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NOTES OF THE WEEK

Such varied and contradictory accounts have been given by "Diplomatic Correspondents" and other writers of the recent interview which M. Poincaré travelled to Brussels to have with the Belgian Premier, M. Theunis, and the Minister of Foreign Affairs, M. Jaspar, that it may be useful to place on record the official statement issued by the Belgian Government at the close of these conversations. It reads as follows: "The Belgian and French Governments have continued to-day to consider the various questions arising out of the occupation of the Ruhr. They maintain in their entirety all the decisions formerly come to, especially with regard to the conditions under which the evacuation of the Ruhr may take place after the payment of Reparations, and in respect also of the obligation incumbent on Germany to put an end to her passive resistance prior to any consideration of whatever offers she may make. The two Governments have concerted a programme of fresh measures to be taken to increase the pressure, with a view to compelling Germany to fulfil her obligations promptly." The document speaks for itself.

* * *

To put it mildly, the German Note has disappointed the expectations of Germany's best friends. In Belgium it is scouted as a basis of negotiation, if for no other reason than that the German Government ignores the primary condition that it shall recall the policy of passive resistance which it ordered, encouraged and subsidised. The proofs of this which the Belgian Government holds are, in its opinion, overwhelming; and even were France to show any signs of yielding to British pressure—which in its opinion is inconceivable, for Belgium trusts her ally to the full—M. Theunis will insist on Germany explicitly renouncing her policy of passive resistance before he will consent to enter into negotiations. That has been his attitude throughout, and he is not going to stultify the action of his Government at this late stage by yielding to outside clamour always more or less open to suspicion. Moreover, as he has always stated, Belgium will not consent to evacuate the Ruhr except gradually as Germany honours her obligations to effect reparation. It is worse than idle to ignore Belgium's standpoint. If we listen

to the voice of the Belgian Press we may obtain a valuable insight into the feelings of our Ally. At every stage of the negotiations that have endured for four insufferable years Belgium has found herself denied the full and fair compensation she was solemnly promised in the early days of the war. The Treaty of Versailles, however, ratified her claims to some extent, and she is not prepared to have her legalised rights whittled down to satisfy the commercial interests of other countries. Great Britain, they say, is a party to that treaty: is her signature of no more value than the signature of Germany which guaranteed the inviolability of Belgium? That is what our closest Ally is asking herself. It remains for the British Government to supply the answer.

* * *

The *XX^e Siècle* writes: "Just as Marshal Foch forced Erzberger on Sept. 6, 1918, in the Forest of Compiègne to solicit an armistice in set terms, so Belgium and France must now compel Germany to acknowledge her defeat, to recognise in explicit terms the occupation of the Ruhr as security for reparations, and to renounce her passive resistance. The last German in the furthestmost cottage of Pomerania, Bavaria and Eastern Prussia must be made to realise that any attempt on the part of Germany to evade the Treaty of Versailles will react against her and will moreover be of no avail. The Reich apparently has nothing better to offer us than a 'conference.' We would be simpletons indeed, we Belgians and French, were we to accept. Our other Allies, who refused to co-operate with us in the Ruhr, would presumably come in on equal terms to make things easier for Germany. As for convening 'an international and impartial tribunal,' neither Paris nor Brussels will consent to trust neutral countries or countries friendly towards Germany to intervene in their conflict with the Reich. Germany has signed the Treaty of Versailles, and she agreed to the scale of payments laid down in London in May, 1921. These two diplomatic acts constitute our legal title, and we hold to them."

* * *

The *Soir* ridicules the idea of any divergence of views between the French and Belgian Governments, and says that the four hours' discussion

Notes of the Week

between the Prime Minister of the two countries has disposed once for all of the idle rumours and silly nonsense industriously put about by certain people whom the complete Franco-Belgian understanding has annoyed. There are two essential points in the official statement: Germany must put an end to her passive resistance in the Ruhr, and the Ruhr will not be evacuated until Germany has paid the indemnities she owes. Everything else is of secondary importance. The *Etoile Belge* says it is too early yet to say what impression the German Note has produced in Ministerial circles, though it may be stated that the document is felt to be disappointing, even though some advance has been made in respect of pledges and guarantees. But there remains one preliminary question: the Reich says nothing about giving up her resistance in the Ruhr, whereas the Franco-Belgian Conference held in Brussels resolved not to enter into negotiations with Germany until after she has abandoned such resistance. It suggests that England should advise her to surrender explicitly on that point, and it anticipates the possibility then of the four Allied Powers deliberating them in common as to the answer to be given to Germany. The Belgian Government, it adds, will do its utmost to secure a collective agreement.

* * *

The *Indépendance Belge* regrets the self-evident fact that close co-operation has not been re-established between Belgium, France, England and Italy. Fresh communications must be opened up, in the first place with the British Government, leading to negotiations which are likely to prove difficult and prolonged. It would be childish, it says, to imagine that a solution has been achieved, and many obstacles may yet arise. But a step has been taken towards the end everyone has in view. There was no precise basis for negotiations with Great Britain in respect of reparations; but the proposals of the Belgian Government, although not definitely adopted, have opened the way for a consideration of possible solutions, and for re-establishing a common front. But a return to common action is of course subject to the conditions laid down by M. Poincaré.

* * *

One is perhaps inclined to overlook, in examining the offer submitted by the German Government to meet the Reparation payments, the vast network of powerful internal organisations in that country which must be in agreement if the State is to be backed in its proposals by private pledges and guarantees. The first series of suggestions made by the Reich Association of Industrialists has met with even more criticism at home than abroad. This is only natural. The creditor countries are more interested in the amount of the payments to come than in the methods by which the money is to be raised, so long as they are satisfied that the whole scheme is sound. This, however, will depend to a very large extent on the ability of all these internal organisations and parties to agree on a joint and equitable scheme. It is interesting to note in this connection that the chief criticism levelled at the industrial offer and at its apparent attempt to set up the industrialists as a power alongside the elected government of the country comes from the German trade unions. These bodies have, for some years past, been accused of anti-State tendencies, and it is a welcome sign of real strength to see the State that these organisations should recognise the true meaning of government and of a political State in which the people deter-

mine their own fate. The strength of the trade unions will be complete when the Christian trade unions, which did not participate in the declaration issued by the more extreme bodies, enable organised labour to present once more a united front.

* * *

Nobody thinks that the difficulties of reconciling rent legislation and the justifiable claims of both landlord and tenant are likely yet to be overcome. The stagnation existing in the building industry has grown out of general economic conditions resulting from the war, and it is hardly to be expected that any sudden and drastic remedy of the situation will be evolved. In the debates on the Rent Bill many interesting points have been dealt with; but one vital point has not, as far as we can see, received the attention it should, namely, the question of repairs and decorations. If the control of rents is much longer protracted without adequate provision, where such does not already exist, for compelling landlord and tenant to come to mutual arrangements to keep the property in normal internal repair, the relations between them will one day be found anything but easy to adjust. There is also the fact to be considered that not only may bricklayers and labourers resort to emigration, but that they may be followed or even preceded by a host of painters and decorators in the building trade who have been for some time wearing out their boot leather in the search for occupation because neither landlord nor tenant is willing to spend the money—and in the circumstances, who can blame them?—in keeping premises on the inside in presentable condition.

* * *

The improvement of retting is engaging the attention just now of textile experts, and as a complement to the account of a hemp retting process discovered in Italy which has already appeared in these pages, a description of a flax retting process invented by a German, Herr Ochmann, may prove of interest. The flax in the stalk is placed in tanks, and water poured on it in heavy showers. This treatment takes place for two hours every two days. The same water is used from time to time and is submitted to a simple oxydant treatment after each sprinkling, and at the same time a quantity of impurities are eliminated. There is a marked decline in the amount of acid produced if this process is compared with the cold water process. The outflow is almost innocuous, and can be turned on the fields with good results, or allowed to go back into the river. The process is economical and produces a strong fibre with a very slight proportion of tow. The author believes the microbe which carries out this process to be the *Bacillus amylobacter*. The time required for this kind of retting is three weeks in hot weather.

* * *

The University of London is to be congratulated on having secured such an interesting personality as Gustav Cassel, the learned Professor of Political Economy in the University of Stockholm, to deliver a lecture on "The Restoration of the Gold Standard" at the London School of Economics and Political Science on June 18, and another on "Devastation and Reconstruction in Europe" on June 21. The chair on the former occasion will be taken by His Excellency the Swedish Ambassador, Baron Palmstierna, and on the latter by Mr. Walter Leaf, the Chairman of the Westminster Bank, with whom Professor Cassel has crossed swords more than once in recent years. These lectures, we are told, are addressed to advanced students of the University, but the presence of anyone interested in the subjects will be welcomed, admission being free and without ticket.

FRANCE

FINANCE

THE JUNE ESTIMATES.

As the Budget Bill for 1923 has not yet been passed, it is necessary to vote provisional monthly expenditure estimates for the purpose of carrying on the business of the country. The provisional ordinary estimates for June which have just been passed amount to Fr.2,707,895,865, and the special estimates for expenditure recoverable from Germany to Fr.1,335,886,292. (*Information Financière.*)

REPARATIONS PAID BY GERMANY.

The Reparations Commission has decided to publish twice a year a statement of accounts especially showing the amounts paid by Germany under the head of reparations. Tables showing the total amount received by the Commission in pursuance of the Treaty of Versailles up to the end of 1922 have just been published. The following table shows (in millions of gold marks) the total amount with which Germany has been credited up to the above-mentioned date and the nature of the payment.

Cash	1,878.5
Kind	3,495.0
State property ceded	2,553.9
Current payments	13.0
Total	7,940.4

The total amount received by the Commission, a sum of Mk.5,184.2, has been distributed among the various countries as follows (in millions of gold marks): France, 1,790.8; Belgium, 1,719.9; Great Britain, 1,150.5; Italy, 242.7; Serbia, 150.6; Japan, 67.9; Czecho-Slovakia, 21.1; Poland, 14.7; Greece, 11.0; Rumania, 10.1; Portugal, 4.4. The outstanding balance of 2,756.1 gold marks has been dealt with as follows:—

Submarine cables	40.0
Property ceded and shares in German National Debt	2,035.3
Part of estimated value of Saar mines	100.0
Part of value of German ships	391.5
Various... ..	92.6
Cash in hand and to be collected	37.6

The amount received by France is made up as follows:

Cash	143.6
Kind	1,345.1
Property ceded (Saar)	362.0

The cost of the armies of occupation and control commissions up to Dec. 31 last was estimated at 2,446.1 mill. gold marks apportioned as follows: France, 1,261; Great Britain, 942.8; Belgium, 233.6; Italy, 10.3; Japan, 0.2. To the above figures should be added 1,072.1 mill. gold marks, the cost of the American army, the settlement of which is reserved. Thus the total cost of the armies of occupation up to the end of last year should be set down at 3,510.9 mill. gold marks. The advance on coal made to Germany by virtue of the Spa agreement of July 1920 and the cost of the army of occupation have priority. These two items of expenditure by the Allied Powers other than the United States amounted respectively on Dec. 31 last to 392.2 and 2,448.1 mill. gold marks. After payment of these claims the Allies had to divide among themselves 2,343.8 mill. gold marks. The 1,790.8 mill. gold marks received by France have been assigned to the following purposes:

Re-imbusement of sums advanced under Spa agreement	238.7
Cost of armies of occupation	1,261.0
Balance in hand	291.0

(*Information Financière.*)

THE BANQUE INDUSTRIELLE DE CHINE.

The management of the Banque Industrielle de Chine at Saïgon has requested creditors in the Far East to state whether they desire to take advantage of the option offered to them of exchanging their non-interest-bearing distribution bonds in francs for the gold dollar 5 per cent. bonds redeemable in 23 years issued by the Chinese Government. These bonds represent the "Boxer Bonds." The exchange will be made at the rate of Fr.12.925 for the gold dollar. The votes of all the creditors of the Bank for or against the proposal will be collected in Paris, where the result of the inquiry will be certified by the Commercial Court. (*Information Financière.*)

REFLECTIONS ON THE EXCHANGE.

M. Maurice Kellersohn, in his latest weekly review of the position of the exchange in the *Information Financière*, notes that the recent rise in the pound sterling from 70 to 71.60 and the dollar from 15.13 to 15.365 which he attributes to a new campaign against the franc, which three months ago would have been regarded as a matter of course, has created a certain sensation, following as it does a period of remarkable steadiness in the franc.

