

THE
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A REVIEW OF THE FOREIGN PRESS

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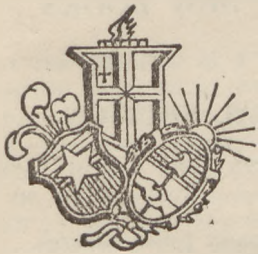
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NOTES OF THE WEEK

That the selection of a new British Premier at this critical juncture in international affairs should have been awaited with more than ordinary interest abroad, and more especially in countries directly interested in the vital question of reparations, is quite in the natural order of things. It is now possible to say that the choice of the Right Hon. Stanley Baldwin has been generally approved in foreign political and economic circles. This is a matter for congratulation, as a sympathetic attitude towards the head of the Government counts materially in our relations with foreign Powers. Already there is a more hopeful spirit abroad than was the case a week or two ago. The alleged new offer of the German industrialists has in itself had a tendency to clear the air, and has given rise to hopes, even in Germany, that the basis of a real settlement may at last be reached. It is possible, however, that the more sanguine views now entertained arise largely out of considerations of a personal character. Of Mr. Stanley Baldwin's predecessor in the Premiership the clear-thinking Press could find nothing to say that was not entirely to his credit. We sympathise nevertheless with the feeling evinced in various quarters that a man who refused to retain the extensive profits which came to him through the opportunities of war, but unhesitatingly handed them over to the country, is more likely to approach the great task confronting him, involving as it does the future peace of the world, with a detached mind and better chances of sympathetic co-operation abroad.

* * *

Beyond pious aspirations and the daily crop of irresponsible rumours, issued one day for the sole purpose apparently of being able to contradict them the next, the general reading public are still as much in the dark as if the cry of "open diplomacy" had never been voiced through the land and the saving gift of untrained diplomatists in lieu of the old-fashioned *diplomateurs de carrière* had not been dangled before its eyes as the great panacea for all international ills. Well, we know what our great statesmen in the rôle of amateur diplomatists have done for the peace of Europe. It is satisfactory, even at this late stage, to learn on the authority of an esteemed evening contemporary that the Right Hon. Stanley Baldwin

is confident that, "however difficult may be the problems of reparations and those connected with the occupation of the Ruhr, there is not one in which France and England cannot find common ground and a mutual policy." This announcement will come as a refreshing piece of news to all who have been taken in by the sedulously fostered theory that the standpoints of England on the one hand and Belgium and France on the other are absolutely irreconcilable. But Time was always a great teacher, and a convincing one at that.

* * *

It is a matter of universal interest that the Academy of International Law, the idea of which was conceived at the Second Peace Conference of 1907, is to be inaugurated in the Peace Palace at The Hague on the 14th of July. It is right and seemly that this great college should find a seat at the heart of a country which has for centuries raised the guardianship of International Law to the level almost of a cult. But for the devastating war which has sundered all ties and made a holocaust of long-established principles, the new institute would have been opened in the fatal year 1914. It has been largely dowered by the Carnegie Fund, which will bear all the cost of its administration, and its governing body will be under the direction of Jhr. Van Karnebeek, assisted by a Curatorium over which M. Ch. Lyon-Caen, life secretary of the Académie des Sciences Morales et Politiques and Honorary Dean of the Faculty of Law of Paris, will preside. The statutes of the Academy have been carefully drawn up by the greatest internationalist authorities of the Old and New World, and the teaching staff will be composed of the most eminent men available from the various countries interested.

* * *

A simple enumeration of some of the names will suffice to establish the high standard of ability which has been attained in the selection of the Professorial Board. Holland, to begin with, is represented by MM. B. Loder and van Eysinga; England by Lord Phillimore and Mr. J. Fischer William; France by MM. André Weiss, G. de Lapradelle, Le Fur and Basdevant; the United States by Messrs. James Brown Scott, Nicholas Murray Butler, Grafton Wilson, Edwin M. Borchard and James Wilford Garner; Belgium by Baron

Notes of the Week

Albéric Rollin ; Italy by MM. Arrigo Cavagliero and D. Anzilotti ; Sweden by M. de Hammarskjöld ; Greece by M. N. Politis ; Japan by M. Adatci ; Germany by MM. H. Triepel and K. Neumeyer ; Austria by M. L. Strisower ; Mexico by M. Fr. de la Barra ; and Cuba by M. de Bustamente. Two courses of lectures and conferences will be given each year, the first in 1923 from July 16 to August 3, and the second from August 13 to September 1, admission to which is obtainable, without payment of any fees at present at any rate, on application to the Governing Body at The Hague ; but Doctors of Universities, members or former members of the Diplomatic Service and of the Consular Service, and officers or retired officers of the Army and Navy are *ipso facto* entitled to attend. Finally, it may be mentioned that the Trustees of the Carnegie Fund, acting on the sad experience afforded by the various Diplomatic Conferences that have taken place since the war, have decided that the teaching shall be given in French, without interpreters, a decision which has been heartily approved by the United States and England. It may be useful to add that any information may be obtained from M. van Kleffens, at the Ministry of Foreign Affairs, The Hague.

* * *

The recognised efforts of the Soviet Government to avoid the rupture of trade relations with Great Britain, evidenced in the conciliatory tone of the Russian reply and in the sending of Krassin to England, are, we learn on good authority, directly due to a special resolution taken by the "Politbüro" or Political Bureau of the Central Committee of the Russian Communist Party. This body represents the highest authority on home, foreign and economic policies. The constitution of the Bureau has hitherto been kept secret, but it is now stated that its known members number seven—Lenin, Trotzki, Sinovjev, Stalin, Kamenev, Rykov and Tolski—and that it has besides four unnamed representatives. Rykov and Kamenev represent the right wing of the party, the other members representing the various shades of opinion of the Centre Party. The extreme left is not represented. In order that the importance of the Central Committee shall not be too greatly overshadowed by the Political Bureau, the recent Congress of the Communist Party decided that the Central Committee must hold regular plenary sittings at least twice a month, and further meetings may be convened on the application of at least one-quarter of the members of the Committee.

* * *

The question of national guarantees in the form of treaties in order to secure international peace bulks largely in the columns of the Dutch Press. The detached policy of Holland, a country which prides itself on its neutrality almost as much as on its independence, is a faithful index to the deeply rooted sentiments of the people, and no appeal from the League of Nations in its present embryonic state is likely to shake their stubborn resolve to keep outside of all international entanglements. Now that the League has opened up the question, and that the various countries belonging to it are to be called upon to record a decision one way or the other either in September this year or in September of next year, the Dutch Government finds itself confronted with this serious dilemma : either they must refuse to co-operate, and in that case they will be accused of throwing obstacles in the way of disarmament, or else they must subscribe to the League's plan, in which case they will be acting in defiance of public opinion in Holland. Jhr. Van Karnebeek made no attempt to disguise the position when taken to task in the First

Chamber the other day, but he complained of the lack of specific information which had been supplied to the Government. The whole question, to his mind, was in such a nebulous state, and a decision was being unconscionably precipitated, that it behoved the country to act with the greatest circumspection. As shrewd critics of the proposal of national guarantees point out, so long as the League of Nations is powerless to enforce the observance of a treaty or to protect the victim of any breach of a treaty a neutral country like Holland cannot be expected to jeopardise her independence, which her present organisation has at any rate enabled her to maintain inviolate.

* * *

By an unfortunate coincidence, a difficulty has arisen between the Dutch Government and the International Labour Bureau of the League of Nations with regard to the Convention as to the age at which children shall be employed in agricultural labour. The interest in social and labour conditions by the governing bodies in Holland is by no means new-born, as is evidenced by the fact that in the legislation already in force at the time they had not only anticipated some of the most important of the resolutions embodied in the six Draft Conventions of the Washington International Labour Conference, but had even gone far beyond the recommendations which that Conference deemed it wise to subscribe to, notably in respect of the Eight Hour Day. The third Assembly of the International Labour Bureau, however, chose to lay it down as a hard and fast rule that no child should be allowed to be employed in agricultural labour under the age of fourteen. To this arrangement the Dutch Government refuse their assent. In the first place, the Public Instruction Act authorises Inspectors of Primary Education to give to children subject to compulsory education a yearly fortnight's holiday for the specific purpose of enabling them to take part in agricultural work and harvest operations ; and secondly, there are children who, for reasons duly certified, are exempt from the obligation of attending school, and who are therefore far better advantaged by a training in light agricultural work than they would be by the pursuit of idle courses. This, at any rate, is the view of the Government as communicated to the States General, and they see no reason to depart from the very humanitarian lines on which the labour legislation of the country has been modelled.

* * *

Even the reinforced-concrete hide of the author of the egregious Volstead Act must be beginning to show signs of the wear and tear to which it has been subjected during the short and inglorious career of that suicidal effort of American "temperance" agitation run mad. Reputable journals in every country which have been at the trouble of seriously investigating the conditions obtaining under the new Prohibition Law of the United States agree in their exposures of its futility, and in their condemnation of the fraud, hypocrisy and lawlessness which it has inevitably generated. The Dutch Mercantile Marine is the latest recruit to the forces ranged in opposition to it, and the Minister of Foreign Affairs, Jhr. Van Karnebeek, has lent it a sympathetic ear. In reply to questions in the Second Chamber he professed to be quite alive to the difficulties created for Dutch shipping entering American territorial waters under their own flag, but he assured the Chamber that, although he had instructed the Dutch Minister at Washington to make the necessary representations "in the most friendly spirit" to the United States Government, he could hold out no hope of any satisfactory arrangement being come to without the co-operation of such foreign Governments as were most directly interested in the matter.

FRANCE

POLITICAL AND GENERAL

The refusal of the Senate to try the Communist deputies accused by the Government of seditious conduct in connection with the occupation of the Ruhr is severely judged by the majority of the Press. A commercial journal suggests that it was an underhand attempt to overthrow the Government on the part of the Radical groups which form a majority in the Senate, and approves M. Poincaré for having clearly showed by tendering his resignation, that he harboured no illusions as to the desire of his political opponents to thwart by tortuous means his Reparation policy. The action will be condemned by all those who do not admit that the national interests should be subordinate to petty party interests and electioneering manoeuvres. The *Figaro* speaks of the irritation felt by the country at such proceedings. On the other hand the Communist organ *Humanité* hails the Senate's action as a victory for Communism, but M. Yves-Guyot points out in the *Agence Economique et Financière* that the Senate's decision does not prevent prosecution in the ordinary courts, and whatever the motives of the Senate, M. Millerand acted rightly in refusing to accept M. Poincaré's resignation, as by regarding the vote of the Senate as a political act he would have played into the hands of Moscow and Berlin.

The Chamber has expressed unqualified approval of M. Poincaré's policy by voting by 481 votes to 73 the credits necessary for the occupation of the Ruhr.

The Chamber has passed a Bill for the grant of a loan of 100 million francs to Rumania.

FINANCE

THE SPECIAL EXPENDITURE ESTIMATES.

Special expenditure recoverable from Germany for 1923 is estimated at Fr.13,313.8 mill. The ultimate assets to meet such expenditure subject to payments by Germany under the Treaty of Versailles is put down at Fr.13,368.6 mill., two-thirds of which are due to loans. The proceeds from the Saar mines, which in 1922 amounted to Fr.120 mill., are estimated at Fr.60 mill. for 1923, after deductions are made for sinking fund and new works.

In order to lighten the burdens cast on the estimates by the work of reconstruction and to bestow on the real sufferers from the invasion, especially on those most affected, the limited resources at its disposal, the Government has inserted in the Bill a number of special provisions for the purpose. In the first place it has deemed it possible to relax the strict obligation to expend monies received by way of indemnity without hindering the work of reconstruction or prejudicing the interests of the sufferers who retain the right to demand the full application of the Act of April 17, 1919. There is no longer any reason to fear the migration of capital, industries or inhabitants to districts untouched by the invasion. Facts have proved that the economic activity of the liberated areas is due not to chance but to natural causes. It has appeared equally indispensable to the Government to put an end to certain abuses which have hitherto been perpetrated under cover of the Act, which, if persisted in, would cause undoubted prejudice to the bulk of victims. It has at times occurred that owing to the fluctuations of the exchange, a literal application of the Act has enabled unscrupulous persons to make money improperly. The latitude allowed in respect of reinvestment coupled with the right to transfer compensation claims, has often enabled speculators and third parties to make excessive profits to the detriment of public interests and of those really entitled to compensation. In order

to check these abuses, the Government has introduced a series of special provisions, such as those relating to losses on stocks and shares; to the dispensation in certain cases and on certain terms from expending sums received in compensation in respect of urban house or factory property, private dwellings, the reconstruction of which is not indispensable to the resumption of business in the devastated areas; to dispensation from expenditure of the last quarter of the indemnity received; to the fixing of maximum indemnities which need not be expended on the spot, and in the identical restoration of the property damaged; to regulating amalgamations and collective claims. Such are the measures deemed necessary by the Government for the protection of the interest of the victims and of the Treasury. (*Information Financière.*)

GOVERNMENT AND THE REVISED BUDGET.

