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NOTES OF THE WEEK

Belgium has scarcely recovered her breath after the serious economic crisis in which she was involved for a whole month as a result of the strike of the transport workers and postal employees, which collapsed before the firmness of the Government and the common-sense of the vast majority of the people, when now she finds herself suddenly confronted with a political crisis of far graver import at a most critical stage in the negotiations towards a common understanding among the Allies over the Reparations question. The circumstances in which M. Theunis has felt compelled to tender the collective resignation of the Cabinet are peculiar. The question was a matter of purely domestic interest, as to which the Government as such expressed no opinion, in the debate on which it took no part, and with regard to the solution of which it had declared itself to be perfectly neutral. The explanation, as given by the *Indépendance Belge* in its issue of June 16, however, is simple. A group of Flemish zealots belonging to the Right had intimated their intention of withholding their support from the Military Service Bill unless the conversion of the University of Ghent into a purely Flemish seat of learning was passed by the Senate. The moment M. de Broqueville's proposed compromise failed, M. Theunis, to avoid the danger of a measure so closely affecting the security of the country being made the sport of unscrupulous politicians, whose log-rolling instincts developed immeasurably in the fetid atmosphere created by the late Coalition régime, handed in his resignation. The crisis, however, is not likely to be of long duration. By general consent, M. Theunis is the only possible Prime Minister, with M. Jaspar as Minister of Foreign Affairs. The only alternative to the latter would be M. Hymans, whose views on foreign affairs are as staunch and unyielding even as M. Jaspar's. It may be found necessary, however, to dispense with the services of one or two of the ultra-Flemish Ministers in the process of reconstruction of the Cabinet. The result will probably be a stronger Government, with a more definite policy on purely domestic questions than the late Ministry had succeeded in achieving.

Professor Gustav Cassel at the London School of Economics on Monday attracted a mixed but deeply interested audience. The learned lecturer, to whose views on various economic questions our columns have always been open, has been an indefatigable worker in the somewhat thankless task of enlightening public opinion on matters affecting the rehabilitation of international finance, and in his own country, as the Swedish Ambassador, Baron Palmstierna, pointed out, has acted as the trusted adviser of successive Governments, irrespective of their political complexion, in matters affecting the financial interests and economic stability of the kingdom. His reasoned appeal for a restoration of the gold standard as essential to British trade, and as of vital importance to the Empire if London is to remain the financial centre of the world, met with a willing assent, all the more readily conceded as he confidently brushed aside the many doubts as to England's power to bring about the change, subject to her willingness to face the brutal realities of the situation. It was the function of science, he said, to tell the truth, and to proclaim it all the more unflinchingly the more disagreeable it might seem. In his opinion the present rates of discount in England, in Switzerland and in Holland are too low, and European currencies can not be expected to rise in value, in comparison with the dollar, so long as the discount rates are kept at their present low level. But the Bank of England has ample reserves of gold to meet all demands if only British currency is kept up to full parity with the American dollar, and if the rates of interest are forced up sufficiently to protect British capital. But the onus, to his mind, does not rest entirely on England; only other countries that are perfectly able to restore the gold standard are unfortunately holding back until Great Britain returns to the gold standard and London once more become a free market for that precious metal. The United States, he frankly admitted, had done something to give gold a greater stability, but in his opinion that was all the more reason why England should now step in and co-operate with that country to ensure that stability on unshakeable foundations.

Notes of the Week

It is most interesting to learn that in Russia the trade unions are making every effort to induce women workers to join their ranks and to take an active part in their work. Reports on the success of this movement in various unions are distinctly encouraging. Thus, fifty-five per cent. of the members of the textile trade union are women, and they are taking full advantage of their powers to sit on the different administrative and executive committees formed. As by far the greater part of the unemployment in this industry affects the women workers, there is much relief work to be organised, and the presence of these women unionists in posts which enable them to assist their own sex must be an invaluable asset to general welfare work. Women are said to be represented in various other unions, not the least notable example being their inclusion to the extent of 9.5 per cent. of the total membership in the union of water transport workers. A rough calling this, even for a Russian peasant woman, but it is reassuring to note that the regional unions are endeavouring to replace some of the unskilled women workers by men, and to raise the standard of training of the women so as to fit them for higher grades of employment. The need for an extension of this praiseworthy movement is undoubted, for of those employed in the rubber trade fifty per cent. are women, in the chemical pharmaceutical industry forty-five per cent., and in the match industry thirty-five per cent.

* * *

The moment chosen by the United States Government for restricting foreign immigration, when the world's stock of labour has been depleted by a great war, would not seem to be the most opportune. Already this exclusive policy is recoiling on the head of its authors, as complaints are being heard of labour shortage in America. The majority of the large industrial combines and of individual employers are in favour of revision of the immigration restriction acts in force, and of stimulating technical training.

* * *

Some striking figures have been published lately illustrating the effect of the present industrial boom in the United States on wages in that country. Remuneration equivalent to eight and ten pounds sterling a week for not particularly skilled industrial and clerical work is apparently quite a moderate wage there now. One's first thought on assimilating these figures is that the cost of living in America is considerably higher than in England, and tends according to the laws of economics to go on rising as the prosperity of the country increases—is, in fact, a sign of that prosperity. We are told, however, that the cost of living in New York is proportionately lower in relation to these attractive wages than is the cost of living in London to the average industrial wage and clerical salary here. In other words, the American worker is in clover. This is somewhat surprising when we remember the complaints current not so many months ago that the United States was largely overproducing, the motor industry being reported as particularly badly hit. From what mysterious source, then, does the present boom spring, and what does it

portend? Is the United States aiming to usurp the place formerly held by Germany as an unrivalled producer of cheap goods in the mass for the European market? On the other hand, might not some of the lamentable unemployment in this country be directed to the production of the cheaper class of goods, improved though in quality? We certainly do not want our markets flooded with the cheap output of American industry while the unemployment doles continue to be a drain on the country.

* * *


A great deal of finessing would seem to be the inevitable accompaniment of the official efforts on the part of the United States to solve the problem with regard to ship's liquor carried within the territorial waters of that country. The problem obviously is not a simple one, for the prohibitionists are not likely to yield an inch so long as they are not satisfied that there are no loopholes that would permit of the introduction of contraband liquor into the country. Further complications, of course, are bound to ensue in connection with the practical operation of the Prohibition Law from the action of the Governor of New York State in signing the law rescinding the operation of the Volstead Act in so far as any rate as it requires the State officials to see to its enforcement, and from the decision of the Wisconsin Legislature also to repeal the State Prohibition Enforcement Law. As a result the authorities in these two States will cease to take any further active interest in the matter, and it will fall to the lot of a few Federal officials to see that New York and Wisconsin remain, or rather go dry, and to suppress the extensive smuggling that is taking place along the hundreds of miles of frontier abutting on Canada. The anti-alcohol campaign is evidently far from having been won yet in America.

* * *

Owing to the shortage of agricultural labour in Japan, states a French commercial journal, great efforts are being made in that country to encourage the use of agricultural implements. Those most in demand are, ploughs with disk, harrows with disk and teeth; sifters and shellers, for the cultivation of rice, small electric motor engines and small tractors for use in gardens, bean crushers, and watering roses for the spraying of fruit and vegetables. The imports of small motor machines have been considerable of recent years.

* * *

It is not usual to regard Siam as a commercial and industrial country; however, according to a foreign commercial contemporary, the foreign trade during the past ten years has increased from 158 to 328 million ticals a year. The excess of exports over imports is considerable, and in 1920 amounted to 39 million ticals. The economic equipment of the country is being actively constructed in the country itself, especially with regard to communications. Siam is also carrying out an extensive scheme of irrigation works for agriculture, on which 250 millions of ticals are to be spent. This year the building of a dam (the largest hitherto constructed in the Far East) is to be undertaken on the river Prasak, and the organisation of a system of canals will allow of the irrigation of 100,000 hectares of hitherto unproductive land which is to be devoted to the cultivation of rice.

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

FRANCE

POLITICAL AND GENERAL

The second German note, as has already appeared from the London papers, had anything but a good Press in Paris. M. Auguste Gauvain, in the *Journal des Débats*, may be deemed fairly to represent general opinion. The writer treats the note as a mere supplement to its fore-runners, and considers that its main object is to answer Lord Curzon's objections and to drag the British Government into a policy other than that marked out by the Franco-Belgian note of May 9. The guarantees offered are illusory and even if sincere would be totally inadequate. The system proposed is based on very abstruse calculations which would go to pieces at the least touch. The sole object of the Berlin Government in proposing an international and impartial organisation to fix the amount of reparations and methods of payments is, by avoiding surrender and entering on negotiations which can be drawn out *ad infinitum*, to establish itself in a strong position in the hope of breaking up the Franco-Belgian union and of demolishing one by one the reparations clauses of the Peace Treaty. Germany's creditors will not consent to allow the question of the amount and methods of payment to be reopened by any "impartial international organisation" or to be tinkered at by a conference. M. Gauvain resolutely opposes the idea of a conference and an inquiry on Germany's capacity to pay. It has been proved again and again that Germany, with its territory intact, its numerous population, its magnificent industrial equipment and abundant capital, has deliberately placed herself in a state of bankruptcy in order to avoid payment, while France and Belgium have to make enormous sacrifices to find at home the means of gradually restoring their territory wilfully destroyed by the Germans. Only accomplices of the guilty could associate themselves with a demand for such an enquiry. If public opinion in England is not yet enlightened on this subject it never will be. Other journals speak much in the same vein. Dr. Cuno is merely trying his luck with the new British Government, and by his silence as to the amount offered in the first note reveals his intention of not raising it. The *Journée Industrielle* hints that no German Chancellor would dare to make any attempt to fulfil the German obligations with the fate of Erzberger and Rathenau before his eyes.

FINANCE

THE SENATE'S FINAL ESTIMATES.

The general reporter to the Finance Commission of the Senate, M. Henri Bérenger, has just published his amended estimates, which show a surplus of Fr. 896,857,510 due to an increased estimate of revenue from taxation, which brings the increase on the original estimates from this source to Fr. 2,200 mill. and from other sources to Fr. 580 mill., and to Fr. 1,816 mill. reduction of expenditure. The surplus, however, does not take into account the 3 milliards of interest on the debt transferred from the ordinary estimates to the estimates of recoverable expenditure but they are maintained in the general estimates as expenditure ultimately to be refunded.

M. Bérenger announces that the Budget and financial situation of France are to be classed immediately after those of Britain and the United States. He adds that it would be possible to improve it still further by a policy of collection of debt and of clearances abroad, and of increased production and economy at home. He agrees that the balance realised is somewhat shaky, owing to the uncertainty of reparations and the deficit

in the Budget of recoverable expenditure due to the default of Germany. Nevertheless the position of the Budget has greatly improved. (*Information Financière*.)

MAY REVENUE.

The yield from revenue collected during May amounts to Fr. 1,771,522,400. The yield from the various branches of revenue is: direct taxes of all kinds, Fr. 322,474,400, of which 168,547,700 is derived from the various forms of income tax, Fr. 130,662,400 from the war profits tax, and 170,055,000 from Dumaïn sale of stocks and miscellaneous duties; indirect taxes, revenue and monopolies 1,272,993,000 an increase of 103,300,000 (8 per cent.) on May 1922 and of 152,224,000 (13.5 per cent.) on estimates; Registration duties, 349,321,000, an increase of 11 per cent. on estimates and 14 per cent. on May 1922; Customs, 199,927,000, 20 per cent. in excess of estimates and 12 per cent. below May 1922; indirect duties department, 388,723,000, an increase of 5 per cent.—alike on valuations and May 1922; turnover tax, 238,982,000, an increase of 42,570,000 on estimates and 58,908,000 on May 1922. (*Information Financière*.)

PROPOSED CUSTOMS REVISION.