M. Kellersohn continues to assert that purely economic factors do not militate against the franc. The foreign trade returns for April are as satisfactory as those of the preceding months and show a comparatively insignificant debit balance. The writer's fears, previously expressed, that the rise of the franc in mid-March coupled with the restriction of output produced in several French industries by the sabotage on the Ruhr might cause a slackening of exports have not apparently been realised, although in fact the drastic alteration in the system of valuation of exports introduced in April prevents accurate comparison with the March exports valued at a lower rate. Nevertheless, imports and exports practically balance and the balance of France's international accounts is probably on the credit side by reason of invisible or unrecorded exports. The yield from revenue, although lower than in March, continues to be satisfactory in April. The computation of a continuance of this increased yield, made by the Finance Commission of the Senate and criticised by M. Poincaré (cf. THE ECONOMIC REVIEW, June 8), does not appear to M. Kellersohn to be unfounded. The slight rise in the British and American exchanges coincides with the usual end of the month trade requirements, and they will probably be more marked at the end of June, the period of the half-yearly settlement. Finally the huge floating stocks of francs formed outside France in the years immediately following the war have not yet been re-absorbed, and their transfer from one country to another may at any moment cause further movements in prices. But none of these factors are serious and would not justify a fresh depreciation of the franc. Once again politics are responsible; not home politics, although it would not require many parliamentary incidents such as have recently occurred (the opposition of the Senate to Poincaré), to cause uneasiness abroad, but the key to the situation lies in the Ruhr. The impression that the British Government may be forced out of its inaction and become engaged in thorny discussions with France has become general. The first signs of activity shown by the reconstructed Cabinet, revival of the old dispute on the New Hebrides, sudden haste to settle the question of Tangiers, insistence on demand to the League of Nations on the administration of the Saar have been particularly unwelcome to France. The delay in establishing an understanding between the Allies on the question of

France

reparations and the postponement of the conference between Belgium and France have had an unfortunate effect upon the franc. It is certain that any new act calculated to accelerate the settlement of the eternal question of reparations without undue disagreement will be marked by a recovery of the franc. Whether such act will take place is the secret of Governments, or rather of a few individuals. Those who consider that an understanding cannot fail to be reached have common sense on their side, but during the last few years common sense has been harshly treated. Moreover it all depends whether the understanding can be accomplished in time.

TRADE

REVALUATION OF EXPORTS.

The main foreign trade figures for the first four months of the current year have already been given immediately on publication (cf. THE ECONOMIC REVIEW, June 8). Mention, however, should be made of the alteration of the system of valuing exports introduced in the Customs returns for April. For the first time the valuations have been made according to the rates fixed in June 1922 by the Permanent Commission of Customs values instead of those fixed in 1921, upon which the returns for the first three months of the year were based. Moreover, the Customs Administration has endeavoured to give as accurately as possible the present actual value of exports by increasing the official rates for 1922 by 11 per cent., which is the approximate average of the present rise of prices compared with the official rates for 1922. By this method exports will be valued precisely by the same standard as imports, which are calculated in accordance with the declarations of importers checked by the Customs office. (*Information Financière.*)

EXHIBITIONS AND FAIRS.

During April an exhibition of cartoons and designs for tapestry and carpets, organised by the Paris municipality, was held at the Musée Galliera, the Municipal Art Museum. The object of the exhibition, as stated by the curator of the Museum, M. Henri Clouzot, in his inaugural speech, was to save a dying trade, low warp tapestry, by supplying its artisans with models more suitable to modern decoration. The idea of this exhibition was suggested by M. Martin, head of the School of Decorative Art at Aubusson, who last year gave notice of the crisis which had thrown 800 low warp workmen out of employment in the department of the Creuse. No creative works were undertaken in the district, operations being confined to the repair of old "verdures," tapestry collected by the dealers, to restoring sixteenth and seventeenth century panels, and to producing "fakes" or copies which find very little market. The exhibition will enable the artisans to choose designs easily executed and inexpensive, and the public to realise the advantage of adopting in modern furniture upholstery executed by Aubusson artisans. (*France Textile.*)

In emulation of Italy and Germany, France is about to institute "a floating fair" (for a similar enterprise by Italy see under that country in the present number). During next summer the "Terre de France" (20,000 t.) will sail from Havre for the chief South American and Cuban ports, carrying French products for show. The cruise will last six months and the stay in each port will vary from 4 to 15 days. The programme of the fair will enable exhibitors to sell their goods on board, through the agency either of a special commercial bureau or of their own agents. For this purpose they are at liberty to carry on board a given stock of all the goods exhibited. (*Ibid.*)

THE COMMERCIAL REGISTER.

The *Journal Officiel* has just published an act rendering compulsory the indication on all commercial documents, invoices, etc., the number in the commercial registry of the trader issuing such documents. The Act also provides that mayors of towns shall not grant an authorisation of residence to travelling traders unless they can give proof that they are registered in the commercial register. Copies of entries in the register can be obtained on payment of stamp duty and a fee. (*Information Financière.*)

TRADE REGISTRATION.

The *Journal Officiel* has just published an Act rendering it compulsory to show on all commercial documents, invoices, etc., the registration number of the merchant concerned, and the number in the commercial registry of the trader issuing such document. By virtue of clause 2 of the new Act, mayors of towns may not grant permits of residence to perambulating traders unless they can prove that they are entered on the commercial register. Copies of entries on the register will be issued on payment of stamp duties and a fee. (*Information Financière.*)

INDUSTRY

COAL OUTPUT IN THE NORTH.

The output of coal and coal products in the North of France in March and April is as follows (in tons):

	April.		
	Coal.	Briquettes.	Coke
West of field ...	711,508	10,747	39,539
*Pas de Calais ...	430,950	17,918	8,041
*Nord ...	435,551	88,478	53,737
	1,578,009	117,143	101,317
	March.		
	Coal.	Briquettes.	Coke.
West of field ...	796,269	15,949	38,324
*Pas de Calais	456,778	18,920	8,786
*Nord ...	485,520	95,264	50,716
	1,738,567	130,133	97,826

*Victims of the invasion.

(*Information Financière.*)

THE IRON AND STEEL INDUSTRY.

According to returns published by the Comité des Forges de France, the number of blast furnaces at work on May 1, 1923, was 88 as against 77 on April 1, 90 on Feb. 1 and 116 on Jan. 1. The number of furnaces ready to work was 85, and of those being built or repaired 46. Out of the 58 blast furnaces at work in Alsace and Lorraine and Eastern France on May 1, some were working short time. In all, 12 blast furnaces were able to resume work in April, of which 6 in Eastern France and 6 in Alsace and Lorraine. Only one furnace had to close down, which brings the number of those closed from lack of coke since 1 Jan. to 28.

The output of pig-iron in April was 350,485 t. as against 316,346 in March, an increase of 34,339 tons; the output of steel was 354,791 t., of which 345,716 t. of bars and 9,025 t. of castings. The increase compared with the March output was 38,984 t. Considering that April had one working day less than March, the improvement in production is marked, a result due to the arrival of more coke from the Ruhr and from England, and to an increased output by the French coke works. The April output of pig-iron shows declines of 27 per cent. compared with January and 31 per cent. compared with December, and declines of steel of 13 and 14.2 per cent. compared with the same months. (*Information Financière.*)

TRADE CONGRESSES.

Cider.—At the Cider Week or Congress, held during May, in emulation of the Wheat Week and Wine Week, the following resolution was passed:

"That the General Association of Cider, the French Apple Association and the managers of the Cider Week decide to form a national committee of Cider with the object of laying before the Government the resolutions passed during the Cider Week, and of organising active propaganda to popularise the opinions formed during the Congress." Among these resolutions was a protest against unfair competition. (*Journée Industrielle.*)

Building.—The 5th Building Congress, organised by the Office of Building and Public Works, for studying the reconstruction of the devastated areas, was held in Paris at the beginning of June. Many subjects of importance were dealt with. As regards the financial side of reconstruction it was stated that considerable arrears were due to contractors for work already done in the devastated area. Up to the present year no distinction had been drawn between destruction of goods, machinery, etc., and destruction of buildings, but this year a distinction had been drawn between the two and two thirds of the indemnity money had been assigned to the restoration of buildings and one third to moveable property. Recommendations were made for the payment of the contractors during the current year and special emphasis was laid on the maintenance of existing contracts without alteration. Contractors should be paid in cash or bonds as agreed between the parties. The report on prices recommended the formation of a mixed Commission composed of representatives of the State, victims of the invasion, contractors and architects, to fix the coefficients of prices. Reports were read and resolutions passed on modes of payment, the price of materials, the counter auditing of accounts conducted without the consent of the contractors, and the question of labour. On this question a resolution was passed recommending that sufficient foreign labour should be secured for 1924 and also recommending the extensive employment of German workmen under the head of reparations in kind. (*Journée Industrielle.*)

COMMUNICATIONS

THE LACK OF SEA TRADE.

An extra parliamentary Commission, appointed to investigate the position of the French merchant service, having ascertained that a considerable amount of goods imported and exported by French traders and manufacturers is carried in foreign bottoms, has instituted an inquiry into this regrettable state of affairs and with this object the Commission addressed a circular letter to the chief commercial and industrial associations of the country asking for their reasons for sending and receiving their goods by foreign ships and even through foreign ports, and asking for further particulars as to transport contracts, shipping ports and destinations of the various classes of goods, discharging ports and countries of origin of foreign products. Among the leading industrial associations addressed is the Comité des Forges de France, the great metallurgical combine. The reply of this corporation began by explaining the advantages afforded by the port of Antwerp for the shipment of iron and steel products over Dunkirk. General charges and expenses are much lower in the former than in the latter, as the following examples show: dockers' wages at Dunkirk are double those of Antwerp; weighing fees—Dunkirk, Fr.0.90; Antwerp, 0.20 per ton of mineral; hire of loading crane—Dunkirk, Fr.135; Antwerp, 75; horse traction on the quays with man in charge, per day—Dunkirk, Fr.150; Antwerp, Fr.50 for one horse and man and Fr.90 for two (at Dunkirk horses are only let out in pairs); port dues for a vessel of 14,000 tons including pilotage, towage, wharf dues and various—Dunkirk, Fr.5,260; Antwerp, Fr.2,830. Moreover, until the recent reduction of French railway rates, transport by rail was much cheaper to Antwerp than to Dunkirk and even now, although there is little difference in the rates,

Antwerp still offers advantages to French shippers which render it greatly preferable to Dunkirk. At Antwerp freights are lower and the foreign ports served from there more numerous. At Antwerp freights are quoted from truck or from quay, but at Dunkirk there are almost always added loading dues of Fr.7.50 to Fr.10 per ton. The following concrete examples of the difference in prices are given by the Comité: transport of steel to Buenos Ayres from Antwerp Fr.35 per ton from the quay, from Dunkirk Fr.75 per ton plus Fr.10 per ton loading charges; a French shipping company asked Fr.100 per ton freight for iron pipes from truck or barge from Dunkirk to Madras, whereas a Belgian shipping company charged Fr.42.50 per ton *f.o.b.* Antwerp. Further, owing to the high rates charged in French ports and the difficulty of obtaining return cargoes, steamship companies charge higher freights from Dunkirk than from Antwerp. Thus the freight on manganese from Calcutta is 17s. 6d. per ton to Antwerp and 19s. to Dunkirk. The following further evidence as to the disadvantages of using French ports is supplied by the leading pottery and stoneware trade associations such as the Société des Produits Céramiques de France, La Société des Produits Céramiques et Réfractaires de Boulogne sur-mer and the Compagnie Générale du Céramique du Bâtiment. Certain Belgian Companies charge their freights, already on the face value much lower than the French freights, in Belgian francs; the transport of a ton of paving stones to Tunis costs 112.20 francs (French) from Dunkirk and 70 francs (Belgian) from Antwerp; tiles to Pasajes (Spain) from Dunkirk 125 French francs, from Antwerp 35 Belgian francs per ton. Various supplemental dues and fees, loading, passage through customs, etc., are much higher in French than in Belgian ports. French companies again are less accommodating than their foreign rivals. Railway rates in France, says the report of the Compagnie Générale de la Céramique du Bâtiment, are much too high, with the result that manufacturers, say in Eastern France, will incur considerable cost in transporting their goods to Dunkirk, Havre, Saint Nazaire, Bordeaux, or Marseilles, whereas they can be sent to Antwerp at small cost. If on the other hand they use waterways they will encounter considerable difficulties in despatching their goods to the French ports by river, whereas the transport to Antwerp by canal is easy. The lack of competition (in France) between land and water transport, owing to the scarcity of the latter, keeps the rates of railways so high that French manufacturers prefer to dispense with their services. The equipment of French ports is so poor and so out of date as to render loading and stowing slow and unsafe. The tardy despatch of goods owing to this defective equipment often involves storage rates and insurance policies against theft. French companies generally do not run sufficient services even to the most frequented ports, so that a considerable part of the traffic even in French ports is captured by the foreigner. Moreover, French companies do not state their terms with all the clearness desirable, and there is little uniformity in the terms of the various companies. The following example shows the superior facilities afforded by foreign ports. At Antwerp earthenware pipes are loaded in bulk and stowed with such care by the shipping companies that the percentage of breakages seldom exceeds 5; a Bordeaux company tried to insist that this class of goods should be shipped in cases, an additional expense to the shipper. The last-mentioned report therefore recommends the creation of extensive means of access to the sea, railways, riverways and ship canals, the extension and equipment, on up-to-date lines, of French ports; the grant of special transport rates to exporting industries such as may enable them to compete with their foreign rivals; the construction of a mercantile marine adapted to the needs of the country and of such a kind as to enable the companies to reduce freights; the creation of river ports in the style of Strasburg, well fed by railways. (*Journée Industrielle.*)

GERMANY

POLITICAL AND GENERAL

INDUSTRIAL VALUES AND REPARATIONS.