The Government has communicated to the Finance Commission of the Senate its views on that body's scheme for balancing the Budget as submitted to it, by the reporter, M. Henry Bérenger, which shows a surplus of 382 millions. M. Poincaré, who is less optimistic than M. Bérenger, submits the estimated saving of Fr.1,218 mill. and the estimated increased revenue of Fr.2,517 mill. to the following critical examination. The actual savings will not amount to more than 40 per cent. of the amount shown on paper, as the needs of the public services cannot be made to disappear by simply curtailing the estimates. While admitting that the Commission has based its calculations on the reports of the controllers of incurred expenditure and even allowed a certain margin, the Premier considers this margin inadequate, and the method itself fallacious. After a thorough examination of the services concerned he does not consider that the savings to be effected will exceed Fr.400 mill. at the outside. On the other hand increases of revenue have been estimated at too high a figure on the erroneous assumption that the improvement shown during the first quarter will be maintained until the end of the year. As a matter of fact, since March the rate of increase has slackened, and the calculated excess of Fr.2,317 mill. over estimates will have to be reduced. Even allowing for an ultimate increase of revenue of 2 milliards and for 500 millions of savings, the Commission's figures will be too high by one milliard at least, so that Fr.700 mill. will still have to be found. The Government's attention will be concentrated on this task, and it is a question whether the deficit can be made good by further economy or increased taxation. The country would naturally prefer the former alternative. Fictitious economy causing defective working of the public services, and ultimately necessitating the voting of supplementary estimates, is the worst form of makeshift. As regards the three milliards of interest on the reconstruction loans, comments M. Albert Petit in the *Journal des Débats*, it is all the same whether they remain in the ordinary Budget or are transferred to the special Budget of expenditure recoverable from Germany, as in any case they will fall upon France since Germany's payments are not sufficient to cover them, and a balance obtained at this price will be a mere cooking of accounts.

THE CREDITS FOR THE OCCUPATION OF THE RUHR.

As stated in another column, the Chamber has voted the credits for the occupation of the Ruhr by a large majority. As the Budget for 1923 has not yet been passed, the estimates for the Ruhr, like the other estimates of the Budget, have to be voted month by month. The total credits voted for the occupation of

France

the Ruhr for the first six months of the year amount to Fr.267 mill. The estimates for June were originally Fr.47 mill., of which Fr.12 mill. were for the administration of the railways, and Fr.35 mill. for military expenditure, but against the latter are set off Fr.12 mill., the expenditure on the same troops had they remained in France. The total estimates for June, therefore, are reduced to Fr.35.5 mill., a sum considerably below the monthly average for the preceding period. Previously to the debate on the Ruhr estimates, the *Journal Officiel* published a supplemental report by the reporter to the Finance Commission of the Chamber, M. Eymond, on the results of the occupation which embodied most of the information supplied by M. Poincaré to the Commission. The report contains the following figures relating to the requisition of coal and coke. The daily output of coke has risen from 1,000 to 11,000 t., the share obtained by France (three-quarters) of about 8,000 t. being considerably in excess of the needs of the French iron and steel industry, which do not exceed 6,000 t. a day. Up to the present 700,000 t. of coke have been seized, of which 300,000 have been despatched to France. The stocks thus seized will keep French industry supplied up to the end of August. But account must also be taken of existing stocks not yet seized amounting to over a millions tons, of which 750,000 t. have been assigned to France, whose supply will thus be assured up to the end of January. Finally, measures contemplated by the Government (increased output of the French and Belgium coke furnaces, and contribution from the Rhine coke works, in which French capital is interested) will enable stocks to be formed immediately for the period subsequent to January. Furthermore, the output of pig iron is nearing that of the preceding period. The output was 305,000 t. in February, 316,000 t. in March, 335,000 t. in April, as against an average monthly output of 420,000 t. in 1922. The supply of the blast furnaces in ore and metallurgical coke would allow of an output equal to that of 1922 were not the activity of the works limited by a falling off of orders. As regards coal, M. Eymond reports that the output has reached 10,000 t. a day, and anticipates that it will soon reach 85,000 t., a third of which can be despatched by water. The stocks already seized amount to 2,500,000 t. The sale to manufacturers of coal and coke has yielded about Fr.50 per ton net for coal and Fr.90 for coke. The proceeds of sale, including

by-products, have reached Fr.1.5 mill. a day. The stocks seized at the Badische Anilin Works are not taken into account. (*Journée Industrielle, Information Financière.*)

TRADE

FOREIGN TRADE RETURNS.

The foreign trade figures for the first four months of the current year compared with the corresponding periods of 1922 and 1913 are as follows:—

Value (in millions of francs).			
	1923	1922	1913
Imports	...9534.2	6994.1	2825.0
Exports	...9007.0	6777.7	2261.8
Quantity (in millions of tons).			
	1923	1922	1913
Imports	... 16.2	15.7	14.2
Exports	... 7.7	6.4	6.6

The increases of the value of the import of the various classes of goods compared with 1922 are as follows (in millions of francs):—Foodstuffs, 574.7; raw material for industry, 1,954.8; manufactured goods, 19.4. The import of coal, coke and briquettes amounted to Fr.963.9 mill. and 8.7 mill. t. as against Fr.769.2 mill. and 9.4 mill. t. in 1922.

The increase of the value of exports compared with the first four months of 1922 is: foodstuffs, 401.5; raw materials for industry, 1,172.4; manufactured goods, 575.5; postal parcels, 79.7. (*Information Financière.*)

COMMUNICATIONS

RAILWAY EARNINGS.

The earnings of the leading railways for the first four months of the year (Jan. 1 to May 6) are as follows (in millions of francs):—

		Difference compared with 1922.	
		Total.	per cent.
State	... 338.5	+ 26.0	8.35
Paris-Lyon	... 621.8	+ 45.1	7.8
Nord	... 374.6	+ 9.8	2.7
Orléans	... 310.1	+ 14.5	4.90
Est	... 346.1	+ 13.8	4.16
Midi	... 160.9	+ 12.6	8.53
Alsace-Lorr. et Guil.-Luxemb.	142.4	— 5.8	5.31

(*Information Financière.*)

GERMANY

POLITICAL AND GENERAL

THE RUHR DISTURBANCES.

The present labour disturbances in the Ruhr, says the *Frankfurter Zeitung* (May 24), have a serious background in that among the miners great anxiety reigns concerning their economic prospects. They are most dissatisfied with their wage. The promise that they should receive a higher wage than any other class of worker has not been kept, and they do not deem the two recent awards acceptable. For these reasons they stopped work on a number of mines. The Social Democratic Miners' Association is not supporting the strike, but the Communists have taken advantage of the unrest to propagate further trouble, after having, so it is said, started the ball rolling. It is not possible to understand the motives underlying the Communist endeavours in the Ruhr unless a clear picture be given of the various elements composing the Party.

A number of its members were formerly Social Democrats, who probably abandoned their Party for temperamental reasons, but who retain too much feeling for

discipline to permit themselves to countenance all the follies which so often distinguish the young and extreme Communists. The more the sober element tries to assert itself, however, the more determined is the opposition of the strong radical element in the Party. The well-known Communist Stoecker recently denied vehemently the accusation that the Communists were in league with the French in the Ruhr. He stated that the French had attempted to make use of the Communists but that the latter had refused to be made their tools. Be that as it may, the point is that the Communists are divided and that in the Ruhr each is going his own way. The Communists cannot have any valuable motives underlying their endeavours. Were they to give the matter a moment's sensible consideration they would realise that by creating a general uproar they are merely playing into the hands of the French, who desire this state of affairs in order to make what use of it they please. The majority of the Ruhr population know this, but for all that the unrest is most serious. It not only brings together a crowd of rabble, but may easily prove contagious in so electric

an atmosphere. It is therefore highly urgent to come to some kind of agreement with the miners.

THE PRICE OF BREAD DOUBLED.

A Wolff Bureau telegram to the *Frankfurter Zeitung* (May 23) announces the prospective doubling of the price of bread as from June 4, resultant on the raising from Mk.200,000 to Mk.800,000 of the price at which the Reich Corn Department sells corn to the Communal Associations. The Cabinet states that it has kept the rise within the narrowest limits possible, and that the price of rye on the open market is more than double that at which the Government propose to sell it. The *Frankfurter Zeitung* remarks that although the increase will bring anxiety to many a home, the price of bread could not be artificially maintained at a low level for ever, unless the price of corn could be kept down as well, which has not been possible. The Government should excuse themselves, not for their present action, but for their former bread policy which cost the Treasury thousands in subsidies, which it covered by printing notes. The fixing of the date of the increase at June 4 will enable the necessary adjustments in wages, salaries, etc., to be made, so that bread is obtainable by all.—The vicious circle again!

FINANCE

RAILWAY AND POSTAL REVENUE.

The Ministry of Finance has published the figures of revenue from the State Railways and the Posts and Telegraphs for the financial year 1922-23. The postal revenue has exceeded the estimates, while the railway receipts are far below them. Between April 1, 1922, and March 31, 1923, the railway receipts were (figures in brackets represent *a* estimated receipts for 1922-23, *b* previous year's receipts):—Passenger and luggage traffic, Mk.135,830,000 (*a* 120,000,000, *b* 71,515,000); goods traffic, Mk.1,600,239,000 (*a* 2,023,000,000, *b* 31,917,000); other receipts, Mk.117,300,000 (*a* 24,094,000, *b* 2,686,000); total receipts, Mk.1,853,199,000 (*a* 2,167,094,000, *b* 42,118,000). The postal revenue totalled Mk.255,248,000, as compared with an estimated revenue of Mk.163,561,000, and with a revenue last year of Mk.10,287,000. (*Deutsche Allgemeine Zeitung*, May 12.)

PROCEEDS OF STATE SPIRIT MONOPOLY.

The yearly report of the Reich Spirit Monopoly for the year ended Sept. 30, 1922, shows gross profits of Mk.10,297,072,776 (1,704,815,427 the year before) and net profits of Mk.7,442,619,004 (1,341,954,193). Production was considerably less than in the previous year. In the autumn of 1921 the agricultural distilleries had to work chiefly with potatoes. Maize, the chief raw material of the previous year, was not used until February 1922. Even after this date the spirit deliveries did not assume the expected proportions, as the continuous depreciation of the mark did not favour the utilisation of maize. The fact that this has been the best year so far as regards financial results is due to the large supplies of spirit accumulated from the year before. These amounted to 1,500,000 hl. The manufacture of new raw spirit totalled 1,169,554 hl. Home sales amounted to 2,078,266 hl., and foreign sales to 252,497 hl. The retail prices for 30, 35, 40 and 45 per cent. spirit were Mk.38, 42, 46 and 50 respectively per $\frac{3}{4}$ lit. bottle as from April 30, 1922. As from Sept. 30, 1922, the prices were Mk.137, 150 and 162 for 35, 40 and 45 per cent. spirit respectively. (*Berliner Börsen-Zeitung*, April 25.)

DYE WORK REPORTS.

The annual report of the Höchst Dye Works [recently occupied by the French] for 1922 shows net profits of Mk.3,964.9 mill., compared with Mk.175.8 mill. in 1921. A dividend of 300 per cent., as compared with 30 per cent. in 1921, was declared.

The report of the Berlin—Treprow Aniline Manufacturing Company also announces the distribution of a

300 per cent. dividend, as compared with 30 per cent. last year. In this case, however, the share capital was doubled in the autumn and the new original shares were offered at 150 per cent. The capital was to be raised again this spring, but this has been postponed. (*Neue Zürcher Zeitung*, May 15.)

The annual report of the Farbenfabriken vorm. Friedr. Bayer and Co., Leverkusen, shows gross profits of Mk.4,382,791,743 as against Mk.264,509,782 the previous year, and net profits of Mk.3,843,995,980 as against Mk.198,377,521 in 1921. A dividend of 300 per cent. (20 in 1921) was declared.

TRADE

EXPORT "FREE LIST."

Export trade has now been greatly facilitated by the establishment of an extensive "Free List" for export goods. Export permits will be granted in respect of these goods on three conditions: (*a*) the price fixing must take place in the currencies of either England, Denmark, Sweden, Norway, Holland, Switzerland, France, Luxembourg, Belgium, Spain, Portugal, Italy, Finland, Czechoslovakia, United States, Canada, South and Central America, Japan, China, Persia, Egypt, and all colonies or protectorates of these lands; (*b*) at least 40 per cent. of the foreign currencies taken in export transactions must be offered to the Reichsbank immediately upon their receipt; (*c*) in place of the export permit formerly necessary the exporter must attach to his consignment a delivery declaration concerning the above-mentioned foreign currency.

The Free List comprises a number of agricultural and forestry products, such as straw, bast, weaving materials of various kinds, bristles, tanning bark, quebracho wood, tanning fats, horsehair, horn, bones, mussel shells, corals, etc.; minerals and fossils, such as meerschau, asbestos, purified natural oil, benzine, etc.; prepared wax and soap products of various kinds; certain chemical and pharmaceutical products such as scents, dentifrice, cosmetics, etc.; animal and vegetable spinning materials, such as silk twist, raw silk, silk upholstery materials, silk gloves, cotton wool, felts, hairnets, hats, etc.; footwear and leather goods, leather gloves; certain rubber products; broom and brush products, carved and moulded goods, such as pipes, carbon electrodes, etc.; various paper and pasteboard goods; also certain earthenware products and metals, machinery, electro-technical products, vehicles, etc. (*Deutsche Allgemeine Zeitung*, May 25.)

POTASH OUTPUT AND SALES IN 1922.