Replies from economic bodies to the list of questions addressed to them to assist in the preparation of the new Customs tariff (*cf.* THE ECONOMIC REVIEW, April 13, p. 310 and June 1, p. 405) continue to appear in the Press. The *Journée Industrielle* deals with the replies of some of the more important Chambers of Commerce. The Chamber of Commerce of Lyons on the questions of classification and designation of articles and the merits of specific or *ad valorem* duties, confines itself to the transmission of the views of the different associations within its jurisdiction but deals at length with the proposal for payment of duties in gold, to which it is strongly opposed. First among the disadvantages of this system are the complications involved in the conclusion of bargains for goods to be delivered at a more or less distant period, since at the time of the purchase of such goods it would be impossible to calculate in paper francs the amount of the duty to be paid. Still more serious is the difficulty caused by the disturbance of the rate of the duties themselves owing to their payment in gold. In order to re-establish the standard of protection, which is continually being disturbed by the alterations in the value of the currency, it is admitted that this method of payment may be substituted for the system of coefficients. Taking the franc at its present value, payment of duties in gold would be equivalent to the imposition upon all duties of the coefficient of 3. For products to which this coefficient already applies, the protection afforded would be the same as that by which they benefit at present. Those to which a higher coefficient than 3 applies would suffer a diminution of protection. The object in giving a higher coefficient than 3 was to allow, not only for the depreciation of the exchange, but also for the definite change in price due to the rise in the cost of raw material. It would suffice, therefore, to divide the coefficient into two parts: one stable, corresponding to the final alteration corresponding in each industry, and the other variable, which would be met by payment in gold. The stable coefficient for silk goods is represented by 2. But certain products such as raw material and foodstuffs are subject to no coefficient or to a coefficient less than 3 because it is not desired to raise the duties above a certain limit. Therefore, should duty on wheat, the coefficient on which is 2, be made payable in gold, the present duty

France

of Fr.7 would be raised, not to Fr.14, but to Fr.21. Finally the Chamber points out the serious disadvantage of officially recognizing the depreciation of the franc. For the foregoing reasons it pronounces against the payment of duties in gold. As regards "key industries," the Chamber, like other institutions consulted (*cf.* THE ECONOMIC REVIEW, June 1), considers this entirely a matter for the Government. The provisions of the anti-dumping act, however, appear adequate to the associations as well as to the Chamber. The Chamber of Commerce of Strasburg advocates, subject to certain exceptions, the maintenance of specific, in preference to *ad valorem* duties, but is opposed to payment in gold until existing rates of duty shall have been thoroughly revised. The Chamber of Commerce of Roubaix (centre of the textile industry) asks: for an extensive and complete classification of dutiable articles with all detail possible; the provisional maintenance of coefficients and specific duties; payment of duties according to the value in gold; the designation of dyestuffs as a key industry; maintenance of the existing anti-dumping legislation.

INDUSTRY

APRIL COAL OUTPUT.

The coal output of the North of France for April, the figures of which appeared in the previous number, may now be supplemented by the figures of the output of the whole of France (including the above) for the same month. These figures are (those for March appearing in brackets): pit coal, 2,930,570 tons (2,923,193); lignite, 69,047 (79,923); coke, 156,035 (149,285); briquettes, 214,342 (262,316). The total number of miners registered was 249,412. (*Information Financière*; *Journée Industrielle*.)

THE POTASSIUM OUTPUT.

In reply to inquiry the Minister of Finance has supplied the following information on the export of potassium in 1922. The amounts exported were (in 1,000 metric quintals): camallite, sylvinite and similar products, 5,821; chloride of potassium proper, 359; sulphate of potassium, 19,127. (*Information Financière*.)

THE TEXTILE INDUSTRY.

GENERAL.—For some months past the French textile industry, notably the weaving industry, has been showing signs of revival, owing to renewed purchases by consumers who formerly had held uncompromisingly aloof. It was hoped that this prosperity would last, as the needs of consumption are still considerable and production is unable to keep pace with its orders. But this boom will soon be checked unless a marked change takes place in the price of raw material, and unless demands for increase of wages cease. The cost of living is still increasing, its coefficient having already exceeded 4, with the result that the trade unions are beginning to agitate for higher wages. The depreciation of the franc naturally reacts on the cost of raw material and consequently on the cost of production. Moreover, manufacturers, taught by experience, are extremely cautious and avoid forming large stocks which they may have to sell at a loss and thus lose the profits of the fat months. There is, therefore, every prospect of unemployment and its attendant distress.

COTTON.—The following figures show for the post-war years and last pre-war years, (a) the import, (b) the export, (c) the balance remaining in France of raw cotton (in 1,000 metric quintals): 1913, (a) 3,291, (b) 608, (c) 2,683; 1919, (a) 2,185, (b) 177, (c) 2,008; 1920, (a) 2,349, (b) 325, (c) 2,024; 1921, (a) 2,415, (b) 227, (c) 1,888; 1922, (a) 2,630, (b) 241, (c) 2,389. Consumption during the first half of 1922 amounted to 405,889 bales

as against 251,900 bales during the corresponding period of 1921. The value of the imports of cotton threads in 1922 amounted to Fr.146.3 mill. (166,792 quintals), and of the export of fabrics to 1,059.5 mill. (437,480 quintals) in 1922 as against 1,459.5 mill. (586,545 quintals) in 1921.

LINEN AND HEMP.—France, owing to the lack of attention paid to the cultivation of flax and hemp, was compelled to spend in 1922 over a milliard francs in the purchase of foreign flax and hemp in seed, crushed, scutched or in tow. In 1922, France purchased 478,889 quintals of flax seed from British India, and 668,847 from the Argentine and other countries; 33,862 quintals of hemp seed, 225,852 of raw or scutched flax; 97,807 quintals of flax tow; 209,564 quintals of pounded or scutched hemp; 57,784 quintals of hemp tow; 23,690 quintals of unbleached threads of flax and hemp.

LACE.—Mr. William Nelson Cromwell, the American philanthropist, in order to assist the inhabitants of the devastated areas to procure work, has offered Fr.100,000 to be distributed in prizes during the present year to the most skilful and industrious work girls in the manufacture of hand-made "Valenciennes" lace. (*France Textile*.)

ECONOMIC CONGRESSES.

Among the economic congresses and meetings held during this period, are the congress of the Society for the Promotion of National Industry; congress of the use of electricity in agricultural districts; congress of industrial heating, and the general meeting of the Association of the Textile Fabrics and Clothing Industry. (*Journée Industrielle*.)

SOCIAL AND LABOUR CONDITIONS

ABDUCTING FOREIGN WORKMEN.

The Minister of the devastated areas has addressed a circular letter to the prefects of departments instructing them to be on their guard against the unlawful luring away of foreign workmen from their original employers, who have brought them to France at considerable expense. The circular had become necessary owing to the long continuance of this abuse on the part of unscrupulous contractors, of which the mines were among the principal victims. The minister points out that if this system is continued, employers will be chary of engaging foreign workmen, to the great detriment of reconstruction. The prefects are instructed to take all necessary measures against any employer who engages a foreign workman in the service of another employer, unless he is sure that the workman is free, and especially if such employer is under Government contract, to cancel such contract. (*Journée Industrielle*.)

THE DECLINE OF INTEMPERANCE.

The early results of an inquiry instituted by the Minister of Labour on the prevalence of drunkenness among the working classes, and especially in those trades in which it was most rife, have been published in the *Bulletin du Ministère du Travail* and show that in Paris and the neighbourhood drunkenness has appreciably declined. Absence from work from this cause is much less marked; discipline and regularity of work are greater than formerly, and generally speaking the feeling of self-respect among Paris workmen is higher. The replies to the enquiry indicate that young workmen are more sober than their seniors. The results of the inquiry in other parts of France, which will be published later, are equally satisfactory. The information upon which the report is based has been obtained from the committees of employers' associations, members of joint arbitration boards of employers and workmen (*conseils de prud'hommes*), the heads of important industrial establishments, and other persons who, by reason of their position or their functions, are in direct

and daily touch with large numbers of workmen, so that it may be considered reliable.

This improvement is attributed to the following causes: increased cost of spirits; prohibition of the sale of absinthe; temperance propaganda in the schools in which both employer and labour associations have taken part; increase of workmen's gardens; exodus of the working population to the suburbs; increase of the number of sporting societies and of technical lectures and finally—this remark is found in many replies—the introduction of summer time, which enables the workman to lead a more normal existence and to devote himself more to family life. (*Journée Industrielle.*)

COMMUNICATIONS

TRAFFIC IN THE PORTS.

The aggregate traffic in the French ports during April was as follows: number of vessels entering, 3,795; goods unloaded, 3,134,700 t. (monthly average for the first quarter of 1922, 2,640,500 t.); coal unloaded (included in the above), 1,760,700 t.; goods shipped, 629,900 t. (*Journée Industrielle.*)

EXTENSION OF THE PORT OF STRASSBURG.

In a recent speech to the Chamber of Commerce of Strassburg the President of the Republic uttered a warning with regard to the future of the port of Strass-

burg. When in 1927 or 1930, he pointed out, the period of seven or ten years provided by the Treaty of Versailles for the union of the ports of Strassburg and Kehl under one management shall have expired, Strassburg will find a formidable rival established opposite to it. Germany, he continued, was making vast efforts to increase her industrial equipment, ports, canals, etc., instead of using the money in payment of reparations and therefore France must be prepared for the coming struggle. A bill for the extension of the port had just been introduced and it was desirable that it should be passed at an early date. (*Journal de la Marine Marchande.*)

THE NEWHAVEN-DIEPPE SERVICE.

Considerable excitement has been caused in Dieppe commercial circles by the intimation that the Southern Railway (England) is considering the reduction of the service from Newhaven to Dieppe, regarded in that port as the first step towards total suppression. At a meeting of the Chamber of Commerce of Dieppe, specially convoked by the President, M. Thoumyre, it was resolved, in view of the importance of that service to the trade of Normandy in particular and of France in general, specially to the tourist service, to found an association in pursuance of the Act of 1901 under the style of "Paris-Londres par Dieppe et Newhaven," with the object of defending threatened national interests. (*Journal de la Marine Marchande.*)

BELGIUM

POLITICAL AND GENERAL

BELGIUM'S ATTITUDE TOWARDS THE GERMAN NOTE.

In the Chamber of Deputies on June 12, M. Jaspar, Minister of Foreign Affairs, replying to the speech with which M. Vandervelde, the Parliamentary leader of the Socialist Party, opened the debate on the occupation of the Ruhr, made the following clear and unequivocal statement of the policy of the Government in respect of the new German Note. The Reparations question, he said, must afford complete satisfaction to the populations that were the victims of the War. If the practice of solidarity is a duty incumbent on all Powers, one of the obligations that solidarity imposes is for a debtor nation to discharge its liabilities and make reparation for its crimes. M. Vandervelde had asserted that the German Socialists recognised that duty: but they had held office for four years, and throughout that period they pursued the same policy of evasion and of denial of payment which succeeding Governments had continued. He had no more faith in the declarations of the German Socialist Party than in those of Dr. Cuno. He refused to admit the existence of two Germanies. He only recognised the one Germany that invaded Belgium, and which, after the signing of the Treaty of Versailles—to which M. Vandervelde's own signature was appended, and without any reservations—refuses to carry it out. Ever since the Armistice the Belgian Government had patiently striven for a solution of the question. In this they had failed, and when in January last they were offered those contemptible indemnities which M. Vandervelde himself declared to be unacceptable, would he have dared to stand aside and refuse to march? Belgium entered the Ruhr not on the spur of the moment, but only after mature and painful deliberation. "Germany," continued M. Jaspar, "is spending gold marks in large quantities to carry on an intensive propaganda all over the world, representing this free and sovereign country as dragged at the chariot wheels of another Power and as anxious to abandon the policy it is actually pursuing. On behalf of the Government and on behalf

of the country I protest against such propaganda. When in January we came to our decision, we took it in complete independence, and in no sense to oblige our French friends. We had recourse to the only method which Germans understand, and we will withdraw from the Ruhr as soon as we shall have been paid. When we entered the Ruhr we came to an understanding with German industry and with the German trade unions for the deliveries of coal to be continued. On the Saturday we had a settled agreement; but on the Monday, when work was about to be resumed, the order came from Berlin prohibiting the delivery of coal under penalty of hard labour. It is therefore owing to Berlin that the resistance arose and spread. Go and tell that to the rank and file of labour! Enlighten them! The facts point eloquently to but one party as responsible, and that is Germany.

"It was to ensure respect for the Treaty of Versailles that we entered the Ruhr, and already we have obtained results that give cause for congratulation. We have encircled the district; we are preventing the export to Germany of 90,000 tons a day of coal and coke, and we have prevented the export of 3,000,000 tons of metallurgical products. We have reorganised the railway system, and we have organised with complete success the removal of coke and coal in our own interest. At the present moment we are taking away every day for transport to France and Belgium 15,000 tons of coke and 10,000 tons of coal, and there are still 1,400,000 tons stacked at the pit-heads awaiting removal. We will therefore soon reach the figure of the payments in kind to which we are entitled under the Treaty. I must add that our object is not to destroy German economic life. We commiserate as much as do the Socialists the sufferings of the German working class, but they have to realise that it is their own industrialists who are responsible for those sufferings. The occupation of the Ruhr has already produced two German Notes. Once more Berlin has spoken, but her Note falls short of our requirements, as it contains no real guarantees. To believe that it does is folly. To begin with, the German

Belgium

Government must order the stoppage of the resistance it has organised. It is inconceivable that we should permit the German railways to go on being destroyed and our own soldiers killed while we are carrying on negotiations. The Reparation policy which we are pursuing has not in any way altered the general lines of Belgium's foreign policy. As early as January last, we regretted not to find our English friends by our side in the policy of action which we started in the Ruhr with our French friends. But the latest Note of the Reich is as unacceptable as the first one. The Belgian Government rejects it, but they thought it desirable that a Collective Note should be returned to it. Neither is the Belgian Government alone of that opinion, for on May 24 M. Poincaré expressed the same view in the French Chamber of Deputies. The combined and united efforts of the various Allies, which we are doing our best to promote, will end, I hope, in reconstituting the unbroken Interallied front as regards Germany, which is so much to be desired. With this object in view, we laid before the French Government on May 24 the results of certain investigations we had made, and these investigations, which we shall continue to pursue in common—let Germany make no mistake about it—have not as their object any reduction of her Reparation liabilities. We mean to see that her obligations are carried out in the manner laid down by the Reparations Commission under the powers conferred by the Treaty of Peace. If we have consented to make an effort to make clear the very difficult situation arising out of the inevitable connection between the payment of Reparations and Interallied indebtedness, that alone would justify our enquiry and our effort. We trust it may be crowned with success—not, I repeat it, that we are not determined to exact as a preliminary that the passive resistance organised by the German Government in the Ruhr must cease, not that we are not as determined as the French Government only to withdraw from the Ruhr when we shall have obtained full reparation, not that we are not as determined as the French Government to remain in the Ruhr so long as Germany has not discharged her obligations towards us. There must be no attempt to confound our wish to see the Interallied front re-established with our resolute and energetic determination to secure Reparations. Belgium cannot live without them. Belgium cannot consent to surrender the line of policy she has pursued hitherto. We cannot abate our claims below the figures laid down. I trust we are all of one mind that our policy is to maintain and defend the common action of the Allies in order that we may achieve the indispensable work without which, I repeat it, the very future of the country would be compromised."

