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CONTENTS

NOTES OF THE WEEK 397	NORTHERN EUROPE (<i>continued</i>)
FRANCE 399	Foreign Trade of Centrosoyus in 1922
Political and General	Labour in Industry in Esthonia
The Progress of Reconstruction	
The Collection of Revenue : a Comment	THE BALKANS 407
M. Yves Guyot on the Export of Capital	Efforts at Union in Yugo-Slavia
The Population Movement in 1922	Groundless Rumours about Rumania
Profit-Sharing	The Political Situation in Bulgaria
	Rumoured Rumanian Loan
BELGIUM 401	Rumanian Traders' Debts
Political and General	Yugo-Slavia's Exports
Fourth Brussels Commercial Fair	
The Quarter's Coal Report	
Iron and Steel Report for the Quarter	
The Glass Industry	
GERMANY 403	
Reich Revenue in March	
Report of Reichsbank for 1922	
New Discount Rate Discussed	
Capital Increase of North German Lloyd	
Ruhr Coal and Coke Output	
The Fight against Tuberculosis in Prussia	
NORTHERN EUROPE 405	
The Situation in Russia	
Economic Progress of Danzig	
State Monopoly of Platinum in Russia	
Advances to Russian Industries	

SPECIAL ARTICLES

The Case against Devaluation 409
The League of Nations and the Drug Traffic ... 410
International Strike Statistics 411
Four Books on Bolivia 412

NOTES ON NEW BOOKS

Recent Publications 413

STATISTICAL SECTION

The Trade Barometer 414-415
The European Exchanges 416
Security Prices 417
Bank of England and Currency Note Returns ... 417

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NOTES OF THE WEEK

The German Note leaves the economic situation to all intents and purposes unaltered, whereas politically it places Germany in a worse position in respect of her international relations than she has been in since the occupation of the Ruhr won her a measure of spurious sympathy in certain ill-informed quarters. Neither the French nor the Belgian Government's attitude is affected by this latest manifestation of Germany's apparent incompetence to realise her position : both stand where they were. It was a happy inspiration, however, which prompted the Belgian Cabinet to present a separate reply, for this disposes once for all of the fatuous notion sedulously fostered here that Belgium has throughout the piece been but a reluctant associate in the French Government's policy. As a matter of fact, the Belgian Government has been more resolute and more uncompromising in its treatment of defaulting Germany than the French Government itself. The Belgian Prime Minister, M. Theunis, an *officier de carrière* and a born financier, but never a professional politician, has from the first seen through the fraudulent devices of the German Government, and has never wavered in his determination to bring the offender to book ; while the greatest surprise of the Belgian people has been that England, pre-eminent by reason of her business and commercial integrity, should, by dissociating herself from the Franco-Belgian policy in the Ruhr, countenance a fraudulent bankrupt like Germany in the deliberate repudiation of her most solemn obligations.

* * *

Lord Robert Cecil had not the easiest of tasks in his mission to the United States, but his courage, his single-mindedness and his appeal to reason rather than to sentiment carried him through, and his efforts met with a larger measure of success than, in the circumstances, he himself probably anticipated. Strangely enough, one of the most serious charges he was called upon to rebut in his crusade on behalf of the League of Nations was that the League, instead of suppressing the drug traffic, did quite the contrary, a charge to which Mr. S. G. Porter lent the authority of his position as Chairman of the Foreign Affairs Committee of the House of Representatives. As Lord Robert aptly pointed out, the

International Convention of The Hague, 1912, designed to combat and control the evil, and signed by fifty-one of the fifty-two representatives who took part in the Conference, has been strongly supported by the League, the Council having made every effort to secure its universal ratification ; but, as the *New York World* very justly remarks, a world-wide evil of this magnitude can only be controlled by the co-operation of all governments, whereas to this day that of the United States continues to withhold its own.

* * *

The great American Republic, however, is not the only sinner in this respect, for the Helvetic Republic apparently is in no greater haste to append her signature to the Convention, notwithstanding the assurances given by the Swiss delegates at the Third Assembly of the League that the Federal Council would take immediate steps to secure its ratification by Parliament. Switzerland, unfortunately, has the unenviable reputation of being a very hotbed of the manufacture of and traffic in drugs. As Sir Joseph Pope, the Canadian Under-Secretary of State for External Affairs, had occasion recently to report to the General Secretariat of the League, a consignment of 442 lb. of morphine, 117 lb. of heroin, and 65 lb. of cocaine had been exported from Bâle to Canada under the guise of cocoa ; and the *Journal de Genève*, commenting on the fact, confesses how difficult it is to understand the apathy of the government of so humanitarian a people as the Swiss, unless it is itself under the narcotic influence of the drugs that are manufactured on so vast a scale within the confines of the country.

* * *

The Czecho-Slovak Premier, M. Antonin Svehla, who recently celebrated his fiftieth birthday, if less known as a militant champion of his country than the other founders of the republic, President Masaryk, Dr. Benes and the late Dr. Raschin, has performed good work for the liberation of Czecho-Slovakia and has been aptly described as the chief of staff of the Czecho-Slovak revolution. During the war, while a number of political leaders were fighting for the independence of the Czech State abroad, the inner politics at home were concentrated

Notes of the Week

in his hands. He has also been closely associated with the foreign relations of the Czechs during the time of their greatest persecution. Since the revolution of 1918, in which he took a vigorous intellectual part, he has been Minister of the Interior and also President of the Committee of the Coalition Parties. By profession a farmer, M. Svehla early devoted himself to political work among the agricultural classes, and founded the Agrarian Party, the largest of all the parties in Czecho-Slovakia, of which he is now the leader. By reason of his spirit of conciliation, deep knowledge of internal conditions, sense of the needs of the State, modesty and absence of acquisitiveness, he was the statesman best qualified to find such points of contact among the five chief political groups (National Democrats, Catholics, Agrarians, Czech Socialists, and Social Democrats) as enabled him to form the present Coalition Government.

* * *

A French textile trade journal gives a number of countries which would be likely to afford markets for French textile products, and as they are equally accessible to British goods, these countries may perhaps usefully be cited here. These potential markets are Abyssinia, where, among imported cotton goods, ordinary brown holland for bed sheets is most in demand; the Argentine, which offers markets for ready-made clothing, the native manufacture of which is still in its infancy; and Switzerland, where gloves are dear and, leather gloves costing from Fr.8 to Fr.10 a pair, most people do without them. During the war a large part of the Abyssinian trade was captured by Japan, but this has been regained by France and Belgium, which are now serious rivals to Great Britain and India in respect of cotton goods. In the Argentine only a few large retail houses have opened showrooms, fairly well equipped as to variety and cut. The prices of men's suits vary from 45 to 200 paper pesos, a suit of good quality costing at least 130 pesos. Customs duties, however, are rather high, but it would pay to import half-finished suits for completion in Buenos Aires.

* * *

After a decade of turmoil and strife Mexico is now experiencing a peaceful revolution under the auspices of President Obregon which bids fair to convert what was practically a benighted feudal State into an enlightened modern one. Dr. José Vasconcelos, Secretary of Public Instruction, tells us that at the outbreak of the Revolution, out of a population of fifteen million, twelve million were "illiterate, poor, subject, all of them controlled by one man and economically by one hundred families." It was the purpose of the Revolution to transfer this power from the landowners to the people, with a view to the creation of new sources of revenue which would provide the means required for the establishment of a comprehensive system of education which would transform a race of mere inhabitants into a nation of citizens and men. The success of President Obregon is reflected in the budget of the Education Department, which has had placed at its disposal for the current year 49 mill. pesos, or over \$24 mill., as compared with a maximum of 8 mill. pesos ever allocated under General Diaz and 6 mill. pesos under the Carranza Administration.

* * *

A perusal of Dr. Vasconcelos' contribution to the latest *Bulletin of the Pan American Union* on "Education in Mexico: Present Day Tendencies" is sufficient indication of the immense changes that

have already been achieved. The Government took steps first of all to secure co-ordination in educational matters between the Federal and State authorities. Its next care was to raise the status of the teaching staff, by doubling and even trebling the salaries of teachers, and encouraging them to organise according to their own knowledge and experience, independently of politicians and governing boards; and that the outlying districts might not be sacrificed to the advantage of the more important centres the best salaries were paid to teachers who would accept situations in the more remote sections, while every effort was made to secure the ablest members of the profession for the work. A system of free breakfasts has been provided everywhere for the poorest children, and a regular medical inspection with practical attention and treatment has been instituted, as well as a free dental service. And in addition to this, free baths, swimming pools and playgrounds are being established at every school as quickly as possible.

* * *

In the elementary schools the teaching consists of reading and writing, with brief courses in history, geography and arithmetic spread over two years, after which the pupil proceeds to the Upper School, which provides a four years' curriculum. Then the pupil who can pursue his education goes to one of the twenty colleges to train for professional work, ending finally at one of the four large universities of Mexico City, Guadalajara, Yucatan and Monterrey. Travelling teachers of manual training give free instruction in carpentry, blacksmithing and agriculture in the smaller towns and villages. The Education Department, however, is equally solicitous of the welfare of the Indian population, whose children are first taught Spanish and are then absorbed in the regular elementary, secondary or professional school on the same terms as the rest of the population, in order to break down the caste system and assimilate the Indian to the rest of the community. The Department has also established over two thousand of the smaller type of public library as an adjunct of the school all over the country, and its printing presses are pouring out readers by the hundred thousand for free distribution among children, text-books or manuals for railroad workers, electricians and other mechanics, a series of classics for the extension of the higher culture, and a monthly magazine for free distribution among schools and teachers.

* * *

The Department, however, is now concentrating on the work of improving the universities, and of transforming the manual training schools into modern technical schools, where mechanics of all sorts can be trained and workers in applied science, mainly with the object of increasing production and of developing the natural resources of a country of immense agricultural possibilities and teeming with mineral wealth. In the building up of this great educational edifice it is pleasing to observe that the interests of Art have not been neglected, for there is a Conservatory of Music and a School of Fine Arts, which send out musicians and artists to the primary schools to give tuition in singing and drawing, and a special body of teachers of calisthenics has also been provided. And side by side with the development of art in the school, choral groups have been established in the large cities from among the common people, the population of Mexico City, for instance, being divided into eighteen sections, each with a night school for the teaching of music in general and singing in particular, and each group with a maximum of one thousand voices taught by the same system as is used in the schools.

FRANCE

POLITICAL AND GENERAL

The Ministry of Commerce is about to resume the publication of the *Moniteur Officiel du Commerce et de l'Industrie*, which was suspended during the war. This publication, which will appear twice a week from May 30, will contain information supplied by all the public departments and by diplomatic agents, French commercial offices abroad, foreign trade councillors and French Chambers of Commerce in foreign countries.

Labour Day has passed off uneventfully, in fact, the results are described by a Paris journal as a record of indifference on the part of the workmen. In Paris, work proceeded steadily, the absentees in most trades being few or non-existent. It is true that there were no taxis on the streets, but it is probable that their drivers abstained from fear of collisions with demonstrators rather than from sympathy with them. The short demonstration by the transport workers, a stoppage of public vehicles for ten minutes from 3 to 3.10 was a subject of banter rather than of annoyance. The metal and engineering works in Paris itself, especially the large and medium-sized establishments, remained at work, but in those of the suburbs the observers of the festival ranged from 10 to 15 per cent. of the staff. Among transport workers the number of absentees was normal, about 300 in 25,000; in the lighting establishments stoppage of work was practically nil and did not affect their services; in the markets the day was not observed at all, and in the municipal slaughter-houses only by 80 in 1,000; among dustmen and scavengers the absentees numbered 540 out of 47,000. The greatest number of idlers appear to have been found among the Trade Union officials told off to check the cards of members who remained absent from work. These officials, indeed, had very little occupation. With the exception of Lille and Roubaix-Tourcoing, where the textile strike is just terminating, and where absence from work was general, the attitude of the provincial towns was a replica of that of Paris. In a few towns, Troyes, Nantes and Havre, for instance, a number of those celebrating Labour Day by doing no labour reached nearly 50 per cent, and the printers of Lyons deprived that city of its newspapers for the following day, but in the great majority of towns business was as usual.

The conflict on the question of summer time, a conflict between town folk and country folk, continues to rage, and the arguments used by both sides appear to the editor of the *Journée Industrielle*, who is disposed to listen to both impartially, to be equally convincing. A deputy for a rural constituency complains that summer time is particularly oppressive for women, especially such members of farmers' families whose task it is to bring into the town perishable articles, a task rendered much more vexatious by having to be performed at undue hours. Should summer time, continues this Deputy, be made legal, discussion between primitive agricultural associations, and the much better organised municipalities, will be rendered impossible, as the municipalities supported by the Act will reject all compromise, and therein lie important questions closely connected with the desertion of the country. Manufacturers announce that in hundreds of factories, especially in those near the Belgian frontier, work is completely disorganised by the confusion existing in the railway time tables, for which no remedy is to be found as the whole course of existence has come "unstuck."

The substitution of General Weygand for General Gouraud as High Commissioner of Syria is somewhat significant, as the former enjoys the reputation of being the best military expert and organiser in France, having served as Marshal Foch's Chief of Staff throughout the war, although General Gouraud himself served with

distinction in the war, having previously had considerable experience of Colonial service. As a result of a consultation at the Foreign Office between General Pellé, the French representative at Lausanne, and General Weygand, it was decided, in view of the disquieting concentration of Turkish troops near the Syrian border, to reinforce the French forces in Syria, at present consisting of 26,000 men.

FINANCE

THE PROGRESS OF RECONSTRUCTION.

A previous number (ECONOMIC REVIEW, Apr. 27, p. 355) gives the amount required for the reconstruction of the devastated area, taken from an article in the *Information Financière*. The same journal now shows the actual material work accomplished and remaining to be accomplished. The writer emphasises the fact that all this work which has been performed at the expense of France is chargeable against Germany under the Treaty. The settlement of damages to the person, he continues, is in an advanced stage. The payment of pensions will be practically concluded in the course of the year. All that will then remain to be done is the renewal of temporary pensions and the payment of allowances to the lineal ancestors of the dead in proportion as they shall reach the age fixed by law. On the whole, the gross expenditure necessitated by the annual payment of pensions has been met and the maximum expenditure figure has now been reached. No doubt, for some years to come, the falling off in pensions and allowances will be balanced by allowances to be made to lineal ancestors, but from 1925 the annual charge on the State in respect of damages to the person cannot but decline.

