. In some cantons the cantonal and municipal taxes are much higher than in others. This further augments the above figures. It is the case in the Canton of Geneva. On the general statistical table showing, for each nation, the amount of tax per head of the population, England comes at the top with the smallest figure, Switzerland comes next. If the Canton of Geneva be taken separately, however, statistics show that on an income of Fr.40,000, the Geneva taxpayer pays 30 per cent., the Englishman pays, on the same figure 21 per cent. On Fr.80,000, the Geneva taxpayer pays 40 per cent., the Englishman pays 27 per cent. If the new tax law at present under discussion by the Grand Council of Geneva comes into force, the above disparity will be still further aggravated. On Fr.40,000 the Geneva taxpayer will pay 41 per cent., on Fr.80,000 he will pay 54.5 per cent.

It is urgently necessary that our public powers should understand that this state of affairs, in particular the upward trend of taxation, cannot continue, that it is prejudicial to our whole economic system, that it is paralysing our industry and trade by diminishing the purchasing power of the public, and that, whatever it may mean, public expenditure absolutely must be reduced. This is probably the chief reason why the Swiss people, in a great burst of patriotism, rejected, on Dec. 3 last, by a huge majority, the Socialist proposal for a levy on capital. It is terrifying to think that the expenditure of the Federation has risen from Fr.192 mill. in 1913 to Fr.508 mill. in 1921, Fr.116 mill. of which is in respect of the service of the Federal debt. The total cantonal expenditure for 1913 was Fr.222 mill.; in 1920 it had risen to Fr.525 mill., and has augmented since then. The expenditure of the towns and communes has followed suit.

In spite of everything, the public are economising. They have acquired wisdom since the period of folly which succeeded the war. One fact alone shows this: the total deposits in the cantonal savings-banks amounted on Dec. 31, 1922, to Fr.1,208 mill., an increase on the preceding year of Fr.111 mill. (*Journal de Genève*, Mar. 23.)

GRAUBUNDEN FINANCES.

The administrative accounts of the Canton of Graubünden for 1922 show an expenditure of Fr.9,086,139 and revenue amounting only to Fr.4,320,059. The deficit amounts, therefore, to Fr.4,766,080. From property tax, which runs from 3.5 to 7 per cent., and the tax on earnings, which runs from 1.4 to 14.7 per cent., the maximum revenue expected is about Fr.4 million. There remains, without taking into account the losses incurred by the railways and cantonal institutions, an uncovered deficit of about Fr.800,000. The new Budget proposals will be very unfavourably affected by this liability. In order that tax rates might not be raised, reserves amounting to over Fr.2 mill. have been completely used up during the past year. In future, the coffers of the administration must again be burdened. In comparison with the 1913 Budget proposals, those for 1923 show additional expenditure totalling Fr.2.5 mill. Fr.1.5 mill., or 60 per cent. of this increase, is in respect of official salaries and bonuses to primary school teachers. Additional revenue cannot be procured by way of taxation. A decrease in official salaries, to correspond with that in the cost of living, must be effected primarily. The Canton holds shares in the Federal Railways to the extent of Fr.16.7 mill. Since 1914, the railways have brought in nothing, and the loss of interest on this money devolves on the Canton. As well as these share holdings, the Canton has advanced the enormous sum of Fr.75.5 mill. towards the debenture capital of the railways. Insistent demands are now

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forthcoming that the Railways shall maintain themselves without these advances. (*Neue Zürcher Zeitung*, Mar. 23.)

RAILWAY FINANCES.

The financial results of the working of the Swiss Federal Railways in February are as follows, the figures in brackets representing the results for the corresponding period of 1922 :—

Total receipts, Fr.24,498,000 (20,757,383). Of these, Fr.7,290,000 (7,008,374) were in respect of passenger traffic, Fr.15,817,000 (12,620,513) in respect of luggage, goods, postal packages and livestock. The total expenditure amounted to Fr.20,404,000 (24,520,368). In February 1923, therefore, a surplus of receipts over expenditure was experienced to the value of Fr.4,094,000, whereas in February 1922, expenditure exceeded revenue by Fr.3,762,985. For the first two months of 1923 the surplus of receipts over expenditure amounts to Fr.5,455,000, whereas for the same period of 1922, expenditure exceeded receipts by Fr.9,557,630. (*Journal de Genève*.)

BERNE POWER WORKS LOAN ISSUE.

The Bernische Kraftwerke A.G. (Power Works) in Berne are raising a loan of Fr.12 mill. in 12,000 bearer shares of Fr.1,000 at 4½ per cent. The interest will fall due twice a year, on April 1 and Oct. 1. The loan will be repayable on April 1, 1938. The Cartel of Swiss Banks, the Union of Swiss Cantonal Banks and the Berne Bank Syndicate have underwritten the entire loan and will offer it for subscription at 99. (*Neue Zürcher Zeitung*.)

INDUSTRY

BAD BUSINESS OF BIG CHOCOLATE FIRM.

The annual report of the well-known chocolate firm, Peter Cailler Kohler Chocolats Suisses does not show satisfactory results. Gross profits on sales amounted in 1922 to Fr.19,108,230, compared with Fr.34,700,544 in 1921 and Fr.57,572,726 in 1920. Net profits totalled Fr.1,917,996 (3,754,936 in 1921, 9,282,010 in 1920). A dividend of 5 per cent. only was declared, whereas the dividend in 1921 was 10 per cent., and in 1920, 22 per cent. The share capital remained the same at Fr.35 mill. Fr.465,130 (4,466,331 and 4,090,837) were carried to the reserve, but the item "special reserve," which in 1920 and 1921 stood at Fr.6.5 mill., now stands at nil, the entire sum having been utilised to settle a transaction with the Nestlé and Anglo-Swiss Condensed Milk Company. The report stated that political and economic events had so hindered the export of the company's products to their former markets, that it had been necessary to close down permanently the factory at Hochdorf. The workers had been dismissed in batches, in order to avoid too great hardship. The company's works at Hattersheim, near Frankfort-on-Main, were making satisfactory progress, so were those in France and England in which they participated, although their results had not compensated yet for the deficit of the Swiss works. The American works had done especially well during 1922. On the whole difficulties had increased during the year in every direction. Prices had been lowered in February 1922, but this policy could not be continued, owing to the high costs of raw material, wages, etc. The purchasing capacity of the public for chocolate had, in most countries, been greatly reduced owing to currency conditions. Also, a number of new chocolate works had arisen during recent years, and a dangerous international over-production of chocolate existed. (*Neue Zürcher Zeitung*, Mar. 30.)

ITALY

POLITICAL AND GENERAL

The Congress of the International Chamber of Commerce, the second held since the institution of that body—brought its proceedings to a termination on Mar. 24, having opened on the 19th (*cf.* THE ECONOMIC REVIEW, April 6, p. 294). The representatives of certain countries gave an account of the economic and financial situation of their country, that of Italy being ably and clearly stated by Signor Pirelli, who took special care to inform his audience that Italy was the country which had suffered most from the war and obtained the least advantage from the peace. The interest of the Congress was centred in the American proposal for the economic reconstruction of the world, which embraced the questions of reparations, inter-allied debts, national finances and international credits put forward by Mr. Fahey, one of the American delegates. A statement by Mr. Kent, Vice-President of the Bankers Trust Company of New York, on the attitude of the American public towards Europe, in which he dealt with the possibilities of co-operation between the two Continents for economic reconstruction, and with the possibility of placing international loans in America, including a loan to Germany, was received with keen attention.

FINANCE

ABOLITION OF LIFE INSURANCE MONOPOLY.