Georg Münch, describing in the *Vossische Zeitung* (June 3) the situation on the Berlin Bourse, states that shares have risen to giddy heights, partly on account of the rate of the dollar, partly in consequence of purchases by industrial or financial concerns which are interested in preventing foreign elements from participating in certain undertakings or which are themselves speculating in other spheres. The disturbances proceeding below the surface, and caused by the French policy of violence on the Rhine and the Ruhr, open the door to all manner of combinations. No matter of what nature these may be, the fact remains that the entire activity on the Bourse to-day represents in accentuated degree the flight from the mark, the value of which is vanishing almost hourly and which now actually stands at a discount in relation to the Polish mark and the Austrian krone. Calculations on the Bourse no longer take place in percentages or hundreds of percentages, or even in thousands; in respect of most industrial securities the fluctuations amount to five or even ten thousand per cent. Rates running into five figures have long since ceased to cause astonishment. A number of securities have gone up to half a million without causing any great panic; some have actually gone to over a million, as, for instance, the shares of the Zypen-Wissen United Steelworks, which flew up to 1.5 million.

The explanation is simple. Purchases by both home and foreign buyers have produced such a shortage of available paper on the market that those who wish to benefit by the extraordinary situation must pay huge prices for their material. It is very doubtful if these bold purchasers are entirely conscious of the risks they are running, though they should have learnt by experience that such huge rises are often followed by falls of a similar nature. This is especially likely to be the case now, since the share market has been so strongly influenced by the fall in the exchange, and will therefore be similarly influenced in the contrary direction by any improvement in the value of the mark. There is repeated evidence of the fact that in every rise on the Bourse the real value of investments stands in direct opposition to the value of the mark, the former rising as the latter falls. As so often happens, a perfectly correct presumption is driven to death by applying it indiscriminately. One day we shall have to suffer for the fact that the lucrativeness of shares is not taken into consideration any longer in adjudging their value. Yet the true state of our economic system is shown most clearly in the lucrativeness, or non-lucrativeness of shares to-day. It is analysed as follows in the annual report of the Mitteldeutsche Creditbank which has just appeared: "The senseless demands which France desires to impose on us have greatly prejudiced the production of German goods, the most vital factor in the value of the German currency. The results of the destruction of our currency on wages and prices, on the finances of State and municipality, private firms and persons, are but too well known. The large paper mark profits of German industries and the seemingly good state of employment cannot conceal the lack of production and the rapid dwindling of the national income. In banking business, conditions are no better. The number of businesses of which the income no longer covers the expenditure in respect of staff and property, grows daily larger, costs and taxation become ever more burdensome, and that portion of the gross profits which has to meet the costs of interest payments to shareholders in return for the great risks they take,

and to go towards strengthening the reserves, becomes ever smaller. It is enough to compare the numerically large profits of the banks with their average salary expenditure, and to contrast these figures with those for before the war, in order to recognise plainly the great decrease in lucrativeness even of banking business."

These remarks are of all the more interest since they apply at present to so many industrial company results as well as to banks. Many companies are carrying on now without paying a dividend in any way commensurate with the depreciation in the currency. The rate of salaries and wages is not so disproportionate, but even they only suffice, on the whole, to maintain a minimum standard of life. If these facts be duly taken into consideration the anxiety felt regarding the burden to be imposed by the Reparation payments is not difficult to comprehend. That it cannot be borne without the extensive participation of industrial assets, goes without saying. There is a good deal of difference of opinion, however, as to the best mode of participation. The main point to be borne in mind, whatever arrangements are effected, is that an increase in the production of goods must take place which will adjust the disproportion between the costs of production and the lucrativeness of enterprises. This point forms, likewise, the basis of our currency problem. Our currency has fallen below that of the Austrian, but in home trade its value is still superior to the latter. Every further drop will produce difficulties and disturbances which will still further weaken our economic capacity. When the valuation of joint-stock companies is attempted, these facts should not be forgotten.

WURTEMBERG GOVERNMENT CRISIS.

Dr. Hieber, the head of the Württemberg Government, has selected the former Minister of Justice, Bolz (Centre Party) to fill the vacancy created by the death of Graf, Minister of the Interior (Centre), and has replaced the former by Beyerle, leader of the Centre Party. The differences between the Social Democrats on the one side and the German Democratic Party and the Centre Party on the other have thereby been rendered so acute, that the Social-Democratic Party have withdrawn from the Württemberg Parliament, and have given as the reason that notwithstanding their numerical superiority in the House, they have been refused representation by a second minister on the occasion of a re-election. A serious crisis threatens the Cabinet, as the only Social-Democratic Minister, Keil, Minister of Labour and Food, will leave the Government. It remains to be seen what attitude will be adopted by the parties of the Right, which are not yet represented in the Government. (*Vossische Zeitung*, June 2.)

FOREST CONCESSIONS IN RUSSIA.

The commission sent to Russia under the Reichstag deputy, Dr. Ludwig Haas, by the Company for Economic relations with the East, has returned after having brought to a successful conclusion negotiations for the acquisition of a forest concession in Russia. The concession is in respect of a stretch of forest covering about 100,000 dessjatinen in the Mya-Rybinsk district. The exploitation of these forests goes hand in hand with the erection of a number of sawmills, the construction of a railway line, the establishment of a cellulose works and other industrial undertakings. Chiefly South German firms will participate in the enterprise. Representatives of Nürnberg timber firms and North German firms which have also acquired forest concessions in Russia have recently gone to Russia to complete their contracts. (*Deutsche Allgemeine Zeitung*, May 24.)

FINANCE

SECURITY INDEX NUMBERS.

The *Frankfurter Zeitung* security index numbers published in the issue of June 2 are noteworthy for the extraordinary rises in the share quotations experienced during the week under review. Home shares rose the most, the preponderating influence in this respect being caused by mining shares. The rises in the value of foreign shares were more moderate, and foreign loans, although they stand at the head of the group dealt with, rose proportionately less during the last week than home securities. The actual quotations were as follows :

	1922.		1923.		
	Jan. 4.	Oct. 3.	Jan. 5.	May 25.	June 1.
Shares ...	27,340	46,232	376,685	2,892,350	4,497,800
" (gold value)	4,395	48,145	179,200	1,910,000	2,100,500
Home loans	910	957	2,929	8,328	11,110
Foreign loans	1,818	29,775	102,100	924,800	1,047,000
Total ...	34,463	125,109	660,914	5,735,478	7,656,410

In percentage values, the figures read :—

Shares ...	100	169	1,378	10,579	16,451
" (gold value)	100	1,095	4,077	43,458	47,793
Home loans	100	105	322	915	1,221
Foreign loans	100	1,637	5,616	50,869	57,591

PRUSSIAN LOAN RESULTS.

During the discussion of the Prussian Budget estimates the Minister of Finance announced that the recent potash (2) and rye (1) loans had brought in Mk.56 milliard paper marks. The first potash loan was three-and-a-half times over-subscribed, the second potash loan six times and the rye loan four times. It was intended to issue a third potash loan. (*Deutsche Allgemeine Zeitung*, June 2.)

TWO LARGE BANK RESULTS.

The report of the *Mitteldeutsche Creditbank* for 1922 showed total clearings of Mk.2,327 milliard as compared with Mk.314 milliard in 1921. Gross profits totalled Mk.2,733,640,322 (Mk.150,048,513 in 1921), and net profits Mk.739,729,915 (Mk.33,826,081). Among the liabilities, general costs rose from Mk.99,915,449 in 1921 to Mk.1,620,681,542, and taxes from Mk.15,237,784 to Mk.361,260,093. A dividend of 150 per cent. was declared. The capital of the bank now amounts to Mk.510 mill., consisting of original shares to the value of Mk.170 mill., new ordinary shares to the value of Mk.330 mill. and new preference shares to the value of Mk.10 mill. The rise in capital was sanctioned at the extraordinary general meeting in December 1922. Of the new shares, ordinary shares to the value of Mk.170 mill. were offered to shareholders at a rate of 300 per cent. and to the value of Mk.30 mill. to the public; the preference shares to the value of Mk.10 mill. and the remaining ordinary shares to the value of Mk.130 mill., both kinds being paid up to the value of 25 per cent., were taken over at their nominal value by the *Treuhandvereinigung Co.* in Frankfurt. The reserves of the Company have been strengthened by an additional Mk.400 mill., and amount now to Mk.2,400 mill. (*Berliner Börsen-Zeitung*, May 32.)

The report of the *Commerz und Privatbank A.-G.*, Hamburg-Berlin, showed total clearings of Mk.7 billion, as compared with Mk.737 milliard in 1921, and Mk.382 milliard in 1920. Gross profits totalled Mk.8,465.63 mill. (Mk.452.79 mill. in 1921) and net profits Mk.1,452.98 mill. (Mk.98.71 mill.) The reserves were raised by Mk.800.32 mill. to Mk.3 milliard. A dividend of 150 per cent. was declared, as compared with 16 per cent. last year. The capital amounts to Mk.800 mill., consisting of ordinary shares to the value of Mk.700 mill. and preference shares to the value of Mk.100 mill. In 1921 it amounted to Mk.350 mill. of ordinary shares. (*Deutsche Allgemeine-Zeitung*, May 31.)

TRADE

THE MARKET FOR CHEMICAL PRODUCTS.

The high prices of chemicals and drugs have resulted in a great falling off in the demand for pharmaceutical products. According to the May report of the Berlin wholesale drug firm, Brückner, Lamper and Co., foreign products were, on account of their price, almost unobtainable. It was necessary in many instances to substitute for the expensive chemical-pharmaceutical products the cheaper vegetable remedies. The supply of a number of important medicaments was rendered impossible or practically impossible by the occupation of the industrial districts in the West with their important chemical works. The high price of the Spirit, Monopoly Administration, viz. Mk.1,500 per lit., for spirit for the preparation of alcoholic medicaments such as tinctures, etc., makes these indispensable products extraordinarily dear. The 1922 yield of vegetable products proved, with a few exceptions, quite insufficient, and prices to-day are very high for those products which are obtainable at all. Although the customary import of foreign vegetable products is rendered extremely difficult, the situation may be relieved by the additional offers at present of drugs of Russian origin. Foreign sales have naturally fallen off greatly. Future prospects are bad, for German products are meeting insuperable competition abroad, even in the articles with which Germany formerly came first on the market. (*Vossische Zeitung*, June 2.)

INDUSTRY

NATURAL OIL OUTPUT IN 1922.

Comparatively speaking, the output of natural oil in Germany plays a very small part in the world production. In 1922 it amounted to 45,044 t. (provisional estimate), or only 0.04 per cent. of the world output. The loss of Alsace-Lorraine resulted in a decrease of the output acquired by about 50,000 t., or 41 per cent. of the total German output before the war. Apart from this loss, the output shows a decrease already noticeable during the last few years before the war owing to the dwindling yields of the oil springs. The following figures give, in 1,000 t., the yields since 1908, the first figure being in respect of the old German Empire, the second, where given, in respect of the present Germany without Alsace-Lorraine :—1908, 140.9; 1909, 137.4; 1910, 139.9; 1911, 137.0; 1912, 135.0; 1913, 121.0 and 71.4; 1914, 110.3 and 61.3; 1915, 99.3 and 56.1; 1916, 92.7 and 51.4; 1917, 90.6 and 43.7; (hereafter the figures are in respect of the present Germany):—1918, 38.1; 1919, 37.4; 1920, 34.8; 1921, 38.3; 1922, 45.0. The increase in output noticeable in 1922 is due chiefly to successful borings in the Province of Hanover, the chief of Germany's natural oil areas. Imports of various kinds of natural oil and its products in 1922 showed a considerable increase. The oil extracted from hard coal, lignite and slate did not prove an adequate substitute in all cases for natural oil. (*Wirtschaft und Statistik*, May 20.)

THE MECHANICAL ENGINEERING INDUSTRY.

The report of the Association of German Mechanical Engineering Works, which held its annual general meeting in Munich on May 31, contained many points of interest concerning conditions in the industry. We learn for instance, that in 1922 Germany imported about 10,700 t. of machinery, viz. about 2 per cent. of the exports, which amounted to 491,000 t., and that the mechanical engineering industry in Germany is capable of covering almost in its entirety the country's machinery requirements. The industry suffered exceedingly during the year from all the effects of the political and economic situation, viz., the eight-hour day and overtime difficulties, a poor iron supply, the fall in the currency, labour disputes, rising wages, a shortage

Germany

of skilled workers, the various tax laws, the decrease of the home purchasing power and the import restrictions imposed by foreign countries. During the year, orders fell off more and more. The average weight of output per worker in 1922 fell to less than one-half of the pre-war. Thus, in 1910 a worker produced 6.9 t., in 1911 6.9 t., in 1912 7.4 t., in 1913 7.7 t., in 1921 only 4 t., and in 1922 3.9 t. These figures, although possibly not absolute, have been computed on a broad basis.