According to official figures, the total output of crude potash salts in Germany in 1922 amounted of 130.1 mill. d.ctr. containing 15.1 mill. d.ctr. of pure potash (K₂O). The total output was distributed as follows over the various districts, the first figure referring to crude salts, the second to K₂O:—Hanover, 33,933,400 and 4,280,000 d.ctr.; Stassfurt—Magdeburg, 30,467,900 and 3,039,100 d.ctr.; Halle, Mansfeld and Unstrut, 13,695,600 and 1,413,700 d.ctr.; Southern Harz, 25,439,600 and 3,322,400 d.ctr.; Werra, 26,586,700 and 3,043,300 d.ctr. Compared with last year, when the output of crude salts was 92.9 mill. d.ctr. with a pure potash content of 10.5 mill. d.ctr., the 1922 output shows an increase in pure potash of 43 per cent. During the greater part of the year potash sales were very lively, especially in November, when the figure of the volume consigned—1.2 mill. d.ctr.—was the highest monthly average experienced. Total sales for the year amounted to 48.1 mill. d.ctr. with a pure potash content of 13 mill. d.ctr. The total amount of pure potash consigned thus exceeds by 1.9 mill. d.ctr. the amount consigned in 1913—11.1 mill. d.ctr.—and by over 3.8 mill. d.ctr. the amount consigned in 1921. Salts with a high percentage of pure potash content were the most in demand, probably on account of the high freight rates, which rendered the transport of such salts more

Germany

economic. Home sales rose from 7.7 mill. d.ctr. of pure potash in 1921 to 9.6 mill. in 1922, an increase of 25 per cent., and were chiefly for agricultural purposes, probably to the extent of 9 mill. d.ctr. In 1921 home sales for agricultural purposes amounted to about 7.2 mill. d.ctr., or 94 per cent. of the total home sales. Foreign sales also increased greatly during 1922, though they did not reach their pre-war height. It was possible to resume all the foreign connections severed by the war, even those with Soviet Russia, although trade with the latter was of course resumed on a very modest scale. Delivery to the United States, the chief purchaser of German potash before the war with 40 per cent. of the total German output, was greatly prejudiced by competition on the part of the Alsace potash mines. The number of workers employed in all the potash works together rose from 39,502 on Jan. 1, 1922, to 48,683 on Jan. 1, 1923. The by-product works were employing on the latter date 6,604 workers compared with 4,742 twelve months before. The total number of persons employed in the potash industry on Jan. 1, 1923, was 55,087. At the end of 1922, 126 works were participating in the output of potash salts, compared with 140 works at the end of 1921. (*Wirtschaft und Statistik*, April 20.)

THE REAL ESTATE MARKET.

Since the beginning of this year the municipal estate market is no longer so completely neglected. Notwithstanding the very rigid compulsory restrictions on rents, people are beginning to remember the value of real property. Purchases by foreigners have contributed to a rise in the price of real estate, but no uniformity in price development can be said to exist, for every contract is an exceptional one. A number of figures supplied by a mortgage bank and relating to sales during the first quarter of 1923 nevertheless give some idea of the general tendency of the price movement of dwelling houses. In Dusseldorf, a dwelling house, valued before the war at Mk.103,000, fetched Mk.650,000 in 1923 from a foreigner; its mortgage value was Mk.45,000. One valued at Mk.94,270, mortgage value Mk.53,000, fetched only Mk.225,000 from a foreigner. Another, valued at Mk.61,204, sold for only Mk.70,000. In Dresden a house, the pre-war value of which was Mk.190,480, was sold to a foreigner for Mk.450,000, one valued at Mk.144,332, was sold for only Mk.165,000—scarcely any more. In Breslau a house valued before the war at Mk.325,621, fetched as much as Mk.5,675,000; this was a dwelling and business house combined. A dwelling house here fetched Mk.1 mill., its pre-war value being Mk.159,390. Another business and dwelling house in this city, valued at Mk.435,000, fetched only Mk.2.3 mill. In Frankfort one dwelling house valued at Mk.85,320 sold for Mk.1,750,000; another, valued at Mk.80,339, fetched only Mk.430,000. In Berlin, houses have in some instances also sold at less than their pre-war valuation; one valued at Mk.348,000, sank to Mk.300,000. Another, valued before the war at Mk.422,000, sold for Mk.4,105,000. In Cologne a Mk.400,000 house fetched as much as Mk.45 mill. from a foreigner. It will be seen from the foregoing figures how chaotic is the price movement on the real estate market. Houses in the same place, with very similar pre-war values, now fetch prices which vary by several million marks. The mortgageable value of house property, formerly about 60 per cent., has sunk to between 10 and 20 per cent. of the present purchase price. It should also be noted that the prices quoted are often far smaller than was paid in reality, for, apart from the cases of known falsification, the tax-burdens of the seller are often not included in the given sale price, when the purchaser has assumed them. The acquisition by foreigners of most of the larger properties is only a new proof of our impoverishment. The price of house

property now is, on an average, not more than ten times the pre-war value. This state of undervaluation is due not only to the restrictions on rents referred to above, which render house property an unremunerative investment, but also to the continuously increasing offers of house property by landlords who are obliged to relinquish it on account of the disproportionate costs of repair to the revenue acquired.

COMMUNICATIONS

INLAND SHIPPING FREIGHT RATES IN 1922.

The following account of the freight rates obtaining on the inland waterways of Germany during 1922 appeared in *Wirtschaft und Statistik* (April 20):—

At the beginning of 1922 a very severe winter practically stopped all inland shipping activity for some time. On the Oder natural conditions impeded traffic and on both this river and the Elbe the supply of tonnage was often greater than the demand because consigners, in order not to incur the monthly tariff increases of the railways for consignments made partly by water, partly by rail, preferred to keep to direct rail connections. In normal times the freight rates in inland shipping are determined by the relation between the supply of utilisable shipping and the demand. In 1921 and 1922, however, river freights adjusted themselves only in a slight degree according to supply and demand, and almost entirely according to the costs of the shipping undertakings and the railway freight charges. Looking at the matter broadly, inland shipping rates moved upwards, in correspondence with the general price movement, slowly during the first half of 1922 and rapidly during the second half. Rates on the Elbe, already very high in 1921, rose comparatively little the next year, but various South German rates, for instance those for coal freightage between Aschaffenburg and Bamberg, rose sharply; the Rhine freight rates came midway between the two. The proportionate rise in freight rates as compared with pre-war rates was for the most part on a level with the official index number representing the increase in wholesale industrial prices; occasionally it was even greater, in the case of the Hamburg to Dresden rates between January and July 1922 for instance, and the Rhine Ruhr ports to Mannheim rate, in March 1922. If the rates be computed according to their gold values it is seen that the Hamburg to Dresden rates approached the pre-war height most nearly. During the first seven months of the year they even exceeded the 1913 rates by from Mk.0.83 to Mk.1.74; Between August and November, however, they were much lower, rising again in December. The rates were lowest on the Kosel to Stettin stretch, where the 1913 standard was not attained in any single month.

It is particularly interesting to compare the movement in river rates with that in rail freight rates. Previous to 1922 most river freight rates had already risen nominally in value in accordance with the depreciation in the currency. Railway rates, on the other hand, for those bulk goods which are the chief freightage of inland ships, remained some distance behind. In this way the sharp difference existing before the war between the two sets of rates was temporarily greatly diminished. In 1913 the Kosel to Stettin waterway rates were 45 per cent. of the corresponding rail rates, those between Hamburg and Dresden were 25 per cent., and those between the Rhine Ruhr ports and Mannheim were 24 per cent. of the respective rail rates. In January 1922, however, these figures had changed to 87, 81 and 53 per cent. respectively, so that the differences between the two sets of rates, instead of being 55, 75 and 76 per cent. were only 13, 19 and 47 per cent. From February 1922 onwards the railways augmented their freight rates monthly, and the differences between the two sets of rates grew wider again. In August and September, however, railway freight rates ceased to move up so rapidly, and the differences between the two sets of rates

in September were 10, 39 and 38 per cent. respectively. In December the differences had again widened to 51, 61 and 68 per cent.

Some of the actual waterway rates in 1922 were as follows: Königsberg to Tilsit, coal, April Mk.70 per t., November Mk.1,200; Tilsit to Königsberg, timber, April Mk.67.10 per c.m., November Mk.400; Kosel

to Stettin, coal, Jan. Mk.106.7 per t., December Mk.4,640 (1913 Mk.4.63); Dresden to Hamburg, bulk goods, Jan. Mk.60 per t., December Mk.2,050; Rhine-Herne Canal ports to Aschaffenburg, coal, Jan. Mk.101.5 per t., Dec. Mk.5,351; Hanover to Duisburg-Ruhrort, salt, Mar. Mk.84.10, Dec. Mk.2,671.

HOLLAND

FINANCE

REVENUE RETURNS FOR APRIL.

Following the unfavourable returns of revenue for March as compared with the previous two months, the April returns show a healthy recovery, although the amount received still falls short by Fl.716,000 of the total realised in the corresponding month of last year, whereas the March returns showed a similar falling off of Fl.3.33 mill. On the face of it, however, the position is more satisfactory than would appear from a closer examination of the figures. As the *Nieuwe Rotterdamsche Courant* points out, while the revenue from Ordinary sources is only Fl.716,000 below that for April 1922, it must be remembered that the latter was nearly Fl.2 mill. short of the total banked in the corresponding month of 1921. But this bare comparison of totals does not provide a fair presentation of the case, for the reason that the Excise on Tobacco did not contribute to last year's returns, whereas this year it yields Fl.1,159,222; so that there is a shortage on all items in the return not of Fl.716,000, but of Fl.1,875,000.

The Ordinary revenue, according to the *Gazette de Hollande* (May 23), shows a total of Fl.36.88 mill., while the aggregate for the first four months of the financial year is Fl.142 mill. as against Fl.137 mill. last year. The only item that shows a substantial increase is the Excise on Sugar (Fl.1,037,087), the next two being the Excise on Beer (Fl.153,943) and the Excise on Meat (Fl.152,603), much smaller surpluses being credited to the Ground Tax, the Death and Donation Duties, and to Domains, etc. On the other hand, there is a decrease of Fl.962,073 in the Excise on Spirits, of Fl.924,744 in the Property Tax, of Fl.710,340 in Income Tax, of Fl.408,718 in Import Duties, and of Fl.243,595 in the Dividend and Bonus Tax.

With regard to Extraordinary revenue, the Defence Taxes and the Supertaxes in support of the Sinking Fund for the 1914 Loan yielded only Fl.11.59 mill. as against Fl.13.75 mill. last year, while the War Profits Tax produced no more than Fl.23,058 as compared with Fl.1,779,949 in April 1922. The figures in respect of these last two sources for the first four months of the year were Fl.37.91 mill. and Fl.14 mill. respectively, as against Fl.40.87 mill. and Fl.22.62 mill. in 1922.

THE TAXATION OF WEALTH.

The *Monthly Review* of the *Rotterdamsche Bank Vereeniging* for April publishes some interesting statistics showing the growth of property in Holland that was liable to taxation from 1894-95 to 1921-22. Taxation now begins with capitals of Fl.16,000 and upwards, though prior to 1915 fortunes of between Fl.13,000 and Fl.15,000 and 16,000 respectively were subject to it. The latter, however, have been omitted from the statement now somewhat belatedly produced. In 1894-95 the aggregate wealth subject to taxation stood at Fl.5,281 mill.; by 1904-05 it had risen to Fl.6,099 mill., by 1914-15 to Fl.7,532 mill., and within five years from that date to Fl.12,468 mill.; in 1920-21 it rose to Fl.13,589 mill., but in 1921-22 there was a slight set-back to Fl.13,284 mill. This set-back is attributable,

not to a decrease in the number of capitals liable to taxation, but to a drop in the figures credited to the groups that include the largest fortunes; on the other hand, there has been a considerable increase in the number of persons of small fortune. The set-back in question, however, was anticipated, as the economic crisis had already set in. The most satisfactory feature of the returns is the increase in the total number of those who pay this tax. From 1920-21 to 1921-22 this increase was close on 6 per cent., but reckoning from 1914-15 it amounts to nearly 70 per cent.

APPRECIATION OF THE FLORIN.

As was pointed out in our issue of March 16 (p. 227), the current year finds the Dutch florin in a strong position on the foreign exchanges, where it ranks with gold, notwithstanding the fact that the *Nederlandsche Bank* has not yet begun to put the gold coinage again into circulation. The explanation, it was added, was to be found in a study of the metallic cover in relation to the paper currency; but unfortunately in proceeding to illustrate this in a tabular statement, the figures showing the paper circulation and those indicating the metallic cover for some of the years were transposed, though faithfully reproduced as transmitted to us from Holland. It will be useful, therefore, to reprint the table revised, corrected and brought up to date, as follows:—

Date.	Paper circulation in Fl. (mill.)	Metallic cover in Fl. (mill.)
1914, June 27 ...	306.2	170.0
1915, March 27 ...	459.1	291.2
1916, March 25 ...	588.4	515.2
1917, March 31 ...	745.6	597.4
1918, March 30 ...	889.7	729.5
1919, March 29 ...	1,011.2	679.1
1920, March 27 ...	1,013.3	644.6
1921, March 29 ...	1,036.8	637.7
1922, March 27 ...	959.6	611.8
1923, March 26 ...	932.4	588.9

Before the war the *Nederlandsche Bank* was under obligation to have a metallic cover equal to 40 per cent. of the paper circulation. After the outbreak of hostilities this was temporarily reduced to 20 per cent., though the Bank never availed itself of this facility. On the contrary, its metallic cover has always complied with the minimum requirements of the law and has even considerably exceeded them, attaining to as much as 88 per cent. in the summer of 1916. At the end of the war it was fully 65 per cent., and at the end of 1922 about 60 per cent. Although the earlier incorrect return published in these columns made out the position of the Bank to be much more favourable than it really was, the exact figures given above are very gratifying.

THE TAX ON PETROLEUM.