The Government has passed a draft Decree for the abolition of the life insurance monopoly. Life insurance together with other forms of insurance, was, prior to 1912, but scantily provided for by the commercial

code. The Act of April 4, 1912, introduced the innovation, without precedent in other countries, of a system of life insurance monopoly by confining its exercise to the National Life Insurance Institute. This Act fixed a term of ten years during which private companies might continue to carry on their business under certain conditions, but at the expiration thereof the monopoly system was to come into full force. However, in November last, the present Government decided to repeal the part of the Act relating to the creation of a monopoly, but at the same time to maintain the National Life Insurance Institute, which will carry on business in competition with the private companies. The Government's immediate object is, now that the transition period is on the point of expiring, to put an end to uncertainty by inaugurating without delay the new system of life insurance.

The Decree is based on the following fundamental principles: (a) Abolition of the monopoly, by conceding to private companies, native and foreign, full power to conduct life insurance business subject to certain guarantees; (b) the maintenance of the National Life Insurance Institute, the policies of which are guaranteed by the State, and to which is assigned the important function of regulating the insurance market; (c) the obligation on private companies to assign to the Institute a proportion (at present 40 per cent.) of their insurance risks effected in Italy. This provision aims at preventing a decline of the financial efficiency of the Institute, and at protecting it against disability in competition, to which it would undoubtedly be exposed, by reason of its character of State enterprise. The proportion of risks to be assigned by the companies to the Institute is to be 40 per cent. as aforesaid, for the first 10 years,

20 per cent. for the third decade (sic), and 10 per cent. subsequently. The Decree expressly declares that the relations between the Institute and its employees shall be governed by the laws which govern employment contracts in private enterprises. The right granted to native and foreign enterprises to carry on life insurance business is to be subject to the conditions necessary to secure the fulfilment of their financial and technical requirements and to protect the insured. Thus, the previous authorisation by the Minister of Industry is required to be obtained by the fulfilment of specified conditions. Special conditions are further imposed for the constitution of guarantee funds, verification of technical efficiency, investment of reserves and re-insurance. Private enterprises are secured against arbitrary control by the Institute, by the fact that both companies and Institute are under the direct supervision of the Ministry of Industry, representatives of which will participate in the management of the Institute. The Government will shortly proceed to the consideration of a scheme for regulating insurance against loss, fire, etc. (*Economista d'Italia.*)

INDUSTRY

THE SULPHUR AGREEMENT.

The Sicilian sulphur industry, once one of the principal industries of the island, has for the past few years suffered severely from American competition. The Minister of Industry and Commerce now announces that, after six months of negotiation, an agreement has been signed between the representatives of the American and Sicilian sulphur industries for the control of the world's sulphur market. The essential points of this contract are: The method of determining prices, and the apportionment of the quantity to be sold by each of the contracting parties. The price will be fixed by agreement from time to time, having regard to the conditions prevailing in each consumer country, and in such manner as gradually to attain if possible the pre-war price, according to gold parity. As a start, the price has been fixed, simultaneously with the signing of the contract, at over a dollar per ton higher than the price provisionally agreed upon in October last. As regards the apportionment of markets, it is agreed that the American producers shall supply the North American market, and Sicily the Italian market. The consumption of other countries shall be supplied in fixed proportions by the Americans and Sicilians, the latter being accorded the exclusive right to sell up to 65,000 t. for the manufacture of sulphuric acid in any country. Taking the figures of the world's consumption of sulphur, it is calculated that Sicily will be in a position to export 145,000 metric t. a year of raw and prepared sulphur, in addition to the above-mentioned 65,000 t. for the manufacture of sulphuric acid. This amount is much higher than the average export from Sicily for the past few years, a proof of the advantage of the agreement to Sicily. The export of raw sulphur to individual markets will be regulated subsequently, having regard, as far as possible, to the advantages arising from the geographical position of each of the contracting parties in respect of each individual country.

The export of prepared sulphur, to whatever destination, remains perfectly free, and each party undertakes to maintain the present position of refining and milling, which affords a guarantee for the Sicilian output of prepared sulphur. The agreement shall remain in operation until Sept. 30, 1926, and may be extended, with power, however, of previous rescission by either party on six months' notice. All disputes shall be referred to a court of arbitration, to be held in London, composed of an arbitrator appointed by each side and an umpire to be agreed upon by the two arbitrators, or in default of agreement to be appointed by the President of the Chamber of Commerce of Rome. (*Economista d'Italia.*)

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COMMUNICATIONS

CONCESSION OF PARCELS TRANSPORT.

The Government has gone another stage in its withdrawal from the management of industrial enterprises, by the publication of a Decree authorising the Minister of Posts to assign to private agencies and firms the transport and delivery of parcels. The Decree provides as follows: The Minister of Posts is authorised to concede to private parcels delivery and consignment agencies or commissioners the right of undertaking on behalf of outside persons the despatch and delivery of parcels on payment to the Government of the following fees: £ L.0.60 per parcel, where the rate fixed by the grantee does not exceed L.8; L.1 from L.8 to L.20; L.1.50 from L.20 to L.50; L.2 exceeding L.50. The above provisions do not apply to the despatch of parcels delivered direct by the consignor to the railways, or to transport companies by land, sea or air, subsidised by the State. The delivery of parcels at the residence of the consignee of parcels, referred to above, by private agencies, exclusive of those employed by the State railways, is subject to a duty of L.0.40, payable to the Post Office. Any breach by agencies of the provisions of the present Decree is punishable by fine equal to ten times the value of unpaid duties or fees, in addition to suspension, and in case of a subsequent offence to revocation of the concession. (*Corriere della Sera.*)

ABANDONMENT OF THE TELEPHONE SERVICE.

The Italian Government, announces the Paris journal *Information Financière*, has promulgated a Decree of extraordinary importance, inasmuch as it substitutes private companies for the State in the management of the telephone service. On coming into office, Signor Mussolini found the telephone service in a deplorable condition with a rudimentary plant, and inefficient staff,

Italy

etc. Desiring to institute a reform without increasing the Budget deficit, he found the only means of doing so to be the transfer of the service to private enterprise. The Decree authorises the Government to grant concessions to companies or private individuals for the working of the State telephone service, and even, where deemed expedient, to transfer the actual ownership of the lines. The term of each concession will be a minimum of 25 years. The transfer of the plant and buildings can be made by sale to the grantee either for cash or shares to the value of such plant. The grantee will have power to construct new lines subject to the approval of the Minister of Posts. In return for the Concession the grantee shall pay to the State an annual rent which shall not be less than 5 per cent. of gross profits, and in addition shall accord to the State a share of net profits in excess of 7 per cent. The grantees must employ the existing staff in the proportion necessary for the maintenance of the service. It has not yet been decided whether to grant the concession to a single or to several grantees. The Government is inclined to favour the

formation of local companies to be grouped into a single combine.

OUTPUT OF THE SHIPBUILDING YARDS.

The output of the Italian shipbuilding yards in 1922 was 66 vessels, aggregating 450,000 tons. The chief builders were: Cantiere Navale, Triestino, Trieste, 10 vessels, 83,501 t.; Stabilimento, Technico, 6 and 53,380; Ansaldo La Spezia, 8 and 51,000; Cantiere San Rocco, 5 and 46,460; Ansaldo Sestri, 7 and 35,050. (*Journal de la Marine Marchande.*)

A FAIR TRAIN.

Under the auspices of a Committee, of which the ex-Premier, Signor Luzzati is Chairman, and the present Minister of Commerce, Signor Teofilo Rossi, Vice-Chairman, the Milan industrial review *Attività Nazionale*, has obtained from the railways the loan of rolling stock for the purpose of a perambulating sample fair. The train will set out in the spring, and will proceed all through Italy and Sicily, visiting small provincial towns as well as large cities and the trip will last 90 days. The samples exhibited will represent various industrial products. (*Exportateur Français; Information Financière.*)

CENTRAL EUROPE

POLITICAL AND GENERAL

RECONSTRUCTION OF THE HUNGARIAN CABINET.