Despite all the despatch employed in the reconstruction of property, within the limit of the national resources, a vast amount of work still remains to be done. The following figures show the position as regards damages done, the number of inhabitants, etc. (a) at the date of the armistice, (b) amount reconstructed or restored on Jan. 1, 1923, (c) reconstruction, etc., remaining to be done:

1. *Dwellings*. Number of houses destroyed or seriously damaged, (a) 741,993, (b) 553,977, (c) 188,016; number of dwellings provisionally rebuilt and of huts erected, (b) 152,250; number of inhabitants remaining in the district, (a) 2,075,067, (b) 4,074,970, (c) 615,213.

2. *Damage to Agriculture*. Extent of ground damaged (in hectares), (a) 3,306,550, (b) 3,018,000, (c) 288,550; extent of trenches originally existing and subsequently filled up (in cubic metres), (a) 333,000,000 (b) 280,102,300, (c) 52,897,700; barbed wire entanglements and their removal (in square metres), (a) 375,000,000, (b) 287,200,815, (c) 87,790,185; agricultural land, (a) 1,923,479, (b) 1,698,200, (c) 225,279; number of farm buildings provisionally reconstructed and repaired, (b) 50,700; number of buildings repaired (b) 75,260; number of head of live stock supplied by the Government or by private persons, cattle (head), (a) 834,933; (b) 523,848; horses, mules, asses (head), (a) 375,393, (b) 299,690; sheep and goats (head), (a) 890,794, (b) 407,782; swine (head), (a) 331,656, (b) 184,251.

3. *Damage to Industries*. Number of factories (a) 22,900, (b) 19,967, (c) 2,933.

4. *Public Services*. Railways of public interest (km.), (a) 2,400, (b) 2,400; local railways (km.), (a) 2,400, (b) 1,523, (c) 886; canals (km.), (a) 1,137, (b) 1,050, (c) 87; municipalities, number of communes suppressed and restored, (a) 3,255, (b) 3,238, (c) 17; schools, (a) 7,401, (b) 7,125, (c) 276; number of scholars in the schools, (a) 668,692, (b) 484,800, (c) 183,892.

It will be seen from the above figures that the chief work still remaining to be done consists of the rebuilding of dwelling-houses. When it is remembered

France

that almost the entire population has returned to the devastated areas and that about one-third is lodged in huts, more or less provisionally, it will be seen that the efforts will have to be concentrated on the reconstruction of buildings. These reconstruction works do not represent annual payments to be extended over a term of years, but an immediate capital payment. The valuation of damages is in an advanced stage, so that the total amount of compensation assigned to the State by the Act of Apr. 17, 1919, can now be estimated. After taking into account the total claims made by the victims of the invasion, subject to the reductions thereof made by the competent authorities, the total amount of compensation due is reckoned at 85 milliards of francs. Of this, some 41 milliards had been paid by Dec. 31, 1922, leaving 44 milliards to be paid by the Treasury. In view of Germany's total default recourse must be had to private capital. [The reader will have doubtless noticed the discrepancy (which appears in the originals) between the article published in the issue of Apr. 27, and the present one, both by the same writer, consisting of the statement in the latter that the sum of 85,330 mill. has been actually expended by France, whereas the present article clearly states that the 85 milliards (round figures) represents the amount of the damage of which 41 milliards have been expended by France.]

THE COLLECTION OF REVENUE: A COMMENT.

The *Agence Economique et Financière* quotes the following extracts from an article by M. Henri Bérenger, reporter to the Finance Commission of the Senate, in the *Amalités*, on the results of the collection of revenue: The recently published returns of the revenue collected in the first quarter of 1923 show that never have French taxpayers more satisfactorily paid their taxes, and that never has the fiscal effort made by the country been more strenuous, progressive and continuous. Particularly satisfactory is the contribution to the country's expenditure by the ten invaded departments of the North and East, a contribution which is gradually increasing and which will eventually reach the amount required for interest on the capital advanced to these departments by the rest of France. This result fully justifies the loans made to these districts since 1919, and affords the strongest proof that the re-establishment of the Budget balance is henceforth assured. Judging from the increase of the revenue returns, the yield from taxes and monopolies during 1923 should exceed 21 milliards of francs. If, therefore, the Senate accepts the vigorous reduction in the expenditure of the public departments, proposed by its Finance Commission, which will certainly amount to Fr.800 mill., it may be safely predicted that the Budget for 1923 will show a balance without the imposition of fresh taxation of any sort. Once the ordinary Budget is balanced, it will remain for France to obtain repayment from Germany of the floating debt of 100 mill. incurred in respect of reparation loans. Frenchmen have already succeeded in paying their taxes at home, and will also know how to obtain due settlement of their foreign claims.

M. YVES GUYOT ON THE EXPORT OF CAPITAL.

The well-known economist, M. Yves Guyot, in an editorial note to the *Agence Economique et Financière*, criticises the policy of restricting the export of capital. He takes for the text of his theme the following passage from the report of the Comptoir National d'Escompte, read and approved by its chairman, M. Paul Bayer, at the annual meeting: "It has been noted in previous reports that every time that the Government has timidly loosened the bonds with which it fettered the country during the war, the liberty thus accorded has produced beneficial results. Such was the experience a few months ago on the removal of restrictions

on dealings in Rentes, and it will be repeated, let us hope, when the Government finally decides to remove the interdiction which excludes the French market from participating in international capital operations." The Governor of the Banque de France, adds M. Yves Guyot, also demonstrated that the real remedy for violent fluctuations in the exchange was the freedom to export capital "which would serve to counteract the influence of the purchase and sales of francs conducted abroad, beyond French control. It would then become possible to constitute abroad at times when the franc was depreciated sufficient stocks to act upon (foreign) prices when on the rise." This is clear, comments M. Yves Guyot, and it was to be hoped that on Mar. 31, the date of the expiration of the Act prohibiting the export of capital, liberty to export would be restored; but not at all, for the Government, or rather certain permanent officials, have slyly taken advantage of the system of monthly provisional estimates in force pending the passing of the Budget for 1923, to maintain the prohibition. In a note issued on Mar. 30 the Minister of Finance announced that the operation of the law relating to the prohibition of the export of capital and import of securities would be extended until May 31, 1923. Will, asks the writer, the same policy be followed in the next provisional estimate? If the Government continues blindly to play the game of the officials who cannot make up their minds to be dispensed with, it is time for the Finance Commissions of both Chambers to take action.

SOCIAL AND LABOUR CONDITIONS

THE POPULATION MOVEMENT IN 1922.

The papers refer to the official statistics recently published in the *Journal Officiel* relating to births and deaths in 1922 without in any case reproducing the figures. A comment on the results by the *Journal des Débats*, however, shows the number of births to have exceeded that of deaths by 70,573, but the number of the former registered during the year fell short of that registered in 1921 by 53,550. If the balance is slightly in excess of that shown in 1921, it is due to a decline in deaths of 7,106, a factor which in itself has no influence on the increase or decrease of the population. The *Journal des Débats* considers the figures unsatisfactory, although not so bad as in some years, seeing that even certain pre-war years showed a decline in population owing to the excess of births over deaths, for example, in 1914, and the excess of 58,914 births in 1913 was acclaimed as highly satisfactory. Still the situation at the present time gives cause for uneasiness in view of the loss in the war of nearly a million and a half fathers of families actual or potential. These lost families can never be made good. The French figures are bad in comparison with other belligerent countries which are showing signs of recuperation, for example Germany, with an excess in 1921 of 700,000 births, Italy with an excess of 460,000, and Great Britain with 390,000 in 1921 and 293,000 in 1922.

PROFIT-SHARING.

The replies of various trade organisations—Chambers of Commerce, etc.—to the Government inquiries on the results of profit-sharing already instituted by certain firms and of the advisability of a compulsory introduction of the system appeared in our last issue. Since publication, however, the Ministry of Labour has issued a summary of all the information obtained in the course of the inquiry. This report deals with the result of the application of certain legal provisions, and with the result of the adoption of the system by private enterprises. There does not exist at present any legislation on the subject affecting industrial and commercial undertakings as a whole; the only Acts at

present in force are those bearing the following dates : (1) Dec. 13, 1915, affecting workmen's co-operative societies of production, and of loans to labour ; (2) April 26, 1917, regarding joint stock companies on a profit-sharing basis ; (3) Sept. 9, 1919, amending the clauses of the Mining Act of April 21, 1810, dealing with the length of concessions and the participation of the State and of the workmen in profits ; (4) Oct. 29, 1921, relating to the new system of management of railways which contains provisions, the application of which may confer on the staffs of the chief lines the right to a limited participation in profits. The information received as to the results of profit-sharing in workmen's co-operative production societies relates to 1920, and has been collected from replies to a questionnaire addressed to 475 societies. Of these 147 did not reply at all, and the replies of the remaining 328 are not always complete. The building industry supplies the largest number of co-operative production societies, comprising 95 societies with 3,030 workmen, of whom 1,957 are not associated. The statutory share of profits reserved to the workmen employed is given by 263 societies ; 170 societies grant from 25 to 30 per cent. as the share in profits, 62 grant 31 to 40 per cent., 21 from 41 to 50 per cent., and 10 more than 50 per cent. Ten joint stock companies on the profit-sharing system have been formed under the provisions of the Act of 1917, and of these three have gone into liquidation and two failed to constitute their labour co-operation scheme within the prescribed time. The Ministry of Labour gives a list of 51 mining concessions granted under the Act of September 1919.

The first part of the report gives ample documentary evidence of profit-sharing as provided by law. The second part treats of profit-sharing by private initiative. The enquiry has been as thorough as possible. All the undertakings mentioned as adopting the profit-sharing system are included, provided they have complied with the following conditions : Firstly, that the sums assigned to the workmen depend on profits actually earned ; secondly, that this deduction gives ground for individual distribution. Of the 168 undertakings 75, distributed among various classes of industry, have complied with the conditions. They comprise 17 banking and insurance enterprises, 15 metal, 13 com-

mercial, 5 clothing, 4 publishing, and 21 miscellaneous. They employ 102,000 workmen and clerks, of which 62,000 work for the Orleans Railway Company. (It should be noted that the profit-sharing system has not been in force in the last-named company for several years for the excellent reason that there have been no profits.) Among the above undertakings which employ over 1,000 workmen are included some of the great outfitting establishments of Paris, the Bon Marché, Samaritaine, and Palais de la Nouveauté. Only in six of the cases under consideration has profit-sharing formed the object of a formal agreement between employers and employed. In 42, in default of such agreement, the profit-sharing proviso is contained either in the articles of association of the undertaking or in regulations drawn up by the proprietor, and are consequently brought to the knowledge of the workmen. The regulations to profit-sharing are so varied that the inquiry has not been able to obtain any precise information as to the proportion of the profits granted. Generally speaking, workmen sharing in profits take no part in management. In 17 establishments out of 75 a partial control is admitted chiefly limited to inspection of the books but giving no right of criticism, the owner of the undertaking reserving to himself full right of decision. In four undertakings the absolute right of control exists. According to information obtained the average share of profits earned by each workman in all the undertakings the object of the inquiry is Fr.624 a year, varying from a minimum of Fr.24 in one undertaking to a maximum of 4,169 in another. The inquiry shows that the average proportion of workmen sharing in profits to the number employed is 72 per cent.

The report sums up the result of the inquiry in the following terms :—"The information supplied by heads of undertakings is very contradictory. It appears to be generally admitted that profit-sharing makes for the stability of the staff, but this view is generally disputed when it is a question of the productivity of the labour of the participants and of the relations between the workmen and their employers. The influence of profit-sharing on the stability of the staff is only denied by three undertakings employing 1,300 hands, and is asserted by 24 undertakings employing in all 23,479 hands."

BELGIUM

POLITICAL AND GENERAL

The terms of the new proposals submitted by the German Government in connection with the reparations question have caused general disappointment : the indemnity suggested is ridiculous, the guarantees offered are illusory, while Germany's expressed determination to continue the policy of passive resistance until the occupied districts of the Ruhr have been evacuated cannot be reconciled with the firm resolve of France and of Belgium not to enter into negotiations until such resistance has been abandoned, and only to withdraw bit by bit as Germany meets her liabilities ; finally the proposal to remit any difficulty about reparations to an independent international commission implies a surrender of specific rights conferred on France and on Belgium by the Treaty of Versailles. Far from being an attempt at conciliation, says the *Indépendance Belge*, the Note is a fresh provocation, drafted in the spirit of conquerors imposing their law on the vanquished : in fact, it is the best justification needed of the Franco-Belgian occupation of the Ruhr.

The visit of the King and Queen of Spain, whose progress through the streets and along the boulevards of Brussels was a series of ovations, served to revive some painful memories at a critical juncture in the relations of Belgium and Germany, for a delegation representing

the political and deported prisoners of war and the families of such as had been shot (211), done to death by starvation or ill-treatment (1,500), or who had died in exile (4,000) had occasion, through their spokesman, the Comte de Hemptinne, to tender to King Alfonso a tribute of their gratitude for the great assistance he had lent them during those terrible days of the German occupation, when his was the only moral authority and influence that could stay the hand that struck and destroyed. When one recalls the records of that occupation and compares them with the tale of the present occupation of the Ruhr, which has elicited such undignified outbursts of rage in Berlin, one can only marvel at the distorted sense of proportion that the German mind has developed in these days of comparative peace.

Much has been said and written about the ineffectiveness of the Allied occupation, but, as M. Theunis points out, in a few weeks the amount of coal and coke received by France and Belgium has risen from 900 t. a day to 8,000 t., and any day now the 10,000 level will be reached. As a result, not a single blast furnace has had to be extinguished in Belgium, while those which had had to be blown out in France will very shortly be blown in. Traffic on the Rhine, also, is not quite the dead letter it has been represented to be, judging from the February returns of trade at the various Rhine ports, viz. : Imports—Duisburg, 36,000 t. ; Ruhrort, 174,400 t. ;

Belgium

Alsum, 83,000 t.; Walsum, 41,200 t.; Rheinhausen, 91,000 t.; Hochfeld, 7,000 t.; Neuss, 11,900 t.; Heerdt, 3,900 t.; Düsseldorf, 41,000 t.; Crefeld, 25,400 t.; Wesel, 22,300 t.; and Uerdingen, 4,800 t. Exports—Duisburg, 23,000 t.; Ruhrort, 135,400 t.; Alsum, 38,000 t.; Walsum, 24,300 t.; Rheinhausen, 7,900 t.; Hochfeld, 5,200 t.; Neuss, 1,900 t.; Heerdt, 875 t.; Düsseldorf, 1,300 t.; Crefeld, 630 t.; Wesel, 5,000 t.; Uerdingen, 1,400 t.; Orsoy, 24,400 t.; and Rheinpreußen (coalmines), 58,500 t. Summing up the returns, the *Neptune* puts the total imports for February at 548,000 t. and the exports at 334,000 t. in respect of all Rhine ports from Emmerich to Düsseldorf.