A Bill has been introduced in the Second Chamber to prolong over 1923 the tax on produce in the Dutch East Indies and to impose a tax on petroleum. In the Explanatory Memorandum accompanying the measure the Government regrets that, after consulting the Government of the Dutch East Indies, it is unable to see its way clear to abolish the tax on produce altogether, notwithstanding that the deficit in respect of

Holland

revenue from taxation has been mostly made good. To abolish correctives at this early stage and to rely solely on the income tax would be most unwise, and besides it only asks for these financial measures for a period of one year. With regard to the tax on produce the following improvements are suggested: (1) In order to prevent the amount of the produce taxes exceeding the profits of a company or a disproportionately large part of such profits being claimed in the form of produce tax, it is the intention to limit for 1923 the taxes on sugar, Sumatra tobacco, Java tobacco, tea and coffee to a maximum of 20 per cent. of the total profits; (2) the coffee tax shall not exceed 20 per cent. of the working profit; (3) the tariffs for the sugar, tobacco and tea taxes are to be revised, and the percentage shall be levied on the difference between the total proceeds and the total cost of production. With regard to the petroleum tax, the refiner is to be made responsible for the tax on the refined article, while that on the crude oil bought for any other purpose is to be paid by the purchaser. As in the case of the produce taxes, the net proceeds are to be taxed in accordance with a progressive tariff. The tax on petroleum obtained by the *Nederlandsch-Indische Aardolie Maatschappij* will not exceed the amount which would have been payable in export duty under the Act of July 7, 1919. The probable revenue from this source is estimated at Fl.16 mill. at the outside, but owing to the importance of the subject the Bill will not be brought up for debate until after the summer recess, thus giving the Second Chamber ample time to investigate the matter thoroughly. (*Gazette de Hollande*, May 30.)

TEN-MILLION MUNICIPAL LOANS.

The Fl.10 mill. Five per Cent. Amsterdam Municipal Loan, issued at the rate of 99 per cent., was so considerably over-subscribed that only 7 per cent. of the debentures applied for could be allotted.

On June 4 subscriptions were opened for a Fl.10 mill. Five per Cent. Rotterdam Municipal Loan, which is being issued at the rate of 94 per cent.

TRADE

TRADE RETURNS FOR APRIL.

The Trade returns for April, exclusive of specie and bullion, judged by the preliminary statement issued to the Press, are far from satisfactory. The returns for March, it may be recalled, showed an increase of Fl.3 mill. in respect of imports and of Fl.12 mill. in respect of exports as compared with the previous month, leaving the adverse trade balance at the comparatively low figure of Fl.58 mill. Those for April, while they show an increase of Fl.5 mill. in respect of imports as compared with March, give a decrease in exports of Fl.10 mill., raising the adverse trade balance to Fl.73 mill. As compared with the results recorded for April of last year, however, there is an increase of Fl.3 mill. in imports and of Fl.4 mill. in exports. The returns may be tabularised as follows in millions of florins:—

	April.	March.	April 1922
Imports	170	165	167
Exports	97	107	93
Adverse trade balance	73	58	74

Reverting to the returns for the first quarter of the year, imports amounted to Fl.500.68 mill. as against Fl.485.18 mill. in 1922, Fl.598.34 mill. in 1921, and

Fl.677.71 mill. in 1920; while exports reached a total of Fl.293.07 mill. as against Fl.283.19 mill. in 1922, Fl.344 mill. in 1921, and Fl.317.45 mill. in 1920. The decrease in imports in this year's returns as compared with 1922 was caused by a drop in the importation of deals (52,054 t.), coal (57,131 t.), coke (22,932 t.) and briquettes (45,008 t.). On the other hand, there were increased exports of coal (210,947 t.), coke (81,970 t.) and fresh vegetables (48,970 t.). For the purpose of comparison with the corresponding statement of values set out about, the weight in millions of metric tons of imports and exports for the first quarter is given as follows:—

	Imports.	Exports.		Imports.	Exports.
1923 ...	4.33	1.96	1921 ...	3.48	1.00
1922 ...	4.50	1.47	1920 ...	2.83	0.79

INDUSTRY

THE COAL OUTPUT.

During recent years great efforts have been made to increase the coal output in Holland, where the only coal mines yet discovered are in the Province of Limburg. Before 1920 they only produced something short of three million tons a year, but in 1921 the output was increased to 3,900,000 t., and last year the output exceeded 4,500,000 t. In three or four years it is expected that the Limburg mines will be in a position to provide for the whole of the home consumption of the country, which amounts to eight million tons a year.

A NEW MARKET FOR DUTCH INDUSTRY.

According to the *Telegraaf*, a Dutch engineer is carrying on negotiations with the Free State Government of Ireland in connection with a possible programme of canal, harbour and railway works in that country. Plans have already been formulated for the establishment there of a number of industrial undertakings, and our contemporary thinks that it is not at all outside the range of possibility that Ireland may develop a good market for Dutch girders and machinery, besides furnishing opportunities for Dutch out-of-work contractors and technical experts.

COMMUNICATIONS

SUBSIDY FOR AERIAL NAVIGATION.

The Government have introduced a Bill in the Second Chamber to grant the *Koninklijke Luchtvaart Maatschappij* a loan not exceeding Fl.1.4 mill. during the years 1923 to 1926, free of interest. Circumstances in this country, says the *Gazette de Hollande* (May 26), are in many respects favourable to the development of aerial navigation, owing to its situation between England and Germany, France and the Scandinavian countries, to its possession of extensive colonies and of commercial relations in all parts of the world. The time has come, it thinks, to abolish the system of short-term or annual subsidies, in keeping with the practice of other countries. The passenger traffic in 1922 did not yield very favourable results, though there were signs of a revival in the last two months of the year, but on the other hand the goods traffic showed an increase. To entitle the company to the subsidy it will be necessary to raise its capital to a maximum of Fl.600,000. The services to be developed during the period covered by the grant are the Amsterdam-Rotterdam-London line, the Rotterdam-Amsterdam-Bremen-Hamburg line, and the Amsterdam-Rotterdam-Brussels-Paris line. The only grants hitherto made to the company consisted of Fl.420,000 in 1921 and Fl.325,000 in 1922.

SWITZERLAND

POLITICAL AND GENERAL

In 1922 the Political Department dealt with 3,129 requests for naturalisation compared with 4,409 requests in 1921. Of these, 19,18 (3,173 in 1921) were granted, 731 were still awaiting a decision on Dec. 31. Most of the applicants—1,079—were Germans. Next came 353 Italians, 220 French, 72 Austrians, 38 Czecho-Slovakians, 31 Poles, 26 Russians, etc. (*Journal de Genève*, May 1.)

FINANCE

BAD STATE OF PUBLIC FINANCES.

The Zürich correspondent of the *Vossische Zeitung* (May 8) supplies an account of the state of the Swiss Federal, cantonal and municipal finances in which he quotes extensively from a report of much interest issued by the Schweizerische Volksbank.

He explains how the costs of mobilisation, etc., in Switzerland during the war were followed by post-war burdens on the Federation, the cantons and the municipalities in the form of unemployment grants; how the whole administrative apparatus proved too cumbersome in view of the decline of trade and commerce, and how political considerations stood in the way of the adaptation of official salaries to the reduced cost of living; how expenditure could therefore no longer be adjusted with revenue, nor the deficits be redeemed by way of loans, and how the public debt swelled in consequence to enormous proportions. Between 1914 and 1922 the Federal expenditure rose from 181 to 522 mill., revenue only from 158 to 422 mill. The deficit grew from 22 mill. in the first year of the war to 128 mill. in 1921, i.e. from 12 to 26 per cent. of the expenditure. Notwithstanding all efforts to increase revenue, chiefly by doubling Customs duties, it was not possible to balance the Budget. It is hoped to do so by future reductions in staff and salaries, but the uncovered deficit at the end of 1923 is estimated at not less than 560 mill. without taking into account uncovered extraordinary expenditure of 1,252 mill. which does not figure in the Budget and which includes 522 mill. representing mobilisation costs and war administration losses of 332 mill. At the end of 1923, therefore, the uncovered deficit will probably be 1,812 mill., which, if unemployment continues, will easily increase to 2 milliard. Of this deficit, only the mobilisation costs can be redeemed by means of war taxes during the course of the year. The remainder must be redeemed by means of loans, as the Federation possesses but few sources of income and the cantons are not inclined to grant the Federation the right to raise direct taxation. This covering of deficits through loans is not without its dangers, as it means the withdrawing of huge sums from productive uses and therefore represents in fact an absolute decrease of the national income.

The indebtedness of the Federation grew, by reason of these deficits, from 146 mill. in 1913 to 2,131 mill. in 1922, and during the same period interest and redemption costs thereon rose from 9 to 123 mill. The bad financial state of the railways renders matters still more acute. The surplus from exploitation fell from 70 mill. in 1913 to 12 mill. in 1922, while the profit and loss account showed at the end of 1922 a total deficit of 233 mill., and much reduced traffic returns. The great expenditure necessitated by the electrification programme will swell to huge proportions the debt and interest services of the railways, which now amount to 110 mill. and even if a saving in coal and reduction in staff be effected, it will not be possible to balance their budget unless a very great increase in traffic takes place, of which there are at present no great prospects.

The finances of the cantons are no better. In 1913 the total deficit of the 25 cantons amounted to only 3 mill., in 1922 it was 75 mill. and their total indebtedness had risen from 788 to 1,800 mill. The municipalities have been far more successful in putting their households into order with severe increases in taxation. Nevertheless, the 56 larger municipalities had in 1922 an expenditure surplus of 23 mill. due chiefly to the granting of unemployment aid, and loans to the value of nearly a milliard.

At the end of 1922 the total indebtedness of the Federation, Federal Railways, cantons and municipalities amounted to practically 8 milliard francs. According to the report of the Schweizerische Volksbank, this figure will, in five years, have augmented to 10 milliard. Against this figure must be set off a national income totalling 40 milliard. The public debt therefore forms 25 per cent. of the national income. If only 5 per cent., which is certainly not enough, be reckoned as the interest and redemption cost, the Swiss people must supply 500 mill. annually for the service of the public debt. The recent fall in the value of the Swiss franc is due in part to the extent of this debt.

BERNE AND SOLOTHURN FINANCES FOR 1922.

The Berne cantonal administrative accounts for 1922 closed with a surplus of expenditure over revenue amounting to Fr.4,302,768. The estimated deficit was Fr.10,467,210. The cantonal assets have increased by Fr.482,185 and amounted at the end of 1922 to Fr.54,437,121.

The annual report of the Berne Cantonal Bank shows profits of Fr.2,841,799 (3,068,760 in 1921), a balance of assets and liabilities amounting to Fr.473,071,684 (500,127,443) and total clearings of Fr.5,768,837,000 (6,146,342). The reduced business done by the bank reflects the general business depression. Unemployment grants have so drained the municipal funds in the canton that the Government have decided to place before the Grand Council a scheme for the founding of a Berne Credit Bank to be affiliated to the Berne Cantonal Bank. The main object of the new institution will be to grant to the canton and municipalities at reasonable rates of interest funds for combating unemployment. (*Neue Zürcher Zeitung*, May 9.)

For the first time for many years the cantonal administrative accounts for Solothurn have closed with a surplus. The expenditure for 1922 amounted to Fr.11,460,552, the revenue to Fr.11,511,049. The surplus amounts therefore to Fr.50,497, whereas a deficit of Fr.1,440,881 was estimated. This favourable result is due in the main to the additional receipts in respect of the Cantonal tax, the war profits tax and one or two others, as well as to the lower expenditure incurred by the Rosegg Asylum and the cantonal hospital at Olten, by reason of the reduction in food prices. The cantonal assets show a far less favourable picture. From Fr.4,319,320 at the end of 1921 they have sunk to Fr.1,717,455. This decrease is due to the large sums written off in respect of building activities in connection with the housing shortage, emergency work in connection with unemployment, and unemployment aid in general. (*Neue Zürcher Zeitung*, May 9 and 16.)

The Solothurner Kantonalbank in Solothurn, notwithstanding the unsatisfactory economic situation and the fall in prices, showed in 1922 total clearings to the value of Fr.1,703 mill., which compares fairly favourably under the circumstances with the Fr.1,724 mill. cleared in 1921. The balance of assets and liabilities even shows an increase from Fr.178.7 mill. to Fr.185.2 mill. Profits totalled Fr.2.03 mill., compared with Fr.1.94 mill. in 1921. Interest on the original capital was paid at the

Switzerland

rate of 4.8 per cent. Fr.200,000 was placed on reserve (Fr.125,000 in 1921), and Fr.56,498 (51,972) carried forward. The rate of mortgage interest was $5\frac{1}{2}$ per cent. during the year and was reduced by $\frac{1}{2}$ per cent. on Jan. 1, 1923. (*Neue Zürcher Zeitung*, May 1.)

TRADE

COAL IMPORTS IN APRIL.

Coal imports from Germany, France, Belgium, England, Holland, Poland, and Czecho-Slovakia totalled in April 159,534 t. of hard coal, 32,963 t. of coke and 66,085 t. of briquettes. The imports of hard coal and coke were more than twice as large and those of briquettes three times as large as in April 1922. The March imports were 137,339 t. of hard coal, 29,202 t. of coke and 46,111 t. of briquettes.

The total coal imports in 1922 were: hard coal, 1,256,664 t. to a value of Fr.83.3 mill., 455,778 t. of coke to a value of Fr.83.8 mill., and 482,001 t. of briquettes to a value of Fr.28.2 mill. Of these, Great Britain supplied 379,000 t. to a value of Fr.25.3 mill., or one sixth of the total imports. (*Neue Zürcher Zeitung*, May 9; *Exportateur Suisse*, May.)

RESULTS OF BASLE SAMPLE FAIR.