A number of hitherto unorganised branches of the industry amalgamated in 1922. The Association comprised, at the end of the year, 143 organisations consisting of about 300 firms, and represented about 90 per cent. of the industry. The supply of pig and rolled iron was not sufficient in 1922. Many of the processing industries only received 30 per cent. of their requirements. There was a continuous shortage of bar iron and thin sheet, though not of heavy plate. The whole year through, export dues were the cause of much anxiety. Thanks to the Association, the increased prices of machinery exports were fixed, as from Sept. 1, at 30 per cent., and on Nov. 2, 1922, a uniform export tax of 1 per cent. was fixed. The latter resolution only came into force, however, as from Jan. 10, 1923. The mechanical engineering industry has resorted increasingly to invoicing its foreign sales in foreign currencies. This applied at the end of the year to about 80 per cent. of the sales. (*Berliner Börsen-Zeitung*, June 1.)

SOCIAL AND LABOUR CONDITIONS

UNEMPLOYMENT BENEFITS INCREASED.

The Government have, with retrospective effect from May 14, increased the benefit rates in respect of unemployment. Men over 21 years of age, with a household of their own, may now draw Mk.3,200 a day in place of a former Mk.2,400. Men over 21 without a family to support may draw Mk.2,800 instead of Mk.2,100. Men under 21 may draw Mk.1,950 instead of Mk.1,450. Women over 21, with a household of their own, may draw Mk.2,800 instead of Mk.2,100, and without a household of their own, Mk.2,350 instead of Mk.1,750. Women under 21 may draw Mk.1,750 instead of Mk.1,300. A married couple may draw in all, per week, Mk.26,100 instead of the former Mk.19,500. If they have one child they may draw Mk.31,800 instead of Mk.23,700, and if they have two children Mk.37,500 instead of Mk.27,900. (*Korrespondenzblatt*, May 26.)

PRICE OF COAL DOUBLED.

Notwithstanding the former agreement among the coalowners (see *THE ECONOMIC REVIEW*, May 18, p. 424), negotiations with the Government have now resulted in an agreement to raise the price of coal by 50 per cent. on account of the recent rise in miners' wages. A noteworthy point is the agreement of the consumers to this arrangement. A thorough investigation into costs was made by the Government before their sanction to the rise was obtained.

The price of coal in the Ruhr will therefore be, as from June 1, about Mk.221,000 per t. As from that date the costs of freightage are increased by 40 per cent. English coal of similar quality costs, reckoned on the cheapest basis, about Mk.437,000 per t. in Hamburg.

Dr. Pinkerneil, representing the Reich Association of Mineowners, made a statement regarding the recent wage increases granted, in which he said that reproaches had been levelled at the Ruhr mining industrials, that their wage policy had been responsible for the disturbances in the Ruhr district. This was emphatically not the case. In every instance when union leaders had demanded wage negotiations, wage increases had been granted. Both the coalmining and the iron

industry are guiltless of having conducted a short-sighted wage policy. Proof of this was afforded in the fact that it was possible to come to wage agreements on the basis of free negotiation without the assistance of courts of arbitration. Arbitration had only been necessary in unoccupied Germany, where it was attempted to ignore the extent of the increases necessitated in the Ruhr. The average coal miner's wage was now about Mk.28,700 per shift. It should be remembered that the wages of the State workers had been far more generously increased than those in private industries. The state of the coal market was, so Dr. Pinkerneil stated, satisfactory in both occupied and unoccupied Germany. Notwithstanding the latest drop in the currency, there was no cause for anxiety regarding the possibility of importing English coal. Not only had this coal in many instances been purchased on a paper mark basis, but the English were making no great difficulties regarding the granting of coal credits. The state of supply of the coal markets in unoccupied Germany was best illustrated by the fact that they were not even absorbing the entire home output. (*Vossische Zeitung*, May 31.)

MORTALITY STATISTICS IN 1920.

The German mortality figures in 1921 and 1922 have not yet been calculated according to age and sex. The most recent figures available, those for 1920, are reproduced in *Wirtschaft und Statistik* (May 20). According to this official publication, deaths per mille amounted in 1920 to 15.1, still-births not being included in the figures. In 1919 the mortality per mille was 15.6; in 1918, 24.7; in 1917, 20.5; in 1916, 19.2; in 1915, 21.4; in 1914, 19.0; in 1913, 15.0; in 1912, 15.6; in 1911, 17.3. In 1920, therefore, mortality was almost as low as in the best year, 1913. A more detailed examination reveals, in respect of age and sex, some very striking dissimilarities between these two years. The general death-rate is always very greatly affected by the figures in respect of infant mortality. In 1920 the latter was only 13.1 to every 100 live births as compared with 15.1 per cent. in 1913. In the later year, therefore, the infant mortality rate was comparatively favourable, and the rate of mortality in more advanced years was less favourable than in 1913. The mortality rates, dividing them into age groups of five years each, were as follows per 1,000 in 1913 and 1920 respectively:—MALE: Age 5-10, 2.9 and 3.2; age 10-15, 1.9 and 2.3; age 15-20, 3.4 and 5.3; age 20-25, 4.4 and 7.1; age 25-30, 4.6 and 6.7; age 30-35, 5.1 and 6.3; age 35-40, 6.4 and 6.5; age 40-45, 8.6 and 7.4; age 45-50, 11.6 and 9.6; age 50-55, 16.6 and 13.9; age 55-60, 24.1 and 20.6; age 60-65, 35.8 and 32.0; age 65-70, 52.8 and 50.8; age 70-75, 80.2 and 79.6; age 75-80, 123.9 and 126.5; age 80-85, 189.2 and 195.6; age 85-90, 273.6 and 285.0; age 90 and over, 386.6 and 376.0. Total per 1,000 of the male population, 11.1 in 1913 and 11.7 in 1920. Female: Age 5-10, 3.0 and 3.2; age 10-15, 2.0 and 2.3; age 15-20, 3.1 and 4.1; age 20-25, 4.0 and 5.8; age 25-30, 4.7 and 6.8; age 30-35, 5.3 and 7.0; age 35-40, 6.1 and 7.2; age 40-45, 6.9 and 7.6; age 45-50, 8.5 and 9.1; age 50-55, 11.8 and 12.5; age 55-60, 17.4 and 18.0; age 60-65, 27.9 and 27.7; age 65-70, 44.5 and 45.9; age 70-75, 72.0 and 75.4; age 75-80, 113.1 and 121.5; age 80-85, 176.1 and 190.5; age 85-90, 258.0 and 267.0; age 90 and over, 373.1 and 395.4. Total per 1,000 of the female population, 10.8 in 1913 and 12.0 in 1920.

These figures show that deaths among persons of both sexes between the ages of 5 and 40 were far more numerous than in 1913. The highest death-rate in 1920 was in respect of persons between the ages of 15 and 30. In particular, the rate among males between the ages of 20 and 25 was 61 per cent. higher and that of females in the same age group 46 per cent. higher than in 1913. On the other hand, the mortality among females over 40 was not much greater in 1920 than in 1913, and that among males was considerably lower in

the later year. A very unusual feature in 1920 was the higher mortality in respect of females between the ages of 25 and 45 than in respect of males in that age group. In normal times the mortality among females was higher than among males, only between the ages of 25 and 35. The increase in the mortality of females above the age of 30 together with the difference in the age groups of the two sexes consequent on the war, have resulted in a greater total mortality among females than among males. If the mortality rates of both sexes be distributed in 1920 over three-monthly periods, it is clear that the chief cause of the unusual character of the mortality statistics in 1920 was the influenza epidemic at the beginning of the year. Whereas in normal times the mortality among persons between the ages of 5 and 30 is usually greatest between April and June, and that among persons over 30 years of age during the

first quarter of the year scarcely exceeds the average mortality for the whole year, the mortality among all age groups during the first quarter of 1920, the influenza period, was considerably higher than in any other quarter. Especially between the ages of 15 and 30 was the mortality rate of both males and females affected by this epidemic; during the first quarter of the year the mortality rate was almost twice as high as in the second half of 1920. In the higher age groups, deaths from influenza were just as evident. If, nevertheless, the total mortality of persons over the age of 40, especially of males, was less than in 1913, the conclusion may be drawn that the mortality rate in 1920 was, apart from the influenza ravages, more favourable than in 1913, and that the excess of total mortality in the later year was due solely to this disease.

ITALY

FINANCE

THE RECONSTRUCTION LOAN.

Signor Rocco, under secretary for pensions, on whom, since the abolition of the Ministry for the devastated areas devolves the task of supervising re-construction, has made the following statement to the *Tribuna* as to the Government's aims in issuing national debt bonds for the payment of indemnities for war losses.

At the time of the suppression of the Ministry for the Devastated Areas the total liability for compensation for war losses to private persons was estimated at L. 9,503 mill., which, after deducting advances and payments made up to Dec. 31 last of L.4,220 mill., left still outstanding an indebtedness of over 5 milliards. The Government had two alternatives before it, either to distribute the payments over a long term of years, in proportion to the resources of the country, or to undertake a financial operation on a large scale which would enable it to satisfy immediately the claims of the victims of the war at the least possible cost to the State. The Government elected the second method by the issue of national debt 3½ per cent. bonds, which would enable the claimants to obtain an early assessment and payment of their claims.

Instead of the L. 750 mill. assigned to re-construction in the estimates of Signor Tangorra, which would of necessity have been reduced to 500 or 600 mill. under the revised estimates of Signor De Stefani, 1,500 mill. for re-construction purposes now appear in the estimates for 1923-24 as a result of the system adopted. This system will benefit the victims of the invasion by enabling them to restore immediately and thoroughly their damaged property and will offer to the State the double advantage of saving some L. 75 mill. a year representing the difference between the interest of 5 per cent. on the ordinary treasury bonds which they would have been obliged to issue, and 3½ per cent., the interest on the present bonds, and also of issuing a consolidated loan instead of increasing the floating debt. The L. 75 mill. saved annually would represent, if capitalized, at 5 per cent., a saving of expenditure of 1½ milliard. Moreover, by reducing the annual deficit, the necessity for the issue of Treasury Bonds will gradually be reduced in subsequent financial years and the consolidation of the floating debt be prepared. The present operation, therefore, by contributing thus substantially to the reduction of the deficit, may be considered as a highly important factor in setting the national finances in order. (*Corriere della Sera*.)

TRADE

FOREIGN TRADE.

The bare figures of Italy's foreign trade for 1922, published in April, have already been given in a previous number (see *ECONOMIC REVIEW* May 18, p. 428),

but may usefully be supplemented by the following detailed account appearing in the *Information Financière*.

On the coming into office of Signor Mussolini's Government in November last the foreign trade returns, the utility of which consists essentially in prompt publication, had only been published up to the previous March, thus being eight months in arrear. But energetic stimulating of the work of the public administrations during the five months of the new régime reduced this delay to three months, so that the returns for 1922 could be published early in April. The trade balance is slowly but steadily improving. The returns for the month of December show, in comparison with the corresponding month of 1921, an increase of L. 37 mill. in the value of imports (L. 1916 mill. as against 1879 mill.) and of 156 mill. in the value of exports (1010 mill. as against 854 mill.). This result is the more satisfactory in that Italian exports have had to contend against numerous obstacles, notably high Customs tariffs. The value of imports for the whole year was L. 15,726.7 mill. as against 17266.6 mill. in 1921, a decline of 1539.8 mill., whereas the value of exports showed an increase from L. 8,275 mill. in 1921 to 9,297 mill. in 1922—an increase of L. 1,022.1 milliards. These two items reduced the debit balance from about 9 milliards in 1921 to 6.4 milliards in 1922, a reduction of over 2 milliards. The chief decreases in the value of imported articles were shown by: wheat 1,900 mill., sugar (exclusive of that received under reparations account) 306 mill.; coal 278 mill.; cattle 15 mill.; raw jute 13 mill. It should, however, be noted that the decline in the value of imported articles did not, owing to the fall in the price of certain raw materials, indicate a corresponding decline in quantity. The goods which mainly contributed to the increase of exports were the following (the increase in quantity being shown in 1,000 quintals and in value in millions of lire) hemp and hemp fabrics, quantity, 506, value 131; cheese 70 and 9; grapes 88 and 195; preserved tomatoes, 82 and 38; marble, 541 and 38; fresh vegetables, 126 and 28; sulphur 406 and 25; potatoes, 60 and 19; fruit, 107 and 16; Italian paste 60 and 14; rice 77,000 t. and L. 139 mill.

COMING FAIRS.

The third International Samples Fair at Naples will be held from September 16 to 30 next. The brilliant results achieved by its two predecessors augur well for the success of the 1923 fair. Entries by exhibitors must be sent in not later than June 30. Any further information may be obtained on application to the Comitato della Fiera, Campionaria di Napoli, Via degli Acquari, No. 1 Palazzo della Borsa, Napoli. (*Exportateur Français*.)

During the summer a floating fair of Italian products of all kinds will visit the Mediterranean, Red Sea, India, the Far East, Australia and West Africa. (*España Económica y Financiera*.)

Italy

INDUSTRY

THE COTTON INDUSTRY.