TRADE

FOURTH BRUSSELS COMMERCIAL FAIR.

The Fourth Brussels Commercial Fair, which opened on April 9 and closed on the 25th, has been a greater success even than the previous one. The ground occupied by the first Fair in 1920 measured 19,419 sq. m., by the second 36,400 sq. m., by the third 38,400 sq. m., while the fourth covered 42,200 sq. m. The statistics of exhibitors are also satisfactory: 1,602 in 1920, 2,349 in 1921, 2,214 in 1922, and 2,356 in 1923. The principal countries represented, outside of Belgium, were: France, 478 exhibitors; Great Britain, 97; Holland, 79; the United States, 61; Italy, 37; the Grand Duchy of Luxemburg, 23; Czecho-Slovakia, 18; and Switzerland, 17. Russia, however, who had offered to co-operate, was excluded.

INDUSTRY

THE QUARTER'S COAL REPORT.

The table below gives the output of coal and the production of coke and briquettes for the first three months of the year, in tons:—

	Coal.	Coke.	Briquettes.
January ...	1,994,230	324,110	220,620
February ...	1,604,380	293,760	186,530
March ...	1,924,110	332,530	174,550
Total ...	5,522,720	950,400	581,700

Stocks of coal at Dec. 31 amounted to 265,370 t.; by Jan. 31 these had fallen to 237,330 t., by Feb. 28 to 189,940 t., and by March 31 to 149,820 t. As regards coal, the March output exceeded that of the corresponding month last year, when for the first time since the Armistice production was in excess of the pre-war output. The strikes in February affected considerably the returns.

No official figures are available of the receipts of coal and coke from the Ruhr, for political reasons; but the *Moniteur des Intérêts Matériels* (May 4) claims to be in a position to furnish particulars of the amounts supplied to blast furnaces and steelworks. In April producers of pig iron received from 8,500 t. to 9,000 t. of coke as against from 7,000 t. to 8,000 t. in March, while the steelworks received from 1,100 t. to 1,200 t. of flaming coal and gas coal as against 200 t. in March and 600 t. in February. The regular supply prior to the occupation of the Ruhr included 34,000 t. of coke a month, and it is confidently expected that within two or three months the monthly consignments of coke will amount to 40,000 t. and those of coking coal to about 150,000 t. Speaking generally, the supplies are increasing month by month, and the requirements of consumers are fairly

satisfactorily met. On May 1, Labour Day, 20 trainloads of coke, one of coal and one of by-products were despatched from Düsseldorf to France and one of coal to Belgium, including 11,800 t. of coke, 8,000 t. of coal, 3,500 t. of coke "de brai" capable of producing 4,000 t. of briquettes, and 100 t. of benzol.

The latest quotations for Belgian coke are, for ordinary Fr.144, for half-washed Fr.160, and for washed Fr.185, or a rise of Fr.18, Fr.20 and Fr.20 respectively since Feb. 15. Coke produced with an admixture of British coal, however, is much higher, the latest in a rising market being Fr.185, with the likelihood of the next quotation being near the Fr.200 mark.

IRON AND STEEL REPORT FOR THE QUARTER.

In January there were 35 blast furnaces working, and 36 in February and March. The production of pig iron for the quarter was 486,470 t. as against 304,280 t. last year, and of raw steel 496,020 t. as against 254,410 t. The steelworks produced 23,710 t. of first castings and 454,770 t. of finished products as against 12,824 t. and 262,570 t. respectively last year, while the ironworks turned out 55,880 t. of finished products as against 41,682 t. last year. Finally, the production of zinc amounted to 34,980 t. as against 24,950 t. in the first quarter of 1922. The market is reported to be extremely quiet, being largely influenced by the uncertainty of what the future has in store. Orders are very scarce, and foreign ones practically non-existent.

THE GLASS INDUSTRY.

The conditions in the window glass section are reported by the *Neptune* to be quite satisfactory; large home and foreign orders have been booked during the last months, but there was room for more. In March the output aggregated 21 mill. ft. as against incoming orders for about 17 mill. ft., but in April orders barely amounted to two-thirds of the output. Working expenses unfortunately have risen considerably as a consequence of the increase in wages (77 per cent.), and of the increased price of coal (20 per cent.) and of sulphates (Fr.5); but what is worse, the better sorts are contracted for several months ahead at the old rates, with the result that manufacturers are producing at a loss. The marked fall of the franc at the end of February brought in a rush of orders from South America, China, Japan, Australia, North America, and India, but the spurt has already died out.—The great demand for building material of all sorts has benefited the refractory goods section to a considerable extent. Most of the factories are in full work, especially those that cater for the metal industry, producing bricks, slabs, etc.; on the other hand, the manufacture of gasometer retorts is rather slack, export to Germany being prohibited. The market generally is firm, but business is not what it should be. Manufacturers complain of the high price and shortage of fuel, and some works are hard put to it to satisfy their bare requirements. In the crockery and earthenware section there are ten factories busy turning out common, white, ornamented and fancy, and one firm is producing the usual art work, including statuettes, etc. The market generally is good, and orders plentiful, but wholesale prices have gone up following the rise in the price of coal and in wages.—Finally, the outlook in the plate-glass section is excellent, as numerous orders are being received from the motor industry in the United States, the Ford works being Belgium's best customer.

GERMANY

FINANCE

REICH REVENUE IN MARCH.

The revenue from taxes and Customs in March totalled Mk.506.3 milliard, compared with Mk.337.7 milliard in February and Mk.281.9 milliard in January. Property and traffic taxes brought in Mk.305.5 milliard, compared with Mk.217.7 milliard in February. The yield from income tax was Mk.188.6 milliard (103.8 milliard in February); from the tax on business turn-overs, 41.9 milliard (83.2 milliard); Customs, 25.3 milliard (20.9 milliard); security transfers, 39.4 milliard (14.6 milliard); coal tax, 99.7 milliard (26.6 milliard); tobacco tax, 21.8 milliard (15 milliard); spirit monopoly, 2.1 milliard (7.3 milliard); export dues, 46.9 milliard (46.6 milliard). (*Deutsche Allgemeine Zeitung*, April 25.)

REPORT OF REICHSBANK FOR 1922.

At the general meeting of the Reichsbank, the following results for 1922 were announced (the figures in brackets refer to 1921):—Gross profits amount to Mk. 64.5 milliard (9.78 milliard). Administrative expenditure totalled Mk.4.2 milliard (0.34 milliard), losses incurred through guarantees assumed during the war 10 milliard (0.46 milliard), other expenditure Mk.6.7 milliard (8.41 milliard), making a total expenditure of Mk.20.9 milliard (9.21 milliard). Net profits totalled Mk.43.5 milliard compared with Mk.565 mill. in 1921. Over one-half of this sum is to be placed to the reserve. The great increase in the commercial portfolio necessitates the placing against this item of Mk.16 milliard. Fr.10 milliard are intended for building purposes. The actual profits remaining are Mk.17.5 milliard, of which Mk.17.2 milliard (541 mill.) goes to the Reich. Mk.72 mill. (18 mill.) will be divided among the shareholders at an interest rate of 40 (10) per cent. These figures show that gross profits are nearly seven times as high, net profits are nine times as high, and the share of the Reich is thirty times as high as in 1921. The dividend, on the other hand, has only been quadrupled. (*Berliner Börsen-Zeitung*, April 27.)

NEW DISCOUNT RATE DISCUSSED.

With reference to the raising of the Reichsbank discount rate from 12 to 18 per cent. on April 23 the *Berliner Börsen-Zeitung* of that date points out that when the rate was raised on Jan. 18 from 10 to 12 per cent. the bank insisted then that the increase was not great enough to effect a sufficient reduction in the calls on its funds. A glance at the development of the Reich finances and the growth of the floating debt affords convincing proof of the necessity for the recent decision. On April 7 the sum representing discounted Reich Treasury Bills was Mk.4,798,239.7 mill., compared with Mk.1,184,464.4 mill. on Dec. 30, 1922; cheques and commercial bills were represented by Mk.2,423,181.9 mill., as compared with Mk.422,235.3 mill.; loans were represented by Mk.2,952.1 mill., compared with Mk.774 mill.; the note circulation amounted to Mk.5,624,113 mill., compared with Mk.1,280,094.8 mill. Very special reasons must underlie such a large rise as 6 per cent. They are probably chiefly connected with the recent well-known events on the foreign exchange market, viz. the buying of large sums in foreign currency after the Reichsbank had stopped business for the day, transactions imputed by certain organs of the Press to Stinnes. Another reason for this action is to prevent large circles of people, the municipalities among them, from satisfying their financial demands through the loan banks and to oblige them to turn to the open money market. The Reichsbank and loan banks are thus to be relieved of a burden which they were

not really intended to carry. The action must be considered a further step in the scheme for supporting the mark. Whether it will have this effect is very doubtful, for when the rise in the rate of discount was announced, foreign currencies rose in value.

It is interesting to follow the course of the Reichsbank discount rate since before the war. In November 1912 it was 6 per cent.; in October 1913, 5½; December, 5; January 1914, 4½; February, 4; July, 5; August, 6; December, 5; the next change was in July 1922, to 6; August, 7; September, 8; November, 10; January 1923, 12; April, 18.

It is also of interest to glance at the present official discount rates obtaining in other countries. In Vienna the rate is 9 per cent., in New York the Federal Reserve Bank discount rate for 3-month commercial bills is 4½; the London rate is 3; Paris 5, Amsterdam 4, Brussels 5½, Italy 5½, Lisbon 7, Switzerland 3, Madrid 5, Copenhagen 5, Christiania 5, Stockholm 4½, Helsingfors 8, Tokio 8, Sofia 6½, Bucharest 6, Budapest 8, Athens 6½, Russia 6, Prague 5, Warsaw 7, Calcutta 5.

The explanatory speech of Herr Havenstein, President of the Reichsbank, on the action of the Reichsbank, was reported by the *Vossische Zeitung* (April 24). Havenstein addressed an urgent appeal to the banking world to support the policy of the Reichsbank on the Bourse and requested the banks not to allow their representatives to give any orders for the purchase of foreign exchange that did not really represent the requirements of trade and industry. The bank directorate hoped that its present action would not be interpreted by the banking world as a signal to render still dearer for their clients the possibilities of credit. It hoped the banks would be able to agree among themselves regarding the height of new interest rates and charges.

Georg Münch, the financial editor of the *Vossische*, writes on April 29 that in so far as debit accounts are concerned, the banks have in no way met the request of the Reichsbank to keep their rates of interest at a moderate figure, notwithstanding the higher official discount rate. They have raised their rate of interest on current debit accounts by 6 to 20 per cent. Already before, when the discount rate was 12, bank loans often cost 40 per cent. and more, so high were their charges. All who are able, try to obtain the credit they require direct from the Reichsbank. A great wave of increased credit is thus rolling across the country. In normal times that might be no disadvantage, for it would prevent wholesale traders from holding back stocks with speculative intentions, and would help to lower prices. To-day, however, a vital factor impedes the possibility of such an occurrence. The flood of Treasury bills which are poured out from the Reichsbank and which create hundreds of milliards of fictitious money, will not result in credit restrictions, even if the discount rate is raised.

COMPANY AMALGAMATIONS.

The number of amalgamations which have recently occurred in German industry is noteworthy. The latest announcement is the fusion of two large life insurance companies, the Preussische Lebens-Versicherungs A.-G. and the Berlinische Lebens-Versicherungs Gesellschaft under the title Vereinigte Berlinische und Preussische Lebens-Versicherungs-Aktiengesellschaft. At the general meeting of the Berlinische, after the fusion had been sanctioned, it was decided to raise the original capital by Mk.12 mill. to Mk.15 mill. by the issue of 3,000 shares of Mk.3,000 and 2,000 shares of Mk.1,500. The shares will be paid up to the extent of 25 per cent., and will be offered to the shareholders of the Preussische in exchange for their present ones. It was further decided to raise the

Germany

original capital by another Mk.9 mill. to Mk.24 mill. by the issue of 3,000 new shares of Mk.3,000. These shares will also be paid up to the extent of 25 per cent. and will be offered to holders of the old Berlinische shares in the proportion of one old share to three new ones. It was also decided to raise the share instalment on the original Mk.3 mill. worth of Berlinische shares from 20 to 25 per cent. and to find the required sum of Mk.150,000 out of the company's funds. (*Berliner Börsen-Zeitung*, April 25.)

The *Frankfurter Zeitung* reports the amalgamation into the Alliance of South German Mortgage Banks (Arbeitsgemeinschaft Süddeutscher Hypothekbanken) of the Frankfurter Hypothekbank, the Pfälzische Hypothekbank in Ludwigshafen, the Rheinische Hypothekbank in Mannheim, the Süddeutsche Bodencreditbank in Munich and the Württembergische Hypothekbank in Stuttgart. Contrary to most joint enterprises, it is not intended to pool the profits. The joint capital of the Alliance will total Mk.273.85 mill. At the end of March the total issue of mortgage bonds and other promissory notes was valued at Mk.3,988 mill.

CAPITAL INCREASE OF LARGE BANK.

The supervisory council of the Deutsche Vereinsbank, Frankfurt à Main, has decided to ask permission at the general meeting on May 16 to raise the original capital from Mk.200 mill. to Mk.500 mill. by the issue of fully paid-up shares to the value of Mk.200 mill. and of shares to the value of Mk.100 mill. paid up to the extent of 25 per cent. The bank has already raised its capital since the war as follows: at the end of December 1919 from Mk.30 to 40 mill., at the end of January 1921 to Mk.60 mill., at the beginning of December 1921 to Mk.100 mill., at the end of December 1922 to Mk.200 mill. (*Frankfurter Zeitung*, April 19.)

CAPITAL INCREASE OF NORTH GERMAN LLOYD.