The Swiss Sample Fair at Basle this April appears to have not only come up to but exceeded expectations. The exhibitors numbered 863, compared with 812 last year. Although the actual number is not of paramount importance, the quality of the goods exhibited is, and in this respect the 1923 Fair showed immense progress. The number of Swiss visitors exceeded expectations and that of foreign visitors was most satisfactory. France was the foreign country best represented. Business done with Czecho-Slovakia and Italy showed a great advance on the last few years. Results were satisfactory in nearly every branch, in some they were excellent. The value of the Fair as a market for engineering products was evident; orders from foreign countries were plentiful and showed that the quality of Swiss goods led to their preference over the cheaper goods from countries with depreciated currencies. Results in the electro-technical section were satisfactory and good reports came from the transport section. The Swiss watch industry participated in the Fair for the first time with satisfactory results. These results, together with the demand for embroideries, silk ribbons and other insufficiently represented export commodities are a clear indication that these branches should collaborate in the Fair to a greater extent than they have done formerly. Demand in the textiles branch was very satisfactory. Food and luxury articles were better represented than ever this year and their success was correspondingly greater. (*Exportateur Suisse*, May.)

SILK TRADE IN 1922.

The export trade in Swiss silks, viz. 1,694,900 kg. to a value of Fr.172,833,000, remained almost unchanged as far as the latter is concerned: the exported quantities, however, as compared with those of the previous year, increased by 157,200 kg. The chief buyer was England with 100 mill. francs (60 per cent.), followed by Canada with 20 mill. (11.5 per cent.), France 7.8 mill., Australia 7.0, Holland 5, Spain 4, Argentina 3.8, and Belgium 3.6 mill.

Compared with 1921, the export of ribbons increased by 10 mill. francs, i.e. from 60 to 70 mill.: the exported quantities amounted to 574,800 kg. (increase = 86,000 kg.). The exports to England totalled 38 $\frac{3}{4}$ mill. francs, to Australia 10.6 mill. and to Canada 3.8 mill. Hence almost exactly three-quarters of the exports found their way to these three countries. Scandinavia also bought Swiss ribbons to a value of Fr.3.2 mill.

INDUSTRY

STATE OF FOOTWEAR INDUSTRY.

The annual report of the Union of Swiss Footwear Manufacturers states that the position of the footwear industry improved somewhat in 1922 and that business is distinctly recovering. This is not due to a general improvement on the world's markets. The decisive factor in the recovery of the industry lies in the rational execution of import restrictions. These restrictions have had a most calming effect on home markets. The shoe trade is working now in far more trustful co-operation with the industry. The lightening of trade stocks and the rise in leather prices have reacted favourably on business. The rise in leather prices towards the end of the year was compensated for by the possibility of employing increased labour and thus reducing the costs of production. In 1921 the number of workers employed 48 hours a week sank to 3,900. In the year under report the shoe industry was again employing about 10,000 workers for 52 hours per week. The output was about 5,500,000 pair, compared with about 4,000,000 pair in 1921. Exports rose from 6,375 d.ctr. in 1921 to 9,530 d.ctr. in 1922. This is due in great part to the Swiss-Rumanian Agreement. (*Neue Zürcher Zeitung*, May 9.)

SOCIAL CONDITIONS

COST OF LIVING.

According to official statistics, retail prices of commodities moved upwards in April in approximately the same degree as in March. In April, prices were about 57 to 59 per cent. above those of June 1914, whereas in March they were about 55 to 57 per cent. higher. Meat, sugar and animal fats rose in price, eggs were cheaper. The prices of fuel did not alter perceptibly. They were from 73 to 77 per cent. higher than the pre-war price in April, as against from 72 to 77 per cent. higher in March. The combined costs of food and heating were from 58 to 61 per cent. higher in April than in June 1914, whereas in March they were from 57 to 59 per cent. higher. (*Journal de Genève*, May 18.)

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THE BALKANS

POLITICAL AND GENERAL

The elections to the Bulgarian Sobranje, as conducted by the Government, have resulted in the return of 212 members of the Premier, M. Stamboliisky's party (Agrarian) out of a total chamber of 245 members, the other seats being distributed as follows: United opposition 15, Communists 16, Socialists 2. Accusations of coercion of the free and independent elector brought against the Government by the discomfited opposition are airily brushed aside by the Government organ *Echo de Bulgarie* with the excuse that, in the recent elections in neighbouring Rumania, equally irregular methods produced much less satisfactory results.

Reports of a revolution in Bulgaria contained in messages from Bucharest have been officially contradicted in a further message which states them to be of Austrian origin.

The Government has adopted drastic measures with the communists, who have been deported from places where they are in sufficient numbers to threaten trouble and their property has been confiscated.

Equally vigorous action has been taken against the Macedonian Comitadjis by M. Stamboliisky, who (*more* Mussolini) has organised a militia from his own party against them and arrested a number of their leaders. The Minister of War, M. Mouravieff, recently stated that the Macedonians had completely usurped the authority of the Government in the districts of Nevrokof and Petrich in South West Bulgaria.

FINANCE

BULGARIAN REVENUE.

The revenue collected in Bulgaria during April amounts to 295,352,020 leva distributed as follows: Direct taxes, 12,666,695; indirect, 161,732,053; duties and royalties, 24,726,144; fines and confiscations, 1,660,624; railways, ports and post, 18,169,585; state lands, 15,078,443. (*Echo de Bulgarie*.)

CURRENCY REGULATIONS IN BULGARIA.

The Minister of Finance has just published an amendment to the enactment of June 1921 regulating transactions in foreign currency. Purchases on the Bourse are unrestricted in amount but the purchaser must present proof that he actually requires the foreign currency for payment of imported goods, for a journey abroad, for students residing abroad, etc. Banks may possess foreign bills and currency to the extent of 15 per cent. of their subscribed capital. The purchase of foreign currency on account of foreign firms is only allowed if the latter have claims in Bulgarian leva. Credits in foreign currency may be used for purchases abroad. Offences against these regulations are punishable by fines of 20,000 to 100,000 leva or imprisonment for one year. (*Central European Observer*.)

CAPITAL ISSUES IN BULGARIA.

The *Central European Observer* supplies the following figures relating to capital issues and capital reductions in Bulgaria during 1922:—

Up to Dec. 31 last 49 new companies with an aggregate capital of 140,550,000 leva and 50,000 Dutch florins were founded in Bulgaria. The paid-up capital was 93,385,000 leva and 50,000 florins respectively. Of these, 3 were banks with 31,500,000 capital (16,150,000 paid-up), 25 industrial undertakings with 69,800,000 capital (55,210,000 paid-up), 2 transport, 17 trading companies with 32,750,000 leva and 50,000 Dutch florins capital (19,275,000 leva and 50,000 florins paid-up) and

2 insurance companies with 5,000,000 capital (1,500,000 paid-up).

A further 44 companies increased their paid-up capital by 31,324,000 leva. An increase of capital was made by 49 companies to an aggregate amount of 97,874,000 leva and 5,000,000 Belgian francs.

In the course of the year 17 companies with a capital of 21,840,000 leva (17,788,000 paid-up) were wound up. Of these, 3 were banks, 10 industrial undertakings, 2 transport and 2 trading companies. Three industrial concerns reduced their capital by an aggregate amount of 7,051,000 leva.

RUMANIA'S EXTERNAL CONSOLIDATED LOAN.

A Paris financial journal states that the consolidation loan issued abroad is guaranteed directly by Rumania, and forms part of that country's external debt. The interest and sinking fund are the object of a special chapter of the Rumanian expenditure estimates. A special account has been opened by the Minister of Finance for the external debt which, until redemption, will be secured by the following revenue: Export duties, as long as they remain in force, payable in gold or foreign currency, and general revenue; interest and redemption fund on the Rumanian 4 per cent. external loan 1922, the amount of which is 2.5 mill. lei, have priority over the other foreign loans which rank *pari passu* with the new loan. (*Bursa*.)

THE SALE OF ENEMY PROPERTY IN RUMANIA.

As Germany has so far not sent any mission to treat on the question of indemnities, the Rumanian Government has decided to proceed with the liquidation of sequestered enemy property. The Supreme Sequestration Commission is drawing up a bill with this object. All present sequestration commissions will be dissolved and the liquidation of the property of German, Austrian, Hungarian and Turkish subjects will be carried out by a commission attached to the Ministry of Finance. As regards Bulgarian property, the Bulgarian indemnity commission at present in Bucharest must undertake, on behalf of the Bulgarian Government, to pay 250 mill. lei, the value of the sequestered Bulgarian property, failing which it will be sold. The Supreme Commission has decided to revise all dealings in enemy property by Rumanian subjects, and property already alienated will be sold. Finally, amounts due by Rumanian subjects to sequestered companies must be paid to the liquidation commission and not to the companies. (*Bursa*.)

YUGO-SLAVIA'S BUDGET FORECASTS.

Yugo-Slavia's estimated Budget expenditure for the coming financial year is, according to statements made by M. Stojadinovitch, Minister of Finance, 13 milliard dinars. This will entail finding some new sources of revenue, but the Minister is determined to present a balanced Budget. (*Central European Observer*.)

BRITISH LOANS FOR YUGO-SLAVIA.

The *Frankfurter Zeitung*, reported by *Berichte aus den Neuen Staaten*, announces that the Municipality of Belgrade has contracted a loan with Beckwith and Co., of London, for 150 mill. dinar, issued at 77 per cent., bearing interest at 8 per cent., and redeemable in 40 years at par. The proceeds are to be used in the construction of public works. The *Samprouva* announces that the Government has authorised the loan of 150 mill. dinars by the Belgrade Municipality.

The *Yugoslav Lloyd* reports that an English finance

The Balkans

group has offered the city of Zagreb a loan of £500,000 for public works purposes at 10 per cent. The journal also states that offers have been received from Germany for the erection of the public buildings for which the loan is being raised.

INDUSTRY

CONTROL OF RUMANIAN UNDERTAKINGS.

The *Bursa* quotes from a Rumanian contemporary the following provisions of a bill to be introduced by the Rumanian Government for the control of private enterprises. In all private enterprises which concern the economic life of the country or national defence, the Government is empowered to appoint a number of directors in addition to those elected by the shareholders, not exceeding one sixth of the number of directors authorised by the articles of association, and also to appoint a commissioner. The directors appointed by the Government shall have the same rights as the rest but will be paid by the Minister of Industry and Commerce and not by the company. The commissioner shall sit on the board and shall have the right of suspending for a fortnight the execution of its decisions which the Government shall have the right to veto. This right of veto may only be exercised in matters concerning the economic interests of the country or national defence. The undertakings over which this right of control will chiefly be exercised are the oil, coal, natural gas and metallurgical industries. The anticipations of the Press, adds the *Bursa*, of the intentions of the Government with regard to the imposition of Government control over private enterprises are confirmed by an official article, which, while denying that the Bill has as yet been considered by the Cabinet, contains the following passage: "Since purely Rumanian institutions such as the National Bank and the Urban Credit Institution are placed under State control, we do not understand why undertakings founded with foreign capital on which depend the economic welfare of the country and above all, its defence, should be exempt from such control." The *Bursa* foresees opposition to the Bill in the Cabinet itself but is of the opinion that the influence of the Minister of Finance will cause it to be passed somehow in the near future, causing thereby an upheaval of the business life of the country and strained relations with other countries.

YUGO-SLAVIA'S TEXTILE INDUSTRY.

Textiles form the largest item in Yugo-Slavia's list of imports. The latest complete statistics—those for 1920—show that in that year Yugo-Slavia imported textiles to the amount of 1,683 mill. dinars, which was practically one half of the country's entire imports. The home textile industry is still very limited and Yugo-Slavia will for many years be dependent upon imports. There are in Yugo-Slavia 101,000 spindles and 3,570 looms, with a working capacity of some 4 mill. kg. of raw material. In 1920, however, only some 1½ mill. were worked up. The import of cotton yarns amounted to 3½ mill. kg., while cotton fabrics to a total of over 13 mill. kg. were imported. Yugo-Slavia's requirements in yarn, after allowing for home production, thus amount to about 15 mill. kg. per annum. Interesting attempts at cotton growing are being made in Macedonia, where, in 1920, some 22,000 kg. and in 1921, 17,300 k.g. were grown, the quality being declared by experts to be excellent.

Yugo-Slavia possesses, as stated above, 3,570 looms and these, combined with the cottage industries, produce some 5 mill. kg. of fabrics. The import of fabrics, is, however, such that another 12,000 looms would be necessary to enable Yugo-Slavia to dispense with that import.

In the wool industry, Yugo-Slavia possesses some 11,000 spindles and 350 looms, but these are, of course,

totally inadequate to meet the home demand. In 1920, for example, woollen fabrics to the value of 230 mill. dinars were imported. To meet the home requirements it would be necessary to set up a further 15 large weaving mills. The possibilities of the Yugo-Slav wool industry have been grasped by the Germans, who have already invested capital in a spinning mill at Kablovec. (*Central European Observer*.)

BULGARIA'S COAL OUTPUT.

During 1922 the output of coal in Bulgaria reached 1,021,000 t., exceeding the million for the first time, it having been 912,000 t. in 1921, 743,000 t. in 1920 and 583,000 in 1919. In 1913 it was only 353,000 t. The output of the State mines rose from 872,000 t. in 1921, to 941,000 in 1922, the output from mines worked by private enterprise rose in the same period from 40,000 to 80,000 t., an increase of 100 per cent. The Government mine at Pernik furnishes 90 per cent. of the national output. The coal produced in Bulgaria is chiefly lignite, that variety having contributed 963,000 t. to the 1922 output, black schist 27,000 and anthracite 1,496. Coke has only been produced since 1920, when the output was 612 t. but it rose to 3,859 in 1921 and to 3,878 in 1922. (*Echo de Bulgarie*.)

COMMUNICATIONS

THE GREEK SHIPPING CRISIS AND THE PORT OF SALONICA.