The *Central European Observer* reports that the Ministerial crisis, which was said to be impending (*cf.* THE ECONOMIC REVIEW, Apr. 6, p. 297), has been averted by a proposed reconstruction of the Cabinet, from which the Minister of Finance, Kallay, the Minister for War, Belicska, and the Minister of Commerce, Valko, are to withdraw, these three members having been the main objects of the Christian Socialist attacks. The names put forward as successors are those of the well-known financier Lukacs for the Ministry of Finance and of M. Heinrich, a member of the Liberal party as Minister of Commerce. No successor to M. Belicska has as yet been suggested.

HUNGARY: A SENSATIONAL REPORT.

The following report is published by the *Central European Observer* (Apr. 7):—

The internal political position in Hungary has been cleared up by the fact that the Government party has got rid of the elements of the extreme right, headed by the leaders of the awakening Hungarians, Gömbös and Karl Wolf. The cause of this energetic action by the Hungarian Government was the report which had been circulating about Budapest for the past two weeks that a *coup d'état* was in preparation, which it was proposed to bring about during the Easter holidays and overthrow the Government. According to the well-informed Budapest correspondent of *Lidove Noviny*, the ultimate object of its authors was the promulgation of the Regent Nicolas Horthy as King.

Appropriate placards had already been printed, beginning with the words: "We, Nicolas I, by the grace of God King of Hungary . . ."

The same correspondent states that this plan was frustrated by the British Minister in Budapest, Sir T. Hohler. The plan had been supported by the Honved (War) Minister, Belicska. The English Minister protested against it and announced that the Entente would consider the promulgation of Horthy as King of Hungary as equivalent to the promulgation of the Habsburgs as Emperors. The Minister further quoted the solemn promise of the

Hungarian Government, made on the occasion of the passing of the Act of dethronement, that it would attempt no solution of the regal question without first consulting the Allied Powers.

FINANCE

PROPOSED REVISION OF CHARTER OF THE AUSTRIAN NATIONAL BANK.

At the meeting of the Council of the National Bank held on Mar. 23, it was decided to call an extraordinary general meeting for April 17 at which two resolutions will be presented making a change in the Charter of the Bank. The first change concerns the nomination of a foreign adviser of the National Bank. This appointment is to be made at the suggestion of the general Commissioner on the proposal of the Government. The adviser will reside permanently in Vienna, where he will be given the opportunity of inspecting all the books and will be allowed to take part in all the meetings of the general Council and directors. It remains to be settled between the President of the Bank and the adviser, for what important decisions the preceding consent of the adviser will be necessary. In matters in which the President of the Bank has a casting vote in the general Council, he may vote only in accord with the adviser. The office of the adviser will come to an end at the moment the work of the General Commissioner is finished in Austria. The second proposal touches paragraph 86 of the Bank Charter. It is a matter first and foremost of securing that bills, etc., drawn in foreign currency and which under the existing statutes may not be included among the current funds of the Bank, may be used as covering for the fiduciary circulation. (*Central European Observer.*)

CZECHO-SLOVAK SAVINGS BANKS DEPOSITS.

During February, deposits in the 198 Czech Savings Banks exceeded the withdrawals by Kr.76,252,909; those in the 171 German Savings Banks showed an increase of Kr.30,729,991. In 18 German Savings Banks the deposits of marks exceeded the withdrawals by over 104 mill. The total increase of deposits for all Savings Banks was thus upwards of 106 mill. kronen and 104 mill. marks. The total amount of deposits in the books of all banks is Kr.9,117,773,937. (*Central European Observer.*)

PROPOSED LEVY ON CAPITAL IN POLAND.

The appropriately-named Finance Minister, M. Grabski, wishes to impose a tax of 10 per cent. on capital, having in mind chiefly landed property. The members of the peasant party, "Emancipation," however, maintain that this tax should be graduated; they would like it to be less than 10 per cent. for small properties, and more for large. M. Grabski opposes this amendment energetically on the ground that such a progressive tax would come to the same thing as a progressive income tax and that he, "who has given his allegiance to the Republic and not to a party, will never give his hand to the making of laws on the basis of class hatred." The conflict thus resolves itself into an open one between the most important Minister and the most important element in the government majority. (*Central European Observer.*)

THE YIELD FROM TAXES IN POLAND.

The yield from direct taxes in Jan. 1923 was 14,088.2 as compared with 1,464.6 for the corresponding period of 1922. (*Berichte aus den neuen Staaten.*)

TRADE

CZECHO-SLOVAKIA'S FOREIGN TRADE.

The recently-published official returns of Czecho-Slovakia's February trade show the following figures compared with January:—

		Quantity (in Tons 1,000).	
		Feb. 1923.	Jan. 1923.
Exports	...	897	426
Imports	...	203	161
Balance	...	+694	+265
		Value in Kr. (mill.)	
Exports	...	873.3	776.1
Imports	...	591.2	430.8
Balance	...	+282.1	+345.2

The countries to which the largest amount of exports went in January and February were Austria, Kr.352 mill.; Germany, 307.5 mill.; Great Britain, 181.5 mill.; and Hungary, 130.2 mill.; and the values of the principal articles of export for the two months were (in millions of kronen): Coal and timber, 308; cotton yarns, 246; sugar, 190; wool yarns, 164; glass and glassware, 126.

Imports during February *only* came chiefly from (in millions of kronen): Germany, 254.5; United States, 65.2; Austria, 35.7, and consisted mainly of: fats, 90.5; cotton, 81.9; grain and flour, 64.7; wool, 48.6. (*Central European Observer.*)

FAIRS IN CENTRAL EUROPE.

Prague.—An official report on the recent Prague Fair points out that the amount of business transacted in the various industrial groups proves that the great crisis of 1922 is practically overcome. Buyers were present from all European countries as well as from U.S.A., India, South Africa, Japan, Egypt, Cuba, Batavia, etc.

Good business was done in building materials, some of the orders from Yugo-Slavia being remarkably large. In the engineering section machinery and implements of all kinds were in good demand, the situation in Germany favouring trade here. Sport requisites, cycles and motor-cycles were sold to France and Tunis; furniture in wood and leather went well to England, U.S.A., Germany, Spain, etc.; textiles and wearing apparel did not come up to previous fairs, though considerable orders were received for the home market, Yugo-Slavia, Turkey and, in particular, Poland. Fancy goods were largely sought by foreign buyers, with whom glass, porcelain, and art pottery were also in good demand. The price of glass militated against sales, but porcelain and pottery did very well. In the provisions branch good business was done in chocolate, fruit conserves and syrups. Wines and liqueurs did not go so well as in the autumn.

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Musical instruments and pianos were in lively demand and very satisfactory bargains were concluded.

Other commodities in which good business was done were raw iron and fine steel machine tools; fittings and appliances for breweries (chiefly to Belgium and France), bakeries, and flour mills; cold storage plant, etc. A certain change was noticeable in the class of business done, foreign orders being on the increase and home orders on the decline. The foreign houses exhibiting did good business on the whole, notably in jewellery, pneumatic tyres, office fittings, and Vienna firms in furniture.