The Norddeutscher Lloyd, the annual report of which was published in our issue of last week, is raising its capital from Mk.600 mill. to Mk.1 milliard. The existing preference shares to the value of Mk.125 mill. are to be converted into ordinary shares. The original capital is to be increased by Mk.200 mill. worth of ordinary and Mk.200 mill. worth of preferred shares. The Board and Supervisory Council are also to be empowered to undertake partial or complete self-insurance. The sum which this company will thus obtain by the creation of new ordinary shares to the value of Mk.200 mill. will not weigh very heavily in the balance, even if the price of issue be high, against the present cost of building new shipping. It may therefore be assumed that the new increase in capital is intended for carrying on the ordinary business of the company and strengthening its capital power rather than for building new ships. The Norddeutsche Lloyd has watered its capital very considerably during the last few years, as the following figures show. In 1906 it increased it from Mk.25 mill. to Mk.125 mill., in March 1921 to Mk.250 mill., in December 1921 to Mk.475 mill., in 1922 to Mk.600 mill. The 1922 rise of Mk.125 mill. was in respect of preference shares alone. They were subscribed *in toto* by the Bremer Reederei-Vereinigung and paid up to the extent of 25 per cent. They have not yet been fully paid up. These shares it is which are now being converted into ordinary shares.

The company has made very little progress in shipbuilding during the year. Its total tonnage has increased by only 30,000 g.r.t. Its fleet—48 sea-going ships and 183 smaller craft—is about one-third the size it was before the war—136 sea-going ships and 358 smaller craft, better, therefore, than the Hamburg-America Line, whose fleet is only 22 per cent. of the pre-war. The company has orders placed for shipbuilding which

amount to about 200,000 t. Of these new ships, eight will have a tonnage of over 10,000 apiece, and the "Columbus," 32,000 g.r.t. will, when built, be the company's largest ship. (*Berliner Börsen-Zeitung*, April 26, 28.)

TRADE

PIG IRON PRICES UP AGAIN.

Although pig-iron prices were lowered but a few weeks ago in accordance with the enhanced value of the mark, the renewed drop in the latter has resulted in the rise of these prices again. As from April 24 a general rise amounting to Mk.44,200 per t. came into force. The new maxima are now as follows: Hematite pig iron, Mk.690,500; foundry pig iron I, Mk.660,500; foundry pig iron III, Mk.657,300; open-hearth pig iron poor in copper, Mk.690,500 per t. at the works. The prices of Siegerland open-hearth iron and of spiegeleisen will remain the same. (*Vossische Zeitung*, April 25.)

RAW HIDES RISING IN PRICE.

Prices on the raw hide market have strengthened again wonderfully. Raw hide prices immediately followed the course of the exchange, and increases of from 30 to 50 per cent. as against the rates of the beginning of April, of from 60 to 50 per cent. even as against the lowest rates obtaining in March, are recorded. Not alone the international market price, but the extent of demands was responsible for this latest rise. During the downward movement the leather factories had held back with their purchases. They only kept work going at a minimum, and even then their stocks were at an end. Now, the demand has increased, but slaughtering and therefore the supply of German hides has not augmented, for the high price of home-killed meat and the great consumption of frozen meat have led to reduced slaughtering. The deerskin market is very firm. Purchases have been made on account of the U.S.A., England, the Northern States and certain Mediterranean States. Nowhere, either in South America, the East Indies, or the U.S.A., are there any considerable stocks, and prices have naturally profited by the lively business. (*Frankfurter Zeitung*, April 27.)

INDUSTRY

RUHR COAL AND COKE OUTPUT.

A report on the Ruhr coal market to the *Frankfurter Zeitung* (Apr. 29) states that during April output and sale conditions became still worse. Reliable statistics are not available, but it is estimated that the output did not amount even to 75 per cent. of that in the same period of 1922. The coke output has also fallen off extensively on account of partial work stoppages resultant on the interference of the occupying troops with the plant. No very great quantities of English coal come into the Ruhr district, for the high prices consequent on the rise in the value of the pound oblige many consumers to renounce supplies of English coal. Most of the coal imported via Rotterdam travels under the Dutch flag to the Central and Upper Rhine districts. Since the Dutch have taken energetic action to protect their interests on the Rhine against French action, transportation is proceeding fairly smoothly. Otherwise, Rhine shipping is quite insignificant. No Ruhr coal is passing into unoccupied territory. The French are exercising most rigid control, and the threats of severe reprisals if the coal tax is not paid to the French are not without effect. A kind of miniature warfare is being conducted in connection with coal transport. Power wagons laden with coal are held up and obliged to go back if the official French pass is not forthcoming. Attempts have even been made to retain the coal supplies of the miners. If the coal shortage is not more evident it is solely on account of general economic conditions in the Ruhr. The position of the industries, in so far as they work for export, is so bad, that it is no

longer always possible to produce for stock, since the work is in the main unproductive and is costing huge sums. Work restriction on a large scale is now unavoidable and coal consumption is correspondingly smaller. With the help of foreign labour, consignment on French coal and coke trains is proceeding somewhat more smoothly, but the total results from the French system of fetching their reparation coal remain insignificant. The production of by-products is also very detrimentally affected. Many products desired by foreign countries cannot be exported.

The Essen correspondent of the same paper reports on Apr. 30 that whereas hitherto the output of coal and coke has, since the occupation, been restricted even on the unoccupied mines to the minimum required for the supply of the district, passive resistance has now gone a step further. Not only has coal output been reduced throughout the district to a mere fraction of its former extent, but all the coke furnaces, with the exception of those which produce directly for self-consumers, have been extinguished. Over 80 per cent. of the Ruhr coke furnaces are affected by this measure.

THE ENGINEERING INDUSTRY.

A report on the engineering industry in the *Deutsche Allgemeine Zeitung* (Apr. 28) states that during the first quarter of 1923 the industry suffered badly from the effects of the Ruhr invasion and the collapse of the mark. The demand for labour and employees was small, only occasionally was skilled labour sought. As it was desired to avoid dismissals even where business was slack, short time was frequently worked. The supply of coal and coke, which gave rise to grave anxiety when the invasion started, has been far better than was anticipated. Contrary to expectations, too, the shortage of pig iron, rolled goods and cast iron and steel was not so severely felt as during the last quarter of 1922. Orders from abroad were not active. Complaints in this respect were especially noteworthy in the agricultural machinery industry, for customers have apparently covered their demands fairly extensively in previous months. There is no doubt that the stability of the mark earlier in the year resulted in a considerable falling off in foreign orders. Extensive exchanges of orders have

been taking place between firms in the occupied and unoccupied areas, in order to enable the former to carry on.

AGRICULTURE

YIELD OF THE VINTAGE.

In 1922 there were in the whole of Germany 74,360 hectares of land under cultivation in vine, an increase of 519 hectares on last year. The increase devolves chiefly on Hesse, viz. to the extent of 440 hectares. In Baden the vintage area decreased by 210 hectares. The must yield totalled 3,406,188 hectolitres, an increase of 1,651,272 hl. or 94 per cent. on that of 1921. In Bavaria, Württemberg and Baden the yield augmented by over 100 per cent. The total yield is better than the record yield of 1903 by 15.2 per cent. Unfortunately the quality of the must leaves much to be desired. The average price per hl. of 1922 must for the whole country is Mk.10,323 for white wine, Mk.6,822 for red wine, and Mk.5,064 for a mixed vintage, as compared with Mk.1,450, 977 and 1,017 respectively in 1921. (*Wirtschaft und Statistik*, April 5.)

SOCIAL CONDITIONS

THE FIGHT AGAINST TUBERCULOSIS IN PRUSSIA.

The Prussian Landtag has approved of the terms of a Bill for combating tuberculosis, this disease having assumed alarming proportions during the last few years in Germany. The new Law not only provides for the compulsory notification of all cases of death from pulmonary tuberculosis and laryngeal phthisis but for the notification of all infectious cases of these illnesses which might prove dangerous to persons in close contact. Any change of address of persons suffering from these illnesses is also notifiable by the doctor in charge of the case. Notifications must be made, not to the police but to the local health authorities. In cases of illness, it must take place within eight days and in cases of death within 24 hours, in cases of change of address immediately the intended change is definitely known. Hospitals, etc., must make their notifications in any case within 24 hours. The Law provides for penalties if the required notification is neglected. (*Deutsche Allgemeine Zeitung*, April 21.)

NORTHERN EUROPE

POLITICAL AND GENERAL

THE SITUATION IN RUSSIA.

According to the *Ost-Express* (April 24) a relatively greater stability has been evident in the Russian economic system since the beginning of the financial year, i.e. since Oct. 1, 1922. The currency continued to depreciate, but not with such rapid strides; the stoppage of certain railway services was confined to less important lines; fluctuations in the coal and metal outputs were not so great as during the previous year; consignment difficulties in January and February 1923 were not nearly so great as between February and April, 1922. The deficits and huge costs of the State industries, some of which have used up their working capital, call urgently for further denationalisation on a large scale. Rumours as to action of this nature have not proved reliable, however, and no further progress was made in this respect at the Congress of the Russian Communist Party which has just terminated. On April 13, nevertheless, we read in *Ekonomicheskaja Zhien* that possibly the working capital of the State industries will not prove sufficient, and it may be necessary to sell, pledge, or even denationalise a part of their original capital. The recent designation of the State Trusts as legal persons and the control of their guarantees is interpreted as a measure intended to facilitate the employment of home and foreign capital in industry. The same interpretation is

placed on the permission far more frequently granted of late to State trading organs to assume the form of joint-stock companies.

ECONOMIC PROGRESS OF DANZIG.

The report of the Danzig Credit Institute, which commenced activities at the beginning of 1922, contains some noteworthy information regarding the development of Danzig in economic respects. This Free State has, by reason of its greatly augmented trade and the establishment of a number of new branches of foreign business houses, achieved a predominant position in the economic life of Eastern Europe. Its foreign money market has developed enormously, as Danzig is at present practically the only financial agency between Germany and Poland. Consequent on this fact, and on the unrestricted trade freedom enjoyed, a number of new banks, especially of banks with Polish capital, have been established. By reason of the inclusion of Danzig recently in the Polish protective Customs area, the well-developed industries of this city have the character of border industries. The conversion into an international company of the former Imperial Defence and Chief Railway Workshops is of particular significance; its profitable activity appears to be assured for many years to come. The bank directorate consider that a stable currency cannot be established in Danzig until the great neighbouring States have introduced similar measures.

Northern Europe

The total clearings of the Bank amounted during the year to Mk.64.5 milliard. Net profits totalled Mk.48.43 mill. A dividend of 40 per cent. was declared.

STATE PLATINUM MONOPOLY IN RUSSIA.

According to *Ost-Express* (April 18), the Commissariat for Finance has drawn up a Bill for the State monopoly of platinum, whereby the purchase of platinum in the Ural district will be permitted only to the Trust "Ural-Platin" and to the Commissariat for Finance. Outside that district purchase will be permitted to private persons holding an official permit. The export of platinum abroad will be prohibited. Platinum manufactures, on the other hand, may be traded in freely.

FINANCE

MORE RUSSIAN STOCK EXCHANGES.

According to *Ost-Express* (April 14) the Soviet Government intend opening shortly, stock exchanges in Petrograd, Rostov, Tashkent, Tiflis, Vladivostok, Baku and Kharkov. In Petrograd, the Stock Exchange will, as in Moscow, form a section of the Bourse.

ADVANCES TO RUSSIAN INDUSTRIES.

The official figures of the advances made in 1922 by the State Bank to Russian State industries, and of the sums redeemed and still outstanding, show plainly that this form of credit amounts practically to subsidising. The total advances made during the year up to Jan. 1, 1923, amounted to 54,999,244 gold roubles. The interest thereon amounted to 421,620 gold roubles. Only 567,089 gold roubles were redeemed, and the total of advances outstanding amounted to 54,853,775 gold roubles.

Advances to the textile industry amounted to R.3.39 mill., of which R.43,492 were redeemed; R.3.42 mill. are still outstanding. To the fuel industry, R.19.33 mill., of which R.52,087 were redeemed, R.19.08 mill. being still outstanding. To the food industry, R.3.22 mill., of which R.41,692 were redeemed, R.3.24 mill. being still outstanding. To the mining industry, R.2.83 mill., of which R.632 were redeemed, R.2.83 mill. being still outstanding. To the metal industry, R.17.13 mill., of which R.15,774 were redeemed, R.17.2 mill. being still outstanding. On the following advances, no redemption had occurred: The electrical industry, R.1.77 mill.; the silicate industry, R.537,822; the leather industry R.307,500; the paper industry, R.328,849; the chemical industry, R.1.15 mill; other industries, R.5.01 mill. (*Ost-Express*, Apr. 20.)

TRADE

RUSSIAN FOREIGN TRADE IN FEBRUARY.

The Russian import and export values for February balanced more nearly than they have for a very long time. Exports were higher than usual, imports lower. The fall in imports really resulted from hindrances in the sale of goods intended for export; nevertheless, the Commissariat for Foreign Trade is of opinion that foreign markets are showing an increased capacity for absorbing Russian goods, and therefore exports, and consequently imports, may soon be expected to increase in volume.

Imports amounted to 2,134,000 poods (2,505,000 in January) to the value of R.6.09 mill. (6.92 mill. in January). Imports of animal products fell in value by 60 per cent., timber products and seeds by 50 per cent. The import of pharmaceutical products rose in value by 40 per cent., and that of paper, etc., by 40 per cent. Exports amounted to 4,635,000 poods (3,393,000 in January) to the value of R.6.09 mill. (4.53 mill. in Jan.). The export of food products increased by 800 per cent. (*Ost-Express*, April 18.)

FOREIGN TRADE OF CENTROSOYUS IN 1922.

We learn from the Bulletin of the All-Russian Central Union of Consumers Societies (Centrosoyus) that at the meeting of the Council of Centrosoyus held in Moscow in January last, Mr. A. A. Kissin, member of the Moscow Board of Centrosoyus and Managing Director of Centrosoyus (England) Ltd., made a report to the following effect on the foreign trade of Centrosoyus in 1922:—

By the Decree of the Council of Labour and Defence of March 12, 1922, supplemented by agreements made with the Commissariat for Foreign Trade, Centrosoyus obtained the right to trade independently in foreign markets, at first with co-operative organisations, and subsequently with private firms. Centrosoyus actually commenced foreign operations in April 1922. Since then, apart from Centrosoyus (England) Ltd. in London, which again became the sole representatives in the United Kingdom of Centrosoyus, Moscow, five agencies have been established abroad, which are in active operation, namely in Berlin, Riga, Reval, Constantinople, and New York. During the period April–December 1922, the goods turnover of the above six agencies (including Centrosoyus (England) Ltd.) amounted to about 50,000 t., to the value of £1,535,819, of which £613,952 represented sales and £921,867 purchases. The value of raw materials in stock at the above agencies at the beginning of January 1922, amounted to £1,116,060. The total value of imports and exports of Centrosoyus (including the raw materials in stock) during the eight months under review was, therefore, £2,651,879. The exports comprised 20 items, and the imports 130, making a total of 150 different classes of commodities. Ninety per cent. of the exports consisted of flax, tow, hemp, etc., and 10 per cent. of furs, horsehair, raw hides, etc. The raw materials in the foreign warehouses comprise flax, hemp, tow, furs, bristles, horsehair, raw hides, wool, and some other raw materials.