FINANCE

THE SEVEN MILLIARDS OF DUMPED GERMAN MARKS.

One of the grievances that rankle most in the hearts of Belgian financiers is the load of seven milliards of marks with which the country has been saddled by Germany during her four years' reign of terror, and for the redemption of which the Treaty of Versailles very unjustly made no provision. The *Neptune*, however, has found a solution of the difficulty which has, at any rate, the merit of simplicity. "Owing to the inflation that has prevailed in Germany since the Armistice," it says, "the German banknotes left in Belgium have lost all real value if liquidated at the current rate of exchange. The Belgian Government, therefore, should re-value them at the rate at which they were placed in circulation by Germany during the war, and enforce their currency in the Rhenish Provinces and in the Ruhr accordingly." The *Echo de la Bourse*, however, suggests that it might prove more satisfactory to lay hands on any available specie in those territories and replace it by the debased paper money.

TRADE

FOREIGN TRADE RETURNS, JANUARY—APRIL.

The Minister of Finance has published statistics of the foreign trade of the country for the first four months of the year. In comparing these with the returns for earlier years, however, the reader will have to bear in mind that the Brussels Convention of July 25, 1921, between Belgium and the Grand Duchy of Luxemburg abolishing the Customs barrier between the two countries came into force on May 1, 1922, so that these two States must now be regarded as a single territory from the point of view of Customs and Excise. The imports for the period in question aggregated 8,269,667,167 kg. of a value of Fr.3,695,813,597, the exports amounting only to 5,482,251,298 kg. of a value of Fr.2,493,155,051. The adverse trade balance, therefore, stands at 2,787,415,869 kg. of a value of Fr.1,202,658,546. The imports of live stock aggregated 15,484,032 kg. of a value of Fr.47,556,788, as against exports 5,296,283 kg. of a value of Fr.27,238,366; foodstuffs and beverages—imports 925,164,679 kg. of a value of Fr.1,020,346,058, as against exports 245,514,505 kg. of a value of Fr.219,599,584; raw material and semi-manufactured goods—imports 6,879,445,436 kg. of a value of Fr.1,534,372,914, as against exports 4,004,554,340 kg. of a value of Fr.812,342,762; manufactured goods—imports 449,552,614 kg. of a value of Fr.1,087,608,596, as against exports 1,226,864,264 kg. of a value of Fr.1,425,473,770; and gold and silver bullion and specie—imports 20,406 kg. of a value of Fr.5,929,241, as against exports 21,906 kg. of a value of Fr.8,500,569. An analysis of the returns shows the following countries to have supplied most of the imports: France, Fr.833,064,617; Great Britain, Fr.575,582,299; the United States, Fr.455,827,217; Holland, Fr.372,768,262; the Argentine, Fr.279,098,693; Germany, Fr.228,781,712; Italy, Fr.59,247,058; Switzerland, Fr.53,728,220; and the Belgian Congo, Fr.14,587,682. With regard to Belgian exports, the following countries were her best customers: France, Fr.609,623,769; Great Britain, Fr.484,514,636; Holland, Fr.298,578,834; Germany, Fr.128,055,113; Switzerland, Fr.118,270,788; the United States, Fr.93,408,499; the Argentine, Fr.87,667,549; Italy, Fr.52,571,313; and the Belgian Congo, Fr.20,892,102. The following table shows the volume of trade in kg. with these several countries:—

	Imports from	Exports to
France	3,229,088,298	2,783,346,426
Great Britain	1,771,359,456	531,259,228
Holland... ..	838,126,133	806,089,415
Germany	562,457,224	239,512,280
Switzerland	8,105,724	165,918,212
United States	321,821,151	107,887,881
Argentine	105,753,426	105,753,426
Italy	47,574,104	15,023,172
Belgian Congo	2,170,971	10,178,254

(*Echo de la Bourse*, June 2.)

INDUSTRY

FURTHER DISCOVERY OF COAL IN THE CAMPINE.

The *XXe Siècle* (June 9) announces that coal has been struck at a depth of 599.50 m. down No. 1 shaft of the Voordt colliery near Zolden. This is the fourth coal mine discovered in the Campine, the other three already undergoing development being the Winterslag, the Beeringen, and the Limbourg-Meuse.

THE IRON AND STEEL INDUSTRY IN APRIL.

The production of pig iron in April showed a slight increase as compared with the previous month, but that of raw steel, of finished steel and of finished iron is in every case on the decrease. The number of blast furnaces blown in was 35 as against 36 in March; the output of pig iron 172,280 t. as against 169,920 t., of raw steel 170,360 t. as against 183,970 t., of finished steel 145,620 t. as against 157,170 t., and of finished iron 16,600 t. as against 19,780 t. The production of zinc amounted to 12,610 t. as against 12,990 t. in March. (*Moniteur des Intérêts Matériels*.)

GERMANY

FINANCE

THE COLLAPSE OF THE MARK.

According to the *Deutsche Allgemeine Zeitung* (June 10), the latest mark exchange records—the dollar reached Mk.90,000 on the previous day—have been caused, not by purchases in Berlin but by extensive sales of German marks in the East, especially by Poland. The orders to sell came from Danzig, but originated in Poland. Needless to say the Polish mark showed no improvement in consequence; on the contrary, it depreciated sharply. It is not possible to ascertain the source of the mark supplies, but strong suspicions exist that the sales were not due to Polish manoeuvres but to French complicity, and they are connected with the milliards in German Reichsbank notes stolen by the French in the Ruhr.

THE FLOATING DEBT.

Between May 21 and 31, the floating debt augmented by Mk.1,362.5 milliard to Mk.10,274.9 milliard, or about 10½ billion marks. Revenue from taxes and Customs, etc., totalled, in this period, Mk.248.7 milliard, and from the Forced Loan Mk.34.9 milliard. [Since April 1 this loan has brought in about Mk.203 milliard]. Mk.75.8 milliard had to be employed in securing foreign currencies for payments under the Peace Treaty. The remaining expenditure of the Administration totalled about Mk.1,002 milliard. Grants to the State Railways amounted to Mk.568.5 milliard. (*Frankfurter Zeitung*, June 7.)

PRUSSIAN FINANCES.

The Prussian Minister of Finance has made a statement in connection with the Budget estimates from which it appears that Prussia will have the greatest difficulty in meeting her obligations this year. He stated that the 1919 Budget deficit amounted to Mk.332 mill., that of 1920 to Mk.998 mill.; the 1921 deficit would probably amount to Mk.1,825 mill., and that of 1922 to Mk.30 milliard. Under present conditions it would be impossible to carry out with Prussia's own revenue alone the numerous plans proposed, especially those in connection with electricity and the utilisation of water-power. It was not desirable to suspend such activities entirely, for that would merely accentuate unemployment. Constructions were already under way, the cost of which necessitated the production of about Mk.322.7 milliard. This sum could only be procured by means of loans. The results of the rye and potash loans, as well as of the paper mark loan, were most satisfactory, but they could not nearly cover this Mk.322.7 milliard. State revenue would have to be augmented, and it was intended to raise the stamp duties and to pass a law adjusting tax rates to the currency depreciation. (*Deutsche Allgemeine Zeitung*, June 2, *Frankfurter Zeitung*, June 4.)

NO GOLD MARK RECKONING.

The proceedings on June 7 in the special Reichstag Committee appointed to examine the currency question turned almost entirely on the question of the possibility of placing the Reichsbank credits on a gold basis. The Social-Democrats, Dr. Hertz and Robert Schmidt, and Fröhlich, the Communist, were strongly in favour of this motion. Dr. Dernburg and Dr. Helfferich were just as strongly against it. Dr. Havenstein, President of the Reichsbank, stated that the Reichsbank did not consider this discussion final and would continue to give serious consideration to the question. It was not impossible that the technical difficulties in connection

with it might be overcome, and that the Reichsbank would then assume a different attitude. At present it considered it its duty to support the national currency—the paper mark—in so far as that was possible. The introduction of general reckoning on a gold basis would, however, spell the complete destruction of the paper mark. (*Vossische Zeitung*, June 7.)

The *Frankfurter Zeitung* (June 8) considers the work of the Committee very unsatisfactory on the whole and that they have failed in their main object, to inquire into the causes of the collapse of the mark on April 18 notwithstanding the previous support of the Reichsbank. This paper is quite in agreement, however, with the above-noted statement by Dr. Havenstein, and states that if the proceedings in the Committee have served to strengthen the idea that a gold mark basis of reckoning would prove the ruin of the currency and of the country, they will have proved of some value and not much more can be expected of them.

ESTIMATES OF FOREIGN CURRENCY HOLDINGS.

At the meeting on June 5 of the Reichstag Currency Inquiry Committee, Dr. Havenstein, President of the Reichsbank, made a statement in regard to the foreign currency holdings in Germany. He considered that he was very greatly over-estimating these holdings when he valued them at 2 milliard gold marks. Assuming a dollar rate of Mk.75,000, these 2 milliard gold marks represented 36 billion paper marks. The total amount of currency circulating in Germany was only 7.5 billion paper marks, i.e., one-fifth of that sum. Credit accounts in private banks totalled at present about Mk.3 billion. Foreign currency holdings of Mk.2 milliard would therefore represent about twelve times the total credit accounts of the German banking world. Since the middle of 1920 the deficit on the commercial balance had grown to about Mk.6 milliard. In order to cover this deficit, credits abroad had had greatly to be extended. No great reserves of foreign currency, therefore, could be accumulated from export transactions. In reply to the remark made by the Socialist Deputy, Schmidt, that the banks had estimated their foreign currency holdings at about Mk.3 milliard, Dr. Havenstein stated that at a large meeting of bank representatives only one had considered this figure possible, all the others had denied its possibility. Mr. Loeb, a well-known banker, stated that in reply to an inquiry by the Englishmen, Mr. Keynes, he had estimated the total German holdings of foreign currency and notes at 1.5 milliard gold marks, 500 million of which was in respect of notes. (*Deutsche Allgemeine Zeitung*, June 6.)

INDUSTRY

GREAT OIL COMPANY EXTENSIONS.

The Riebeckische Montanwerke (Mining Works), in order to increase their oil production activities, which are based in the main on the production of lignite tar, have taken over the greater part of the Stinnes oil interests, the Oleawerke in Frankfurt and the A.G. für Petroleumindustrie in Berlin. This amalgamation necessitates the raising of the company's capital to Mk.66,666,000. At the same time its preference shares to the value of Mk.10 mill. will be converted into ordinary shares, and shareholders will be given an option at the rate of 2 to 1 at 100,000, thereby raising the share capital to Mk.100 mill. The firm will in the future be called the Hugo Stinnes-Riebeck Montan-und-Oelwerke A.G. (*Deutsche Allgemeine Zeitung*, May 30.)

The Deutsche Erdöl A.-G. (Natural Oil) has effected an amalgamation with the great hard coal company

Germany

Graf-Bismarck by acquiring the majority of the shares of this company in exchange for its own. The Graf-Bismarck Company is considered the pearl of Rhenish-Westphalian hard coal companies, and can produce about 1.6 mill. t. of coal a year. A number of its seams are so rich in bitumen that they are especially adapted to the extraction of by-products such as the D.E.A. wishes to pursue. The latter company possesses very valuable plant for the extraction of by-products from coal which it has hitherto employed in connection with lignite utilisation. It is raising its capital to Mk. 450 mill., Mk.250 mill. of which will be fully paid up and the remainder paid up to the extent of 25 per cent. (*Vossische Zeitung*, June 10.)