At a recent meeting of the Italian Cotton Association, it was stated that the consumption of cotton was falling off and that export was becoming very difficult. The falling-off of consumption was attributed to the high cost price due to all the taxes and duties imposed upon the producer. Many spinning mills are only working four days a week.

The prospects of a cotton shortage in the near future due to the declining supply of raw cotton from the United States consequent on the increasing cotton manufacture in that country, has stimulated Italy, together with other European countries, to seek to render itself independent of America by the production of cotton at home and in the colonies. The first consignment of cotton grown in Somaliland, 150 tons in amount, has reached Naples. The cotton plantations in the colony were started on the initiative of the king's cousin, the Duke degli Abruzzi. An area of 260 hectares was devoted to the sowing of Sakellaridis and yielded 177 tons of seed or 400 kg. of fibre to the hectare—equivalent to 350 lbs. to the acre. Samples of cotton have been submitted to the Italian spinning mills. The cultivation of cotton in Somaliland has been undertaken by the Società Agricola Italo-Somala, the chairman of which is the Duke degli Abruzzi, who also takes an active part in the management. Under his auspices, irrigation works, which enabled 6,000 hectares to be placed under cultivation, were undertaken. The company owns in all 25,000 hectares, 10,000 of which were acknowledged to be suitable for cultivation straight away, while the remaining 15,000 are provisionally kept for cattle breeding, as this last branch of agriculture is also included in the Italo-Somala Company's scheme. (*France Textile.*)

CENTRAL EUROPE

POLITICAL AND GENERAL

HUNGARY'S REQUEST FOR AN INTERNATIONAL LOAN.

The Reparations Commission, in reply to a request by Hungary for an international loan, expressed itself not averse in principle to suspend provisionally its lien on a certain part of Hungary's revenue, which it might be necessary to use as security for any loans authorised, but stipulated that this concession would only be made in certain cases, and on the submission for the approval of the Commission by the Hungarian Government of a concrete plan for the proposed loan, and that the granting of it will be subject to the following conditions :

1. A part of the loan must be devoted to paying Hungarian reparations.
2. Hungary must offer sufficient guarantees and permit of control securing that that part of the loan which will be handed over to Hungary for the purpose of reforming her finances shall be so used as to place Hungary in a position to pay her reparations.
3. The Hungarian Government is expected to manifest its good-will to fulfil its Treaty obligations, and in approving of the loan the Commission will take regard of the extent to which Hungary has fulfilled this expectation.
4. The Reparations Commission will at the same time send a special commission to Budapest to study the economic and financial conditions prevailing in Hungary.

AGRICULTURE

EMIGRATION OF AGRICULTURAL LABOUR.

M. Abel Beckerich supplies the following information in the *Journal d'Agriculture Pratique* on the introduction of Italian agricultural labour into France. Since 1915 the Agricultural Labour Department of the French Ministry of Agriculture has endeavoured to promote the immigration of Italian field workers, but the movement could only be developed to any extent after the termination of hostilities. In 1916-7 and 18, the number of Italian agricultural labourers who went to work in France was 343, 498, and 1,474 respectively, no Belgian workers being available during that period, but during the years immediately following the peace the number of Belgian immigrants for work on the land exceeded that of the Italian. The respective figures were :—1919: Italians, 1720; Belgians, 5319; 1920: Italians, 10,564, Belgians, 15,213; 1921: Italians, 4,682, Belgians, 20,731; 1922: Italians, 7,704, Belgians, 13,203. The total number of immigrants for agriculture in 1922 was 72,976 of whom 42,442 were Spaniards. The Italian labourers, continues the same authority, are suited to field work of every sort and kind. Lombardy supplies woodcutters and charcoal burners. Italians make excellent shepherds and cowherds, but engagements in these branches are somewhat limited. The labour of the men is supplemented by that of women and children especially for the harvests. Agreements between the two Governments provide that wages paid to Italians should be equal to those paid to French labourers for the same class of work. Professor Lumia of the University of Rome, commenting on the above article in *Echi e Commenti*, would like to see this emigration of agricultural labourers restricted, in order that the labour should be devoted to farming in Italy—the field for which is more extensive than is generally supposed, and its development would exercise a favourable effect on Italy's trade balance. A Piedmontese journal, the *Rivista Agricola*, complains that whole families of farmers in Piedmont are selling their land and investing the proceeds in the purchase of farms in France, resulting in the emigration of capital as well as labour, and that at a time when strenuous efforts are being made to attract foreign capital to Italy.

The Commission further called upon the Hungarian Government to be more regular in its payment of the army of occupation and delivery of cattle and coal, and to show greater zeal in the execution of all the other terms of the Peace Treaty, which did not constitute a financial charge.

NEW GOVERNMENT IN POLAND.

The Sikorski Government has resigned on the rejection by the Diet of the clauses in the Finance Bill relating to secret funds entered in the estimates for the Premier's Department and the Ministry for Foreign Affairs. A ministry has been formed by M. Witos, and consists of the following members: MM. Witos, Premier; Seyda, Foreign Affairs; Grombinski, Education; Kiernik, Interior; Ladislas Kincharski, Commerce and Industry; Nowodworski, Justice; Karlinski, Railways; Opuzanski, Public Works; Goszicki, Agriculture; Grabski, Finance; Bajalski, Public Health; Darowski, Social Welfare; Moszezanski, Post and Telegraph. The portfolio for War has not yet been assigned. The Chief of the General Staff, Marshal Pilsudski, has resigned.

FINANCE

THE LEAGUE OF NATIONS LOAN TO AUSTRIA.

The section of the League of Nations Loan to Austria issued in that country will amount to 13 million dollars, will bear interest at 7 per cent., and will be issued at 93.

To every holder of dollar Treasury bonds the new bond will be issued at 91. The subscription list will be open from June 1 to 30. Subscribers to the issue will enjoy privileges similar to those accorded in the case of the issue of the dollar Treasury bonds. In particular, trading profits made between April 1 and September 30 will be exempt from profits tax if invested in the loan. It has been announced that at the expiration of eighteen months the Austrian section of the loan will be quoted on the New York Stock Exchange. The Austrian National Bank will accept the bonds as security for loans. The amount of the loan offered for subscription on foreign markets, exclusive of the Austrian section, will be 91 million dollars. The share issued in America amounts to 25 million dollars, and, according to information supplied to the Press by a representative of the firm of Morgan, which had taken up this section, had nearly all been placed by the end of May. The American Ambassador in Paris, Mr. Franckenstein, has informed representatives of the American Press that the Loan Commission is not yet in a position to state the amount of the loans to be issued in the various financial centres; the French section amounts to Fr.150 mill., and the Finance Minister has invited the leading French banks to form a combine, which will include the Banque de Paris et des Pays Bas, Crédit Lyonnais, Société Générale, Comptoir National d'Escompte, Crédit Industriel et Commercial, Banque Union Parisienne, Banque Nationale, the Crédit Commercial and Crédit Mobilier. The French section will not, owing to the impending issue of Crédit National Bonds, be issued before July. Mr. Franckenstein expressed satisfaction that the firm of Morgan was forming a syndicate to launch the loan in America as a clear proof that the Austrian people by its efforts to overcome its financial difficulties had captured the sympathy of America. The American Ambassador computed the service of the whole loan at 15 million dollars a year at the outside, which would be amply secured by the tobacco monopoly and Customs, which he estimated at 30 millions.

The Dutch First Chamber has passed the Bill sanctioning the participation of Holland in the loans. (*Neue Freie Presse.*)

AUSTRIAN SAVINGS BANK DEPOSITS.

The savings deposits in the 14 principal Vienna banks and savings banks increased by Kr.30,021 mill. in March, and Kr.31,296 mill. in April. The deposits in these institutions amounted to 151,181 mill. at the end of February, 181,202 mill. at the end of March, and 212,498.5 mill. at the end of April. (*Berichte aus den Neuen Staaten.*)

SAVINGS BANK DEPOSITS IN CZECHO-SLOVAKIA.

During April the deposits in the 198 Czech Savings Banks exceeded the withdrawals by Kr.160.9 mill.; those in the 171 German Savings Banks in Czecho-Slovakia showed a margin over withdrawals of Kr.38.4 mill. The total increase of deposits in all Savings Banks was over 207 million kronen, the sum total of deposits amounting on April 30 to Kr.9,421.5 mill., compared with Kr.9,213.9 mill. on March 31. The most striking increase was one of over 80 millions in the books of the Prague Municipal Savings Bank. (*Central European Observer.*)

CZECHO-SLOVAK CLAIMS AGAINST GERMAN DEBTORS.

At a meeting of the Federation of Chambers of Commerce it was decided to reject the plan suggested by Germany for the settlement of the claims of Czecho-Slovak creditors against debtors in Germany. The semi-official Berlin proposal was to the effect that on the export of goods from Germany to Czecho-Slovakia the difference between the home price and export price which otherwise accrues to the State as export duty should be devoted to a settlement of Czecho-Slovak claims, and that in return, the Czecho-Slovak Govern-

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ment should, for the same purpose, forego the Customs duties payable on imports from Germany. The Federation could not regard this plan as either favourable or as capable of practical execution. (*Central European Observer.*)

HUNGARY'S NEGOTIATIONS FOR A LOAN.

It is rumoured in political circles in Budapest that the Hungarian Government has been informed that representatives of Rothschild's London and Paris houses, the Société Générale, the Banque de Province, and Kuhn Loeb and Co., of New York, are about to proceed to Budapest to discuss the possibility of a long-dated loan to Hungary. Sir William Coode has already arrived in Budapest for the purpose of supporting the Hungarian Government in its efforts to obtain an international loan. (*Neue Freie Presse.*)

HUNGARIAN STATE RAILWAY DEFICIT.

The accounts of the Hungarian State Railways show a deficit for the first ten months of the financial year of 5 milliard kronen. (*Neue Freie Presse.*)

HUNGARIAN BANKS' CAPITAL INCREASES.

During 1923, 133 provincial banks in Hungary raised their capital from Kr.483 to 4,656 mill., and 48 Budapest banks from 2,485 mill. to 4,800,708 mill. (*Berichte aus den Neuen Staaten.*)

RAISING INSURANCE PREMIUMS IN HUNGARY.

The syndicated insurance companies in Hungary have decided to raise insurance premiums by 30 per cent. on the average. For the various branches of insurance minimum premiums will be fixed, and no insurance company may enter into a policy containing lower premiums. (*Berichte aus den Neuen Staaten.*)

Central Europe

INDUSTRY

THE TEXTILE TRADE IN CZECHO-SLOVAKIA AND POLAND.

The *Central European Observer* publishes the following accounts of the situation of the textile industry in Czecho-Slovakia and Poland respectively, giving an interesting comparison :—

The Federation of German Textile Industries in Czecho-Slovakia issue figures showing that the number of textile works closed down for lack of orders has decreased compared with January last, and that the number of workers employed in 484 works increased by 7,000. More than half the number of all workers are employed the full six days per week.

The account of the industry in Poland is less bright. Reports from Lodz show that the stagnation in the textile tradé continues. A number of mills have had to restrict work to four days a week. Polish textile prices have lately passed to the level of the world's markets, and Czecho-Slovak textiles are now cheaper than Lodz can deliver. Textile buyers in East Galicia have recently satisfied their requirements mainly from Czecho-Slovakia.

CZECHO-SLOVAKIA'S PRECIOUS METAL MINES.

In 1922 some 300 kilogrammes of gold were obtained from Czecho-Slovakia's mines, 200 from those at Roudny and 100 from those at Stavnicia in Slovakia which are in the possession of the State. The average price of gold during the past year was Kr.22,000 per kilogramme.

The silver mines at Pribram produced 25,000 kilogrammes of silver and those of Stavnicia and Kremnice upwards of 3,000. The price of silver was about Kr.800 per kilogramme.

The output of lead was 2,000 t. at Pribram and 200 t. at Stavnicia and Kremnice. (*Central European Observer.*)

NEW PETROLEUM WELLS IN GALICIA.

A new source of petroleum belonging, half to the "Dobrava" Co. and half to the "Nafta" Co., has been struck near Boryslav in Galicia. The new well pro-

duces 25 cubic metres of raw oil per hour—which means a monthly revenue for the two companies named, of some 150 mill. Polish marks. (*Central European Observer.*)

COMMUNICATIONS

CZECHO-SLOVAK RAILWAYS.

At a recent meeting of the Board of Management of the Czecho-Slovak State Railways, the Minister of Railways mentioned the following points of recent development. In respect of international traffic a through passenger tariff is now available between England, Holland, Belgium and France on the one hand and Czecho-Slovakia, Austria and Rumania on the other. A direct passenger tariff between Czecho-Slovakia and Hungary is also in process of preparation.

The Minister further pointed out the favourable progress made by the scheme of staff reduction. Up to the 1st of January last the number of employes on the State lines had fallen by 160,000, and the staff now works out at about 12 to the kilometre, a proportion which is more favourable than that on many private railways, and enables the management of the Czecho-Slovak State lines to compare well with that of railways abroad.

The Minister also emphasised the fact that within the last few months considerable reductions had been made in freights, these reductions applying in particular to foodstuffs, glass, ceramics, textiles, iron, steel, cement, leather, rubber goods, fats, oils, timber. A revision of the tariffs relating to paper and raw material for the paper and chemical industries, for fodder and cattle is now in progress.