The foreign trade of Centrosoyus already forms an important part of the total value of Russia's exports and imports, as may be seen from the following table. The figures for the whole of the country are taken from the returns of the Commissariat for Foreign Trade:—

				Twelve months, 1922
				(gold roubles).
Total exports	...	...	...	77,881,699
Total imports	...	...	...	286,049,173
				Nine months, 1922
				(gold roubles).
Centrosoyus exports	...	...	...	15,570,288
Centrosoyus imports	...	...	...	8,296,803

It is estimated that the exports of Centrosoyus during twelve months—from April 1922 to April 1923—will amount to about 21 mill. gold roubles, which will constitute 27 per cent. of the total value of Russia's exports for 1922, although allowance must be made for the fact that the latter are estimated at pre-war prices, whereas the exports of Centrosoyus are calculated at the prices ruling at the end of 1922. A significant feature of the foreign trade of Centrosoyus, as compared with that of the country as a whole, is that while the relation of the imports to exports of Centrosoyus is 1 : 1.8, the corresponding ratio as regards the total of Russia's foreign trade is 3.7 : 1. This shows that Centrosoyus is an important factor in restoring the balance of trade.

LABOUR CONDITIONS

LABOUR IN INDUSTRY IN ESTHONIA.

The reports of the Esthonian Commissaries for the Protection of Workers show distinct progress in 1922 in regard to the development of industrial man-power. The 780 industries under the supervision of these Commissaries at the end of the preceding year were swelled by a further 303 new industries during the year under report. The total number at the end of 1922, by reason of the closing of 40 works and the release from supervision of a number of others, was 902. An increase

in the number of employed persons is also recorded, viz. from 25,655 persons in all at the beginning of 1922 to 35,506 at the end of the year, i.e. an increase of 38.4 per cent. Of the increase 4,647 persons were in respect of new industries, and 5,204 persons in respect of existing works, so that the number of persons employed in existing works showed an increase of 20.3 per cent.

It is of interest to note the distribution of workers over the various industries in the country. The food industry is the largest as regards the number of factories in existence (222), but not with regard to the number of workers employed (2,704), the first place in this respect being taken by the textile and clothing industries with 8,913 workers distributed over 140 works. There were 120 timber working concerns employing 3,061 workers, 108 metal working factories with 7,878 workers (the second largest number as regards workers), 88 paper and printing works with 3,424 workers, 71 leather factories employing 1,097 workers, 46 quarry works with 2,540 workers, 31 chemical works with 814 workers, and 57 works of various kinds employing 4,898 workers.

Small industries, by which are meant industries employing not more than 5 workers, occupy a significant place in the Esthonian economic system. There are 330 such industries at present, employing 1,044 hands. Only 4 employ over 1,000 hands, and they are employing between them 7,317 workers, or nearly one-fifth of the sum of all industrial workers in the country.

The strike movement has abated in comparison with 1921. In that year there were 48 strikes involving 4,716 workers and a loss of 9,955 working days. In 1922 only 25 strikes involving 2,833 workers were recorded; on the other hand the number of working days lost was 221,113, a loss far in excess of the detriment to industry by lost time in 1921. The largest number of working days lost in 1922 was in the textile industry (134,284), although the number of strikes was only 2, involving 1,569 workers. In the metal working industry, 7 strikes involving 1,694 workers caused the loss of 78,121 working days. In the paper and printing industries, 4,211 days were lost in 11 strikes, in the timber working industry, 3,687 days in 2 strikes. (*Revaler Bote*, April 21.)

ENGAGEMENT OF LABOUR IN RUSSIA.

The Soviet Government have passed a law whereby State and private undertakings may engage, without the agency of the Labour Exchange, the workers and employees required by them for positions of trust and for highly qualified and specialised posts. They are only required to inform the Exchange of such proceedings. In the discussion previous to the passing of the law, says the *Ost-Express*, the Economic Commissariats were in favour of complete freedom in the engagement of labour.

THE BALKANS

POLITICAL AND GENERAL

EFFORTS AT UNION IN YUGO-SLAVIA.

The *Central European Observer* gives the following account of the efforts being made to bring about an understanding between the Serbs and Croatian autonomists.

The last week before the opening of the new Parliament produced no small surprise for the public of Yugo-Slavia. The Radical Government under Pachitch invited representatives of the Raditch Croatian Agrarian party to Belgrade, and when it became clear from the negotiations that the Raditch party were disposed to put forward more or less acceptable terms, the Government sent two of its delegates to Zagreb to the conference of the three revisionist parties (Raditch's Agrarian party, the Slovenian Catholics under Korosec and the Mohammedans under Spaho) to endeavour to arrive at a basis for a definitive agreement between Serbs, Croats and Slovenes.

The Radicals declared themselves ready in principle to accept a revision of the constitution to meet the Croatian and Slovenian demands, and to renew the office of ban (Governor) of Croatia.

The Croatians declared that while insisting upon a revision of the Constitution, they did not ask for it to be carried out immediately, but would be satisfied for the moment with some reforms of an administrative character, and promised to give their support in Parliament to a homogeneous Radical Government.

This arrangement is the first step to a settlement of the Serbo-Croat question, and at the same time provides a solution of the existing internal crisis, for it enables the Radicals to form a new Government without the Democrats, whose exaggerated demands were not acceptable to the Radical party.

The master of the situation on the one hand is the Prime Minister Pachitch who always succeeds in keeping his political plans secret up to the last moment; on the other hand it is that volatile politician—Raditch.

The development of the internal political situation in Yugo-Slavia still remains, therefore, more or less of an enigma. In any case the fact that two camps, so

sharply opposed in their views as the Radicals and the Revisionists, have begun to negotiate, is a clear proof that Yugo-Slavia is moving towards internal consolidation.

According to the *Neue Freie Presse*, a *communiqué* issued by the Croatian Agrarian Party (the Raditch Party) declares that a homogeneous Radical Government alone can carry out the necessary constitutional and administrative reforms. It also announces that the members of the Raditch Party will take part in the sittings of Parliament (they have hitherto abstained) in order to make a statement of their policy. In apparent confirmation of this announcement, a recent Belgrade message to the *Morning Post* (May 2) announces that M. Pachitch, having failed to form a coalition cabinet with the Democrats, has been entrusted by the King with the formation of a homogeneous Radical Government.

GROUNDLESS ALARMIST RUMOURS ABOUT RUMANIA.

A number of reports, announces the *Central European Observer*, recently appeared in French and other papers portraying the internal situation of Rumania as highly critical. Some of the reports, indeed, stated that Rumania was on the eve of a revolution. There was, of course, not the slightest foundation for such reports. According to the *Lupta*, the Rumanian Minister of Foreign Affairs has caused enquiries to be made into the origin of these rumours, with the result that it appears they issued from the Hungarian News Agency in Transylvania, which goes by the name of "Donau Post," and which sent them to Budapest, where they were further touched up before being sent abroad—gratis! The Agency will probably be invited to explain its conduct in this matter.

THE POLITICAL SITUATION IN BULGARIA.

Alexandorf, the leader of the Macedonian comitadjis in Bulgaria, announces the Belgrade correspondent of the *Morning Post* (May 1), having addressed threatening letters to M. Stamboliski and other members of his Government threatening them with death if they continue to pursue a policy of understanding with Serbia. M. Stoyanof, Bulgarian Minister of the Interior, has

The Balkans

declared to Sofia journalists that the present Government is sufficiently powerful to maintain order, and that he shall proceed very severely against all those who utter threats of violence against the Bulgarian Ministers or their supporters. In case any mischief may be contemplated by Macedonian comitadjis or partisan elements the Agrarian Government has ordered all its present organisations to be ready to take up arms on the Government's call and to punish those who provoke disorders. Although the present Bulgarian Government has adopted an able and energetic policy, nevertheless one must bear in mind that at the last elections, M. Stamboliski secured his majority with 550,000 votes, while the Opposition had not less than 450,000 votes—of which 190,000 were Communist, and 225,000 those of the former party's *bloc*, composed mostly of Macedonians being Bulgarian subjects.

FINANCE

RUMOURED RUMANIAN LOAN.

After the last loan of Fr.100 mill. granted by the French Government under guarantees of financial control never before given by Rumania, come rumours of a further loan of £6 mill. Two British financiers, representing the consolidated debt consortium, have recently visited Bucharest in order to verify the amount of export duties deposited with the National Bank to meet the interest on that debt, which amount exceeds the sum due for this purpose by the Rumanian Government. The presence of these representatives, states the *Bursa*, which reports the above rumours, fully explained by the terms of the consolidation loan, which do not allow the Government to dispose without special authority of the surplus export duties deposited with the National Bank, has been associated with a new scheme for a loan of £6 mill., a rumour, however, which has been vigorously denied, and with a vast oil deal. It is possible, suggests the *Bursa*, that these rumours have been set afoot by the Government, in order to avert attention from the real object of the visit mentioned above, somewhat humiliating for the national self-esteem, on the other hand it is possible that they have some foundation. It is reported that six milliard lei represented by the six million pounds sterling will be used partly on public works, partly in redemption of the floating debt, which exceeds 2 milliard lei. The scheme for the concession of oil fields, the report of which is contradicted by the said British financiers, would afford possibilities for a financial operation on a large scale, calculated to free the national finances from their present involved situation.

RUMANIAN TRADERS' DEBTS.

A hitch has occurred in the arrangements for the settlement of the debts of Rumanian traders to their British creditors (*cf.* THE ECONOMIC REVIEW, April 13) to the terms of which other foreign creditors decline to adhere. The negotiation for a settlement of these debts, already matured, amounting to some 30 milliard lei, comments the *Bursa*, which Rumanians had flattered themselves had been brought to a successful termination, must now be begun all over again. When the British creditors agreed to a settlement involving an extended time for payment, practically a moratorium, they had no intention of making concessions, which French, Belgian and Italian creditors declined to grant. The London and Manchester agreements could only be realised if they were binding on all creditors alike.

The Rumanian authorities, continues this critic, evidently thought themselves smart in conducting negotiations with one class of creditors only, probably the most powerful, counting, in the event of coming to an arrangement with these, to be able to put pressure on the rest. But this manœuvre signally failed, as the

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French and Belgian creditors having shown themselves recalcitrant, the British in their turn declined to come to an arrangement which would place them in a position of inferiority with regard to the remainder. It is now necessary to postpone for three months the conclusion of the agreement with the British creditors, in order to enter into negotiations, which ought to have been undertaken at the outset, with the French and Belgian and Italian groups of creditors. Meanwhile, the debts are maturing and accumulating, and those whom they threaten are now asking for nothing less than a forced moratorium. The effect on the country's credit of such a measure may well be imagined.

TRADE

YUGO-SLAVIA'S EXPORTS.

According to the *Trgovinski Glasnik*, Yugo-Slavia's exports for 1922 amounted to 2,213,000 t., their value being 3,071.5 mill. dinars. The value of the chief articles of export was (in millions of dinars): Timber for building 452, meat 281, eggs 267, cattle 256, dried plums 185, flour 115, corn 111, pigs 157, hemp 87, horses 86. The value of articles exported to the various countries (in millions of dinars) were: Italy 873.5 (28 per cent.), Austria 706 (22 per cent.), Germany 260.1, Switzerland 235.2, Czecho-Slovakia 232.2, France 181.4, Hungary 165.9, Greece 146.7, Great Britain 58.7, Fiume 38.3, Turkey 37.3. In 1922 exports increased considerably, the figures for 1921 being 1,583,000 t. to the value of dinar 2,401 mill., and in 1920 915,000 t. to the value of dinar 1,321 mill. The increase in 1922 was contributed chiefly by the following articles: Dried plums, flour, meat, eggs and timber, while the export of wheat, maize and beans showed a considerable decline. Exports to Italy were: 26 per cent. of the total in 1920, 23 per cent. in 1921, and 28 per cent. in 1922. Exports to Switzerland, Czecho-Slovakia, France and Hungary also show an increase.

SPECIAL ARTICLES

THE CASE AGAINST DEVALUATION

A COMMENT ON PROFESSOR CASSEL'S THEORY.

M. André Liesse, in the *Economiste Français* (Apr. 21), in reference to the theories of Professor Cassel on the stabilisation of depreciated currencies by reducing their value, which he once more brought forward at the congress of the International Chamber of Commerce at Rome, quotes the arguments raised at the Congress in opposition to that theory, adding comments of his own in the same sense.

It is well known, he writes, that there are financiers, and even some economists, to whom "stabilisation," as the stock phrase goes, of currency is an operation calculated to put an end to the economic confusion from which the whole world has been suffering since the war; and these doctors, slightly tainted with empiricism, proclaim it everywhere as the supreme panacea. The International Chamber of Commerce was not to escape from this propaganda, and during its sittings at Rome, the Swedish economist, Professor Cassel, who has made a special study of international finance, and who is a member of the Committee of Experts invited to pronounce their opinion on the problem of reparations, and an ardent champion of stabilisation, proposed his remedy, and stated his scheme of stabilising the exchange by devaluation of the currency.

ATTITUDE OF INTERNATIONAL CHAMBER OF COMMERCE.

This proposal gave rise to a keen discussion, during which it was actively opposed, and ultimately, the International Chamber of Commerce passed an amendment which showed quite clearly that it declined to intervene in the matter or to pass any resolution in the nature of advice to nations with depreciated currencies to proceed to devaluation. It thus expressed its intention of leaving those nations free to carry out their financial policy in their own way.

MR. WALTER LEAF'S ARGUMENTS.

One of the British representatives, Mr. Walter Leaf, vigorously opposed Professor Cassel's proposal, recalling most opportunely the fact that the professor had made a similar proposal two years ago in London, when he included the pound sterling in his devaluation scheme. He, indeed, did propose that the value of the pound should be reduced; since, in his opinion, it was permanently depreciated, the best course would be to stabilise it below par. It is, however, common knowledge that since that time the pound has risen steadily towards par, thus falsifying the prognostications of the Swedish professor. Mr. Leaf did not fail to point this out, and to add that had the British Government followed this advice, the proceeding would have cost Great Britain dear.