THE IRON AND STEEL WARE INDUSTRIES.

According to a report by the Federation of Iron and Steelware Industries in Elberfeld the position of these industries in May was as follows:—In the Hagen district: The position of the finished iron goods industry has not improved. The orders expected from abroad, on account of the low value of the mark, did not mature, and prices are so high that home consumers can no longer afford to buy in noteworthy quantities. Export trade is suffering from the fact that the prices of bars and billets, sheet metal, rolled wire, etc., are higher than those on international markets. Activities had to be restricted on account of the insufficient power supply from the long distance centrals on account of coal shortage. This was followed at the end of the month by strikes in a number of works. In addition, there is a shortage of working capital such as has never before been experienced. The high rates of interest and money shortage at the banks and other credit institutions practically preclude the taking up of credits. Conditions are rendered almost unbearable by the high taxes—for communal requirements depend almost entirely on industrial tax yields—and by the prospects of having to supply guarantees for the reparation payments. In the Remscheid and Velbert Districts: General conditions in the lock, screw and other small ironware industries within the district of the Bergisch Chamber of Commerce likewise showed no improvement. Export possibilities, however, increased as the mark depreciated. Although a number of small works only offer employment three days a week, and some are even closed down, a slight improvement is noticeable in comparison with last month. Wages had to be raised considerably at the end of the month. Wage agreements have not yet been completely reached and an extensive strike was proceeding in the Remscheid district during the last few days of May. In the Solingen District: The depreciation of the mark had noticeable results, but these were greatly mitigated by difficulties in obtaining raw material and in consigning the finished goods. The industry is by no means fully employed. In the Schmalkalden district conditions are about the same. Employment leaves much to be desired and short time is being increasingly worked. Complaints of a shortage of orders are general, and raw material, especially coke and smitly coal, are hard to obtain. Wages are rising and prices being driven up accordingly. A most unjust burden is imposed on the employers by the retrospective increases they are obliged to give. In view of the capital shortage to-day, the burden is doubly oppressive. A very pessimistic view of the future is taken in most of the works. (*Berliner Börsen-Zeitung*, June 8.)

SOCIAL CONDITIONS

THE WAGE PROBLEM.

An article in the *Vossische Zeitung* (June 7), discussing the present relation of wages to prices in Germany, states that there are at last indications that official action is really to be taken to effect a more equitable

adjustment. The Socialists are taking up the question most vehemently at all their public meetings, the Labour Press is demanding wages on a stable basis and the Social Democratic Party in the Reichstag is interpellating the Government to protect wages and salaries against further depreciation. All these movements are based on the statements that prices continually follow the course of the dollar, certainly so long as it rises, but that wages are being left further and further behind in the race, that the actual value of the wage, therefore, is falling all the time and that, seen from the standpoint of production, wages form an ever smaller proportion of the costs of production of the finished product. There is no doubt that these statements are correct. It is comprehensible that the wage should work out lower than before the war in relation to the price of the manufactured article where the greater part of the raw material employed is of foreign origin, but it is a fact that the wage quota has sunk in an extraordinary degree even in connection with articles depending but little on imported raw material. Coal mining prices and wages afford the best evidence of this. Before the war, the average wage per shift of hewers and getters in the Ruhr was Mk.6.75, the average price of a ton of Rhenish-Westphalian rough bituminous coal was Mk.12. The ratio of the wage per shift to the price of coal per ton was therefore 56 : 100. In January 1922 the average wage per shift—a shorter shift, certainly—of a married hewer was Mk.122, the price of a ton of coal was Mk.405. The ratio has already sunk to 30 : 100. In April 1922 the ratio was 22½ : 100; in September 17 : 100; and in December 13½ : 100. In the course of a year, therefore, the wage quota has decreased by over one-half. When the action in support of the mark maintained the dollar parity at about 20,000, the German coal prices were in many instances higher than those on the international market; the wage quota scarcely altered during this period. According to the wage and price increases sanctioned at the end of May of this year the average wage per shift is Mk.28,700, the average price of coal Mk.221,000 per t., leaving out of account the 40 per cent. freight increase which came into force at the beginning of June. The ratio is therefore barely 13 : 100.

The workers know what prices are obtained for the products of their labour. It is natural that they ask why wages should not rise correspondingly. The endeavours to overcome the mistrust shown by the worker towards the employer by giving the former a share in the net profits of the undertaking have, on the whole, proved a failure. The labour leaders are well aware of the fact that the net profits paid out in dividends or other visible form only represent a part, often a very small part, of the real profits. They will not accept a mere fraction of these part profits. This method may have been suited before the war, and may again, at some future date, be suited to effect a rapprochement between worker and employer, but it will not solve the present problem. The German worker is not fighting to-day for a just wage but for a wage representing the minimum of existence. He does not aim at earning more than formerly, he does not ask for wages in gold marks, he merely asks that the actual value of his wage shall be protected against depreciation. This is, practically speaking, a fight for an "index wage." So long as we cannot reckon on a stable currency the worker has no option but to demand that his wage shall be reckoned on the basis of a stable index. The difficulty lies in the choice of an index. The cost of living is supposed to determine the wage, but wages in their turn react on prices, and the danger therefore arises that if an automatic index wage were established, the "price screw" would turn more rapidly than ever. The experience made in Austria last autumn with the automatic adjustment of wages and salaries to the price index is not encouraging. Yet there seems no other solution at present than the rapid adjustment of wages and salaries to the cost of living index number. This is no

real solution of the wage problem, only a temporary expedient. The only effective solution lies in a restoration of both prices and wages on a gold basis.

THE COST OF LIVING.

The official index number representing the average cost of living in May (food, lighting, heating, rent and clothing) was 3,816 as compared with 2,954 in April, an increase of 29.2 per cent. Contrasted with the fairly even rises during the last few months, the increase is alarming. Leaving aside the costs of clothing, the figure was 3,521, a rise of 27.4 per cent. on the previous month. Food prices alone have risen by 32 per cent. to 4,620, clothing costs alone by 36.9 per cent. to 5,724 times the peace-time costs. At the time of publication all these figures showed further considerable increases. (*Deutsche Allgemeine Zeitung*, June 5.)

CONDITIONS IN BERLIN.

At a meeting on June 7 of the Berlin Town Council a most urgent discussion took place on unemployment and the high cost of living in the city. The Social

Democrats were to the fore and stated that according to Trade union statistics there were at present 120,000 unemployed in Berlin. If the Reich and provincial governments did not take action, by supplying immediately funds for the execution of emergency works, disastrous effects might be expected. It was monstrous for the Reich Government to demand 18 or 20 per cent. interest on a loan intended to be made to Berlin. The loan in question was to amount to Mk.30 milliard, of which the Reich only intended to grant Mk.5 milliard, the remainder was to be found by the municipality. Great indignation was evinced when the Mayor stated that from the interviews he had hitherto had with the representatives of the Reich and of Prussia, he had received the impression that the gentlemen in question did not fully grasp the seriousness of the situation. The magistracy intended to place on the market food reserves which they had acquired in the spring of this year and previously at about Mk.200 mill., and which would be worth now about Mk.2 milliard. They recognised, however, that this could not alleviate the general distress to any great extent. (*Vossische Zeitung*, June 8.)

SWITZERLAND

POLITICAL AND GENERAL

LIQUOR CONTROL REFERENDUM RESULT.

According to the *Neue Zürcher Zeitung* (June 4) the referendum on liquor control has resulted in a refusal, by over 100,000 votes, of the Bill for the extension of the Federal monopoly and liquor control. Fourteen Cantons voted against the Bill, eleven for it. The total number of negative votes was 356,950 and of affirmative votes 258,422. The Press assumes a regretful tone towards this result, for it is a well-known fact that alcoholism is very prevalent in the country. The negative attitude of the majority is evidently due in the main to a dislike for any extension of bureaucracy, probably also to the desire of interested persons to prevent any further profits from industries connected with the manufacture of alcohol from being transferred to State and Cantonal possession. It was announced that a large part of the expected profits was to form a provision for old-age pensions. Other means of assuring these and of abating alcoholism must now be sought.

FINANCE

FEDERAL RAILWAY RESULTS.

The working results of the Federal Railways in April were as follows (figures in brackets represent those of April 1922): Total receipts, Fr.29,591,000 (Fr.27,646,000), of which Fr.10,673,000 (Fr.10,629,000) was in respect of passenger traffic and Fr.17,358,000 (Fr.15,715,000) in respect of luggage, live stock and postal transport. Total expenditure, Fr.20,233,000 (Fr.25,161,000). The excess of receipts over expenditure was therefore Fr.9,358,000 (Fr.2,485,000).

For the period Jan. 1 to April 30, 1923, the total receipts amounted to Fr.110,057,000 (Fr.100,538,000), and showed an excess of receipts over expenditure of Fr.23,388,000 as compared with a deficit during the corresponding period of 1922 of Fr.4,706,000 (*Journal de Genève*, May 22.)

TRADE

QUARTERLY FOREIGN TRADE RETURNS.

According to official statistics, import values during the first quarter of this year amounted to Fr.531 mill. as compared with Fr.559 mill. in the last quarter of 1922 and Fr.480 mill. in the first quarter of 1913; export values amounted to Fr.406 mill. as compared with Fr.442 mill. in the last quarter of 1922 and Fr.324 mill. in the

first quarter of 1913. The deficit in the trade balance has therefore grown from Fr.117 mill. in the last quarter to Fr.125 mill. (Fr.166 mill. in the first quarter of 1913). Although higher prices counted to a great extent in the increase of the latest import figure quoted over that for the first quarter of 1913, the volume was also greater in many instances, viz. in respect of corn, sugar, oil seeds, fodder material, benzine and artificial silk. Corn is still subject to a monopoly, fodder grain, sugar and benzine are traded in freely again. Imports of petroleum, commercial iron, various iron goods, most articles of machinery and electrical apparatus, on the other hand, were far smaller in volume than in the stated period of 1913. The same applied to ready-made clothing, slaughter cattle and fish, coal, raw silk and wool, aniline dyes, pharmaceutical products, wines and tobacco. In comparison with the last quarter of 1922, an increase in volume is evidenced in most categories. The volume was noticeably smaller only in respect of slaughter cattle and fish (by reason of Federal restrictions on the import), machinery and electrical apparatus, and a few less important articles. If imports of raw silk, leather, coal and copper have diminished in volume compared with the last quarter, the trend of business in these commodities is nevertheless far more favourable than it was a year ago. If the imports of raw material and semi-manufactures during the first quarter of 1922 be compared with those of 1923, it will be seen that they have risen jointly in value from Fr.141 to Fr.190 mill., i.e., by about Fr.50 mill.

On the export side, cotton goods, silk ribbons and artificial silk, aluminium and various types of machinery, aniline dyes (in value only), newsprint, condensed milk and chocolate show a falling off as compared with the first quarter of 1922. The chief increases in value, as compared with the last quarter of 1922, were in respect of embroideries, cotton materials and woven goods.

Dealing with the separate items of the import statistics, bread corn imports totalled 1,630,906 d.ctr. to a value of Fr.46.6 mill., more than double the quantity in the corresponding period of 1922; owing to the unfavourable fodder crop, fodder grain imports totalled 1,123,955 d.ctr. to a value of Fr.27.2 mill., as compared with 717,930 d.ctr. in the preceding year, and 703,922 d.ctr. of concentrated fodder was imported to the value of Fr.14.3 mill. (275,466 d.ctr. to the value of Fr.6.6 mill.); sugar imports amounted to 315,000 d.ctr. (106,000), egg imports 29,000 d.ctr. Imports of Danish butter have fallen slightly, and of American lard have risen somewhat. Coal imports have, notwithstanding

Switzerland

the loss of the Saar and Ruhr consignments, risen from 435,859 t. to 611,930 t., the respective values being Fr.31.6 mill. and Fr.37.6 mill. Cotton goods have increased in volume from 49,369 to 83,670 d.ctr.; the import of flax and hemp is three times as great as in 1922, that of schappé raw material 60 per cent. greater; that of raw wool 70 per cent. greater, and of artificial silk 100 per cent. greater with 3,922 d.ctr. Only raw silk imports are far below those of 1922, 2,800 as compared with 4,100 d.ctr. Machinery imports sank in value from Fr.9.3 mill. to Fr.8.4 mill., bicycle and motor bicycle imports rose from Fr.2.1 to 2.6 mill., automobile imports from Fr.4.8 to 6 mill. Imports of caustic soda and potash, aniline raw materials and technical oils and fats were about on the pre-war level, tanning extract exceeded that level by about 25 per cent., lubricating oil by 40 per cent., and benzine by 200 per cent.