The slump in business in Greece is reflected in the sharp crisis through which Greek shipping is passing. The lack of freights, and the two seamen's strikes in 1921 for an increase of wages, the previous low rates of which had formerly given to Greek shipowners a decisive advantage in competing with their foreign rivals, contributed to the tying up of 50 vessels in the Piraeus. During the first half of 1921, Greek shipping companies had been threatened with bankruptcy, but the war in Asia Minor obliged the Government to requisition a number of ships, and they were thus enabled to utilise some of their vessels while waiting for better times. The increase of trade with the Black Sea gave them their opportunity, and a number of Greek vessels are at present plying between Constantinople and Russian ports. The freights are not very lucrative, but they are sufficient to enable Greek shipowners to cover expenses and make a small profit. The coasting service is still suffering severely from trade depression, which has almost put an end to traffic in the Piraeus. Earnings from passenger traffic by coasting vessels entirely fail to make up for loss of freights. The one port which was not affected by the general depression is Salonica, of which the traffic is quite equal if not superior to that of past years. The monthly average of cargo unloaded in the port was 20,000 t. and upwards. During 1922, 865 vessels of an aggregate tonnage of 873,000 t. visited the port and unloaded 274,681 t. of cargo. The countries with the greatest number of vessels trading in the port were: Greece, 460 vessels, 154,533 t., and 49,651 t. of cargo; Italy, 134, 229,417 and 34,245; Great Britain, 150, 262,062 and 111,619. The main difficulties which the Greek market had to face in 1922 were: Depreciation of the exchange and consequent decline of purchasing power; the forced loan which reduced available cash by 50 per cent.; import restrictions, especially on luxury articles; the institution of the banking consortium and the application of laws regulating the exchange; the difficulty of obtaining foreign currencies from the bank belonging to the consortium; the rise in Customs duties and imposition of supplementary import duties; shortage of credit from the banks and lack of ready money; the system of requisition and the fixing of food prices; the labour question and increase of wages with its attendant consequences, increased cost of living, etc.

In spite of all these difficulties, the results obtained during the year in Salonica afford ample proof of the

vitality and commercial ability of the business men of that city. It is certain that Macedonia enjoys a business activity peculiar to itself by virtue of certain special qualities. During the first half of 1922 the exports from the two chief ports of the province reached 357 mill. drachmae as against 245 mill. of imports. Of late the situation at Salonica has considerably improved. For instance, the Exchange Act which governed the whole trade of the district ceased to be in force from Oct. 11 last, from which date commercial dealings with the foreigner became free from all restrictions. All import prohibitions have been revoked, and Customs duties on certain classes of goods, notably luxury articles, which had been raised by coefficients, returned to the normal rates. Special facilities will be accorded to householders in the area destroyed by fire, for the reconstruction of their property. They will receive advances on mortgage from the National Bank of Greece, and the necessary material will benefit by reduced Customs duties. The reconstruction of the city is a work of considerable magnitude, seeing that it will require the import from abroad of all kinds of material of an estimated value of about 800 mill. drachmae. During the past year some 150 buildings have been erected. Finally, the Governments of Belgrade and Athens have decided to give effect to the Athens convention of May 10, 1914, constituting a free zone for Serbia at Salonica, the coming into operation of which had been retarded by certain questions of detail. The creation of this zone in addition to promoting commercial relations between Greece and Serbia will also strengthen the economic position of Salonica, which will become the port for the whole of the former kingdom of Serbia. The financial situation, moreover, both of business men and the general population continues to be satisfactory. The balance sheets of the banks show large profits. The importance of the settlement in Macedonia of refugees of a numerous agricultural population from Thrace and Asia Minor should not be lost sight of, owing to the consequent increase of

the population and assistance in developing the natural wealth of the district. (*Journal de la Marine Marchande.*)


AGRICULTURE

HARVEST PROSPECTS IN YUGO-SLAVIA.

According to a report issued by the Yugo-Slav Ministry of Agriculture the coming harvest prospects are so far extremely favourable. Wheat is in excellent condition and the wine output is expected to be far in excess of that of recent years. Fruit trees have suffered only from isolated storms, so that the prospects of a good fruit yield are also favourable. (*Central European Observer.*)

FOREIGN BANK RATES.

		Per cent.			Per cent.
Amsterdam	...	4	Madrid	...	5
Athens	...	6½	Moscow	...	6
Belgrade	...	6	New York	...	4½
Berlin	...	18	Paris	...	5
Brussels	...	5½	Prague	...	5
Bucharest	...	6	Reval	...	—
Budapest	...	12	Riga	...	—
Christiania	...	6	Rome	...	5½
Constantinople	...	—	Sofia	...	6½
Copenhagen	...	6	Stockholm	...	4½
Geneva	...	3	Vienna	...	9
Helsingfors	...	8	Vilna	...	—
Lisbon	...	8	Warsaw	...	7

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SPECIAL ARTICLES

SOME CONSIDERATIONS ON THE REVISED AUSTRIAN BUDGET

The main features of the Austrian Budget for 1923, as revised in February last after having originally been introduced in November of last year, have already appeared in these columns under the country heading, but in view of the causes for revision, namely the improved economic condition of the country due to the influence of the financial relief to Austria accorded by the League of Nations scheme, the condition precedent of which is the reorganisation of the national finances, a more comprehensive account of a Bill which may prove to be the turning point of Austria's financial situation, may probably be of interest. The whole Bill is exhaustively and instructively reviewed by Regierungsrat Dr. Karl Rausch, in a special article summarised below, a complete translation being unfortunately precluded by considerations of space:—

REASONS FOR A FRESH BUDGET.

The writer begins by quoting the following extract from the preamble to the second Bill, assigning the reason for its introduction in substitution for the original Bill: "The Finance Bill for 1923, as first brought before the National Council on Nov. 6, 1922, has, owing to the subsequent fundamental improvement of the economic situation, been withdrawn as purposeless and replaced by the present new Finance Bill, the provisions of which, owing to existing circumstances, are entirely new. The total deficit for 1923 is estimated in the present Bill at 2,374.5 milliard kronen, and shows, compared with the 5,293.7 milliard kronen estimated in the first Bill, an improvement of 2,919.2 milliard kronen."

This reduction of the deficit testifies to the profound transformation which has taken place in the national economic situation, the first result of the Geneva Convention. The consideration of a few figures will make clear the import, economical and political, of this improvement. The Geneva Convention computes the amount required by Austria to balance the Budget by the end of 1924 at 520 mill. gold kronen, equally divided between the years 1923 and 1924 (although the amount assigned to the first half of each of these years is higher than that estimated for the second). If the deficit, as estimated by the new Bill at 2,374.5 milliard paper kronen and calculated at the rate of 15,000 paper kronen to the gold krone, be converted into the latter currency, the amount of the deficit will only appear at 158.3 mill. gold kronen, as against the estimated advance of 260 mill. kronen for each of the two years, which means a balance of 101.7 mill. gold kronen. It will be gathered from these figures that even should, owing to unforeseen circumstances, the estimated deficit under the new Budget be exceeded, its foundations cannot be shaken.

This estimated recovery of Austria's finances, an essential consequence of restored confidence in that country at home and abroad, is of a nature to influence very favourably opinion as to Austria's future, if it can be shown that the calculations contained in the Budget Bill rest on so firm a basis that they cannot be upset and will bear the most rigorous examination. To such an examination the writer now proposes to submit them.

THE BASIS OF THE BUDGET FIGURES.

It can safely be affirmed that the foundation of the whole structure of the Budget scheme is the unalterable will of the Austrian nation to work out its own salvation, coupled with reliance on the readiness of foreign countries to come provisionally to its assistance, should

its own strength prove insufficient. Since the moment when Austrians felt—a feeling confirmed by the Geneva agreement—that their country would no longer be unsupported in its struggle for political and economic independence, that spirit of self-sacrifice which has already performed so much, has again been aroused. The figures of the new Finance Bill afford proof of this spirit, which finds practical expression in the strictest exercise of economy and the most extensive sacrifices which the State must demand in order to assure the future and save the present. Certain circumstances have assisted Austria and her rulers in their work of reconstruction, namely the stabilisation of the krone, the reduction of expenditure, and the increase of revenue.

The stabilisation of the krone was a result of the restoration of confidence at home and abroad, no mere act of grace, but a reward earned by Austria's own efforts begun by the creation of an issue bank and continued by the visits abroad of the Austrian Chancellor, the work accomplished at the Geneva conference, the conclusion of the convention, the passing of the Reconstruction Act, the cessation of the note issue, and finally by the raising of capital for the issue bank and the subscription to the dollar loan. Five months of unremitting work have resulted in the stabilisation of the krone, the increase of its purchasing power with consequent decline of prices and reduction of index numbers, cheapening of foreign currencies and securities, which partially reduced the losses on the exchange shown in the estimates and finally the reduction of the cost of procuring supplies. The gradual reduction of the index numbers will appear from the following figures, which show the differences compared with the previous month: Aug.—Sept. +91, Sept.—Oct. —8, Oct.—Nov. —6, Nov.—Dec. —3, Dec.—Jan. +1, Jan.—Feb. +2. The effect on the national expenditure of this fall in index numbers is revealed by the reduction of the deficit in the revised Budget.

The work of economy was accomplished only by overcoming numerous and almost unsurmountable difficulties and considerable opposition. Although everybody preached the need for economy, loud protests were raised as soon as such economy affected the individual. The chief savings effected were the amalgamation of public offices, reduction of expenditure on rent, lighting and heating, reduction of the Civil Service staff, suppression of superfluous telephones, and of lifts in Government offices, all of which, however, affect the individual and call for the reorganisation of his existence on the simplest plan. The effect of these measures, carried through after endless negotiation, also appears in the reduction of the Budget deficit. Nevertheless, the report of the General Commissioner to the League of Nations states that the result did not come up to expectation. A further factor in the reduction of the deficit is the increase of revenue, which also involved months of arduous work and a careful and difficult adjustment of the needs of the State to the just economic rights of individuals beneficial to the community, because on them depends the continuance of the productive capacity of various branches of industry. The computations in the first Budget were based on conditions prevailing in September and October 1922. Thus expenditure on the Civil Service was calculated for the whole year on the basis of salaries paid in September, the loss on the exchange on the average rate of the dollar during September, that is to say, 75,000 kronen; the other expenses on the basis of prices for September, and finally revenue was estimated in accordance with conditions existing at the beginning of November, the date of the introduction of the Budget. Since that period the basis of the Budget has shown a tendency to

improvement in two directions, namely, an automatic decrease of expenditure owing to the decline of index numbers and improvement of krone quotations; and important savings and revenue increment due to the Reconstruction Act and the scheme of retrenchment. The revised Budget is based on the mid-November index numbers and on a dollar rate of 72,000 kronen, and takes into account all those revenue increases and expenditure decreases based on the Reconstruction Act, which are either already provided for or of which the accomplishment during 1923 is regarded as assured.

TESTING THE ACCURACY OF THE ESTIMATES.

The permanence of the improvement in the financial situation depends entirely upon the accuracy of the calculations upon which the revised estimates are based. Especially important is the question whether the improvement of the currency can be maintained, or even in certain circumstances increased, for this must govern in the first place the extremely comprehensive figures of the new estimates and the extent of the loss on the exchange and in the next the place index numbers which follow the course of prices.

The following comparative table showing the values of foreign currencies in Austrian kronen in September 1922 and on Feb. 26, 1923, as given by the clearing department of the Austrian National Bank, prove on the whole that the calculations are correct, especially when it is considered that the intervening period was marked by political, financial, economic, industrial and commercial crises very unfavourable to the cure of ailing currencies:—

Currency	Value	
	Sept. 1922	26 Feb., 1923
Mark	52.00	3.15
Dutch florin	29,150.00	28,000.00
Lire	3,200.00	3,377.50
French franc	5,750.00	4,260.00
Swiss franc	14,110.00	13,250.00
Pound sterling	332,900.00	332,800.00
Dollar	75,000.00	71,000.00
Czecho-Slovak krone	2,450.00	2,085.00
Dinar	950.00	679.00
Hungarian krone	32.00	17.90
Gold krone, at gold parity rates	15,690.00	14,000.00

It is now a question whether conditions will remain sufficiently favourable for Austria to enable kronen prices to withstand adverse influences from without and economic and financial events from within. This question will be decided by the realisation of the promise of a loan of 650 million gold kronen by the League of Nations, of which the preliminary short-dated loan of £3,500,000 granted by Great Britain, France, Switzerland, Sweden, Holland and Belgium is an earnest. The grant of the main loan will prevent speculators from taking advantage of difficulties in meeting the financial needs of the State, in order to bear the Austrian krone. They will hardly have the courage to enter the costs against the Bank of England. In addition to this favourable financial situation, the result of foreign financial aid, special importance must be attached to the progress made in setting in order the national finances. By the cessation of the note issue last November, the opening of the Austrian National Bank on the first of January, and by the virtual covering of the note circulation by a reserve composed of specie, gold bills, foreign currencies and securities (constituting about 25 per cent. of the whole reserve), and by mercantile bills (about 15 per cent.), an entirely new situation has been created, which a few months ago was deemed to be impossible.

THE FOREIGN TRADE BALANCE.