The special building section remained open until Mar. 25. (*Gazette de Prague; Central European Observer.*)

Vienna.—Details of the results of the Vienna spring fair are supplied by Herr Julius Muller, managing director of the Vienna Fair Co., Ltd., in the *Neue Freie Presse*. Exhibitors, he writes, were numerous beyond expectation, and the rush of applications in the period immediately preceding the fair necessitated the erection of emergency buildings. The participation of foreigners has appreciably increased since the last occasion. As regards the latter fact it should be noted that the first three fairs were held at a time when Vienna was full of foreigners owing to the depreciation of the krone and for other reasons, but this time the visitors and exhibitors must have come expressly for the purpose of the fair, as the number of tourists in Vienna had appreciably declined, and touring in Austria received a fresh stimulus by reason of the fair. In the week preceding the fair many visitors to the Leipzig fair came on to Vienna and there supplied their needs, which they had been unable to satisfy at Leipzig. The number of visitors from several foreign countries had notably increased, namely, from the United States, Canada, Australia, Japan, Java, Rumania, Bulgaria, Russia, the Baltic States, Yugo-Slavia, Poland, and especially Hungary and

Central Europe

Germany. A number of other countries hitherto strangers to the fair were represented, namely, Peru, Madagascar, Erithrea, the Fiji Islands, Straits Settlements, Borneo, Portugal, Georgia, Ukraine and Danzig. The number of purchasers from the States of the Austrian Federation was nearly doubled.

INDUSTRY

CONDITIONS IN CZECHO-SLOVAKIA.

A certain improvement is reported in the Gablonz goods industries, especially in the export of trinkets, beads and glass bangles to the Far East.

The situation in the coal mining district of Ostrava is also improving. Fresh demands are reported in the enamel industry, and especially in the felt hat industry. The cotton industry in Eastern Moravia is doing well, and no unemployment doles are being distributed.

Moravian shoe factories in Kromériz have resumed production.

Czech glass exporters are competing successfully with Austrian glass manufacturers.

The Koburg Ironworks at Trnava, Slovakia, which were recently in financial difficulties, are to re-commence operations. The works have been shut down for some time, but the favourable turn of affairs in the iron trade has largely increased the asset value of the Company's stocks of iron, substantially improving its situation.

According to the Ostrava *Morgenzeitung*, the French occupation of the Ruhr has brought a wave of prosperity to the Czecho-Slovak silk mills in Moravia and Bohemia. Silk ribbons hitherto supplied largely by Barmen, are now being produced in the Bohemian and Moravian mills, and overtime is being worked.

THE EXCHANGE AND POLISH INDUSTRY.

On Feb. 1, 1922, the number of unemployed in Poland amounted to 221,444. In February, owing to the rise in the exchange value of the Czecho-Slovak krone, the 76 large factories in the Lodz district were by the end of March in full work, while the smaller ones, some 756 in number, were working to 96 per cent. of their capacity.

By April 1 the number of unemployed had dropped to 170,125, by May 1 to 148,625, by June 1 to 128,916, by July 1 to 98,581, and by August 1 to 85,240.

On Jan. 1 of the current year, the number was no more than 75,262. One of the reasons for this favourable development was, as already referred to, the rise, early in 1922, of the Czecho-Slovak krone, which had placed Czecho-Slovakia at a disadvantage in respect of competition with Poland. On the further rise of the Czecho-Slovak krone in August last the position of the Polish industries still further improved, so that Poland commanded several markets, such as the textile markets of Bukovina, Bessarabia and Moldavia at the expense of Czecho-Slovakia. The main factor, however, was the State credits granted to the various industries. By Jan. 1, 1923, these industrial loans amounted to about 300,000,000,000 Polish marks.

The Polish manufacturers, repaying these loans after a few months, made, owing to the continued fall of the currency, huge profits on the exchange. These profits for the past year amounted to about 35 mill. dollars.

The profits represented about three-fourths of the total loans and enabled the Polish manufacturer to reduce his production costs to about one-fourth, so that competition against Polish goods on the international market became impossible.

Herein lies the main cause of Polish successes of 1922.

The present Minister of Finance has declared that this state of affairs cannot continue. The Polish Government will demand that loans now made must be repaid at their full nominal value, and they will therefore no longer be issued in marks but in a gold unit (zloty).

In this way the industries of Poland will be left to stand on their own feet and their privilege in international markets will cease. (*Central European Observer.*)

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INSURANCE BY INDUSTRY EXAMINED

By JOSEPH L. COHEN, M.A. (Cantab), M.A. and Gilder Fellow in Economics (Columbia Univ.). Author of *Insurance against Unemployment*. 5s.

An enquiry into the recent working of the British Scheme of Unemployment Insurance, and an examination of the proposals which have been suggested to take its place.

THE FUTURE OF OUR AGRICULTURE

By HENRY W. WOLFF, Author of *Co-operation in Agriculture, etc.*; Honorary Advisor to the Irish Agricultural Organization Society, one of the Founders of the British Agricultural Society, and of the Agricultural Organization Society, 1900. 12s. 6d.

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RECENT PUBLICATIONS.

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

Talks on Tax Subjects. (C. A. Gall & Co., 67, Wall St., New York.) This useful hand-book has been prepared with a view to providing the American businessman with a working knowledge of the more important provisions of the Revenue Act of 1921.

Exchange Rates of the World. Vol. I. (Jan. 1, 1914, to Dec. 31, 1921.) By Emil Diesen, Editor of the *Okonomisk Revue*. (Published by A. S. Okonomisk Literatur, Klingenbuggaten, 9, Christiania.) This volume contains the exchange rates quoted in the more important cities in Europe during this period. The tables are derived partly from official statements, partly from the quotations of stock exchanges and Government banks of the respective countries, and partly from private records. For all the more important countries daily rates are given, for the others monthly. In an appendix in a later issue it is proposed to give a summary of the highest and lowest yearly rates for each country. The volume under notice includes the daily rates for the cities: Amsterdam, Berlin, Christiania, Copenhagen, Helsingfors, London (which occupies 67 pp.), Paris, Riga, Stockholm, and Zurich. Volumes II. and III. will contain the rates for cities other than those given above. The book will appear in future as an annual publication, accompanied by financial comments. English has been used as the principal language except in cases where practical considerations have made it desirable for another language to be used. As a work of reference the book is of great value, and Mr. Diesen has hit on a sure and simple method for preserving interesting material for future economic and historic research.

SPECIAL ARTICLES

AMERICAN POST-WAR FINANCE

THE FEDERAL RESERVE BANK SYSTEM OF THE UNITED STATES.

Post-war financial conditions in the United States, both public and private, are attracting considerable attention in the Continental Press. In the *Oesterreichische Volkswirt*, the editor, Dr. Stolper deals with the subject of

THE AMERICAN ISSUE BANKS SINCE THE WAR.

The American issue bank system, writes Dr. Stolper after many years of tentative experiment, began to take effect immediately after the outbreak of the war. It has been considered as mere chance that the United States were equipped to meet the financial and economic problems presented by the war. As regards the development of the system of federal reserve, it would have been better, had it had time to accommodate itself to the ordinary needs of American business life, and above all to place itself on a firm footing with regard to the complicated American banking system, for the purpose of unifying which it had been called into being. Hitherto the federal reserve system had not been able to develop its activities in accordance with the intentions of its founders. Those who appreciate the dangers of the economic system prevailing during and since the war, which the federal reserve system has helped to attenuate, have nothing but praise for its services. Those, on the other hand, who compare the normal conditions existing up to 1914 with the present standard, based on eight years' experience of the system, announce that many hopes have been disappointed.

THE OBJECT OF THE FEDERAL BANK RESERVE.

The dominating idea of the system of the Federal Bank Reserve was to give such uniformity to the very disjointed banking system of the United States, as would, without violating the independence of the various individual states, continue to permit of the conduct of a uniform economic policy, and render possible mutual co-operation.

In order to give due effect to the desired uniformity, the Federal reserve department in Washington is given control over twelve federal reserve banks which exercise the functions of issue banks in the twelve districts into which the Federation is divided. The shareholders and members of these Reserve Banks consist, in the first instance, by virtue of legislation, of the 8,154 national banks, which, by the Charter of 1863, are subject to the Federal laws. Those State banks which are independent of the Federal authorities were to join the system voluntarily, and the hope was entertained that the advantages of the Federal Reserve system would unite the majority of the banks within such system. During the war this hope promised fulfilment, and especially did the declaration of war by the United States in 1917 stimulate the State banks to become members of the system.