Under the terms of a Bill introduced into the House of Deputies last week, the State is to take over the Bustehrad Railway, hitherto a private concern. The railway, which has a total length of some 490 kilometres, runs through a district with extensive coalfields and highly developed industries and at the close of 1922 employed 9,344 persons. Its deficit for 1921 and 1922 amounted to no less than 32 mill. crowns and its increasing insolvency is one of the main reasons for the State taking it over. The purchase price is slightly over 34 mill. (*Central European Observer.*)

NORTHERN EUROPE

POLITICAL AND GENERAL

An article in the *Russian Information and Review* supplies some interesting details regarding conditions in Moscow in respect of housing, sanitary and drainage system, municipal finance, etc. Moscow, which now has a population of over a million and a half, is in many respects behind the capitals of Western Europe. It lacks open spaces and trees, and although pavements of asphalt are fairly widespread, the majority are of cobbles or rammed brick. Much of the street surface and nearly all the pavements fell into disrepair during the war and Revolution, and although a certain amount of repairs has already been done, the programme of repairs for the summer months to come is very extensive. The housing question is acute, for the number of houses available as dwellings was greatly reduced during the Revolution. Nine hundred buildings of various sizes are occupied by State institutions. The Moscow Soviet intends to build, during the summer and autumn, municipal houses for workers, which will accommodate between five and seven thousand persons. Plans for the erection of a garden city outside Moscow, to house nearly five thousand inhabitants, have been passed by this Soviet. New suburbs are to be built along a line reaching the Vorobiev and Sokolniki hills. In 1920-21 the water pressure of the Moscow water-

works was so low that in most buildings water could not be laid on higher than the third floor. It is now possible to get water on the ninth storey of houses, even those situated in the higher parts of the city. The number of fountains for public use has been increased to 263 as compared with 50 before the war. Health conditions have improved vastly during the last year. The tramway system covers 320 miles, but only 550 trams are working at present as compared with 860 before the war. Plans have been drafted for the construction of an underground electric railway, and the construction of this line will be seriously considered next year. Meanwhile the tramway line is being extended, adding twenty-six miles to the present system and linking Moscow with the suburbs. This will help to relieve the housing crisis in the centre. Municipal expenditure for 1922-23 is estimated at 55 million gold roubles. The town expects to cover its expenditure by local taxation and the profits from municipal enterprises, and to dispense with State aid. All enterprises under municipal control are, or shortly will be, self-supporting, and allowance is made for repairs. Extensions and improvements will be financed out of the profits acquired by leasing municipally-owned buildings for trade purposes. The minimum charge for these is 14 gold roubles per square foot of ground space per year.

FINANCE

THE FINNISH MONEY MARKET.

Conditions on the Finnish money market this year have been distinctly peculiar in character. Notwithstanding an important import surplus the Finnish mark showed a tendency to rise in value between January and March, and stood at its highest during the first two weeks of the latter month, the Swedish krone being then quoted in Helsingfors for several days at 9.55 as compared with 10.8 at the end of January. Since that date the rate has remained extraordinarily stable at about 9.65. The Bank of Finland was able to continue strengthening its reserve until the end of March, and did not begin to place its currency reserves on the market until April. Even then the decisive factor in the financial policy does not appear to have been the idea of supporting the Finnish mark by the sale of foreign currency but the necessity for reducing the foreign currency deposits, in order to be able to meet the great demands for home credit without increasing notably the circulation of paper money. The bank owned, at the end of April, foreign currency stocks amounting in value to F.Mk.769 mill. It is expected that until the end of June offers of foreign currency will be much smaller, for, on the one hand, imports will increase greatly when shipping recommences in the eastern and northern ports, and, on the other hand, the timber exports will not bring in much foreign currency, as the first shipments will go to meet the extensive credits taken up abroad, chiefly in England. After July a better supply of foreign bills is expected, and future prospects are, by reason of the large currency reserves of the Bank of Finland and of the recent interest displayed in Sweden and in England for the Finnish currency, distinctly hopeful. It is interesting to note the different valuations placed on the Finnish mark in foreign transactions. In timber sales to England, contracts are made in English pounds sterling, as they are considered the more stable currency; but in sales to France and Belgium it is usually preferred to contract in Finnish marks, as in these instances the latter currency is considered the least likely to fluctuate. The opening of the shipping season, of such vital importance in connection with currency demands, is proceeding normally. In the East, Wiborg has already been reached by ice breakers, and shipping is expected to begin quite shortly. (*Berliner Börsen-Zeitung*, May 22.)

ESTHONIAN BUDGET ESTIMATES.

The Esthonian Budget proposals for 1923—the fifth Budget since the foundation of the Republic—provide for ordinary expenditure of Mk.5,347.8 mill., and ordinary revenue of Mk.5,682.5 mill., viz., a surplus on the Ordinary Budget of Mk.334.7 mill.; likewise for extraordinary expenditure of Mk.1,405.9 mill. and extraordinary receipts of Mk.364 mill., viz., a deficit on the Extraordinary Budget of Mk.1,041.9 mill. The deficit on the combined Budgets amounts, therefore, to Mk.707.2 mill. The 1922 Budget provided for a surplus of Mk.119 mill. on the Ordinary Budget and a deficit of Mk.732 mill. on the Extraordinary Budget, viz., a total deficit of Mk.613 mill. It will be seen that the surplus on the Ordinary Budget is estimated at a higher figure in 1923 than the previous year, but that the deficit on the Extraordinary Budget is estimated to be about 50 per cent. higher, and the total deficit estimated for 1923 is therefore considerably higher—Mk.94.2 mill. more—than that estimated for 1922. Relatively speaking, the deficits since the foundation of the Republic are tending to decrease. Thus in 1919 the estimated deficit amounted to 90 per cent. of the total Budget figure in respect of revenue, in 1920 it amounted to 50 per cent., in 1921 to 15 per cent., in 1922 to 10.3 per cent., and in 1923 to 10.5 per cent. A noteworthy point in regard to the expenditure of the State is the extent of the estimates of War Office expenditure. These provide in 1923 for an expenditure

of Mk.1,614 mill. out of the total expenditure of Mk.6,753.7 mill., i.e. 23.9 per cent. of the whole.

On Jan. 1, 1923, the Esthonian Republic had foreign debts amounting to: \$14,517,868 owing to the United States Government, \$2,127,614 owing to the American Relief Administration, £251,000 owing to the British Government, Fr.6,581,944 owing to the French Government, D.Kr.463,930 owing to the Danish Government. The debts to Finland incurred in 1918–19 and amounting to nearly 22 million Finnish marks, have been paid off.

The issue of paper money in Esthonia amounted in value on Jan. 1, 1923, to Mk.2,516,959,651, compared with Mk.2,712,717,700 on July 1, 1922, with Mk.2,910,963,264 on June 1, 1921 (the maximum figure attained), and with Mk.16,500,000 on Feb. 1, 1919. The reduction in the issue of new paper money since June 1921 has been more or less constant.

COMPANIES IN PROVINCIAL RUSSIA.

A report from Moscow to the *Ost-Express* states that whereas all the joint-stock companies in Russia formerly had their headquarters in the capitals, Moscow, Petrograd and Kharkov, the first provincial joint-stock companies have now been formed. At Saratov is reported the establishment of a Building Society in which State capital is participating to the extent of 60 and private 40 per cent., and at Rostov a soap manufacturing company which will take over several works belonging to the Centrosoyus and the Co-operative Union in the Don district. The shares of this company may only be taken up by co-operatives.

TRADE

LATVIAN FOREIGN TRADE IN 1922.

According to official statistics, the Latvian foreign trade values almost balanced in 1922. Import values were Lat.107.3 mill. and export values Lat.102.2 mill., compared with 70 mill. and 29 mill. respectively in 1921. Raw materials and semi-manufactures were exported to the value of 79.7 mill. (1921, 25.9 mill.). Of these, the highest figures were in respect of timber and flax. This fact is a matter of some concern, for the exhaustion of the forests, as well as of the soil under cultivation in flax of a deteriorating quality, may prove very injurious to Latvia. Food export values rose from Lat.2 mill. in 1921 to Lat.11.1 mill., that of finished products from Lat.2 mill. to Lat.10.6 mill. Butter and alcoholic drinks headed the food export list; among the finished products exported mention may be made of metal goods to the value of Lat.4.5 mill., chemical products to the value of Lat.2.5 mill., and textiles to the value of Lat.1.1 mill. The import of raw materials and semi-manufactures amounted in value to Lat.30.6 mill. (20.2 mill. in 1921), that of finished products to about Lat.45 mill., as in 1920 and 1921. The most striking factor in the above statistics is the steady growth of the food exports. It should also be added that the extent of the vast smuggling trade carried on is not gaugeable. (*Ost-Express*, May 8.)

COMMUNICATIONS

NEW RUSSIAN STEAMSHIP SERVICES.

Ost-Express (May 14) learns that the Russian Voluntary Fleet is opening a regular freight and passenger service between Odessa and various West European ports. Similarly, a regular State line is to be established between Odessa, the Dardanelles, Smyrna, Jaffa and Port Said. An agreement has been reached between the Voluntary Fleet and the Lloyd Triestino whereby the Lloyd is liquidating its Russian agencies and is transferring its Russian interests to the Voluntary Fleet.

WIRELESS STATION IN ESTHONIA.

Ost-Express (April 30) announces the completion of the wireless station at Hapsal, which will be powerful enough to connect with all the other stations in Europe. A small coastal station for wireless connections with Baltic shipping is also being installed at Hapsal.

SPECIAL ARTICLES

SOME CONSIDERATIONS ON THE REVISED AUSTRIAN BUDGET

(Continued from page 499)

ADMINISTRATION ESTIMATES.

The most far-reaching reform in the accounts presented by the revised Finance Bill consists of the separation of the administration estimates from the estimates of monopolies and State enterprises. The administration accounts represent gross revenues and show the following figures (in millions of kronen):—

	Second Bill.	First Bill.
Gross Expenditure	6,275,328	7,019,319
Gross Revenue	4,665,294	3,269,390
Deficit	1,610,035	3,749,929

The deficit on the administration estimates is 68 per cent. of the whole deficit in the second Bill and 71 per cent. in the first.

The second or revised estimates are apportioned as follows (in millions of kronen):—

	Gross expenditure.	Per-centage.
Federal civil servants	1,487,700	23.7
Pensions	745,529	11.9
National debt, original	425,253	
Loss on exchange	290,735	
	715,988	11.4
Amounts assigned to Federal States and Municipalities	1,094,558	17.4
Expenditure on social administration	447,285	7.1
Army Expenditure	232,717	3.7
Advances to private railways	638,385	10.2
Treaty of St. Germain	201,172	3.2
Other Expenditure	711,994	11.4
	6,275,328	100.0
	Gross.	Per-
	revenue.	centage.
Direct taxes	679,281	14.5
Duties	1,132,500	24.2
Import and export duties	106,000	2.3
Consumption duties	394,495	8.4
Inland Revenue duties	1,900,150	40.8
Stock Exchange dues	7,000	0.2
	4,219,426	90.4
Total of public taxes	445,868	9.6
Other revenue	4,665,686	100.0

The Bill estimates the expenses of the Supreme National Institutions as follows:—National Council, 10,691; Federal Council, 937; President of the Republic and his office, 711; total, 12,339; Courts of Justice, 2,395; audit office, 1,655.

THE NATIONAL DEBT.

The following figures show the amount of the national debt on Dec. 31 1922, together with the difference compared with Dec. 31 1921 (second column):—

Nominal value (millions of kronen) ...	72,981	+ 593
Difference in the exchange ...	6,122,337	+ 6,037,896
Total	6,195,318	+ 6,038,489
Share of Austria	1,525,422	+ 1,470,694

The increase of 593 in the nominal amount is due on the one hand to an increase of 1,455 million kronen owing to an over estimate in the previous year of the War Loan held in private hands, and on the other to a falling off in capital payable (especially in the redemption of the fifth war loan, Jan. 6, 1922) of 862. The increased loss on exchange is due to the rise in value of foreign currencies. Austria's share in secured pre-war debts is provisionally calculated on the following basis: when the whole or the greater part of the debts are secured

within Austrian territory such parts as are so secured are accepted at their full value and such parts as are secured in the territory of other National (Succession) States are accepted at 15 per cent. If they are wholly secured outside the territory of the Austrian Republic they are not taken into account at all. Austria's share in unsecured debts is, in accordance with the decision of the Reparations Commission, subject to alteration in the event of the revision of this decision, assessed at 36.8 per cent. and in the case of war debts at 50 per cent. The decision of the Reparations Commission having been confirmed on Feb. 21, Austria's share is now definitely fixed at 36.8 per cent.

Of the Common "Rentas Loan," dating from the union with Hungary in 1868, which at the end of October 1918 represented 5,020,059,450 kronen, 1,438,344,700 kronen is to be taken over by the Hungarian succession States. The joint rente (or interest) is not dealt with separately but is included in this apportionment. The share of interest at 4.2 and 4 per cent. attributable to Hungary is 58,339,339, which corresponds to Hungary's former contribution to the interest on the joint National Debt.