The improvement of foreign trade is naturally of the highest importance to the recovery of the currency. The very heavy excess of imports over exports since the war has accelerated the fall of the krone. It is, therefore, an auspicious sign that Austria's debit balance in 1922 was much lower than in 1921, and that this decline especially applies to fuel and food supplies, which affect

the most sensitive parts of Austrian business life. Imports declined from 82.3 mill. metric centners and 2.1 mill. separate articles in 1921 to 74.5 mill. metric centners and 1.7 mill. articles in 1922, whereas exports rose from 15.5 mill. metric centners and 1.7 mill. articles to 21.2 mill. centners and 2.1 mill. articles. The value of imports fell from 1,699 mill. gold kronen in 1921 to 1,591 mill. gold kronen in 1922, and that of exports rose from 904 mill. to 1,047 mill. gold kronen. Thus the debit balance was 544 mill. gold kronen in 1922 as against 795 mill. in 1921, a reduction of 250 mill. gold kronen, or about one-third. The reduction of the import of food and fuel has already been referred to; another favourable feature is the fact that the proportion of industrial products exported amounts to 86 per cent. of the total value of exports, whereas that of minerals and timber is only some 7 per cent. These few figures indicate a recovery of Austria's economic situation and an increase of output. If this progress is somewhat checked by the present crisis, it will not now be brought to a standstill, and a permanent improvement of the trade balance may be confidently expected.

INDEX NUMBERS.

Of equal importance with the position of the currency with regard to their influence on the estimates are the index numbers. The slight rise of prices in January and February indicated in the figures given above is merely characteristic of the general inclination of prices to rise in international trade, which has been discernible since the beginning of the winter, and which has been successfully fostered by traders. This must be attributed entirely to the political unrest, as there is no sign of a shortage of goods, although a rise of prices on the world's markets is within the realm of possibility. Against this, however, may be set off another possibility, the improvement of the krone. On this assumption it may be stated that the first rise in index numbers was due to the higher price of coal consequent on the occupation of the Ruhr and to the increased price of meat. The higher index numbers in January and February may safely be attributed to the increased cost of coal, meat, mineral oil, flour, sugar, rice, potatoes, lard, vegetable fat and tea, in which manipulations of the market played their part. The prices of many of these commodities have since declined, and the only successes obtained by speculators are in sugar.

THE REVENUE INCREASE.

Further factors in the improvement of the national finances are an increased yield from revenue, and the success of the efforts at economy. The second is to some extent in the hands of the Government, whereas the increase of revenue depends not only on laws and ordinances, on the raising of the prices of monopoly articles and of tariff rates but mainly on the country's economic capacity. The heavy increases of Customs duties, turnover and trade taxes, duties on articles of consumption and transport rates have contributed considerably to high prices and restricted consumption.

The calculations on which the Finance Bill is based have been proved to be accurate and have been applied accordingly. It is much more probable that the results obtained from them will exceed rather than fall short of expectation.

(To be continued.)

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GROWTH OF THE GERMAN CHOCOLATE INDUSTRY

An article by Dr. Georg Tischert, of Berlin, in the *Neue Zürcher Zeitung*, on the movement of capital in the German chocolate industry during the last year, states that in regard to financial transactions this industry has had a record year. Never before have so many foundations and capital issues taken place in the chocolate industry as in 1922. By foundations should be understood the erection of new works and the conversion of existing works into joint-stock companies. Bread and meat would have been of greater value to Germany in her present state, but when one is, in any case, ruined, one spends the few pence one still has on sweets. It is probably for this reason, and also by reason of a good export trade, that the sweet industry, the chocolate industry in particular, enjoyed until quite recently almost general activity. The capital requirements of the latter industry during late years are also due to exchange conditions, for enormous funds are necessary to procure the required cocoa. The chocolate undertakings existing at present in the form of joint-stock companies have a joint capital of about Mk.800 mill. An absolute figure it is not possible to give, for some companies have not made public the amount of their capital increases during 1922. These 800 millions represent, in the main, paper marks, for there are very few of the old joint-stock companies left. Most of the foundations and capital increases date from the last few years and rest on a paper mark basis.

Speaking financially, the Sarotti Company comes at the head of the German chocolate industry, with a capital of Mk.200 mill. In April 1921 its capital was only Mk.12 mill. Most of the increases effected since then have been mere "watering" of capital. The company is in a very sound position. The book value of the entire plant is entered at Mk.3.26 mill., and the company has no mortgage or debenture debts. The basis of administration of the company has shifted to the Swedish Kanold group, which is represented in other branches of German business. The remaining Berlin chocolate companies are far behind Sarotti in importance. They are: the Kant Chocolate Works, formerly Automatic Sales Company, with a capital of Mk.30 mill., the Chocolate and Preserves Co., the Cervusa Cocoa and Chocolate Works, with a capital of Mk.3 mill.

The founding and capital issuing movement was particularly active in South Germany, above all in Frankfurt. Here, the firm Georgi Bros, was converted into a joint stock company with a capital of 4.5 mill. Among the founders was the Westbank in Frankfurt; the Deutsche Bank also belongs to the Georgi Syndicate. The Company has just raised its capital by Mk.35.5 mill., Mk.20 mill. of which has gone to the Zürich firm Lindt und Sprüngli. The other large Frankfurt firm, Otto und Quantz, which belongs to a syndicate headed by the group Darmstädter-Nationalbank, has raised its share capital by Mk.65 mill. to Mk.85 mill., Mk.20 mill. of which has been taken over by the firm Cailler und Kohler. We see, therefore, that very considerable foreign influence has penetrated into the three largest chocolate works in Germany. Participation of this nature can but meet with approval. The cleverest business men in Germany have long been of opinion that only with the help of foreign capital can German industry recover. Of further capital movements in the South German chocolate industry, mention may be made of the increase to Mk.10 mill. of the capital of the Haerberlein-Metzger Lebkuchen and Chocolate Works in Nürnberg, and of the increase to Mk.3 mill. of the capital of the South German Cocoa Works. In Bamberg the firm Carl Gemeinhardt was converted into a joint-stock company with a capital of Mk.5 mill. and raised its capital by an unstated amount. In Württemberg was founded the Bietigheim Chocolate Works with

a capital of Mk.2.5 mill. and the Stuttgart Chocolate Works with a capital of Mk.12 mill. The Hohenlohe Company has raised its capital to Mk.15 mill. The South German Chocolate and Cocoa Works have been founded with a capital of Mk.3 mill. in Karlsruhe, and in Wiesbaden the Arwies Wiesbaden Chocolate Works now comprises the firm A. Reith and has a capital of Mk.7 mill.

In the Rhineland we find the Stollwerk Company, which has a debenture debt of Mk.25 mill., one of the few chocolate debenture issues in Germany. This company has called in its preference shares to the value of Mk.7 mill. These shares rose as high as 630 in times of great activity on the Bourse, although they were repayable, and will be repaid now, at 120. In Düsseldorf we note two new foundations. The firm of Wassenberg was established with a capital of Mk.6 mill., and the Bergina Company with one of Mk.1.5 mill., which has already been raised to Mk.16.5 mill. The Rhenania Chocolate Works have been founded with a capital of Mk.3.5 mill. in Cologne, and the Bünger Chocolate Company with a capital of Mk.5 mill., now raised to Mk.10 mill., in Duisburg. The Wellenstein Company in Rathingen has raised its capital to Mk.3 mill.; there, as in most other instances, the new shares were offered very cheaply at between 120 and 200.

In coastal towns, too, the extension movement in chocolate firms was very strong, their position being favourable for the supply of raw materials and the export of finished products. It was for these reasons that the firm of Sarotti moved to Danzig. The Weser-Werke in Bremen is the chief of these coastal firms; it is now called Goldina and has a capital of Mk.50 mill. In Hamburg the Weinberg-Werke, with branches in Altona and Herfort, is now a joint stock company with a capital of Mk.30 mill. The German Cocoa and Chocolate Works have increased their capital by Mk.9.9 mill. to Mk.15 mill., the new shares being issued at 180. The Alster Chocolate Works, also in Hamburg, have created new shares to the value of Mk. 4 mill. in order to take over a chemical works, and in the same city was founded the Gaedke Works with a capital of Mk.54 mill.

In Central Germany, too, great activity was recorded. In Saxony the Riquet Company in Leipzig raised its capital from Mk.3 mill. to Mk.17 mill., and the Witte Company, also in Leipzig, to Mk.6.5 mill. In Eilenburg was founded the Henze Company, capital Mk.1.4 mill. The Delitsch Chocolate Works in Dresden raised its capital twice, without giving details of the increase. In Erfurth the firm Wilhelm Erfurth has been converted into a joint stock company and has raised its share capital from Mk.4.5 mill. to Mk.25 mill. Still more active has been the progress displayed by the firm Anton Jacobi in Raumburg; founded in March 1922 as a joint stock company with a capital of Mk.6 mill., it had by the end of the year, raised this capital to Mk.50 mill. for the purpose of building new works. The Deutsche Mikroni Werke, now in Leipzig, has increased its capital to Mk.10 mill. in order to take up chocolate manufacture. In Magdeburg we have the Hauswaldt Chocolate Works with a capital of Mk.4 mill. Wernigerode, in the Harz, has come to the front as a chocolate making centre. It possesses the Ferdinand Karnatzki Company with a capital of Mk.21 mill. and a sugar factory of its own, and the Maul Company, founded in June 1921 with a capital of Mk.2 mill., which has already been raised to Mk.30 mill.

It is certain, therefore, that the efficiency of the German chocolate industry is enormously increased. Its home organisations as well as its foreign connections have been extended, for already less good days are thought of. It is not difficult to foretell a recoil after this revival. Of the sea of chocolate shares only those of Sarotti and Maul will be officially quoted on the Berlin Bourse when the Stollwerk preference shares have been called in. These shares have not found a ready acceptance with the public.

NOTES ON NEW BOOKS

GERMAN INDEBTEDNESS

Germany and her Debts: a Critical Examination of the Reparation Problem, with an Appendix on Exchange Stabilisation. By L. L. B. Angas. (Harry J. Simmonds, 6s. net).

The purport of Mr. Angas's book is to examine certain economic and psychological aspects of the reparation problem, to analyse the German, French, and English points of view, and to suggest a solution compatible with the sentiment of these three nations. In attempting to arrive at a reasonable solution of the problem one of the chief stumbling blocks is that unfortunately nobody—banker or otherwise—as Mr. Angas points out, seems willing to make any definite statements as to what Germany can or cannot actually pay for fear he should prove to be wrong or that he should ask something a little below the maximum. This fear of asking too little is really the crux of the problem. He says " ' Ask the impossible to get the possible ' may be a wise policy in many respects, but not so with reparations to-day. To ask the impossible may mean ' to get nothing '—and this is what we have been doing during the last four years." His contention is that payments must be reasonably graduated and spread over a reasonable time. In the past it has been the speed of payment, rather than the amount demanded that has reduced the reparation problem and Germany to their present hapless condition. He infers that the Allies must ask for a total and definite amount and then introduce a payment that is clearly and patently possible.

With regard to the question of whether Germany can pay, he argues that in terms of goods she has become both prosperous and wealthy and that since goods are the medium of reparation, she can obviously pay. " It is preposterous," he adds, " to say that a country whose productive plant has been working at full speed for four years is poor. Lack of health in national finance does not mean lack of national wealth. To pretend it does shows mental confusion." But having arrived at this conclusion, Mr. Angas proceeds to lay his finger on the spot where this national wealth is " co-agulated." It is, he says, with truth, in the pockets of the group of " Industrialists," and it is from them, and the Exporters in particular, the reparation payments must come. His detailed description of the subtle working of the machinery of the Export Control Boards is of great interest. He shows that the most important reason for the continuation of Germany's adverse trade balance is the exporters' system of controlled export prices. The efficiency of this system, from the German point of view, is clear when it is considered that on the import side it keeps out in a great degree competitive foreign manufacturers and at the same time has built up a store of foreign currency which enables Germany to buy practically all the foreign raw material and food-stuffs she requires.

Dealing with Germany's capacity for payment, Mr. Angas frankly admits that he has no patience with the " pre-war statistic theory " propounded by Mr. Keynes and others. On this question he remarks:—

" He (Mr. Keynes) considers what Germany once used to export rather than what Germany is now capable of producing and now capable of exporting with the aid of an adverse exchange-lilt such as was not present before the war. My point is that if Germany's imports change in volume owing to the inelasticity of demand for foreign values, including ' reparation,' so also will Germany's exports. If

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A HISTORY OF THE CANADIAN PACIFIC RAILWAY.

By HAROLD A. INNIS, Ph.D., Lecturer in the Department of Political Economy in the University of Toronto. 12s. 6d.

Times Literary Supplement.—" The first part is a fully documented sketch of the history and economic development of Canada in the days before the coming of the railway. . . . The latter part is a study, largely statistical, of the expansion of the railway, freights, passengers, earnings and expenses."

S. Wales Daily News.—" Dr. Innis deals with every phase of this development in a most exhaustive manner, with the result that his book is a source of information on the subject. Everyone concerned in railway schemes, either technically or financially, will find this work of absorbing interest, while teachers of economic geography will find in it much useful material not included in any ordinary textbook for the instruction of their pupils."

AMERICAN BANKING METHODS.

By LEONARD LE MARCHANT MINTY, B.Sc. (Econ.); B. Comm. Certificated Associate of the Institute of Bankers. Statistical Plates and Graphs. 15s.

Introduction by Sir DRUMMOND DRUMMOND FRASER, K.B.E., M. Comm.; Honorary Lecturer on Banking at Manchester University. *In the Press.*

CONTENTS.—Formation and Organisation of Banks and Trust Companies—Receiving Departments—Clearing and Collecting Departments—Paying Departments—Book-keeping Departments—Loans—The Credit Department—Trust Departments—Stock and Bond Trading—the Foreign Exchange Trading Department—the Foreign Tellers' Department—Foreign Discount Department—Commercial Credits Department—Travellers' Letters of Credit and Travellers' Cheques—Organisation of Staff—Appendices.

RESTORATION OF THE WORLD'S CURRENCIES.

By R. A. LEHFELDT, D.Sc., Professor of Economic^s in the University of the Witwatersrand, Johannesburg; Author of *Gold Prices and the Witwatersrand*. 6s.