NO UNIFORMITY IN STABILISATION.

The currency problem, moreover, offers different solutions according to the currency position of each country. It is clear that the greatly reduced value of the German mark calls for liquidation. In any case "stabilisation" cannot be effected by mere devaluation. The normal method of "stabilisation" is a return to the pre-war currency parity. But such a method exacts a period of convalescence more or less long. The dollar, which was greatly depreciated after the War of Secession, took about seventeen years to recover its pre-war purchasing power, and the situation of the United States was much more favourable than that of European countries—Great Britain excepted—at present afflicted with currency sickness. The great American Republic offered at that time a vast field for capital investment and for those anxious to make their fortune.

Another, but generally dangerous method of effecting "stabilisation" is to raise international loans. This is what France and other nations had to do during the war, but an earlier termination of the conflict was counted on, and there was a rude awakening. The debt remains, and its formidable arrears heavily hamper business with the debtor country. At present France knows how matters stand in this respect, and that it will take more than a day to be in a position to clear itself from debt.

ERRORS OF THE DEVALUATION THEORY.

The great mistake made by the partisans of "devaluation" is to believe that they can thus restore the exchange to normal conditions. That business men, with little or no economic training, should pursue these phantoms, as do so many "practical" men in the same circles who find themselves confronted with phenomena of which they know neither the cause nor the course, is quite comprehensible, but how are we to understand how those whose business it is to study and explain such phenomena, come to propose hard and fast solutions of problems, the terms of which show them to be clearly impracticable?

The first obstacle to the theory propounded lies in the fluctuations often very strong of a currency which it is proposed to limit. But values are not drawn up into line at a word of command like a regiment of soldiers. To accomplish this it would be necessary to claim that these modern magicians are able, like Joshua, to cause the sun to stand still. They reply that their system presupposes the final cessation of the note issue, a hypothesis which is entirely illusive. This would have to be an absolute condition of the process, but even so it would prove inadequate. In France, for example, the note circulation has remained practically stationary, and the trade balance has undergone little change and even shows a tendency to improve. Now, while these conditions prevailed the value of the franc declined compared with the pound sterling and the dollar. Certainly the depreciation would have been much greater had inflation increased, but in this as in all economic phenomena, the factors affecting the exchange are numerous. The complexity of the combination of these factors is aggravated by the fact that, although subject to general causes of variation, they are each of them governed by causes peculiar to themselves. The heavy burden of the loans contracted during the war weighs upon the country, but to it are added the difficulties of its financial policy, the conditions imposed upon it by outside events, and finally the fear of a further recourse to the printing press by the Government. This fear is to some extent kept alive by the advocates of "devaluation." The inflationists will rely on the sophistical argument that once the currency has been rendered sound, the note issue will not offer the same dangers as heretofore.

THE INFLATIONISTS AND SOUND CURRENCY.

The policy of a return to a sound currency is not to be accomplished by legislation or ordinances. In order to restore the currency, it is necessary, as in the case of restoring exhausted physical forces, to deal with the primary causes of the pathological case under treatment and in doing so to recognise that more than one day and more than one effort are necessary for the purpose. The first step is to reduce gradually the note circulation. But this gradual reduction must, of course, be accompanied by other measures calculated to operate on other causes of the evil, and nothing can be usefully accomplished in this respect without a proper financial and Customs policy.

The reason put forward for the maintenance of the note circulation, is that the amount of money it

Special Articles

represents is required for business purposes—a specious argument. In order to refute it, it is only necessary to consider that—in the case of unconvertible paper money—inflation creates the need of money by reducing its purchasing power.

THE POLICY OF GREAT BRITAIN CONSIDERED.

In his reply to Professor Cassel's "devaluation" theory propounded at the meeting of the International Chamber of Commerce in Rome, Mr. Walter Leaf was quite right in citing the example of Great Britain, to which similar advice was offered two years ago. Certainly Great Britain was able to attain, or nearly so, the par value of the pound sterling much more quickly than any other European country, even by following a wise and firm financial policy, could have done. This is due to deep-seated causes which have their origin in the past. These causes facilitated the action of the British Government and business world, and it must not be forgotten that the war did not actually touch the country. A long established gold standard, commercial freedom, outlets for its products in its colonies, such are the fundamental causes of its economic strength.

In an article published in the *Bankers' Magazine*, of New York, last January, Mr. Henry Bell, managing director of Lloyds Bank, wrote on the subject of the "extraordinary range of the London market" after demonstrating its soundness. "I should like to know whether there is a single trade commodity which cannot be obtained from one dealer or another in the City of London. A large number of goods are produced neither in Great Britain nor the British Empire, nevertheless, I assume that they are to be found in the warehouses of London, where all possible articles of which the world can have need are to be procured. I would recommend foreign visitors, without neglecting the other sights of London, to visit the East India Docks, where wealth of every description is stored."

Assuredly, these goods would not be there if they could not enter and leave without restraint.

But it is no reason, because Great Britain's task has been facilitated by these fundamental factors of her economic and financial strength, that the policy which she has adopted since the war in order to restore to the pound sterling its former value, should not be held up as an example. This policy has been very carefully stated and analysed by M. Georges Edgar Bonnet, in a work entitled "La Politique Monétaire anglaise d'après-guerre." It is a work which should be read by all those who talk at random on currency questions.

It is well known that when recourse was had in Great Britain to the issue of paper-money it was not the Bank of England which had the conduct of the operation. The Government itself issued the notes under the name of "currency notes," although it had at the beginning of the war freed the Bank of England from the fetters imposed on it by the fundamental principles of its Charter. M. Bonnet does not fail to point out, quite rightly, that at first the currency notes were only intended for means of assistance to the banks, but that they soon became an instrument of credit which enabled the Government to meet the expenses of the war. M. Liesse then states that owing to the terms of its Charter, the Bank of England is not as it should be, a centre of assistance to the other banks in times of crisis, but that at such times it is the State and not the Bank that comes to the assistance of financial institutions by the issue of notes, and points out that, although not officially proclaimed, the acceptance of notes as legal tender was in fact compulsory in England as neither bank notes nor currency were redeemed in gold. In order to keep up appearances the ounce of gold was quoted in paper money as if such money was the official currency. Thus there was no apparent premium on gold in the quotations. As a matter of fact, the gold market, in spite of these fictions, was no longer free. It was

possible to act in this way across the channel, where the Government was able, thanks to a firm and prudent financial policy, to issue bank notes—which in other countries would have enormously increased risks—without any serious consequences.

Great Britain continued to follow sound economic principles, to balance the Budget, and to begin a real, if gradual, redemption of the floating debt, resulting on a reduction of £209 millions on March 17, 1923. The means adopted by Great Britain to balance her Budget consisted of a rigorous reduction of expenditure, and increase of taxation, especially of the income tax. Perhaps, in this respect, she went a little too far, and it may be that this drastic fiscal policy is not without influence on the stagnation of business.

In order to study properly, the economic and financial consequences of the policy followed by Great Britain, an analysis is required dealing with prices, rates of interest and the trade movement, and this is supplied by M. Bonnet in his delicate and subtle study of the subject. Great Britain has, without doubt, afforded to France a decisive object lesson in currency and financial policy which French members of Parliament would do well to take to heart.

THE LEAGUE OF NATIONS AND THE DRUG TRAFFIC

The following article, supplied from Geneva to the *Neue Zürcher Zeitung*, on the growth of opium traffic and modern efforts to suppress the evil is of particular interest at present, especially in Switzerland, on account of the recent efforts of the League of Nations to combat the practice of drug taking.

Opium, says the writer, has been an important article of trade in the East since the beginning of the sixteenth century. It contains various alkaloids, the most important of which is morphia, and is often used therapeutically. In the Far East its chief use was for smoking purposes. The effects of this are too well known to require amplification here. Heroin, only recently discovered, is an extract of morphia, and possesses in an aggravated degree its disastrous effects. Towards the end of the eighteenth century the number of opium smokers in China had greatly increased, thanks in the main to the imports of the English East India Company, which held the monopoly for opium production in India, and derived large profits from it. The use of opium in China was legally prohibited. When, however, the Emperor of China, in 1839, had 20,200 chests of opium belonging to English traders destroyed, the opium war broke out, and it ended in a humiliating pact for China. A second Chinese war against France and England was concluded with the Tien-Tsin Treaties, which contained a clause whereby China surrendered the right to restrict the import of opium.

At the beginning of the present century, therefore, China was not only producing large quantities of opium herself, but was importing considerable amounts from India. Opium smoking became such a scourge in China that on September 20, 1906, the Dowager Empress issued the famous decree whereby the manufacture, sale and employment of opium was to be completely stopped within ten years. The decree met with the greatest opposition, and a bitter struggle resulted between the supporters of the opium traffic and the few far-seeing and patriotic men who recognised that China was verging on a complete collapse. There still existed the opium imported from India, but public opinion in Great Britain had become indignant, and towards the end of 1906 the House of Commons unanimously declared that the opium trade between India and China was immoral. The English opium exports were straightway reduced in correspondence with the diminished cultivation of the poppy in China. As a result, the export of opium from India to China had completely stopped by 1914. By 1917, at the end of the ten years referred to in the decree, poppy cultivation

in China had practically ceased. State supervision, the high price of opium, the destruction of most of the existing smoking apparatus and the prohibition against further manufacture had almost eradicated the evil.

Opium soon began to execute its ravages again, however, chiefly in the form of morphia. Indian opium is now delivered to Chinese persons living out of their country. The quantities delivered greatly exceed the normal requirements of the countries in which these persons reside. In 1919-20 the export of Indian opium to the Far East amounted to 10,509 chests, or about 6,700 tons. The production of opium brings India in about £15 million sterling a year, so the problem is a difficult one to solve, as the Indian Government states that Turkey and Persia would immediately appropriate the trade if India prohibited it. Worse still is the fact that in 1919 alone 28 tons of morphia prepared in America, Japan, Germany, Great Britain and elsewhere from Turkish and Persian opium were introduced into China.

All attempts to mitigate the evil having so far proved unavailing, the conclusion was come to that only international co-operation on a large scale would be effective. Under the auspices of the League of Nations arose the greatest movement ever started to solve the problem of dangerous drugs. As early as 1912 an International Opium Conference at The Hague signed a convention to establish some form of control over these drugs. In the Treaty of Versailles an article was included in the League of Nations Pact whereby the League was entrusted with exclusive control over the trade in opium and other dangerous drugs. The signatory Powers of the Treaty which had not yet signed or ratified the above-mentioned convention pledged themselves under Article 295, among other things, to promulgate the necessary laws within twelve months after the Versailles Treaty came into force. At the very first League of Nations Assembly the Council was requested to nominate an advisory committee on the opium question. In the second session it was decided to extend the activities of the committee to the chemical derivatives of these drugs. The committee worked out a number of recommendations which were unanimously approved last autumn by the Assembly. The proposals were as follows:—(1) All Governments which have not yet done so, especially Switzerland, Persia and Turkey, shall be asked to sign and ratify the opium convention without delay. (2) The various Governments shall be earnestly entreated to establish immediately a licensing system for import and export. (3) Members of the League are requested to draw up lists of the quantities of drugs required in their respective countries for medicinal purposes. (4) Co-operation between Japan and China for the purpose of suppressing opium smuggling is recommended. (5) A plan shall be devised for discovering the whereabouts of cocaine factories and for taking police measures against them.

If cocaine is far more discussed than morphia it is because the syndicates interested in the production of opium and morphia have succeeded, with the aid of the Press, in diverting the attention of the public from themselves. If when the poppy is in bloom, however, one could travel by aeroplane from the Mediterranean to the Pacific, one would see below one an expanse of white fields stretching from Thrace to Asia Minor; the great Persian plateau, too, is rich in poppies. Proceeding further East, one would find in India about 200,000 acres of poppy fields. The peasants do not plant the poppy any more in China, but it is found in Formosa and in Korea and Manchuria.

In January of this year the fourth session of the Opium Committee took place in Geneva. All the members of the committee, including the German delegate, were in agreement. For the first time the United States was officially represented. This fact is all the more valuable in that the United States is among the chief manufacturers and exporters of morphia and cocaine. About one million pounds of coca leaves are

imported into America annually. It is regrettable that Switzerland, where the illicit trading in morphia and cocaine is immense, did not ask to be represented. Persia sent written word to the Committee that she approved of the licensing system for imports and exports, and Turkey stated that she would sign the Opium Convention as soon as she was represented on the League. The main difficulty consisted in finding a way to ascertain the quantities of opium, morphia and cocaine necessary for medicinal purposes. Four methods of examination were tried: (1) A comparison of the import and export figures of dangerous drugs in every country. (2) Inquiries in the hospitals and of doctors, dentists and veterinary surgeons. (3) Ascertaining the requirements of every district on the basis of the frequency of illness and the utilisation of drugs in the hospitals. The duties of the committee will be facilitated by the Opium Section forming part of the Secretariat of the League, and its staff includes a well-known specialist who amassed a world of experience in China during twenty-six years with Sir Robert Hart.

The success of the campaign will depend almost entirely on the amount of co-operation among the various Governments. Much resistance will have to be broken down, and the Governments appear to be ignoring the fact of the existence of powerful syndicates interested in the preparation of these narcotics. The suppression of smuggling is another great difficulty. So great are the profits of illicit traders that no measures can terrify them. In Paris they earn as much as 20,000 Swiss francs per kilogram. Most of the civilised States have already promulgated laws for controlling the trade in dangerous drugs, but the penalties provided, though varying in severity, are generally insufficient to deter the offenders. In England a new law permits the searching of the houses of suspected persons and provides for a fine up to £1,000 and for penal servitude not exceeding ten years. A trader in London who, with the assistance of a Japanese, sent to China 4,900 ounces of morphia bought in Paris, was sentenced to six months' imprisonment and a fine of £5,000. This one transaction, had it gone through, would have brought him in about three million Swiss francs. The United States have introduced legislation whereby import is restricted and all export prohibited. Germany possesses very stringent protective legislation, which should, however, be perfected as regards export concessions. It is humiliating to have to acknowledge that in Switzerland, where the use of cocaine is attaining dangerous proportions, effective legislation is particularly lacking. The cantonal regulations are quite insufficient, but even so they are too sparingly used or entirely ignored. It is very painful to find Switzerland designated as a centre of the drug trade, and it is useless any longer to conceal the fact that it possesses important cocaine and morphia factories. A federal law is said to be in process of preparation, but "hasten slowly" is the order of the day and too much secrecy is observed.