WORKING OF THE SYSTEM.

By the end of 1918, the leading banking institutions in the country had adhered to the system, as the aggregate capital of its members exceeded that of the banks remaining outside it by over a milliard dollars. Since then a marked decline has taken place. In the autumn of 1922, only 1,600 State Banks out of a total of 22,000 were members of the system. Naturally the innumerable State banks vary greatly in size and importance, ranging from banking companies of the first-class in the large towns to the most humble agricultural banking institutions in the country.

The larger State banks have adhered in a greater proportion, so that the Reserve system alone, by reason of the amount of the capital of the banks adhering to it could achieve a preponderating position in national banking. As a matter of fact, the adherence of banks to the system is far from being so close in practice as was originally planned. The main object of the system was to combine the credit possibilities of the whole federation to direct credit to the most deserving object, and by means of a methodical discount policy, to mitigate or avert economic crises. With this object, terms of rediscounting bank acceptances, bills on goods, and short-dated bills for agricultural purposes were drawn up with the utmost care, for which purposes ample funds were provided by the compulsory deposits of the associated banks and by the Federal Gold Reserve. In the first two years of the working of the system the banks were too well supplied with ready-money to apply to the Reserve banks for cover, and, consequently there was no need of considering any organised discount policy. Only just before America entered the war, that is in the early months of 1917, did the discount policy of the Reserve Banks begin to make itself felt at all, but its progress was stopped by the financing of the war, which overrode all other economic considerations. Only after the termination of the war, and at the height of the inflation period in the middle of 1919 did the Reserve system again try its strength in a real economic experiment by endeavouring to practise a discount policy, and by imposing stricter credit terms at the height of the boom, with the object of compelling timely settlements. This limitation of credit may very well have to some extent checked excessive speculation and thus attenuated the crisis. However, the crisis broke out again with renewed vigour in 1920, and the Bank reserve system, together with the rest of American banks, suffered from "frozen credits."

EFFECT OF THE TRADE DEPRESSION ON THE SYSTEM.

The increase of the trade depression brought about a new situation for the Reserve system; its activities were more and more restricted, its relations with the constituent banks became slacker, and the discount rate became deprived of all significance on the market. Even in the period of greatest tension, only some 50 per cent. of the constituent banks applied to the Reserve Banks for rediscount, and many of these banks have hitherto never or rarely rediscounted with the issue banks. In the period of depression they held more and more aloof from the credit market, with the result that the Reserve system was in great part deprived of its possibilities of usefulness. The note circulation declined from 3½ milliard dollars in October 1920 to little more than 2 milliards in September 1922. The number of bills in negotiation fell from 1,350 million at the end of 1921 to 850 million at the end of 1922. Only about two-thirds of the bills were acquired through rediscounting, the balance being purchased on the open market. The system was sharply criticised in America for not having, after allowing the control of the discount policy to slip into a rediscount business, acted with greater energy on the money market and regulate it. This criticism, however, seems somewhat premature, and judgment should be reserved until its conduct under improving conditions of the market be ascertained. At any rate, the discount policy of the reserve banks is at present exceedingly dull. While at one time the discount rates for three-months bills, bank bills, commercial bills, and six-monthly bills for agricultural purposes, varied considerably, they now preserve a steady uniform rate of 4½ per cent. in nine reserve banks, and of 4 per cent. in three (Boston, New York and San Francisco.)

Special Articles

THE FINANCING OF AGRICULTURE.

The inaction of the Reserve Banks during the past two years might be justified by the general trade depression had it not so happened that in this period of industrial stagnation agriculture experienced a pressing need for credit.

The sharp fall of the price of agricultural produce at the end of 1919 had brought the American farmers into difficulties. They had previously been accustomed during the three months following the harvest to dispose of their produce on the market at fairly steady prices. The diminished purchasing power of European customers caused a stoppage of sales which forced the farmer either to hold back his stocks of produce or to throw them on the market at the best price obtainable, and thereby to reduce his means of production for the following year. Agricultural circles, therefore, would have made extensive claims on the credit reserves of the nation had they been in any way obtainable. These reserves, however, were closed to farmers, not so much by the decision of the present heads of the system as by the provisions of the Federal Reserve Act. The legislature was obviously mainly intent on the needs of the industrial centres, and was of opinion that only the best short-dated bills and first-class bank acceptances could serve as the basis for a note issue and inflation be thus averted.

This argument might apply where a period of keen industrial activity coincided with heavy demands for credit by agriculture. But it might also be argued that in the industrial stagnation of the last two years a broader policy of credit for agriculture might have soundly increased its purchasing power until the next harvest, and thus have led to a more rapid termination of the industrial crisis.

What actually happened was that through their political influence the agriculturists succeeded in obtaining relief by means of credit which was refused to them under the reserve system. Money was placed at their disposal not by the issue banks but by the Government. The channel of credit was the War Finance Corporation, which during the war served for the financing of armaments, and now by the Agricultural Credits Act of 1921 was used to supply the financial needs of agriculture. With the utmost celerity it instituted a banking system consisting of 33 branches throughout the country, which between November 1921 and December 1922 furnished credit to the amount of \$470 mill. to 4,000 agricultural banks and a number of associations. This not excessive amount is said to have greatly assisted in restoring confidence, and especially in preventing to any great extent the premature sale of stocks of half-grown beasts, which would have been detrimental to the economic system of the country. Over the economic advantage of the holding back of cotton and corn opinion is divided. This emergency measure of the Government has been held to be entirely abnormal and the winding up of the War Finance Corporation has been urged in many quarters. In addition to the high cost of such an organisation, running side by side with the reserve bank system, it has the disadvantage of seriously injuring the prestige of the idle reserve banks. Recent developments have rendered the credit conditions of the reserve banks adaptable to the requirements of agriculture, and the rediscounting of six months bank bills drawn by producers of the staple commodities of agriculture and agricultural associations has been held to be permissible, and an agitation has been started in favour of drawing nine monthly bills for agricultural purposes. This development is condemned by those holding the view that notes for commercial purposes should be strictly realisable, and has been described as an unwarranted intervention of political influences in the conduct of the reserve banks.

OTHER CRITICISMS OF THE SYSTEM.

The Reserve system has been further criticised for having abandoned the task of using for the development of various sources of national production the Federal capital reserves scattered all over the Continent. The decentralisation of the reserve banks, due to the delegation of many of their functions to the constituent banks dispersed throughout the country were conceived with the intention of breaking down the former supremacy and power of absorption of the limited number of centres of finance, notably New York. Capital reserves were to be diverted from speculation on stock exchanges, and, as far as necessary, kept available, or used for local investment requirements. Not only has the Reserve system failed to accomplish this, but has even extended the means of speculation to the uttermost parts of the country. Although the Reserve Act expressly prohibits loans for speculative purposes these are easily obtained clandestinely by small local banks through their connection with constituent banks of the reserve system. Moreover, loans on the security of Liberty Bonds by the reserve banks have induced an increase of speculation. It is to be hoped that an improvement in this respect will be accomplished by the Reserve system in ousting the supremacy of the New York Reserve Bank, and in trying to stimulate credit relations between the individual reserve banks, a task which it has somewhat neglected.

RUSSIAN INDUSTRIES AND DENATIONALISATION

The *Ost-Express* gives an account of the activities of the State trading bodies in Soviet Russia, and some details regarding the conduct of private trade and industry, from which the following points have been selected as being of considerable interest to-day, when denationalisation on a large scale is being mooted.