Monetary Policy has such direct and considerable influence on everyone's material well-being, that on opening a book on the subject one is inclined to ask at once, " From what point of view does the author write? " . . . " In whose interest? " . . . The subject may be dealt with as it affects a Nation, an Industry, or a Class. . . . If the matter is to receive deliberate discussion, and an attempt be made to find the best way out of the present troubles, the result will not be satisfactory unless the interests of the whole world be made the basis of the discussion.

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there is a new invisible import called ' reparation debts ' being bought by means of the ' selling out of balances over the foreign exchanges,' there will also soon be a wider range of corresponding exports. The foreign exchanges will see to that."

Mr. Angas, after summarising the international situation, in which he points out that France, if she is to avoid a collapse, must have foreign money at once, puts forward his suggestions for a loan policy, a new reparation payment schedule, and a military policy. Among other things he advocates: (1) a forty-year international gold loan of about £100,000,000 at 5 per cent. to be floated at once on behalf of French reconstruction, Germany to be primarily responsible for interest and sinking fund on the loan. The other guarantors of the loan to be only secondarily responsible and then only to amounts proportional to the size of their original guarantees. (2) A new reparation payment schedule consisting approximately of ten million pounds a year for the first four years and then annual increments of a further ten millions a year up to a two hundred million maximum in 1945 and 1946; then annual decrements of ten million pounds a year until the debt has expired in 1965. The total yield would be £4,230,000,000. With such a scheme in operation, he thinks that within nine months it should be possible to cease inflation in Germany and within eighteen months actually to balance the German budget without recourse to short date loans.

Mr. Angas has written a useful book. He has an unusual gift of presenting his case with great force and simplicity. But quite apart from the obvious merits of a constructive work of this nature, he has an amusing pen and is able to light up with occasional flashes of wit a subject which, in spite of its importance, is, after all, rather dreary.

STATISTICAL SECTION

THE TRADE BAROMETER

EXPLANATION

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

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

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

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

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

TABLE I.

Date	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
1920.											
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	161.4			
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	11	197.5				
20	144.0	164.0	22	158.6		18	198.1				
27	141.3		29	158.8		25	197.6				
Feb. 3	142.3		Oct. 6	159.8		June 1	193.1				
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.

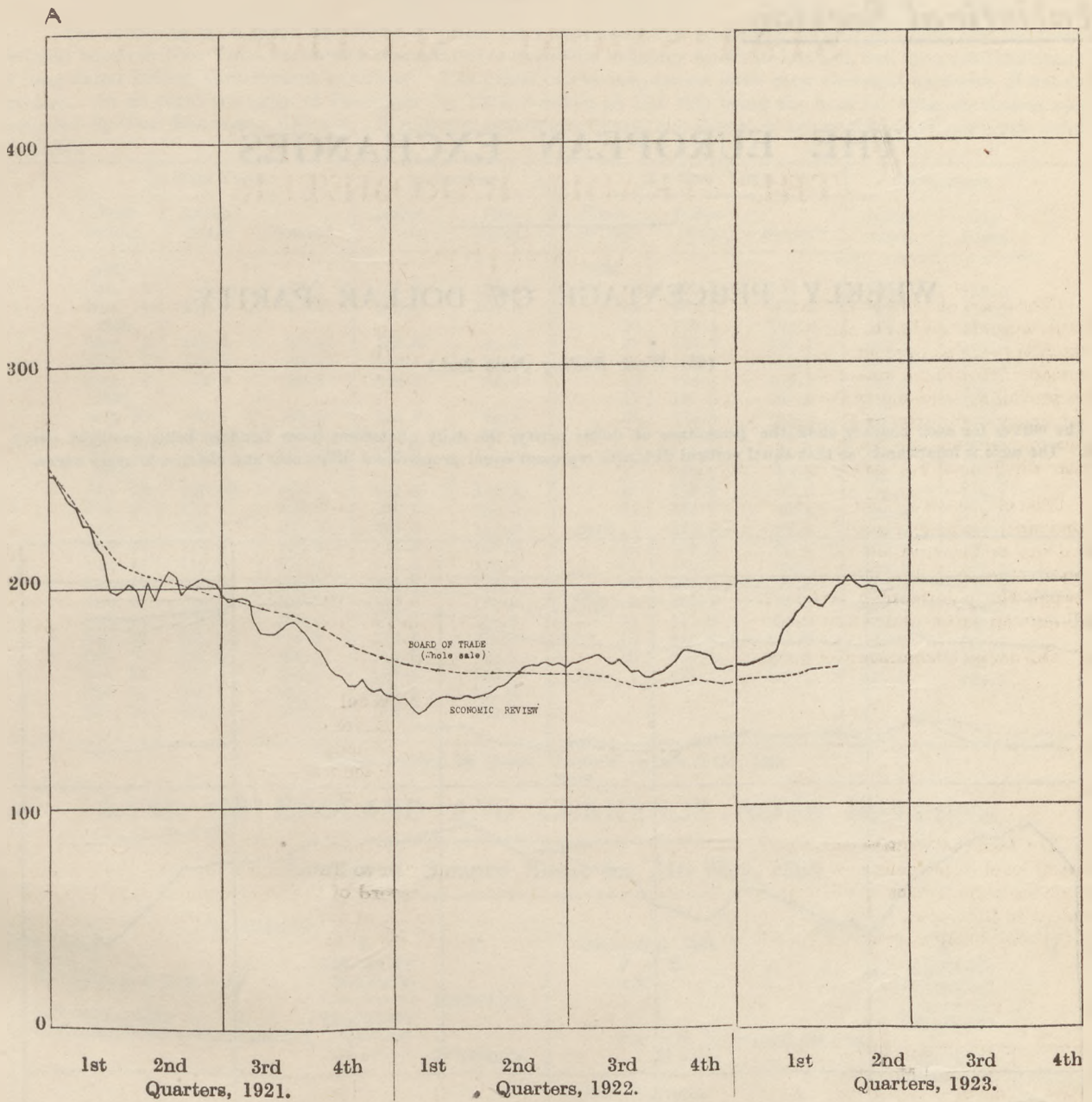


TABLE II.

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	136.9	121.5	133.3	107.2	93.9	96.3	134.6	111.61	... Dec. 1
" 29 ...	89.4	106.7	91.5	138.6	126.0	120.0	93.5	90.4	89.7	138.5	108.43	... " 29
1923												
Jan. 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
" 11 ...	110.8	122.5	128.3	159.6	121.4	137.8	101.4	101.2	91.2	242.3	131.65	... " 11
" 18 ...	110.8	117.9	128.3	166.7	120.2	137.8	102.9	102.7	91.2	242.3	132.08	... " 18
" 25 ...	108.5	115.6	122.6	166.7	128.6	137.8	102.9	103.6	84.6	246.2	131.71	... " 25
June 1 ...	108.5	116.4	113.2	157.9	132.0	137.8	102.9	104.3	72.1	242.3	128.74	... June 1

*Revised Quotation.

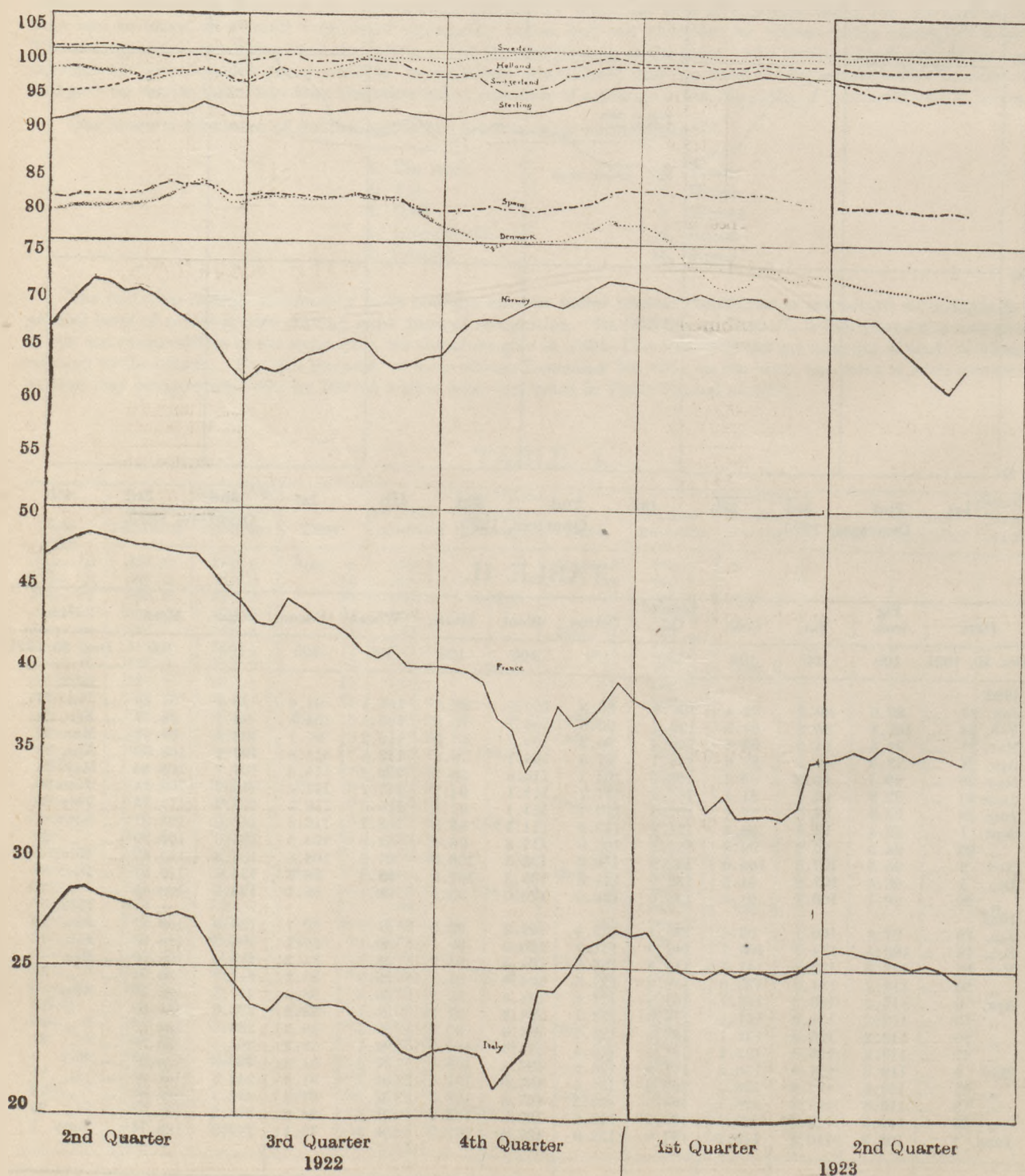
Statistical Section

THE EUROPEAN EXCHANGES

WEEKLY PERCENTAGE OF DOLLAR PARITY

(To Week Ending June 2nd.)

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	101.8	123.3	116.8
Mar. 1	116.0	87.8	186.6	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	11	117.6	100.0	133.4	122.5
Sept. 30	121.2	105.8	113.2	112.0	18	116.8	100.6	131.9	121.8
Oct. 14	127.6	104.4	114.5	112.3	25	120.2	101.3	131.0	121.7
Nov. 25	114.4	102.0	115.0	115.4	June 1	118.1	101.1	131.0	122.7
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 31st May, 1923.

LIABILITIES.			ASSETS.		
	£	£		£	£
<i>Notes Issued.</i>			<i>Government Debt.</i>		
B. of E. ...	145,449,790		B. of E. ...	11,015,100	
Less those in C.N. Reserve ...	22,450,000	122,999,790	C.N. ...	243,084,941	
C.N. outstanding ...	286,003,997			254,100,041	
C.N. called in but not yet cancelled	1,477,537	287,481,534	Less C.N. Investment Reserve Account ...	12,172,710	241,927,331
			<i>Other Securities.</i>		
			B. of E. ...		8,734,900
			<i>Gold Coin and Bullion.</i>		
			B. of E. ...	125,699,790	
			C.N. ...	27,000,000	
			C.N. Balance at B. of E. ...	119,303	152,819,093
			<i>Silver Coin</i> ...		7,000,000
		410,481,324			410,481,324

Summary of Combined Balance Sheets.

January 1922 to date.

Date.	B. of E. Notes less those in C.N. Reserve.	C.N. outstanding inc. called in but not cancelled.	Total.	Gold.	% of Gold to Notes.	% of Gold & Silver to Notes.
1922 Jan. ...	125.9	304.3	430.2	155.5	36.1	36.8
Feb. ...	125.9	298.8	424.7	155.6	36.6	37.3
Mar. ...	125.9	300.4	425.3	155.6	36.6	37.7
Apr. ...	126.0	301.3	427.3	155.6	36.4	37.6
May ...	126.1	298.3	424.4	155.8	36.6	37.8
June ...	124.9	297.9	422.8	154.8	36.6	38.0
July ...	122.9	296.4	419.3	152.8	36.4	38.1
Aug. ...	122.9	293.3	416.2	152.7	36.7	38.4
Sept. ...	122.9	289.1	412.0	152.8	37.1	38.8
Oct. ...	122.9	288.0	410.9	152.7	37.2	38.9
Nov. ...	122.9	287.9	410.8	152.8	37.2	38.9
Dec. ...	122.9	301.3	424.3	152.8	36.0	37.7
1923 Jan. ...	123.0	280.3	403.2	152.8	37.9	39.6
Feb. ...	123.0	279.1	402.1	152.9	38.0	39.7
Mar. ...	123.0	285.6	408.6	152.9	37.4	39.1
Apr. ...	123.0	285.7	408.7	152.8	37.4	39.1
May 31	123.0	287.5	410.5	152.8	37.2	38.9

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