The value of the exports was as follows (figures in brackets represent the last quarter of 1922 and the first quarter of 1913 respectively):—Silk materials, Fr.45.8 mill. (45.2 mill. and 26.9 mill.); embroideries, Fr.44 mill. (32.4 mill. and 56.2 mill.); watch products, Fr.40.8 mill. (57.2 mill. and 34.6 mill.); machinery, Fr.35.3 mill. (45.4 mill. and 21.6 mill.); vehicles, Fr.1.3 mill. (1.8 mill. and 4.3 mill.); cotton materials, Fr.26.8 mill. (19.9 mill. and 7.3 mill.); aniline dyes, Fr.16.1 mill. (17 mill. and 7.4 mill.); in which item indigo to the value of Fr.3.3 mill. (4.1 mill. and 1 mill.) was included; cheese, Fr.14.8 mill. (18.1 mill. and 14.2 mill.); silk ribbons, Fr.14.6 mill. (14.5 mill. and 11.1 mill.); woven goods, Fr.11.9 mill. (9.7 mill. and 4.3 mill.); schappé, Fr.11.8 mill. (10.7 mill. and 6.8 mill.); straw goods, Fr.10.1 mill. (9.8 mill. and 5.5 mill.); cotton yarn, Fr.8.4 mill. (9.9 mill. and 4 mill.); instruments, Fr.8 mill. (9.8 mill. and 3.5 mill.); footwear, Fr.7.8 mill. (7.2 mill. and 4.8 mill.); pharmaceutical products, Fr.5.5 mill. (5.5 mill. and 3.8 mill.); aluminium, Fr.5.6 mill. (5.6 mill. and 2.8 mill.); condensed milk, Fr.5.4 mill. (7.8 mill. and 11.6 mill.); chocolate, Fr. 4.5 mill. (7.9 mill. and 10.5 mill.). (*Neue Zürcher Zeitung*, May 31.)

INDUSTRY

WATCH EXPORTS IN 1922.

The watch industry recovered somewhat in 1922, partly by reason of the financial assistance granted by the Federation, from the serious state of affairs in 1921. Watch and watch part exports together amounted in value during the year to Fr.180,047,000, as compared with Fr.169,285,000 in 1921 and Fr.325,848,000 in 1920. As regards exports of pocket and wrist watches in particular, nearly every category showed a quantitative increase as compared with 1921. A decrease only occurred in respect of silver watches and, in lesser degree, of wrist chronographs and repeaters. In detail, quantitative exports were as follows (figures in brackets are for 1921): nickel watches, 3,375,911 (3,092,318); nickel wrist watches, 1,223,855 (722,073); silver watches, 932,210 (1,052,452); silver wrist watches, 557,974 (317,989); gold watches, 271,984 (255,312); gold wrist watches, 664,076 (399,073); chronographs, repeaters, etc., 51,597 (27,481); wrist chronographs and repeaters, 1,305 (1,424); other watches, 146,928 (78,660). The value of the separate items exported was: nickel watches, Fr.25,349,000 (26,239,000); nickel wrist watches, Fr.11,084,000 (9,013,000); silver watches, Fr.15,143,000 (19,969,000); silver wrist watches, Fr.8,667,000 (6,969,000); gold watches, Fr.20,031,000 (21,808,000); gold wrist watches, Fr.28,811,000 (26,269,000); chronographs, repeaters, etc., Fr.2,253,000 (1,405,000); wrist chronographs, repeaters, etc., Fr.127,000 (90,000); other watches, Fr.3,643,000 (2,842,000). It will be seen that decreased values only occurred in the case of nickel, silver and gold pocket watches. If the average prices in each category be examined, it will be seen that they register a fall in every case except that of the wrist chronographs and repeaters. Taking these categories in the same order quoted above, the average values were Fr.7.31 (8.89), Fr.9.06 (12.48), Fr.16.24 (18.97), Fr.15.76 (21.91), Fr.73.65 (85.42), Fr.43.38 (65.82), Fr.43.66 (51.14), Fr.97.65 (62.98)—these are the wrist chronographs, Fr. 24.80 (36.14). (*Neue Zürcher Zeitung*, May 24.)

SPAIN & PORTUGAL

POLITICAL AND GENERAL

The new Spanish Parliament was opened by the King on May 23. The speech from the throne announced that the Government intended to carry on the Protectorate system in accordance with the mandate conferred on it by international conventions, a clear indication, according to the Conservative journal *Epoca*, that Spain in Morocco was only carrying out the terms of international agreements. This journal remarks that this is the first time in a speech from the throne that the statement was omitted that these international conventions had been solicited by Spain in accordance with national interests.

The question of Morocco is the cause, if not of a ministerial crisis at least of a reconstruction of the cabinet, by reason of a violent difference of opinion on the policy to be pursued, between the Minister for Foreign Affairs, Sr. Alba, and the Minister of War, Sr. Alcalá Zamora, resulting in the resignation of the latter. The post of Minister of Justice is also vacant owing to the translation of Count de Romanones to the presidency of the Senate. His successor is General Count de Lopez Muñoz, while General Aizpuru takes the portfolio of war.

Serious anxiety is being caused to the Government by the labour unrest at Barcelona. The local authorities have urged the Government to suspend the constitutional guarantees and proclaim martial law in the province, measures which the Government is reluctant to adopt.

FINANCE

SPAIN'S APRIL REVENUE.

According to the recently published provisional revenue returns, the revenue collected during April last (the first month of the new financial year) amounts to Pes.151,833,279 as against Pes.133,559,506 for April 1922, an increase of Pes.18,273,773. The taxes and duties which show the highest increases (in millions of pesetas) are: land, 1.7; profits, 3; royal dues (death duties, transfer duties, etc.), 0.7; sugar, 4; tobacco, 9.5. Those which show the greatest decline are: stamp, 2.2; mines, 0.1; Customs, 0.3; spirits, 0.3; articles of consumption, 0.2; state property, 0.2. For some reason the yield from lotteries is not given. (*España Económica y Financiera*.)

THE PORTUGUESE STERLING LOAN.

The recent summons of a general meeting of shareholders of the Bank of Portugal affords proof that the Government intends to give immediate effect to the Act of May 15 last authorising a new consolidation loan in pounds sterling, bearing interest at 6½ per cent. payable quarterly in London in gold and in Lisbon in escudos at the average rate of exchange for the previous quarter. The loan, which is of the amount of £4,000,000, will be converted into escudos and the proceeds used for the general purposes of the State for the year 1922-23, and in substitution for the securities deposited with the Bank of Portugal to secure the State debt.

Before issuing the new loan the Government intends to enter into a fresh agreement with the Bank in accordance with the terms of the new Act, and it is for the purpose of sanctioning this agreement that the general meeting of shareholders has been summoned. According to this agreement the advances in escudos to be made by the Bank to the State, and which will be added to those made under previous agreements, must not exceed up to Dec. 31, 1923, 110 mill. escudos. Should the proceeds of the loan be sufficient to meet the deficit for 1922-23 the Government shall pay off or redeem the advances already made to meet such deficit and shall at the same time reduce the note circulation by a corresponding amount. (*Comercio do Porto.*)

THE MARKETS IN PORTUGAL.

The *Comercio do Porto*, in its customary economic survey at the end of the month, gives the following account of the general position of the market in May. Business is dull and the situation tends towards depression, discount is difficult to obtain, and its rates are high. The proposed foreign loan has largely contributed to the stagnation of business, and the general situation is aggravated by new decrees on dealings in the exchange, and by increased taxation. Towards the end of the month a certain stagnation in business made itself felt, due not only to the withdrawal of cash from circulation, but also to the expectation that the foreign loan would go through, rumours to which effect had been circulating through the country.

There has been little export trade, and the liabilities to be met are large, so that if the foreign gold loan were not carried through the rates of exchange would undergo violent fluctuations. Crops this year are very promising, and this factor should seriously affect the situation of the exchange, which shows a firm tendency. Speculation has not for some time influenced the exchanges, as it is considered too hazardous. The general tone of the market is hesitating, although expectation of improvement predominates. At the end of the month the exchange on London closed at 2 ⁵/₁₆.

The stock markets at the end of the month showed marked weakness, owing to lack of ready money and the difficulty of discounting. The prospects of the internal loan are therefore not bright, and everything points to a poor subscription despite the efforts of the banks interested in it, unless the terms offered to the public are highly advantageous. Expectations of an improved exchange contribute to the withdrawal of ready money and to the sale of securities, thus increasing the weakness of the market. Nevertheless the Government internal loans, with few exceptions, are maintained at last month's quotations. The external loan fluctuates considerably in sympathy with the exchange. Bank shares are irregular, as are those of the Tobacco Company, but owing to the recent decree affecting them (see below) they may be expected to rise shortly; railway shares are down, and textiles and Africans show a downward tendency.

TRADE

CERTIFICATES OF ORIGIN IN SPAIN.

The British Chamber of Commerce for Spain in its April report gives the following warning to its members with regard to the certificates of origin required on the import of goods into Spain:

"We would draw the serious attention of our members to certain things connected with Certificates of Origin for goods entering Spain. The gross weight figuring on the Certificate must not exceed or be under 20 per cent. of the gross weight when the goods pass through the Spanish Customs; the marks and numbers in the Certificates must agree exactly with those stamped on the goods; the Certificate must indicate the class of goods and the material of which it is composed. This latter is a most important point. For example: Guantes de *piel*: gloves of *leather*; guantes de punto de

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algodón: gloves of knitted cotton fabric; guantes de punto de *seda*: gloves in knitted or netted fabrics of silk.

"That is to say, the object must first be indicated and afterwards the material and form of its composition. The failure strictly to carry out these regulations may prove to be unpleasant and costly."

The same authority also supplies the following further information:

A further Royal Order, dated March 20, provides that the second paragraph of Rule 1 of Disposition X of the Preliminary Dispositions to the Spanish Customs Tariff (see page xii of the Supplement to the issue of *Board of Trade Journal* for February 23, 1922) is to be modified to read as follows:—"A certificate of origin shall be presented for each consignee."

[NOTE.—The second paragraph of Rule 1 of Disposition X formerly provided as follows: "The particulars required for yarns, fabrics, and trimmings must be entered on the bill of lading and manifest; in default of these details the certificate will be cancelled and a certificate of origin will be required for each consignee."]

France Textile for May gives a further list of articles extracted from a Ministerial Decree of Mar. 22 in respect of which certificates of origin will be required from May 1 in order to give them the benefit of the reduced scale of rates under the Customs tariff. These articles may possibly not constitute the whole list given in the Decree, as the technical journal in question may only have selected such as are likely to interest its readers. They are the following: sliding rings for spinning gins and retorsion machines, combs, warps and shuttles for looms, knitting machines and looms with spare parts and needles, cotton and cotton goods, other worked vegetable textile fibres, wool, hair and goods manufactured therefrom; silk and silk goods; fabrics containing or covered with rubber, including elastic fabrics and strings; fabrics containing and covered with substances

Spain and Portugal

other than rubber; umbrellas and sunshades; Certificates of origin will only be countersigned by Spanish consuls if the applicants produce invoices made out by the manufacturer or producer showing that the articles are produced or manufactured in the country.

SPANISH EXPORT PROHIBITIONS.

The following goods, the export of which was formerly prohibited, may now be exported without restriction, viz., raw cotton, flax, tow, and linen yarn, gasoline, petroleum, paper cuttings, waste paper, and raw jute; and the restrictions on the export of tanned hides and skins, cement, and untanned cattle hides are removed. The export duties levied on ground nuts, boots and shoes, vegetable charcoal, common soap, and tanned hides and skins, are also withdrawn. (*Report of the Anglo-South American Bank.*)

INDUSTRY

OUTPUT OF SPANISH QUICKSILVER MINES.

During the first four months of the current year the State quicksilver mines of Almaden produced 20,265 flasks of quicksilver and withdrew 32,498 flasks from store for sale. The proceeds of sale amounted to Pes.8,461,212. The numbers of flasks (a) produced, (b) sold, and (c) the value of sales in the individual months of the year are as follows:—Jan. (a) 4,510, (b) 8,773, (c) Pes. 2.2 mill.; Feb. (a) 5,591, (b) 6,760, (c) Pes.1.7 mill.; March (a) 5,784, (b) 9,065, (c) Pes.2.2 mill.; April (a) 4,380, (b) 7,900, (c) Pes.2.1 mill.; May (b) 892, (c) Pes.0.2 mill. The stocks of flasks in hand were at the end of 1922 28,857, at the end of January 1923 24,594, at the end of February 23,425, March 20,144, April 16,624. The total number of flasks sold during the first five months of the year was 39,370, and their value Pes.8.9 mill., an increase of 21,723 flasks and Pes.5.1 mill. compared with 1922. (*España Económica y Financiera.*)

THE PORTUGUESE TOBACCO COMPANY.