A knowledge of the State trading organisations in Soviet Russia is important because through them most of the foreign trade of to-day is transacted. They are not constituted on one definite pattern, but display some variety in their organisation and sphere of action, and are continually undergoing transformation. Currency depreciation and money shortage compel a certain amount of barter trade, and even specialising trade organisations have to transact business in goods foreign to them; the Tea and Coffee Trust, for instance, exports flax and hemp.

Central Trading Organs. "Gostorg," the State Import and Export Office, conducts foreign trade transactions on behalf of the State organs and of private persons as well as on its own account. Its central office is in Moscow, and it has autonomous departments in the chief towns. The Central Trading Department of the Supreme Economic Council, "Z.T.O.," acts as agent for the State industries' trade and requirements. It possesses special sections for dealing with metals and technical articles, chemicals ("Chimpromtorg,") raw materials, textiles and haberdashery, service clothing, agricultural implements, milling requirements ("Meljstroj") and vintage ("Wintorg"). The development of independent activity by the Trusts and the formation of syndicates have greatly restricted the work of the Central. During the last four months of 1922 the total turnover of all its departments amounted in value to R.1.97, 1.87, 1.21 and 2.08 mill. per month. Its "Meljstroj" section has just been converted into a joint-stock company in which German capital is sunk. In November 1922 the Z.T.O. opened an agency ("Gosposrednik") in Moscow, in order to facilitate the satisfaction of supply and demand among the local State organs. The State "universal store" (G.U.M.) in Moscow carries on wholesale and retail trade.

Local Trading Bodies. The delivery departments of the various Economic Councils have developed into more or less financially autonomous bodies which work both for the State and on their own account. Some of them have warehouses and have branches and agencies in other towns. This is the case with the "Mostorg" in Moscow. There are the "Petrotorg" in Petrograd, the "Ukraintorg" in Kharkov, etc. They conduct independent export and import business. Trade operations are also carried on by the industrial administrative organs—"Prombüro"—existing in various districts, and by the "Ekosso," the governmental and provincial organs. The Prombüros are no longer to be permitted to carry on foreign trade transactions. The Ekosso in the Ukraine, Transcaucasia, Northern Caucasia, Siberia and the Ural district, on the other hand, are to be permitted to do so in future in order to promote export trade.

Syndicates. Certain Trusts such as the sugar, paper, pharmaceutical products, tea and coffee, rubber Trusts, comprise the whole of the State industry, but at the same time appear as wholesale and even retail vendors of their products and as independent purchasers of material. In most of the other branches the Trusts are combined into State Trade Syndicates. There are at present all-Russian syndicates for the salt, match, textile, naphtha, leather, tobacco, silicate, agricultural machinery and coal industries. There are central South Russian and Ural syndicates for the heavy industry, a vintage syndicate, a syndicate of agricultural Soviet industries and a vegetable oil syndicate. A syndicate for the fats industry is in process of formation. With the exception of the South Russian heavy industry syndicate—"Jugostal"—and of the vegetable oil syndicate, the remainder are trading, not producing syndicates. Their organisation is not very complete, and the Trusts which compose them carry on their own business very largely. The coal syndicate—"Torgugol"—has a special export department, "Exportugol."


Special Trading Organs. The Commissariats for Food, Agriculture, Public Health and Education, and the Chief Administrations for Electricity and Communal Affairs possess special trade departments. Some of the Commissariats possess autonomous trading organs for certain articles, viz. the "Glavrybprom" for fish, the "Z.V.L.P." or Central Forestry Administration, which has a timber export office, the "Gosmedtorg" for pharmaceutical products. There are also trading departments for scrap iron ("Metallotorg"), flax and flax export ("Ljnotorg"), wool ("Scherstj") and grain and other agricultural products ("Chleboprodukt"); also for the products of the army requirements industry destined for the open market ("Wojenppromtorg"), for peat ("Torftorg"), for the products and requirements of home industries ("Kustpromtorg"). It is scarcely possible to survey the special local trade organisations which have been formed by the economic administrations and by the local departments of the Gostorg, but they are not of great significance.

According to information collected by the Committee for Inland Trade, small retail trading in Russia, especially in the provinces, is almost entirely in private hands. This private trading has greatly developed in the towns, but scarcely exists in the villages. Peddling is fast disappearing and giving place to shops. These privately-owned shops are usually very low in stocks, they cannot specialise, and have hard work to make business pay. There are very few large retail businesses, they are for the most part speculative and temporary; only agencies have developed to any extent. Private wholesale trading is practically non-existent in the provinces and plays a considerable rôle only in Moscow where, in the middle of 1922, there were 64 private wholesale traders and 378 wholesale and retail businesses combined. Textile trade in the provinces is almost exclusively in private hands. A very small proportion of industrial undertakings, on the other hand, is privately owned in Russia to-day. Nearly all the industries, including

handicrafts, were nationalised between 1918 and 1920, and at the end of 1920 the nationalised industries totalled about 40,000. When the new economic policy was introduced in the spring of 1921, a regulation was made whereby small industries, with not more than 20 workers, might be organised. The industries nationalised but not yet taken over by the State up to the middle of May of that year were declared the property of their former owners. Next, the leasing of nationalised industries was permitted, and at the end of 1921 the nationalised industries employing not more than 20 workers were returned to their former owners. In May 1922 the possession of manufacturing material and plant was permitted and business might be carried on irrespective of the size of the enterprise. Owners and lessees of industrial undertakings may dispose freely of their output. Relations with their workers are governed by a code established at the end of 1922 which affords the workers only a minimum of rights and protection. The State, as the chief dispenser of labour, has forced this minimum down to an almost negligible fraction. The labour code furnishes the employers with far-reaching rights and the industrial councils only with restricted powers. The trade unions too, have been deprived since the beginning of 1922 of all official authority, and their duties are restricted to achieving ameliorations on the official minima by means of collective contracts. Wages are usually governed by such contracts in most of the private enterprises. These enterprises enjoy a certain amount of protection against exaggerated demands on the part of the trade unions and the organs of the Labour Commissariat due to the fact that, for obvious reasons, workers in private industries may not enjoy better conditions than in the State undertakings. Private industries are, especially in the provinces, similar to private trading, still subject to the arbitrary methods of officialdom.

In the form of small industries, especially home workers, private industry in Russia has at present a widespread significance. These industries should, together with the handicrafts, which alone have benefited hitherto by denationalisation, form a far more important factor in raising industrial production than before the Revolution. Very few medium-sized industries are in private hands. They nearly all consist of nationalised undertakings leased out by the State. These leased-out industries usually show a higher production capacity than the State ones. Small private industries were participating in Donetz coal mining to the extent of about 8 per cent., and in Baku naphtha production to the extent of about 3 per cent. towards the end of 1922. The reason for the poor development of private industries is in part the shortage of capital, in part the uncertainty entertained regarding the general policy of the Soviet Government. Business circles are inclining towards inviting a greater participation of foreign capital, in order to avoid official interference as much as possible.

Information received from Moscow on April 3 stated that the Soviet Government had ordered the registration of industrial undertakings denationalised by virtue of the Orders of 1921 and 1922. Any undertakings unlawfully denationalised may be expropriated. Persons legally entitled to denationalisation of their businesses must exercise their rights within six months. Closed-down nationalised works may be sold if, by reason of their size—viz., if they do not employ more than 20 workers—they may lawfully be denationalised. By these measures the State economic organisations will be freed of the burden of the small undertakings. Also, there is a tendency in Government circles to favour extensive denationalisation.

 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.

STATISTICAL SECTION

THE TRADE BAROMETER

EXPLANATION

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

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

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

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

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

TABLE I.