With regard to secured debts the Reparations Commission has decided that they must be assigned to those states in which the security lies. When a mortgaged railway system is entirely in the territory of one State, that State must take over the debt, but when the system is divided by one or more of the new frontiers, the liability for the debt is assumed by each State concerned in proportion to the length of line in the territory of such State. The redeemable Railway Loan of 1913 ranks as a secured debt.

On February 27, the Reparations Commission gave its decision in the apportionment of the State railways, which was governed by the distribution of the railway system among the various countries. The apportionment of the debts was divided into two classes. The first comprised the 3 per cent. debenture bonds in francs of the original and supplementary railways involving an annual expenditure in interest, etc., of 4,290,000 francs, of which 10.539 per cent. was assigned to Austria, 62.808 per cent. to Czecho-Slovakia, 11.602 per cent. to Hungary, 11.890 per cent. to Rumania and 3.161 per cent. to Yugo-Slavia. The interest on the 4 per cent debenture mark loan of 1883 was apportioned as to 20.023 per cent. to Austria and as to 79.977 per cent. to Czecho-Slovakia. Finally the annual interest, etc., amounting to 3,645,000 francs on the 4 per cent. Debenture Loan of 1900 issued in francs and marks, is payable as to 19.563 per cent. by Austria and as to 80.437 per cent. by Czecho-Slovakia. The individual States are bound to pay the coupons on the bonds in the above proportions until the termination of the period for redemption in 1965. The second class comprises the redemption of the rights of the State railway company by annual payments to the amount of 5½ million francs, payable by the individual States.

For the service (interest, sinking fund costs, etc.) of the debt of the Austrian Empire the Budget makes the following provision (in millions of kronen):—

		Increase.
Nominal value... ..	16,362	+ 11,280
Loss on exchange	249,775	+ 234,379
Total	266,137	+ 245,659
Austria's share of the above is ...	83,590	75,657
Redemption	(21,751)	(20,463)
Less amount attributable to the redeemable State railway loan, and estimated in the Federal Railway accounts	19,076	19,016
	64,514	56,581

The position of the Federal debts of the Republic at the end of 1922 as compared with the end of 1921 is as follows (in millions of kronen) :—

		Increase on 1921.
Debt in kronen	2,916,013	2,836,634
Debt in foreign currency (nominal value)	1,593	547
Loss on the exchange	11,130,240	11,029,440
Total	14,047,846	13,866,321

For the service of this debt (interest, sinking fund, etc.) is required (in million kronen) :—

		Increase on 1921.
Debt in kronen	411,502	406,938
In foreign currency (nominal value)	293	240
Loss on the exchange	239,678	231,085
	651,473	638,263

The additional amount required is further altered by the needs of the gold loan of 130 mill. gold kronen subsequently raised and of the first instalment of 140 mill. gold kronen of the League of Nations Loan, now sanctioned and by the further sum due to the rise of foreign currencies. In estimating the service of the debts all foreign loans so far granted with the exception of the relief credit are taken into account. The amount of the relief credit is calculated at 227 million Swiss francs.

CONTRIBUTIONS TO THE INDIVIDUAL STATES.

The share of revenue assigned to the individual Federal States (Länder) and municipalities (Gemeniden) is estimated at 634,759 million kronen. In addition they receive by virtue of the Distribution of Taxes Act, from Jan. 1, 1923 onwards, all the "realsteuern," and also a share of the gambling tax. The following further sums are also estimated (in millions of kronen) : contribution to the expenditure on officials of the States and municipalities, 370,000 ; additional sum required for interest and sinking fund for the foreign loan for public works purposes of the Vienna municipality (1902) and of the Lower Austrian State Railways granted by the Federation, 39,158 ; temporary assistance for the States in the form of an 8 per cent. loan, 50 ; as compensation for abandonment of its claims to the State and municipal taxes the Federation receives 3 per cent. of the additional taxes estimated at Kr.107 mill. The Federation has granted to the States and municipalities up to the end of 1922 repayable interest-bearing loans amounting in the aggregate to 440,000 million kronen. The interest on the loans from the Federation to the States and municipalities is estimated in all at 40,342 mill. kronen.

PENSIONS AND STAFF REDUCTION.

Expenditure on pensions supplemental official salaries and reduction of the Civil Service staff under the act of July 1922 calculated for the whole year on the basis of salaries paid in December 1922 is estimated at 1,175,227.4 mill. kronen. It has been estimated that by July 1, 1923 the Federal Civil Service staff will have been reduced by 15,050, persons, of whom 2,870 will draw a year's pension, aggregating 22 mill. kronen, 4,490 a half-year's pension aggregating 11 mill., and 3,690 persons a non-recurrent indemnity of some 20 mill., while the rest of the staff (4,000) can be discharged without cost.

MONOPOLIES AND STATE UNDERTAKINGS

The statement of the accounts of the monopolies and State undertakings have undergone a thorough reform, the gross receipts and gross profits from State undertakings having been separated and carried to the special undertakings estimates. The monopolies show a profit of 1,255,241.2 mill. kronen (tobacco 161,721.3, salt 81,725.5, State lottery 6,010.9, explosives 5,783.5) ; and the State undertakings a deficit of 2,019,698.4 mill. kronen, the individual deficits being shown by : railways

UNIVERSITY OF LONDON

Two Public Lectures on (1) "THE RESTORATION OF THE GOLD STANDARD" and (2) "DEVASTATION AND RECONSTRUCTION IN EUROPE" will be given by Professor GUSTAV CASSEL (Professor of Political Economy in the University of Stockholm) at THE LONDON SCHOOL OF ECONOMICS (Houghton Street, Aldwych, W.C.2) on MONDAY, JUNE 18th, and THURSDAY, JUNE 21st, at 5 p.m. At the first Lecture the Chair will be taken by His Excellency the Swedish Minister (Baron Palmstierna) and at the second Lecture by Walter Leaf, Esq., Litt.D., D.Litt. (Chairman of the Westminster Bank).

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1,911,304.2, post office 10,363.7, telegraph and telephones 138,221.0, Blumau works 6,947.5, State theatres 15,903.6, and the surpluses by the savings bank department 9,387.3, State forests and domains 47,375.9, mines 1,327.9, East celluloid works 63.3, Cartographical Institute 375.5, State carriers' department 71.5, printing department 1,549.0, mint department 1,636.4, publications (Wiener Zeitung) 838.4, State film department 183.5, State photographic department 67.7, State chemists 165.2).

These figures show the influence of monopolies and undertakings on the national accounts. In the revised Bill the monopolies appear as a remunerative source of revenue, a result mainly achieved by an inordinate raising of the price of the products of the monopolies, but business experience teaches that this result cannot be permanently assured, except by reduction of working expenses.

As will be seen from the above figures, the dark spot in the Austrian national finances is the State undertakings and especially the railways. To the total deficit of 2,374,492,333,000 kronen shown by the estimates of the State administration the State undertakings contribute 2,019,698,428,000, of which the railways are responsible for 1,911,304,200,000. These figures threaten bankruptcy, unless their disturbing influences can be counteracted. Among these influences the terms of the Treaty of St. Germain, which fixed the rates for transit traffic through Austria, play a prominent part. However, other reasons for the collapse of the national finances exist. Immediately after the downfall of the old State, business was exposed to disturbing influences, which must now be removed. Restraint must be placed on those who, under cover of the theories of Karl Marx, adopt measures injurious to capital calculated to ruin the currency, wipe out revenue from invested capital and house property, and expropriate capital invested in industrial enterprise.

In the period immediately following the revolution, wages were raised wildly, the number of workmen in all industries increased beyond their needs, and working hours and productivity reduced. The error of this tendency lay in a complete misunderstanding of the real function of capital and of money, and of the efforts for obtaining a balance of power in the business of the world. Since this error has been committed the reform of the State undertakings, notably of the railways, is not only an economic but a social and above all a political question.

The State railways have a length of 5,292 km., and employ a staff of 92,799. Cost of the staff is estimated for 1923 at 1,304,302 mill. kronen, and of material at 2,856,978 mill. The attempt to make a profit by raising rates has been driven beyond permissible limits, so that rates must now be reduced. The only remedy lies in reduction of staff and a return to earnest work on the part of all grades of officials, otherwise the maintenance of State management is economically and

Special Articles

financially impossible. The above remarks about the railways apply equally to the post, telegraph and telephone service.

RETRENCHMENT.

The administration estimates of the first Finance Bill gave the total number of State officials as 102,646, subsequently reduced to 90,329, costing 1,487,700 mill. kronen. Between the two Bills the number of officials employed in the monopolies was reduced from 16,057 to 15,821, and in the State undertakings from 150,546 to 141,838. The latter number costs 2,230,813 mill. kronen. The absurdly small reduction and the expenditure of over 2 billion kronen reveal the tragedy of the Austrian financial administration. The report of the General Commissioner of the League of Nations demands a more rapid progress in retrenchment. This demand will the more easily be complied with as the

preliminary preparation has not ceased for a single instant. Reduction of the number of ministries, amalgamation of offices, the simplification of administration, have all been prepared and are ready for execution. During the last few months almost unbelievable results in the way of increased revenue have been accomplished. Nevertheless the taxation screw is not idle, and will soon be set to work on the sale of goods. Customs duties on articles of consumption, and transport duties so burdensome to commerce, and other duties of all kinds are raised unceasingly to the utmost limit of their capacity.

Austria gives hourly proof in all branches of her existence of her resolve to save herself. The sincerity of her resolution has received recognition and practical help from all those nations who have the welfare of Europe at heart. The saving and prosperity of Austria are conditions to the maintenance of the balance of power in Central Europe.

NOTES ON NEW BOOKS

FAIR WAGES AND HARD WORK.

A Fair Wage, being Reflections on the Minimum Wage and some Economic Problems of to-day. By Edward Batten, M.I.M.E. (Sir Isaac Pitman and Sons, Ltd., 2s. 6d. net.)

Mr. Batten, who has for many years studied the question of, and sought an honest measure for, wages, submits with commendable moderation a standard by which he believes they may be tested and proved to be either fair or unfair. In his opening chapter, he deals with the striving of the Labour Party after "economic liberty," two words presumably intended to carry a claim to the control by the worker of the conditions and remuneration of labour, and a curtailment of the powers exercised by capital. None of these things, as he points out, constitute economic liberty, though all of them are capable of attainment and are in fact constantly being adjusted by bargain. Few will be found to differ with Mr. Batten in his contention that, in view of Labour's aspirations and hopes, so fundamental an error "as the assumption of the possibility of economic liberty is nothing less than a social calamity, by reason of the waste in friction and misdirected energy with which it clogs the wheels of industry," and in his assertion that the just economic ideal for the community is the "maximising" of the utilities of the produce of labour and capital, which can only be obtained when efficiency in both production and consumption is diligently striven for by the community.

But having made this declaration, he points out that a social science of economics must at least include the production and distribution of the necessaries of life in such measure that all who conform to the laws of the society will have a sufficient supply of the means of subsistence, and can obtain and use these means under such conditions as will maintain the life of the existing members of the society at its highest pitch of strength and vigour. In other words, the minimum wage must be a real one, it must be earned in such conditions of employment and in such a number of hours as will permit of the labourer having such time for rest and recreation that he will be neither physically nor mentally impaired. "A man should *live* by his work, not *die* by it," says Mr. Batten, "and every Monday morning should find him, so far as his work acts upon his life and character, rested, refreshed, and restored to strength." Taking as an example the cheap clothing trade, which in times of stress pays a very low wage rate and whose employees are ill-fitted to engage in more profitable industry, the author shows that the first effect of a rise in wages by the establishment of a legal minimum would be to increase the price of cheap clothes. His solution that this increase of wages

should be met by increased production on the part of those members of the community who are not in the clothing trade, for, "if the wealth of the consumer be increased he can, without curtailment of his outlay in other directions, increase the amount he spends on clothing," seems to us to be the start of a vicious circle.

In developing his argument, which he does skilfully and clearly, the author lays down that in using the term wages he restricts its meaning to the workman's share of the profits produced by the industry in which he is employed. "In any industrial profit or loss account," he continues, "maintenance (the minimum wage necessary to keep the workman in health and strength) must be on the debit side, wages on the credit, and only after having defined which items are profit and which loss does it become possible to make an allocation of the profits." The introduction of this principle of the rise and fall of wages being made dependent on the increase and decrease of profits forms a comparatively new departure in industrial economics, and was first recognised in the coal mining dispute in 1921. An Industrial Department, Mr. Batten considers, in possession of correct statistics, would be able to furnish such comparative data as would enable accountants to decide whether the profits in a certain industry were greater or less than the average in proportion to the costs. It would then be clearly evident to both owners and workmen in industries which were below the general average that unless and until efficiency were increased their means of livelihood would be in peril, and may reasonably be supposed that combined efforts would be made to promote efficiency. This is only one of Mr. Batten's constructive suggestions, and while many may consider that his insistence on efficiency and hard work as a preliminary to better conditions is difficult to obtain, at least for some time to come, no one can quarrel with the interesting way in which he has presented his subject.