The Finance Minister has introduced a Bill authorizing the Tobacco Company (which holds a concession from the State) to raise its prices on condition that it guarantees to the State an annual revenue of not less than 6 mill. escudos. (*España Económica y Financiera.*)

The Tobacco Company of Portugal works a State monopoly conceded to it in 1891 for a term of 35 years, which expires in 1926. This contract gives to it the exclusive right of manufacturing tobacco in Portugal and of importing it to Portugal's African colonies. In 1917 the Government exercised its right of rescinding the concession, and as a dangerous competitor presented itself in the Matches Company, the Tobacco Company was compelled to make considerable sacrifices in order to assure the extension of its monopoly. The annual royalty payable to the Government was raised from 4,500,000 to 6,250,000 escudos subject to increase in proportion to the amount of sales. In addition the State obtained a share in profits amounting in 1920 to 450,000 escudos. The following figures show (a) tons sold, (b) gross profits (in 1,000 escudos), (c) net profits (in 1,000 escudos) during the past 10 years: 1912-13 (a) 2,591, (b) 5,602, (c) 703; 1913-14 (a) 2,600, (b) 8,518, (c) 585; 1914-15 (a) 2,692, (b) 8,798, (c) 694; 1915-16 (c) 1,019, (other figures not given); 1916-17 (a) 2,822, (b) 9,347, (c) 1,136; 1917-18 (a) 2,754, (b) 9,088, (c) 1,309; 1918-19 (a) 2,258, (b) 9,152, (c) 1,140; 1919-20 (a) 2,143, (b) 9,204, (c) 1,314; 1920-21 (a) 2,356, (b) 11,739, (c) 2,532; 1921-22 (a) 2,955, (b) 17,799, (c) 3,999. The dividends paid per share during the same period were (in escudos): 1912-13, 4.05; 1913-14, 4.05; 1914-15, 4.05; 1915-16, 4.95; 1916-17, 5.40; 1917-18, 5.85; 1918-19, 8.10; 1919-20, 10.50; 1920-21, 20; 1921-22, 31. (*Information Financière.*)

REVIVAL OF LOCOMOTIVE CONSTRUCTION IN SPAIN.

The following account of the revival of locomotive building in Spain is supplied by the Anglo-South American Bank:—The commencement of an important era in the construction of railway locomotives in Spain is marked by the delivery of three engines of a new type to the Norte Railway on May 29. These form the first delivery of an order for 16 similar engines, which are being constructed in the country, and it is pointed out in the Press that these are the first locomotives for express passenger trains that have been constructed in Spain for many years, all the necessary engines for some time past having been constructed abroad, viz., in the United States, France, Germany or Belgium.

AGRICULTURE

THE SPANISH HARVEST.

Official figures of the cereal crops in Spain for the past year show that the total output of wheat was 34,147,000 metric quintals, that of barley 16,881,000 quintals, rye 6,668,000 quintals, oats 4,530,000 quintals, maize 6,815,000 quintals, and rice 2,743,000 quintals. The wheat crop shows a decrease of over 5,000,000 quintals as compared with 1921, and is only 90.73 per cent. of the average of the past five years. The output of maize, on the other hand, was above the average. (*Report of the British Chamber of Commerce for Spain.*)

According to the *Epoca* this year's harvest prospects are excellent; wheat and barley sowings promise good results. The barley crop should be exceptionally abundant, because, owing to the fear of locusts, a considerable area which should have been sown with wheat has been sown with barley by reason of the fact that the barley harvest generally takes place before the locusts swarm, and, as this year, the breeding ground of the locust contains a considerable extent of pasture land, the extinction of the grub before developing into a full-grown locust will be rendered easier.

SPAIN'S SUGAR CROP.

This season's yield of sugar in Spain amounts at present to 96,461 t., compared with 43,991 t. for 1921-22. In view of the quantity of beetroot still to be worked, it is thought that Spain will have no need to resort to purchases abroad to complete the country's supply. (*Report of the British Chamber of Commerce for Spain.*)

COMMUNICATIONS

EFFORTS TO INCREASE SHIPPING IN SPAIN.

Spain, announces the *Report of the Anglo-South American Bank*, is making a strong effort to increase its merchant marine in view of the growing desire to develop direct communications between Spanish ports and South and Central America. The latest figures issued by the Government show that Spain now possesses 1,201 merchant vessels, with a total displacement of 1,013,555 t. Another 100,000 t. are also under construction in the various yards.

According to the *Journal de la Marine Marchande*, the crisis in shipbuilding has become acute, the output of the yards in 1922 having been reduced to two steel vessels aggregating 7,776 t. gross. The situation of shipping is no better, as an official report issued earlier in the year estimates the amount of shipping tied up in Spanish ports at 700,000 t. out of a total of 1,200,000. These circumstances caused the Maritime Chambers of Commerce of Barcelona, Valencia, Saint Sebastian, Vigo, Gijon and Palma (Majorca) to petition the Government for a complete remission of shipping taxes and duties during the current year, amounting to 12 mill. pesetas in all.

THE BALKANS

POLITICAL AND GENERAL

THE COUP D'ETAT IN BULGARIA

The rumours of an insurrectionary movement in Bulgaria, which were contradicted by the late Government, have now materialised, and messages from Sofia announce to the British Press (see *Morning Post*, June 11 and 13) the overthrow of the Government by a military *coup d'état* rather than a revolution, as it does not appear to be directed against the dynasty. During the night of June 8-9 an outbreak, organised by the League of the Reservist Officers, headed by General Lazaroff, president of the League, took place, and the majority of the members of the Stambolüsky Government were arrested. Five out of the six regiments forming the garrison of Sofia took part in the insurrection, the sixth withdrawing from the city. The King has signed a decree constituting the new Government, which is composed as follows: MM. Stankoff, Premier; Rousseff, Interior; Molloff, Agriculture and Education; Teodoroff, Finance; Jzwelko, Commerce; Kazassoff, Railways; Stoencheff, Public Works; Smyloff, Justice. The new Premier has informed the Press that the aim of his Government is to restore the liberty of the citizen of which he was deprived by M. Stambolüsky for the benefit of the Agrarian party, to adopt a conciliatory policy towards foreign nations and observe the peace treaties. The late Premier, M. Stambolüsky, who escaped arrest, organised armed resistance among the peasants in the country districts, and is subsequently reported to have been killed. Todor Alexandroff is openly supporting the new Government with his Macedonian bands, which have always been a fertile source of complications with Greece and Yugo-Slavia. It remains to be seen, comments the *Journal des Débats*, which predicts strenuous resistance by Stambolüsky, whether the insurrection expresses the general feeling of the country or whether it is a desperate effort on the part of the friends of the ex-Ministers of the Radoslavoff Government recently condemned by the Courts for bringing Bulgaria into the war (who have been released from prison by the new order) to prevent their punishment. The Paris journal appears to have no doubt that the true cause of the insurrection is the resentment felt by the Macedonians against the recent arrangement concluded at Nish between the Bulgarian and Serbian Governments for the suppression of acts of brigandage committed by the Comitadjis in Serbian Macedonia. Endowed with a strong political sense, M. Stambolüsky deemed it essential to re-establish normal relations with Serbia, based on respect for treaties, and with this object he despatched troops to the West to co-operate with the Serbian troops in destroying the Comitadjis. Their friends in the interior, therefore, exerted themselves to avert this danger at all costs, and the famous organisation which more than once has caused trouble in the Balkans was reconstituted. To them were rallied other elements, who nursed grievances against the Stambolüsky Government, such as the partisans of the imprisoned Radoslavoff ministers and of the members of the Guehof und Daneff Cabinets, who were being prosecuted for having caused the second Balkan war in 1913. Moreover, the compulsory Labour Act, and various other drastic measures, had caused considerable discontent among various classes of the community, circumstances which the League deemed favourable to a *coup d'état*.

The news from Sofia has caused some alarm in political circles in Yugo-Slavia, and Belgrade papers declare that the new Bulgarian Government has already a larger army than is allowed by the provisions of the Treaty of Neuilly, and that the peace of the Balkans is menaced.

BULGARIA AND THE LAUSANNE AGREEMENT.

The arrangement concluded at Lausanne between Turkey and Greece, whereby the former renounces her claim for a war indemnity in exchange for the cession of Kareagatch, has caused considerable discontent in Bulgaria, where it is viewed as a menace to Bulgaria's access to the Ægean Sea, guaranteed by the Treaty of Neuilly. A communiqué published at the conclusion of a Cabinet meeting summoned to consider the situation created by this agreement, contains the following words: "The agreement entered into between Turkey and Greece in no way modifies the Bulgarian point of view as to Bulgaria's rights to access to the sea promised to it by the Peace Treaty. The Bulgarian Government would only accept access to the sea through independent territory or territory belonging to Bulgaria. Clause 48 of the Treaty of Neuilly still remains in force, and its provisions are binding on the Great Powers' signatories of the Treaty, which cannot be altered without the consent of Bulgaria." By approving the agreement, comments the *Echo de Bulgarie*, the Entente renders impossible any access to the Ægean by Bulgaria.

THE YUGO-SLAV PARLIAMENT.

The Skupchina has reassembled, the Government bench being occupied by the Radical party alone instead of by the Radical-Democrat Coalition. With regard to the negotiations entered into with a view to an agreement between Serbs and Croats, the Premier, M. Pachich, has stated that he informed the delegates sent by M. Radich, the Croatian leader, that the Government stood for the existing Constitution which the Croats desired to amend, and asked the nature of the proposed amendments. As the delegates could give no definite answer, the negotiations fell through.

M. Lulyo Jovanovich, the newly-elected President of the Skupchina, declared that while some portions of the Constitution ought not to be touched, there were other points which it would be possible to submit to revision.

It is thus possible that the conflict between the Croats and Belgrade will not be carried to extremes, although the Croat *bloce* at their meeting held on the 27th ult. declared in favour of no change in their attitude towards Belgrade. In the meantime, however, M. Radich, their leader, is, so the *Slovenski Narod* says, consulting university professors on the task of drafting his State-rights demand.

The Skupchina programme for the present session includes a variety of important measures including those dealing with army reform, adjustment of the question of civil servants, amendment of Budget estimates and of the revenue system.

RATIFICATION OF THE CHESTER CONCESSION.

The Grand National Assembly of Turkey approved the Agreement concluded between the Minister for Public Works and Messrs. Clayton, Kennedy and Arthur Chester, representing the "Ottoman American Development Co.," relating to the construction and exploitation of railways and harbours, and the working of mines situated within a zone extending 20 kilometres on each side of the line.

The French Government has protested against the attribution to the Chester Group of the construction and exploitation of railroads and of a harbour conceded in 1914 to French interests.

FINANCE

THE INDEMNITIES FOR OIL UNDERTAKINGS IN RUMANIA.

The Commission constituted at the end of 1921 for fixing the compensation due from France and England for destruction of property in Rumania, together with

The Balkans

the debts due from Rumania to those countries, is not yet in a position to settle definitely questions relating to loss suffered in 1916 by private companies or the State of Rumania, and has confined itself to the drafting of a final agreement of the amount of compensation due to those suffering damage. The amounts fixed are: stocks, £2,574,855; accrued interest, £523,288; oil refineries, £2,100,384; workshops and buildings, £4,225,229; other damage, £532,501. Allowing for auditing and adjusting various accounts, the aggregate compensation found to be due to oil companies in Rumania (exclusive of companies of ex-enemy countries) is £9,980,527. The Commission has not yet come to an agreement on the settlement between France and England on the one part and Rumania on the other part; on the method of payment of compensation by the Rumanian Government; on compensation to the Rumanian Government for loss suffered through the destruction of property. These outstanding questions are the object of diplomatic discussion. (*Information Financière.*)

GOLD FOR THE BANK OF RUMANIA.

The Rumanian National Bank has been allotted 31.8 mill. gold kronen from the liquidation of the Austro-Hungarian Bank. This sum will be held in reserve as backing for the banknote issue. (*Central European Observer.*)

YUGO-SLAVIA'S SUPPLEMENTAL ESTIMATES.

The Finance Commission of the Yugo-Slav Chamber has, by a narrow majority, approved, in principle, the grant of supplemental estimates of 1,200 mill. dinars. In making his application the Minister of Finance announced that the principal increases of expenditure for which the additional grant was required were: increased cost of living allowance to civil servants, 344.8 mill. dinars; Ministry of War, 363.5 mill., due to increased price of supplies and not to any increase of the strength of the Army. Fresh grants were required for the following purposes: elections; communications; evacuation of the Third Dalmatian Zone; demarcation of frontiers; difference on the exchange; rents; purchase of tobacco and salt; commission to vendors of monopoly articles; printing of duty stamps and stamped paper; feeding of prisoners; relief to certain districts; scholarships to students abroad; urgent works on certain rivers, etc. The additional grants are distributed among the various departments as follows (in millions of dinars): Supreme administration of the State, 156.6; Justice, 20.5; Education, 80; Religion, 7.1; Interior, 40; Public Health, 25.9; Foreign Affairs, 74.9; Finance, 81.8; War, 363.5; Public Works, 34.1; Communications, 207.4; Post and Telegraph, 25.2; Agriculture and Waterworks, 15; Forests and Mines, 14.6; Commerce and Industry, 8.4; Social Welfare, 3; Land Reform, 1; Reserves, 40. The amounts already expended aggregate 526.8 mill. The Minister declared that if he had had to wait for the approval of Parliament to these grants the vital interests of the country would have been endangered. (*Pravda.*)

THE CONSTANTINOPLE CLEARING HOUSE.