Date 1920	10 Com- modities	Bd.of Tde. Monthly Average	Date	10 Com- modities	Bd.of Tde. Monthly Average	Date	10 Com- modities	Bd.of Tde. Monthly Average	Date	10 Com- modities	Bd.of Tde. Monthly Average
Sept. 3	379.3		April 29	202.2		Dec. 30	150.0		Aug. 25	166.1	
10	379.7		May 6	207.2		1922			Sept. 1	163.4	
17	379.4	311.4	12	204.3		Jan. 6	148.1		8	160.4	
24	360.6		20	197.0	201.7	13	148.7		15	161.2	154.3
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	286.0	15	194.4	194.1	10	148.4		10	170.1	
26	283.8		22	194.8		17	149.8	160.0	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	240.5		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	245.0	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	159.9	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	160.3
April 1	199.6		Dec. 2	153.6		28	167.3		23	192.3	
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		13	197.4	

CHART ILLUSTRATING TABLE I.

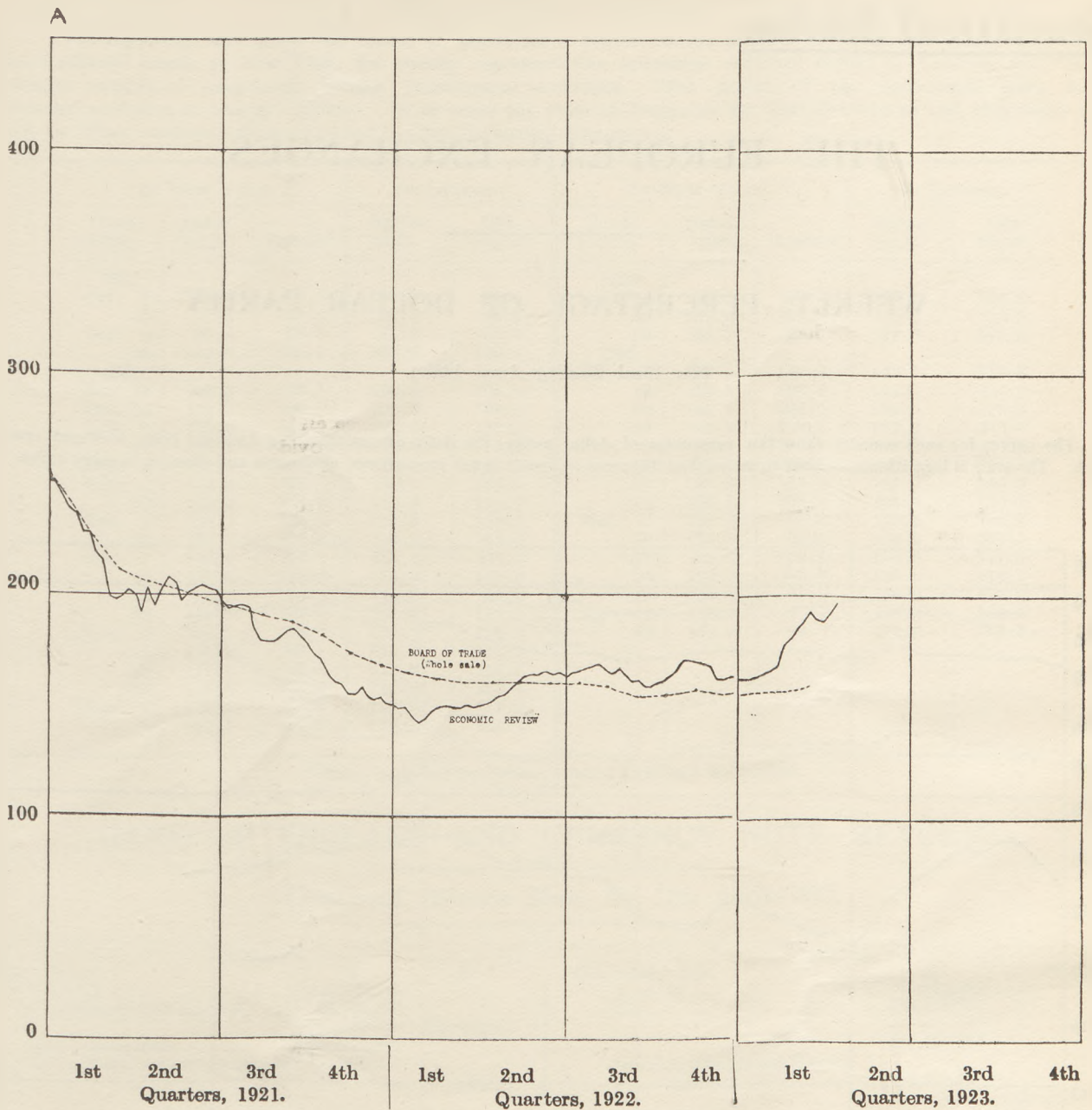


TABLE II.

Date.	Pig iron.	Tin.	Coal.	Linseed Oil.	Cotton.	Wool.	Hides.	Wheat.	Bacon.	Sugar.	Mean.	Date.
Dec. 30, 1921	100	100	100	100	100	100	100	100	100	100	100	Dec. 30, 1921
1922												
Jan. 27 ...	90.6	90.5	92.4	108.8	85.3	100.0	82.6	101.1	94.4	96.1	94.18	1922. 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
" 20 ...	89.4	106.7	91.5	138.6	126.0	120.0	93.5	90.4	89.7	138.5	108.43	... " 29
1923												
Jan. 5 ...	90.1	104.9	91.5	135.1	125.2	122.2	95.7	89.9	89.7	138.5	108.28	... Jan. 5
" 12 ...	90.1	106.5	93.4	133.3	126.4	122.2	93.5	91.7	89.7	138.5	108.52	... " 12
" 19 ...	91.3	106.1	95.3	135.1	132.4	122.2	93.5	91.7	89.7	130.8	108.81	... " 19
" 26 ...	92.4	108.9	100.0	136.9	137.0	122.2	97.1	93.3	83.1	130.8	110.17	... " 26
Feb. 2 ...	96.0	107.8	113.2	138.2	129.2	122.2	95.7	93.3	86.0	130.8	111.28	... Feb. 2
" 9 ...	97.9	109.6	113.2	147.4	130.5	120.0	95.7	91.7	88.2	130.8	112.50	... " 9
" 16 ...	100.5	114.7	105.7	143.9	131.4	120.0	89.1	90.1	89.7	196.2*	118.13	... " 16
" 23 ...	105.2	120.8	113.2	145.6	133.7	120.0	89.1	89.3	84.6	205.8	120.73	... " 23
Mar. 2 ...	108.5	125.4	123.3	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
" 13 ...	113.2	131.2	131.1	179.9	133.1	124.4	97.1	91.7	88.2	226.0	131.59	... " 13

*Revised Quotation.