RECENT PUBLICATIONS

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

Restoration of the World's Currencies. By R. A. Lehfeldt, D.Sc., Prof. of Economics in the University of Witwatersrand. (Messrs. P. S. King and Son, Ltd., 6s. net.) Dr. Lehfeldt intends his book as a study of an urgent problem of the day. The views of the experts consulted by the Genoa Conference are summarised in an appendix. With the policy suggested by them he has, in the main, little disagreement, but whilst "they seem to place the danger of the immediate future in a too rapid

appreciation of gold, the arguments of the text point rather to renewed depreciation, and its associated evil of inflated currency." The author considers that the contemplated international regulation of credit is a difficult and dangerous plan which should be reserved until the situation is better understood and more under control. He has also put in a word for the use of gold coins, "which it is too much the fashion to condemn nowadays."

An Intermediate Logic. By J. Welton, D.Lit., late Professor of Education in the University of Leeds, and A. J. Monahan, Lecturer in Education in the University of Leeds. (University Tutorial Press Ltd., 10s. 6d.) This is a second edition, revised and enlarged, of the valuable work based on the "Manual of Logic." At the time of the publication of the first edition in 1911, the need had arisen for a simpler and briefer treatment adapted to the intermediate university examinations to which Logic had been transferred from the final degree examinations. As controversy on the more modern parts of logical doctrine had had its outcome in a general agreement among thinkers on the subject the authors were able to adopt a less controversial tone than was deemed advisable in the presentation of induction in the original work. The present edition has been enlarged by the addition of a new chapter dealing with applications of general method to the great branches of knowledge and of a section on the logical aspect of Probability. Other changes are confined to errata.

Man and Culture. By Clark Wissler, Ph.D., Curator-in-Chief, Division of Anthropology, American Museum of Natural History, New York City. (George G. Harrap and Co. Ltd., 10s. 6d. net.) This volume is based on a series of lectures delivered by Dr. Wissler at the State Universities of Michigan, Iowa, Nebraska, and Kansas, and also before the Anthropological Society of St. Louis and the Galton Society of New York, and deals with the problems and scope of contemporary anthropology. The author has had unusual facilities for its preparation through his connection with the American Museum of Natural History, New York, and also the National Research Council of Washington. The work is a thoughtful and searching analysis of racial strains and views mankind with the same scientific and detached eye as would trace the evolution, for example, of the horse. The first part of the book takes up "The Meaning of Culture," as applied to mankind. The author uses the word "culture" to mean, to give a brief definition, mode of life, and he shows that the Eskimo and the Hottentot have no less a culture of their own than the French and the English. What these types of culture indicate are the subjects of succeeding chapters in this section, which, tracing mankind through various formative phases, deals particularly with geographical barriers and limitations. This examination is followed by chapters discussing the relation of methods of living and their effect on man himself. The book is supplied with clear diagrams and illustrations which have been selected from the treasures of the American Museum of Natural History and which serve to point out interesting parallels in the evolution of civilisation.

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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."

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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. LIEHLEDT, 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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STATISTICAL SECTION

THE TRADE BAROMETER

EXPLANATION

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

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

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

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

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

TABLE I.

Date 1920.	10 Com- modities	Bd.of Tde. Monthly Average	Date	10 Com- modities	Bd.of Tde. Monthly Average	Date	10 Com- modities	Bd.of Tde. Monthly Average	Date	10 Com- modities	Bd.of Tde. Monthly Average
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	183.2				
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	8	191.4				
17	149.2	161.8	20	162.8							
24	149.7		27	165.9							

CHART ILLUSTRATING TABLE I.

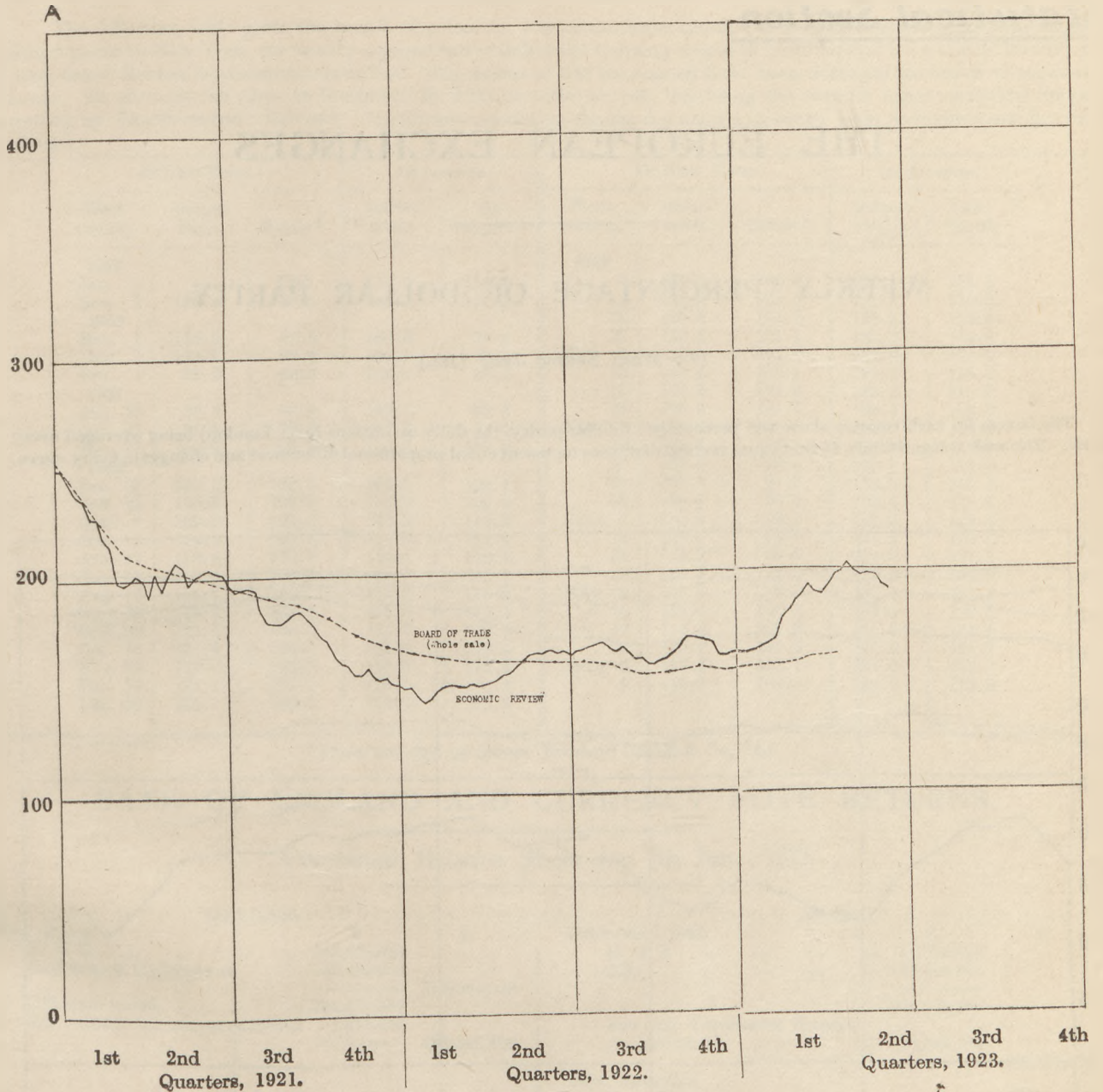


TABLE II.

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	101.4	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
" 8	106.1	117.4	103.8	156.1	132.8	137.8	100.7	104.3	75.0	242.3	127.63	" 8

*Revised Quotation.

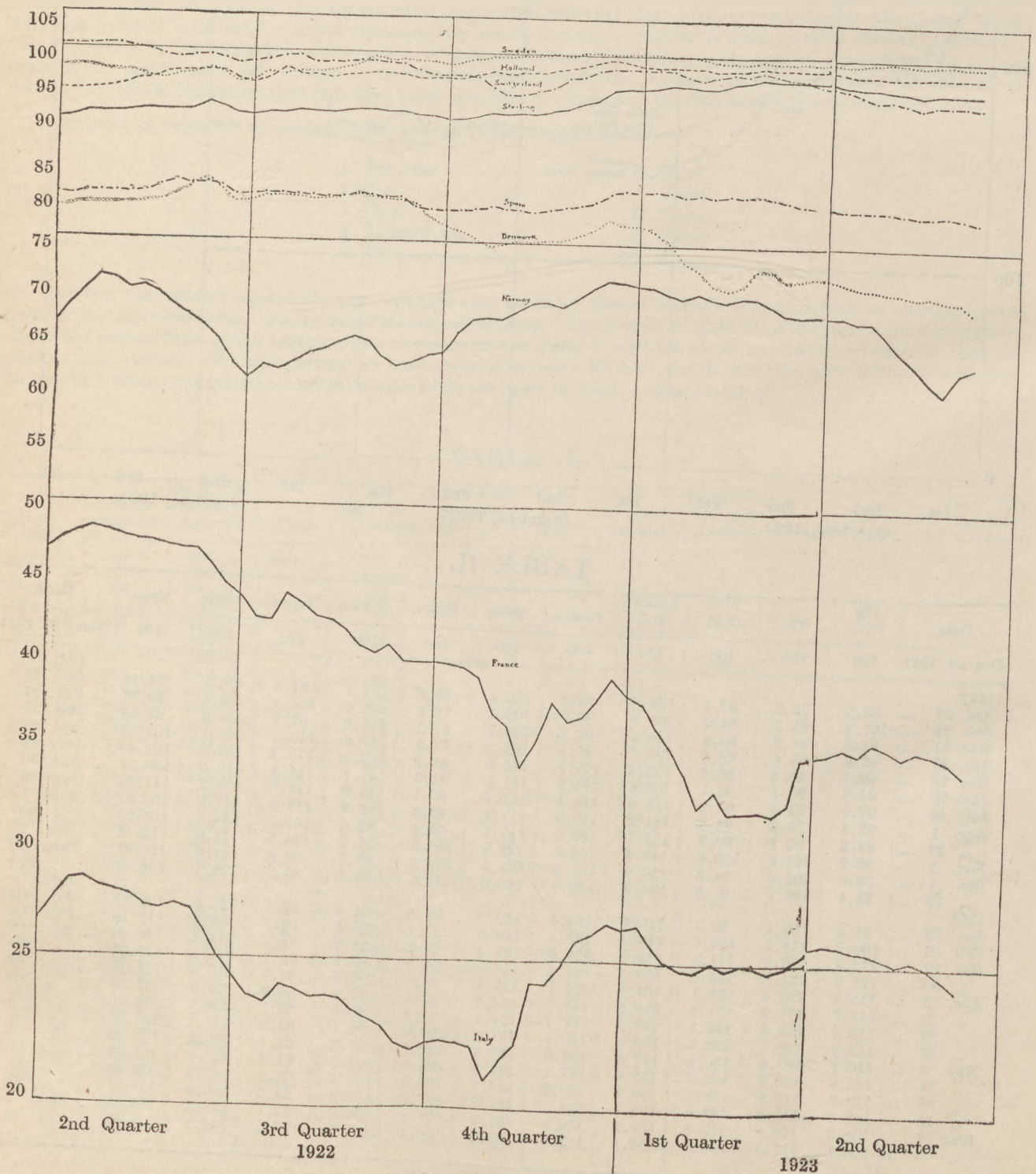
Statistical Section

THE EUROPEAN EXCHANGES

WEEKLY PERCENTAGE OF DOLLAR PARITY

(To Week Ending June 11th.)

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	88.6	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	12	117.6	100.0	133.4	122.5
Sept. 30	121.2	105.8	113.2	112.0	19	116.8	100.6	131.9	121.8
Oct. 14	127.6	104.4	114.5	112.3	26	120.2	101.3	131.0	121.7
Nov. 25	114.4	102.0	115.0	115.4	June 2	118.1	101.1	131.0	122.7
Dec. 16	121.1	103.1	116.1	113.8	9	119.7	100.8	130.6	123.5
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 7th June, 1923.

LIABILITIES.				ASSETS.			
Notes Issued.	£	£		Government Debt.	£	£	
B. of E.	145,454,045			B. of E.	11,015,100		
Less those in C.N. Reserve	22,450,000			C.N.	243,594,464		
			123,004,045				254,609,564
C.N. outstanding	286,373,658			Less C.N. Investment Reserve			
C.N. called in but not yet cancelled	1,475,244			Account	12,291,488		242,318,076
			287,848,902				
				Other Securities.			
				B. of E.			8,734,900
				Gold Coin and Bullion.			
				B. of E.	125,704,045		
				C.N.	27,000,000		
				C.N. Balance at B. of E.	95,926		152,799,971
Ratio of Gold to Notes	37.2%						
„ Gold & Silver to Notes	38.9%			Silver Coin			7,000,000
			410,852,947				410,852,947

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	123.0	287.5	410.5	152.8	37.2	38.9
June 7	123.0	287.8	410.9	152.8	37.2	38.9

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