The total of the operations effected by the Constantinople Clearing House during April 1923, was as follows: Number of Bills, 2,380; amount L.T.10,121,055. (*Report of the Ottoman Bank.*)

INDUSTRY

SERBIA'S INDUSTRIES.

According to a report issued by the Belgrade Chamber of Industry, Serbian Industries, with the exception of flour-milling, showed a substantial improvement of activity in the course of 1922—the year's results being on the whole a 50 per cent. improvement on those of the

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preceding year. The building material trades had an excellent year, bricks, cement and timber being in great demand owing to the brisk building activity in Belgrade and other places. The textile industry which suffered severely as a result of the war attained in some of its branches its pre-war level. Mining developed strongly and over 50 mill. dinars were invested in colliery buildings and plant. In all, more than 40 new industrial enterprises were inaugurated during the year within the Chamber's sphere of activity. (*Central European Observer.*)

CONCESSIONS TO FOREIGNERS IN TURKEY.

The Turkish Press Bureau at Lausanne announces that according to official information received from Angora, the negotiations entered into between the National Assembly and representatives of various companies are, in spite of the contrary reports recently emanating from certain quarters, proceeding satisfactorily. The state of negotiations between the Turkish Government and the following companies is: an agreement is about to be signed with the Constantinople Tunnel and Smyrna quays companies (French capital); agreement reached as regards existing economic conditions with the Smyrna-Kassaba and Karahissapanderma railway companies (French capital); a final settlement has been effected with the Golden Horn Navigation Company (Italian capital); the concession to the borocite mines has been agreed upon (British capital); an understanding with the Taxim Land Company is on the point of being effected; discussion with the telephone and cable companies is taking a normal course; agreement with the Constantinople Tramways Company will not be long delayed; representatives of the Smyrna Aidin railway company are proceeding to Angora; a final arrangement has been come to with the Smyrna gaslight company; the representatives of the Stenia dock company who have arrived at Angora, not having full authority to act for the company, have applied for such authority, their application is being considered by the proper Minister; a satisfactory agreement has been drawn up with the tobacco company on fundamental questions. Within a few days the question of winding up accounts will also be settled. (*Information Financière.*)

FOREIGN BANK RATES

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

SPECIAL ARTICLES

HUNGARY'S ECONOMIC SITUATION

M. P. Régnier gives the following account in the *Economiste Français* (June 9) of the economic situation of Hungary from information supplied to the Reparations Commission by the Hungarian Government when applying for its assistance in re-establishing the financial situation of that country.

On May 4 last Count Bethlen, the Premier, and M. Kallay, Minister of Finance, of Hungary, made the Reparations Commission acquainted with the economic distress from which their country was suffering, and requested the suspension of the prior lien of the Allies on the national revenue and State property under clause 180 of the Treaty of Trianon, in order to enable Hungary to pledge part of such revenue and property as security for loans to be contracted for the purpose of balancing the Budget, discharge her pre-war and post-war debts and organise the national production. This very detailed statement, together with the notes furnished to the Commission by the Hungarian Minister in Paris, Baron Koranyi, conveys an accurate idea of the economic position of Hungary, the state of its debts abroad, chiefly in France, and of the manner in which the Government proposes to proceed with the economic reconstruction of the country, and to discharge its liabilities. There is a tendency, when comparison is made between the economic situations of Austria and Hungary to accord greater sympathy to the former, as Hungary is still regarded as a rich country, and it is apt to be forgotten that she has a heavy load of foreign debt which is not the case with Austria.

HUNGARY'S ECONOMIC EMBARRASMENTS.

Count Bethlen, without touching on purely political subjects, gave a general outline of the difficulties and dangers threatening social peace at home, as well as the economic and even political independence of the country disintegrated by the peace treaty and weakened by the revolutionary disturbances and foreign (Rumanian) occupation of 1919, and this gloomy picture appears exact to those who have closely followed the evolution of the country since the war. The Hungarian Premier began by pointing out very appropriately that the reduction of an economic unit such as pre-war Hungary, possessing a population of 21 millions, to a unit composed of 7 or 8 millions, even if conducted under the most favourable conditions (which was certainly not the case in this instance), of necessity entails considerable economic disturbances which time alone can remedy. Pre-war Hungary being an agricultural country, was constrained to import foreign capital. In order to obtain the sums necessary for meeting the interest and other obligations on this external debt, she was compelled to use her financial and trade balances. Now at present both these balances are on the debit side; the Budget for 1922-23 shows a deficit of 89 million gold kronen (about 40 milliards of the present currency) and the trade balance a deficit of 224 gold kronen. In Hungarian territory, as now constituted, industrial production shows a decline of 47 per cent. compared with that of the pre-war years, due to lack of raw material, and agricultural production, and a decline of 35 per cent. due to lack of working capital. Under these conditions it is not surprising that the standard of living of the inhabitants of Hungary should have appreciably declined.

THE COST OF LIVING.

The consumption of cereals has fallen from 190 to 173 kg. per head. A civil servant of an average class, who before the war received 400 kronen a month, now only

receives 43, calculated at the rate of 0.11 Swiss centimes, that is to say, at the present rate of the krone in Zurich. The following figures (extracted from the table given by M. Régnier) show the enormous increase in the price of certain commodities, the increase since the beginning of the current year being specially marked:—

	1913	1922	1923 (Jan.)	1923 (Mar.)
Wheat	22.13	5,949	12,404	19,523
Rye	17.76	4,244	8,136	13,000
Barley	16.03	4,307	7,788	10,750
Oats	18.07	4,311	7,862	13,500
Maize	15.45	4,306	7,862	11,250
Pork	1.38	218	491	900
Beef (Medium quality)	0.83	78	180	460
Lard	1.77	430	833	1,775
Fresh Eggs ...	0.08	18	34	29
Milk	0.31	35	83	112
Butter	3.35	521	1,225	1,750
Flour	0.34	88	181	226
Wood fuel... ..	2.67	552	1,330	1,360
Paraffin	0.40	54	90	150
Men's Coats (each)	75.0	9,900	54,000	74,000
Men's Shirts (each pair)	6.0	1,890	3,500	4,900
Women's Stockings (pair)	1.80	880	1,900	2,600
Men's Boots (pair)	1.72	464	960	1,500

THE FALL OF THE KRONE.

One of the chief causes of this increase is the rapid fall of the Hungarian krone which, owing to measures adopted by successive Finance Ministers, it had become possible to stabilise for a time, but which was unable to withstand the general devaluation of the Central European currencies. In fact the Hungarian krone, which was worth 105 Swiss centimes in 1914, fell to 1.20 centimes at the end of 1920, recovered, thanks to the policy of the Finance Minister, Hegedüs, to 2.80 centimes in May 1921, only to sink once more to below 1 centime at the end of the same year. Since that date it has slowly but steadily declined, and after having remained stable for some six months (September 1922 to March 1923) it reached its lowest point last March of 0.10 centimes, the thousandth part of its original value, thus falling to the level of the most depreciated currencies of Central Europe, the Austrian krone and the German and Polish marks.

HUNGARY'S FOREIGN DEBTS.

In view of the very heavy debts from Hungary to countries with a high exchange, and of the clause of the Budget which provides for interest and redemption of foreign loans, which increase in proportion to the depreciation of the Hungarian exchange, the difficulties in which the Hungarian Treasury finds itself involved will be easily understood.

Some figures supplied by the Minister of Finance will give an idea of Hungary's liabilities towards her foreign creditors. The amount of the national debt contracted by Hungary before the war is 7,922,383,403 gold kronen, equivalent, at the present rate of 0.10 Swiss centimes to one krone, to 832,097,284,331 paper kronen, which necessitates an annual sum of 157,631,830 gold kronen (44,151,193,863 paper) for interest, sinking fund and other charges; the amount of debts contracted since the war is 18,097,394,350 gold kronen (119.7 paper) requiring an annual disbursement of 990,202,867 gold (8,009 millions paper), making in all a total of 26,019,777,753 gold (954,868,174,302 present currency), which require an annual sum for interest, etc., of 1,250,396,697 gold (52,363,550,312 paper). Of the above total 5,100,378,588 gold kronen are placed abroad either in 4 per cent. gold Rentes 1910, 1913, 1914, or in 4 per cent. kronen Rentes or in loans contracted since the war (for the import or transport of flour, repatriation of prisoners of war, French consolidation loan, loan for reconstruction of the port of Csepel, etc.).

Special Articles

FUTURE BUDGETS.

In order to balance the Budget, the estimates provide in the first place for a progressive increase of revenue until the year 1928-29, when, should this estimate be justified, the deficit will disappear. The following figures show the estimated revenue for 1922-23 and 1928-29 (in millions of gold kronen):—

	1922-23	1928-29 (anticipated)
Direct Taxes	43.5	80
Turnover Tax	74.4	110
Stamp Duties	4.6	30
Duties on articles of consumption ...	23.8	40
Net yield from aggregated mono- polies of salt, saccharine, pow- der, and lottery	1.8	6
Customs	20.0	30
Tobacco "Régie" gross	23.4	40
Total	191.9	336

It is proposed to introduce a series of measures tending to diminish expenditure (reduction of the staff of Government officials, reform and simplification of the administration, suppression of doles in kind) which can only be undertaken gradually if social and economic disturbances are to be avoided.

THE DEBT TO FRANCE.

The debts to France amount in all to 403,996,446 gold kronen (146,605,991,652 paper at the rate of the krone on the Swiss market), including the loans to Budapest and financial institutions. Up to the present, under a special arrangement with France, Hungary has undertaken to pay to the latter 25 million francs a year, seeing that part of the arrears of the national debt, as well as the total amount of the debts due under private agreement, have not yet been fixed. As regards all these debts, the Hungarian Government has fulfilled its obligations and the question of private pre-war debts has been settled through the "Audit and Clearing Office" within the limits of its capacity for payment. The interest on the "recovery loans" of 1920 and 1921 has been paid regularly. For the future, as Count Bethlen says, Hungary will be obliged to request all her creditors to come to settlements for the purpose of consolidating debts which she intends to pay to the last penny. This payment, however, will take some time.

It is, however, obvious that the application to the Reparations Commission aims not only at the discharge of debts, but also at the general economic resurrection of Hungary, since, unless that country can be pulled up in due time on the slippery slope leading to certain bankruptcy, there can be no question of payment of any kind.

FURTHER LOANS REQUIRED.

In order to avoid this utter ruin, Hungary has need of new loans, namely, an immediate short-dated loan of 40 or 50 million kronen to meet her most urgent needs and supply her with the means of meeting foreign

payments indispensable to her foreign trade, and to enable the business of the State to be carried on until the autumn without a new note issue, also a long-dated loan of at least 550 or 650 gold kronen, which will be used for the purpose of balancing the Budget within the next few years (up to 1928-29) and of assisting the general economic recovery, that is to say in an intensified industrial and economic production, without which there is no hope of saving Hungary. With the object of setting in order the financial situation of the State, the Minister of Finance has produced a detailed scheme, starting from the Budget for the current financial year.

THE CURRENT BUDGET.

The following tables show estimated revenue and expenditure for the year 1922-23 (in million gold kronen, calculated on the basis of 0.23 Swiss centimes for the paper krone):—

<i>Expenditure.</i>			
Departmental Expenditure ... ..	...	...	259.4
Expenditure on State undertakings ... ..	...	...	124.9
Investment in productive public works ... ..	...	...	39.4
			<hr/>
			423.7
<i>Revenue.</i>			
Total departmental revenue ... ..	...	225.7	
Earnings from State undertakings ... ..	...	108.9	334.6
			<hr/>
Deficit ... ..	...	...	89.1

The deficit of 89.1 million gold kronen is equivalent to 40,652.8 million paper kronen.

Of the 155,000 servants of the State figuring in the estimates for 1922-23, 36,000 compose the strength of the army as fixed by the Peace Treaty, and some 60,000 are employed in the State undertakings. The reduction of 20 per cent. from Oct. 1, will be applied to the remainder (judges, State counsel, schoolmasters and civil servants).

Finally, thanks to the expenditure on productive works which the loan will enable to be made, it is expected that the receipts from State undertakings will be considerably increased, and that the deficit shown by certain services (railways and forestry) will be wiped out.

Interest, sinking fund, etc., on the new loans will be secured on the Customs receipts and tobacco monopoly (43.5 million gold kronen in the 1922-23 estimates), in respect of which the Hungarian Ministers have requested the Allies to suspend their prior lien. The long-dated loan (550 or 650 million gold kronen) will be assigned by annual instalments, under the head of special revenue, to current expenditure, as follows (in millions of gold kronen): 1923-24, 150; 1924-25, 140; 1925-26, 120; 1926-27, 100; 1927-28, 77.5; total 587.5.