INTERNATIONAL STRIKE STATISTICS

A survey of the strike and lock-out movements in seventeen countries during the latter half of 1922, which recently appeared in *Hansa* over the signature of Heinrich Göhring, deals with the situation that has developed in trade and transport industries generally, and in the shipping industry in particular. The seventeen countries are the United States, Spain, Germany, France, Italy, Sweden, England, Poland, Belgium, Holland, India, Rumania, Japan, Norway, Yugo-Slavia, Austria, and Switzerland.

During the latter half of 1922, says the author, 1,123,412 persons in all participated in strikes and lock-outs in the countries in question. The number of working days wasted totalled 20,212,036. The shipping industry participated in these totals to the extent of

Special Articles

42,120 persons and 1,027,600 working days. In reality these figures should be somewhat larger, as no exact statistics are available of the less important labour troubles, especially those of a political nature. Taking as the most important factor the number of working days lost, the United States heads the list with 14,691,000 followed by Spain with 1,180,000 and Germany with 1,079,656. The figures for the other countries are 890,000, 847,000, 514,800, 216,000, 200,000, 182,400, 147,000, 100,000, 100,000, 20,000, 20,000, 10,000, 9,000, and 5,180 respectively.

Among the most important struggles were those of the railway workers in the United States, Sweden, Belgium, Italy, Germany, India, etc., the general strike of postal employees in Spain, the inland shipping strike and work stoppage in the Havre shipping industry, and the tramway employees' lock-out in Rome. In Germany the most noteworthy labour troubles were the lock-out of railwaymen in the Palatinate, the strike of the Rhine shippers, the strike in the Lübeck and Stettin harbour industries, and those of the Berlin taxicab drivers and of the Leipzig carriers. Most of the conflicts were caused by other than economic reasons. The Rhine shipping strike, for instance, originated in a question connected with the authority of the labour union, and political reasons were responsible for the Lübeck and Stettin harbour strikes; while the Spanish postal employees' strike and those of the Swedish telephone employees and the Polish postal workers were caused by questions connected with the powers of the labour unions in those countries.

The figure representing the total number of working days lost through labour disputes is sufficient indication of the extent of the damage caused to the international economic system. In addition to the direct damage thus occasioned, we must take into account the indirect damage, which was in many cases considerably greater, for according to newspaper reports from Rome the last railway workers' strike in Italy cost the Government the sum of 450 million lire. The actual loss caused by the recent big American strikes is estimated at from 12 to 15 million dollars a day. The gains to labour have been comparatively unimportant. During the whole of 1922, the total number of persons affected by labour disputes in the countries under survey amounted to 10,866,880, and the number of working days lost to 273,316,579. Trade and transport industries participated in these figures to the extent of 1,983,962 persons and 46,671,736 working days, while the shipping industry is represented by 103,420 persons and 2,096,600 lost working days.

The strike and lock-out statistics in the shipping industry alone, taken over nine countries, work out as follows for the second half of 1922 (the first figure applies to persons affected, the second to working days lost):—*Sea-going shipping*: Germany, 3,020 and 148,400; France, 12,000 and 360,000; United States, 2,000 and 40,000; Norway, 1,000 and 20,000; Rumania, 1,000 and 20,000; Spain, 1,000 and 10,000; England, 300 and 6,000; Sweden, 200 and 2,000. *Inland shipping*: Germany, 5,600 and 159,200; France, 7,000 and 140,000; Holland, 8,000 and 120,000; Spain, 1,000 and 2,000. Taking the sum of both sets of statistics, France is shown to have been the country most seriously affected by labour disturbances in the shipping industry, the figure of persons involved being 19,000 during the six months in question, and the number of working days lost 500,000. Germany comes next with 8,620 persons and 307,600 lost days, followed by Holland with 8,000 persons and 120,000 lost days. England and Sweden are at the bottom of the list.

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.

FOUR BOOKS ON BOLIVIA

(Continued from May 4.)

A COUNTRY FOR BUSINESS OR PLEASURE.

The upshot of the four works reviewed in the first part of this article is that Bolivia is a country that is well worth visiting both for pleasure and business. Whatever there is good in any part of the world is to be found in some part of Bolivia, which contains all climates and conditions. As far as her mineral wealth is concerned, only the surface has been skimmed; from an agricultural point of view, there is virgin soil, and the importance of this may be gauged from the value of land in the Argentine Republic. A short enquiry into her resources may not be out of place here.

Not least among the advantages of Bolivia is the wealth and variety of her productions. Within her boundaries are to be found all the necessaries of man. "Wheat and meat, fuel and stimulants, clothing and building material, metals for industries, gold and silver for currency, require only to be dug from the hills and fields. But these things need development, and it is the intelligent mechanic who can do this that will prosper there. Up to the present one might say that the minerals alone have been attacked. Of the metals tin and silver have assumed important proportions in the production of the world. In spite of the fact that silver has been worked at Potosi since 1545, and in other parts by the Incas long before that time, the supply is still unexhausted, and Bolivia's silver mines are among the richest in the world. The production of gold has been enormous, and still maintains the steady annual average of £70,000. Of tin the Bolivian output is one quarter of that of the whole world. Among other metals already being worked in Bolivia may be mentioned copper, tungsten, lead, antimony, wolfram and bismuth. These minerals are found in all parts of the republic; but although the mineral production of Bolivia may challenge comparison with that of any country in the world, not a tenth part of it has been touched, and its exploitation waits for the enterprise of man. The laws governing mining concessions are very simple and generous, and do not discriminate between native and foreigner. Why then, one would ask, are the mines of Bolivia not more fully exploited? The answer is to be found in a number of considerations. In the first place, Bolivia has no ports of her own now; her communications have yet to be developed; exportation takes place through foreign ports, which not only renders it more costly and irksome, but also distracts the attention from the country of origin. The case of rubber was mentioned earlier in this article. Again, the country is not well known, but the appearance of these four books should do much to dispel this ignorance and to cultivate an interest which may lead to a completer investigation. The rich places of the earth are being rapidly overrun, and the enterprising man has few points to which he can turn nowadays. For such a man Bolivia should be, as it was formerly, a veritable El Dorado.

But to mention the minerals is to mention only one of the many resources of Bolivia. At the present time the over-production of rubber has made that commodity a glut in the market; but at the same time Bolivia must be remembered as one of the first important producers of good rubber. Her oil deposits stretch across the whole country from Brazil to Argentina, forming the centre of what is probably the largest oil field in the world, and as yet practically unexploited.

So far as the cultivation of wheat, coffee and fruit of all kinds is concerned, it need only be said that the suitable soil is there waiting to be cultivated; what experiments have been made have been eminently successful. Yungas coffee is the finest in the world; sugar can be grown with great profit, and the cane can be

out three times a year; cotton growing is a profitable occupation; in the east of Bolivia there are valuable grazing lands with something like a quarter of a million of wild cattle. Dairy farming is suggested as a paying undertaking, as it has proved in Argentina.

A FIELD FOR EXPLOITATION OPEN TO THE WHOLE WORLD.

It will be seen from the above, and the four books quoted bear ample testimony to the fact, that Bolivia is a country endowed with more than a common share of resources. These resources and their exploitation are open to the whole world, and the fact that they are not better known is due in no small measure to the fact that Bolivia is shut off from the sea and has to conduct her export and import trade through foreign ports. This is an injustice which no Bolivian can tolerate with patience; and the disadvantage is not felt by the Bolivian alone. When Bolivar set aside Upper Peru to be a separate republic and it assumed its new name in honour of its founder, that wise dictator had seen the necessity of an outlet for this new country, and it was given a strip of coast from the twenty-sixth to the twenty-first parallel, what is now represented roughly by the province of Antofagasta. All this coast at that time was regarded as so much wilderness, but the discovery of nitrate and other valuable deposits gave birth to disputes with Chile, the details and merits of which need not be entered into here. But the result of the fatal war of the Pacific was that Bolivia was left—at a time when, having thrown off the military dictators who had brought so much distress upon her, she was just realising the wealth of her inheritance—without any outlet of her own to the sea, so that her productive power was decimated and her progress rendered very arduous. For years she refused to make peace with her conqueror on terms that would acknowledge the cession of her territory—a thing unknown in South America until this disastrous war—but the pressure of economic forces rendered it necessary to make terms, and by a treaty in 1904 it was sought to mitigate her distress. But the effect of this treaty has been to render it impossible for her to obtain her outlet to the sea. She has pleaded to the League of Nations for a revision of this treaty, which, won from her by economic force, has not, she contends, been duly carried out by the other contracting party. Her pleading has been unsuccessful hitherto, but she still retains the right to urge her case again.

This is the explanation of the attitude which Bolivia has assumed during the recent discussions between Chile and Peru at Washington, under the chairmanship of the United States. Whatever may be the attempts to limit and define the scope of the discussions, broadly their object must be to settle this "problem of the Pacific." Not the least important part of this problem is the fact that Bolivia, now more conscious than ever of her wealth and prospects, finds it hard to endure the injustice of her position. During that short period of idealism which followed the termination of hostilities in the Great War much importance was attached to the point of President Wilson that no country should be without, or should be deprived of, her outlet to the sea. With whatever cynicism this was received in Europe, it created a very real impression in South America, and Bolivia at least watched the repudiation and fall of that statesman with something like despair. Her appeals to the League of Nations have been shelved on technicalities; but it is of the interest not only of her neighbours but also of all countries who need her products to settle her problem in such a way that she may receive an independent and available outlet to the sea. This she cannot well do without the benevolent support of those who, having examined her case, perceive the justice of her demands. The present disadvantages are that the United States has not joined the League of Nations, and that important South American countries who have also a vital interest in the problem have withdrawn from it.

A. B.

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By JAN St. LEWINSKI, D.Ec.Sc., Professor of Political Economy in the University of Lublin, Poland. Author of "The Origin of Property," etc. 6s. 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.]

The Falsifications of the Russian Orange Book. By Baron G. von Romberg. (Translated by Major Cyprian Bridge, with a Foreword by Mr. G. P. Gooch. Messrs. George Allen and Unwin, Ltd., 2s. 6d. net.) This "amplification of the official Russian Orange Book," published with the approval of the German Foreign Office, throws light on the hectic days which preceded the outbreak of hostilities in 1914. Mr. Gooch points out that in the Orange Book the telegrams exchanged between Paris and Petrograd were in some cases garbled and in others suppressed, and contends that these alterations and omissions were governed by a definite and propagandist purpose. Readers will form their own impressions as to the significance of the changes thus made.

Exchange Rates of the World. Vol. II. (Jan. 1, 1914, to Dec. 31, 1921). By Emil Diesen, Editor of the *Ökonomisk Revue*. (Published by A/S Ökonomisk Literatur, Christiania; in London by Effingham Wilson, 15, Cophall Avenue, E.C. 12s. a volume, 30s. the three volumes.) Volume II. of Mr. Emil Diesen's "Exchange Rates of the World" has just been published, and carries this valuable book of reference a stage nearer completion. The scope of the work was dealt with in some detail in THE ECONOMIC REVIEW of April 20, p. 344. The volume under notice contains the daily exchange rates from Jan. 1, 1914, to Dec. 31, 1921, for Alexandria, Athens, Bangkok, Batavia, Belgrade, Brussels, Bucharest, Budapest, Hongkong, Madrid, Montreal, New York, Prague, Shanghai, Singapore, Sofia, Vienna and Warsaw. The final section, Volume II., is in preparation.

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 arrears. 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
Jan. 16	367.9	296.6	Mar. 3	148.4		Nov. 3	170.1				
Feb. 13	367.6	310.3	10	148.4		10	170.1				
Mar. 19	396.9	319.0	17	149.8	160.0	17	169.3	157.6			
Apr. 16	384.6	325.2	24	149.4		24	168.2				
May 14	391.2	325.5	31	149.8		Dec. 1	167.4				
June 18	417.7	322.4	Apr. 7	150.3		8	161.5				
July 16	418.8	316.9	14	151.7	160.1	15	161.2	155.7			
Aug. 13	386.8	313.1	21	154.1		22	162.2				
Sept. 17	379.4	311.4	28	154.6		29	162.6				
Oct. 15	328.6	302.3	May 5	157.8		1923					
Nov. 19	293.0	286.9	12	159.9		Jan. 5	162.4				
Dec. 17	257.0	263.8	19	162.1	160.6	12	162.8				
1921			26	163.3		19	163.2	157.1			
Jan. 14	244.2	245.9	June 2	162.9		26	165.3				
Feb. 18	219.1	225.2	9	164.9		Feb. 2	166.9				
Mar. 18	199.0	210.8	16	163.6	159.9	9	168.7				
Apr. 15	202.8	204.8	23	164.8		16	177.2	157.6			
May 12	204.3	201.7	30	162.4		23	181.1				
June 17	201.8	197.7	July 7	164.7		Mar. 2	184.8				
July 15	194.4	194.1	14	165.1	160.3	9	188.2				
Aug. 19	178.1	190.0	21	165.8		16	192.4	160.3			
Sept. 16	183.4	187.0	28	167.3		23	189.3				
Oct. 14	170.2	180.7	Aug. 4	168.1		30	188.9				
Nov. 18	154.5	172.8	11	165.9		Apr. 6	192.2				
Dec. 16	153.2	167.9	18	164.0	156.3	13	197.4				
Dec. 30	150.0		25	166.1		20	198.5				
1922			Sept 1	163.4		27	202.9				
Jan. 6	148.1		8	160.4		May 4	198.7				
13	148.7		15	161.2	154.3						
20	144.0	164.0	22	158.6							
27	141.3		29	158.8							
Feb. 3	142.3		Oct. 6	159.8							
10	147.0		13	161.2	155.2						
17	149.2	161.8	20	162.8							
24	149.7		27	165.9							

CHART ILLUSTRATING TABLE I.