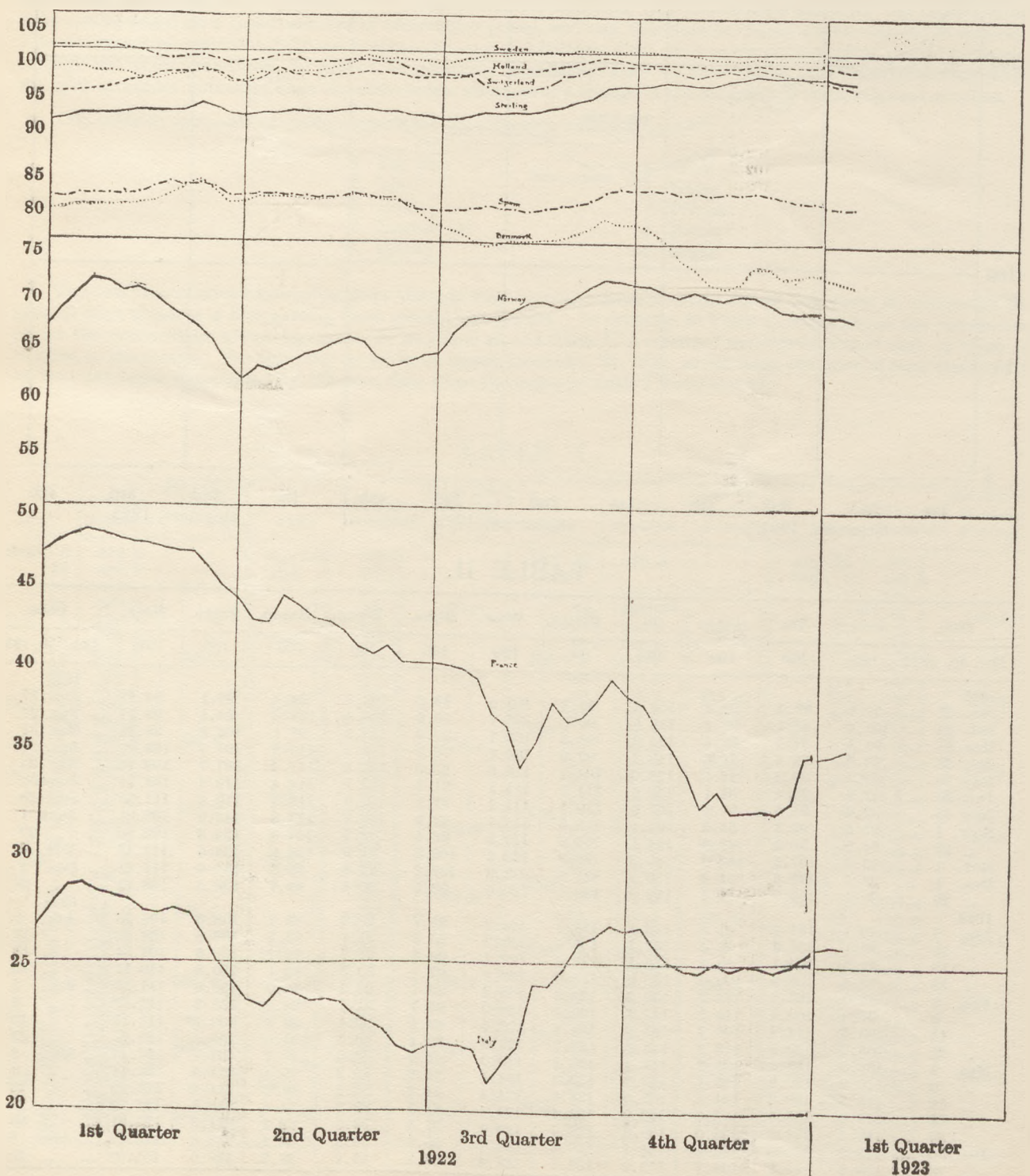
Statistical Section

THE EUROPEAN EXCHANGES

WEEKLY PERCENTAGE OF DOLLAR PARITY

(To Week Ending April 14th.)

The curves for each country show the percentage of dollar parity, the daily quotations (over London) being averaged every week. The scale is logarithmic, so that equal vertical distances represent equal *proportional* differences and changes in every curve.



SECURITY PRICES.

The following table gives the course of prices for a representative number of industrial stocks and long-dated railroad bonds in New York, for twenty representative industrial ordinary stocks in London, and for a selected number of long-dated British Government securities. The prices of the last-named have been averaged exclusive of accrued interest. In all cases the price at December 30, 1921, is taken as 100, this being the base for other statistical series compiled by THE ECONOMIC REVIEW:—

IN NEW YORK.			IN LONDON.		IN NEW YORK.			IN LONDON.	
Week ending.	Indus-trials.	Bonds.*	Indus-trials.	Gilt-edged.	Week ending.	Indus-trials.	Bonds.*	Indus-trials.	Gilt-edged.
1921					1922				
Oct. 1	88.4	91.3	104.5	94.4	Dec. 16	121.1	103.1	116.1	113.8
29	91.1	92.0	91.1	94.4	23	121.6	102.9	118.3	113.5
Dec. 2	97.4	99.4	94.2	95.0	30	121.7	102.5	119.5	113.3
30	100.0	100.0	100.0	100.0	1923				
1922					Jan. 6	120.5	102.8	122.1	113.5
Jan. 28	100.8	102.1	102.3	104.4	13	122.2	102.6	122.3	114.0
Feb. 25	105.2	100.8	103.6	109.0	20	120.4	102.0	123.3	116.8
April 1	109.8	101.5	103.5	112.2	27	120.8	101.1	122.2	115.8
29	114.4	103.1	117.6	116.9	Feb. 3	122.5	102.1	122.2	114.8
June 3	118.8	102.9	113.5	115.7	10	125.4	102.1	122.5	115.1
July 1	114.5	103.6	110.0	114.7	17	127.3	101.6	123.2	115.6
29	119.4	106.0	112.8	116.7	24	126.8	101.1	126.4	116.2
Sept. 2	124.9	106.6	114.1	112.1	Mar. 3	128.6	99.8	129.5	116.3
30	121.2	105.8	113.2	112.0	10	128.0	99.5	128.9	116.5
Oct. 7	123.9	106.1	113.3	111.7	17	129.2	98.5	129.3	117.0
14	127.6	104.4	114.5	112.3	24	127.3	97.8	129.0	118.1
21	125.7	102.8	114.3	113.0	31	126.7	98.0	128.4	118.5
28	121.7	102.0	114.8	113.0	Apr. 7	126.4	98.1	129.9	120.4
Nov. 4	122.1	103.4	114.5	113.0	14	125.9	98.7	131.2	120.8
11	118.2	103.1	115.0	113.6					
18	117.6	102.4	114.7	114.5					
25	114.4	102.0	115.0	115.4					
Dec. 2	118.3	102.2	115.7	115.0					
9	120.5	102.8	116.2	114.3					

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

BANK OF ENGLAND AND CURRENCY NOTE RETURNS.

Combined Balance Sheet for 12th April, 1923.

LIABILITIES.				ASSETS.			
	£	£		£	£		£
<i>Notes Issued.</i>				<i>Government Debt.</i>			
B. of E.	145,437,765			B. of E.	11,015,100		
Less those in C.N. Reserve	22,450,000			C.N.	243,414,794		
		122,987,765				254,429,894	
C.N. outstanding	286,117,587			Less C.N. Investment Reserve			
C.N. called in but not yet cancelled	1,489,951			Account	12,427,746		242,002,148
		287,607,538		<i>Other Securities.</i>			
				B. of E.			8,734,900
				<i>Gold Coin and Bullion.</i>			
				B. of E.	125,687,765		
				C.N.	27,000,000		
				C.N. Balance at B. of E....	170,490		152,858,255
Ratio of Gold to Notes	37.2%			<i>Silver Coin</i>			7,000,000
„ Gold & Silver to Notes 38.9%							410,595,303
		410,595,303					410,595,303

Summary of Combined Balance Sheets. January 1922 to date.

Date.	B. of E. Notes less those in C.N. Reserve.	C.N. outstanding inc. called in but not cancelled.	Total.	Gold.	% of Gold to Notes.	% of Gold & Silver to Notes.
1922 Jan.	125.9	304.3	430.2	155.5	36.1	36.8
Feb.	125.9	298.8	424.7	155.6	36.6	37.3
Mar.	125.9	300.4	425.3	155.6	36.6	37.7
Apr.	126.0	301.3	427.3	155.6	36.4	37.6
May	126.1	298.3	424.4	155.9	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. 12	123.0	287.6	410.6	152.9	37.2	38.9

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