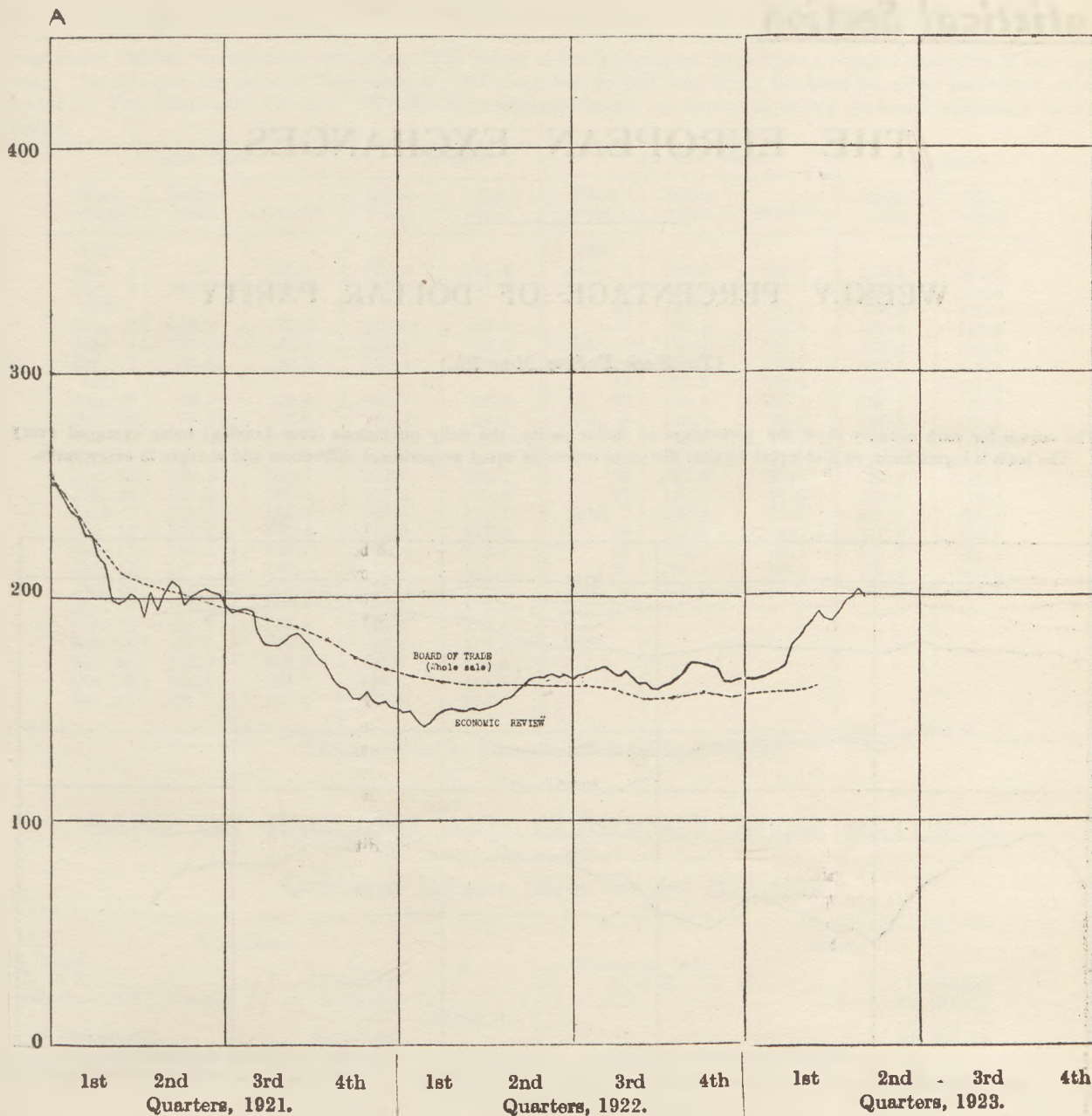


TABLE II.

Date.	Pig iron.	Tin.	Coal.	Linseed Oil.	Cotton.	Wool.	Hides.	Wheat.	Bacon.	Sugar.	Mean.	Date.
Dec. 30, 1921	100	100	100	100	100	100	100	100	100	100	100	Dec. 30, 1921
1922												
Jan. 27 ...	90.6	90.5	92.4	108.8	85.3	100.0	82.6	101.1	94.4	96.1	94.18	... Jan. 27
Feb. 24 ...	101.4	85.3	94.3	136.9	90.0	106.7	76.8	106.4	104.4	94.1	99.77	... Feb. 24
Mar. 31 ...	94.3	84.2	93.4	126.3	90.3	106.7	87.0	116.2	97.1	103.8	99.93	... Mar. 31
Apr. 28 ...	92.9	89.4	89.6	149.1	87.9	106.7	78.3	113.5	115.8	107.7	103.09	... Apr. 28
May 26 ...	99.1	89.2	88.7	155.3	101.1	115.6	89.9	123.8	118.4	107.7	108.88	... May 26
June 30 ...	92.9	90.4	81.1	152.6	111.7	111.1	91.3	117.7	114.4	119.2	108.24	... June 30
July 28 ...	92.9	94.5	97.2	157.9	110.1	111.1	97.1	119.0	116.5	119.2	111.55	... July 28
Sept. 1 ...	92.4	93.8	94.3	121.1	113.9	111.1	92.8	108.9	112.8	148.0	108.91	... Sept. 1
" 29 ...	94.3	95.2	92.9	135.1	105.9	117.8	96.4	82.8	104.0	134.6	105.90	... " 29
Nov. 3 ...	95.5	107.5	100.0	140.3	119.9	133.3	106.5	91.9	104.8	134.6	113.43	... Nov. 3
Dec. 1 ...	95.5	102.6	94.3	138.9	121.5	133.3	107.2	93.9	96.3	134.6	111.61	... Dec. 1
" 29 ...	89.4	106.7	91.5	133.6	126.0	120.0	93.5	90.4	89.7	138.5	108.43	... " 29
1923												
Jan. 19 ...	91.3	106.1	95.3	135.1	132.4	122.2	93.5	91.7	89.7	130.8	108.81	... Jan. 19
Feb. 16 ...	100.5	114.7	105.7	143.9	131.4	120.0	89.1	90.1	89.7	196.2*	118.13	... Feb. 16
Mar. 16 ...	113.2	139.6	141.5	143.9	138.9	124.4	94.2	88.6	84.2	214.4	128.29	... Mar. 16
" 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
" 20 ...	113.2	125.4	132.1	182.5	128.7	124.4	97.8	92.5	88.2	238.5	132.33	... " 20
" 27 ...	113.2	126.6	132.1	182.5	130.4	124.4	100.0	94.1	88.2	261.5	135.30	... " 27
May 4 ...	110.8	127.4	130.2	171.9	125.6	137.8	102.1	97.2	91.2	230.8	132.50	... May 4

*Revised Quotation.

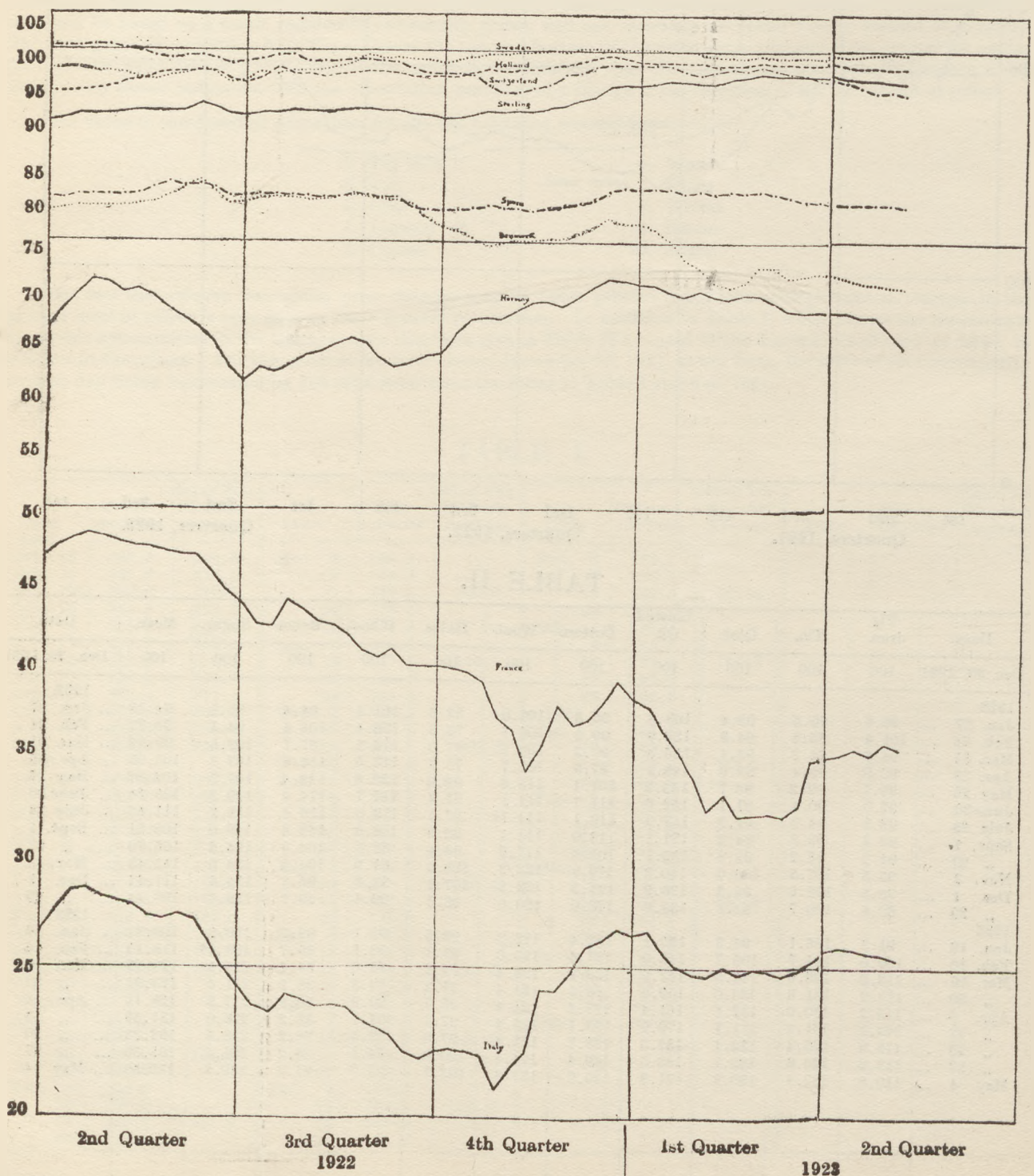
Statistical Section

THE EUROPEAN EXCHANGES

WEEKLY PERCENTAGE OF DOLLAR PARITY

(To Week Ending May 5th.)

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. Significant maximum figures are shown in heavy type and minimum figures in italics.

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.
1919					1923				
Jan. 1	—	98.4	147.8	114.4	Jan. 6	120.5	102.8	122.1	113.5
Nov. 1	140.8	92.5	172.6	101.5	13	122.2	102.6	122.3	114.0
1920					20	120.4	102.0	123.3	116.8
Mar. 1	116.0	87.8	188.6	93.4	27	120.8	101.1	122.2	115.8
July 1	113.6	82.4	149.1	92.3	Feb. 3	122.5	102.1	122.2	114.8
Dec. 1	92.2	89.6	130.1	83.6	10	125.4	102.1	122.5	115.1
1921					17	127.3	101.6	123.2	115.6
Aug. 20	80.3	90.4	105.4	93.8	24	126.8	101.1	126.4	116.2
Oct. 20	91.1	92.0	91.1	94.4	Mar. 3	128.6	99.8	129.5	116.3
Dec. 31	100.0	100.0	100.0	100.0	10	128.0	99.5	128.9	116.5
1922					17	129.2	98.5	129.3	117.0
Jan. 28	100.8	102.1	102.3	104.4	24	127.3	97.8	129.0	118.1
Feb. 25	105.2	100.8	103.6	109.0	31	126.7	98.0	128.4	118.5
April 1	109.8	101.5	103.5	112.2	April 7	126.4	98.1	129.9	120.4
May 13	114.6	102.4	114.9	117.9	14	125.9	98.7	131.2	120.8
June 17	112.8	102.7	114.4	112.4	21	124.7	99.4	134.6	121.2
July 15	117.6	106.5	111.6	115.4	28	124.1	99.3	137.9	122.9
Aug. 19	122.1	105.7	114.0	116.0	May 5	119.3	99.2	137.5	123.1
Sept. 16	123.8	107.6	115.2	112.5					
Sept. 30	121.2	105.8	113.2	112.0					
Oct. 14	127.6	104.4	114.5	112.3					
Nov. 25	114.4	102.0	115.0	115.4					
Dec. 16	121.1	103.1	116.1	113.8					
Dec. 30	121.7	102.5	119.5	113.3					

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

BANK OF ENGLAND AND CURRENCY NOTE RETURNS.

Combined Balance Sheet for 3rd May, 1923.

LIABILITIES.				ASSETS.			
	£	£		£	£		
<i>Notes Issued.</i>			<i>Government Debt.</i>				
B. of E.	145,443,415		B. of E.	11,015,100			
Less those in C.N. Reserve	22,450,000		C.N.	241,220,043			
		122,993,415			252,235,143		
C.N. outstanding	284,261,064		Less C.N. Investment Reserve				
C.N. called in but not yet cancelled	1,484,534		Account	12,068,778			240,166,365
		285,745,598	<i>Other Securities.</i>				
			B. of E.				8,734,900
			<i>Gold Coin and Bullion.</i>				
			B. of E.	125,693,415			
			C.N.	27,000,000			
			C.N. Balance at B. of E.	144,333			152,837,748
Ratio of Gold to Notes	37.4%		<i>Silver Coin</i>				7,000,000
„ Gold & Silver to Notes	39.1%						408,739,013
		408,739,013					408,739,013

Summary of Combined Balance Sheets. January 1922 to date.

Date.	B. of E. Notes less those in Reserve.	C.N. outstanding inc. called in but not cancelled.	Total.	Gold.	% of Gold to Notes.	% of Gold & Silver to Notes.
1922 Jan.	125.9	304.3	430.2	155.5	36.1	36.8
Feb.	125.9	298.8	424.7	155.6	36.6	37.3
Mar.	125.9	300.4	425.3	155.6	36.6	37.7
Apr.	126.0	301.3	427.3	155.6	36.4	37.6
May	126.1	298.3	424.4	155.8	36.6	37.8
June	124.9	297.9	422.8	154.8	36.6	38.0
July	122.9	296.4	419.3	152.8	36.4	38.1
Aug.	122.9	293.3	416.2	152.7	36.7	38.4
Sept.	122.9	289.1	412.0	152.8	37.1	38.8
Oct.	122.9	288.0	410.9	152.7	37.2	38.9
Nov.	122.9	287.9	410.8	152.8	37.2	38.9
Dec.	122.9	301.3	424.3	152.8	36.0	37.7
1923 Jan.	123.0	280.3	403.2	152.8	37.9	39.6
Feb.	123.0	279.1	402.1	152.9	38.0	39.7
Mar.	123.0	285.6	408.6	152.9	37.4	39.1
Apr.	123.0	285.7	408.7	152.8	37.4	39.1

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