By these measures the Hungarian Government hopes to restore its finances, to stabilise the krone, and to place on a sound footing the economic reconstruction of Hungary, without which it cannot continue in existence. In its reply to the request of the Hungarian Government, the Reparations Commission has admitted in principle the necessity of coming to Hungary's assistance.

NOTES ON NEW BOOKS

FASCIST AIMS

The Fascist Movement in Italian Life. By Dr. Pietro Gorgolini, with Preface by S. E. Benito Mussolini, translated and edited, with Introduction, by M. D. Petre. (Messrs. T. Fisher Unwin, Ltd. 10s. net.)

Mussolini, in his preface to Dr. Gorgolini's book describes it as of a character to tempt the reader, as being not heavy, not pedantic and not professorial, and in short, a journalistic book in the best sense of the word, with a light and supple touch. On the other hand, the translator, who in his notes helps Doctor Gorgolini over his style, admits that the work, though journalistic in character, is made up of chapters that were probably

composed at different times. The result is a considerable amount of redundancy and repetition, which, in spite of the efforts at abbreviation of the translator, makes the book difficult to follow and, unfortunately, leaves the impression that the leaders of Fascism are not quite clear themselves as to what their aims are, though they are definite enough about their achievements. This is a pity, because at the present moment a clear, candid, and moderate account of a movement of such great interest is particularly desirable.

Unfortunately this confusion, in presentation at least, and possibly in thought, is fundamental. We are confronted with two programmes, one given us by the

author and the other by the translator. According to Dr. Gorgolini, Fascism stands chiefly for (1) the bringing of the people to a sense of reality and the substitution of a spirit of free collaboration in industry and commerce for the system of "hostile and pernicious compulsion," (2) the preparation of the peasants for eventual possession of the land, (3) the improvement of education, (4) the termination of the "scandalous neglect of the state of its own faithful servants, to whom it refuses a merited repose for the period of their old age," and (6) recognition for the war heroes. It should be remembered that these are only the chief articles of the programme. There are several more, for which we are unable to find room.

Now, according to the translator, the main aims and characteristics of Fascism may be summed up as follows: (1) it refuses to risk the life of a country by the pursuit of any ideal of danger to existing society; (2) it will hear of no Socialism or Pacifism, that has no place for patriotism in its system; (3) it furiously defends the national interests of its country and upholds the value to Italy of the late war; (4) while it repudiates class warfare, it believes in a social inequality resulting from natural inequality—or difference of quality and value; (5) it is a lawless believer in law—"when the law-abiding get the worst of it because the law-breaker is immune, then it takes up the axe and rod and goes to work on its own account"; (6) it does not believe in the coming extinction of Western civilisation and is also eminently anti-fatalistic; (7) as regards vague idealism, it holds to the sense of limit; (8) its sense of individualism is completed by its sense of property, as essential to the former, and it will defend both to the end; (9) it will have no hypnotising shibboleths, no turning of the country's cheek to the enemy, no holocaust of its own land; and (10) it is an adoption of the principle of "direct action," but not in the interests of any particular class. It is impossible from a comparison of these two sets of aims to get a clear idea of what the movement stands for, and before passing judgment it would be wise to await a pronouncement of a more "professorial" nature.

With regard to Italy's foreign policy, the author writes with great bitterness against France and England. The translator in his notes at the head of this section says, "In the following chapter is expressed the bitterness of the Italian heart towards her quondam Allies—a bitterness of which those of us who have friends in Italy have been personally conscious In the following pages one becomes conscious of that lack of self-criticism of which I spoke earlier. How is it that the writer cannot see that the faults with which he charges us are those, alas! of us all; that the Adriatic is not more important to Italy than the Irish Channel to England; that in both cases it is mutual fairness that is needed, and not the satisfaction of one party. The Fascists must show their power of sympathy in their attitude to subject races, if they would fulfil their international destiny."

In this matter we agree with the translator, and in appraising the movement itself we must, until we get a more statesmanlike utterance from the leaders of the party, also agree with him, with regret, when he says that "Fascism is unique; there has never been anything quite like it, and there is not actually anything like it."

RECENT PUBLICATIONS

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

Rents, Rings and Houses. By G. D. H. and Margaret Cole. (The Labour Publishing Company, Ltd., cloth covers 2s. 6d., paper covers 1s.) A useful handbook, giving facts and statistics of the housing question in this country. It is quite up-to-date, and includes the main changes introduced into Mr. Neville Chamberlain's Housing Bill during its Committee stage. The authors consider that the Bill is meant to encourage the specula-

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tive builder and to discourage municipal building. "It will be," they add, "for another Government to solve the housing problem."

Quarterly Summary of Australian Statistics, December 1922. Prepared under instructions from the Minister of State for Home and Territories by Chas. H. Wickens, F.I.A., F.S.S., Commonwealth Statistician. Pp. 79. (By Authority: Albert J. Mullett, Government Printer, Melbourne.—London: Australia House, Strand, W.C. 2. 1s.) This booklet contains all the necessary statistical tables to bring the "Official Year Book of the Commonwealth of Australia, 1922," noticed in our issue of June 1, p. 479, well up to date in every department of the administration. The matter is set out with the usual editorial clearness and lucidity, making the pamphlet an indispensable appendage to the main work.

Practical Aspects of Electoral Reform: a Study of the General Election, 1922. By John H. Humphreys. (P. S. King and Son, Ltd., 1s.) This little book sets out some of the salient facts relating to the General Election of 1922. In addition it examines some of the problems created by modern political conditions. Of these perhaps the most important is the maintenance of Government where no party has a clear majority in the representative chamber. This is a problem which owing to the rise of new parties has to be faced in practically every democracy in the world, whether it uses a proportional or a majority system of election. Whilst there is a large measure of agreement that some change is necessary in electing the House of Commons, there is some doubt as to what the form should take. The choice would seem to lie between the alternative vote and proportional representation. Both these systems are examined. The book is a valuable contribution to the discussion of electoral reform which will probably take place before the next general election.

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	188.2				
Aug. 19	178.1	190.0	21	165.8		16	192.4	160.3			
Sept. 16	183.4	187.0	28	167.3		23	189.3				
Oct. 14	170.2	180.7	Aug. 4	168.1		30	188.9				
Nov. 18	154.5	172.8	11	165.9		Apr. 6	192.2				
Dec. 16	153.2	167.9	18	164.0	156.3	13	197.4	161.4			
Dec. 30	150.0		25	166.1		20	198.5				
1922			Sept. 1	163.4		27	202.9				
Jan. 6	148.1		8	160.4		May 4	198.7				
13	148.7		15	161.2	154.3	17	197.5				
20	144.0	164.0	22	158.6		18	198.1	159.0			
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		15	190.0				
24	149.7		27	165.9							

CHART ILLUSTRATING TABLE I.

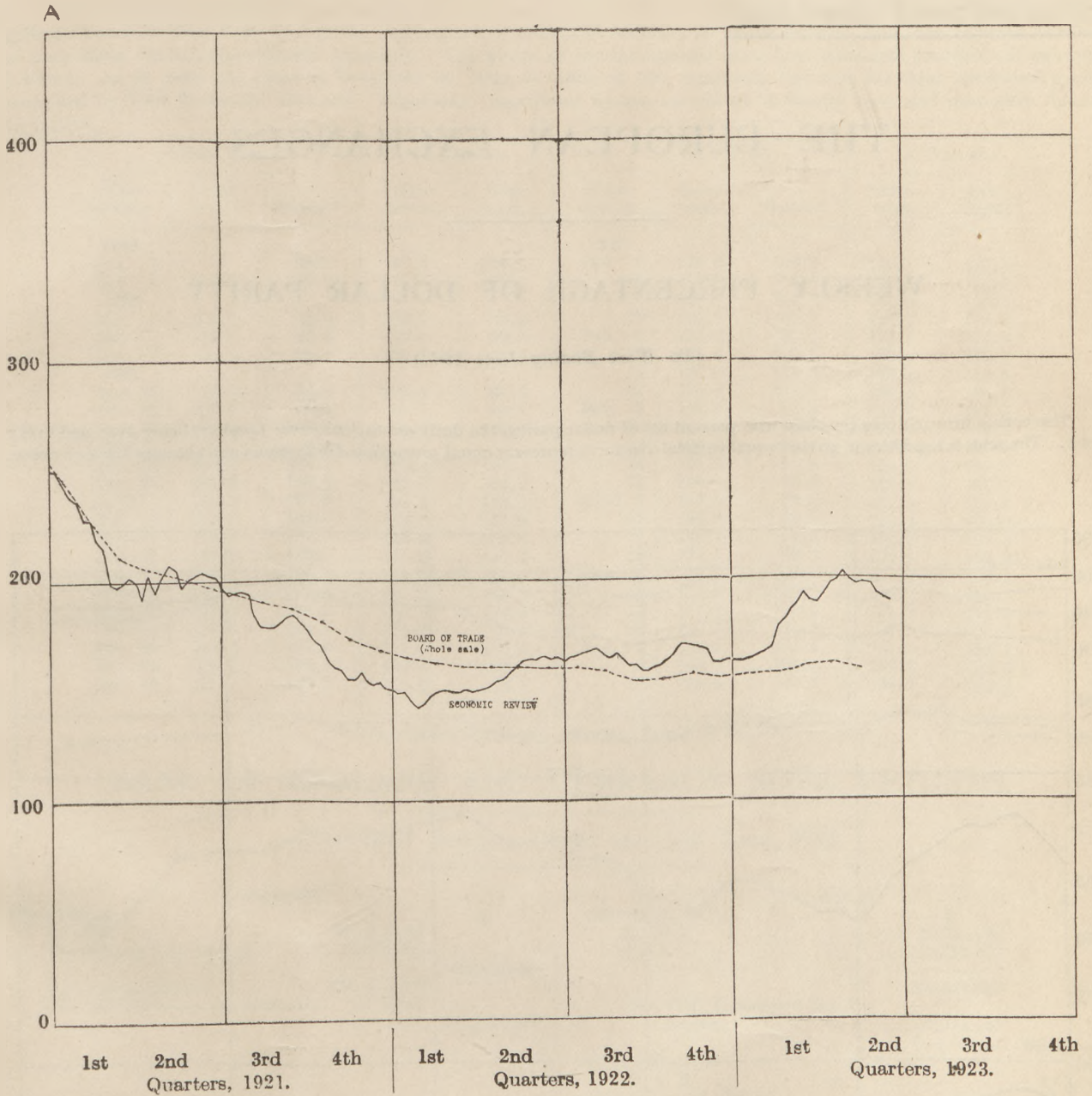


TABLE II.

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												1922.
Jan. 27 ...	90.6	90.5	92.4	108.8	85.3	100.0	82.6	101.1	94.4	96.1	94.18	... Jan. 27
Feb. 24 ...	101.4	85.3	94.3	136.9	90.0	106.7	76.8	106.4	104.4	94.1	99.77	... Feb. 24
Mar. 31 ...	94.3	84.2	93.4	126.3	90.3	106.7	87.0	116.2	97.1	103.8	99.93	... Mar. 31
Apr. 28 ...	92.9	89.4	89.6	149.1	87.9	106.7	78.3	113.5	115.8	107.7	103.09	... Apr. 28
May 26 ...	99.1	89.2	88.7	155.3	101.1	115.6	89.9	123.8	118.4	107.7	108.88	... May 26
June 30 ...	92.9	90.4	81.1	152.6	111.7	111.1	91.3	117.7	114.4	119.2	108.24	... June 30
July 28 ...	92.9	94.5	97.2	157.9	110.1	111.1	97.1	119.0	116.5	119.2	111.55	... July 28
Sept. 1 ...	92.4	93.8	94.3	121.1	113.9	111.1	92.8	108.9	112.8	148.0	108.91	... Sept. 1
" 29 ...	94.3	95.2	92.9	135.1	105.9	117.8	96.4	82.8	104.0	134.6	105.90	... " 29
Nov. 3 ...	95.5	107.5	100.0	140.3	119.9	133.3	106.5	91.9	104.8	134.6	113.43	... Nov. 3
Dec. 1 ...	95.5	102.6	94.3	136.9	121.5	133.3	107.2	93.9	96.3	134.6	111.61	... Dec. 1
" 29 ...	89.4	106.7	91.5	138.6	126.0	120.0	93.5	90.4	89.7	138.5	108.43	... " 29
1923												1923
Jan. 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
Apr. 13 ...	113.2	131.2	131.1	179.9	133.1	124.4	97.1	91.7	88.2	226.0	131.59	... Apr. 13
May 18 ...	110.8	117.9	128.3	166.7	120.2	137.8	102.9	102.7	91.2	242.3	132.08	... May 18
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
" 15 ...	106.1	113.5	101.9	161.4	139.1	137.8	98.6	104.3	80.9	223.1	126.67	... " 15

*Revised Quotation.

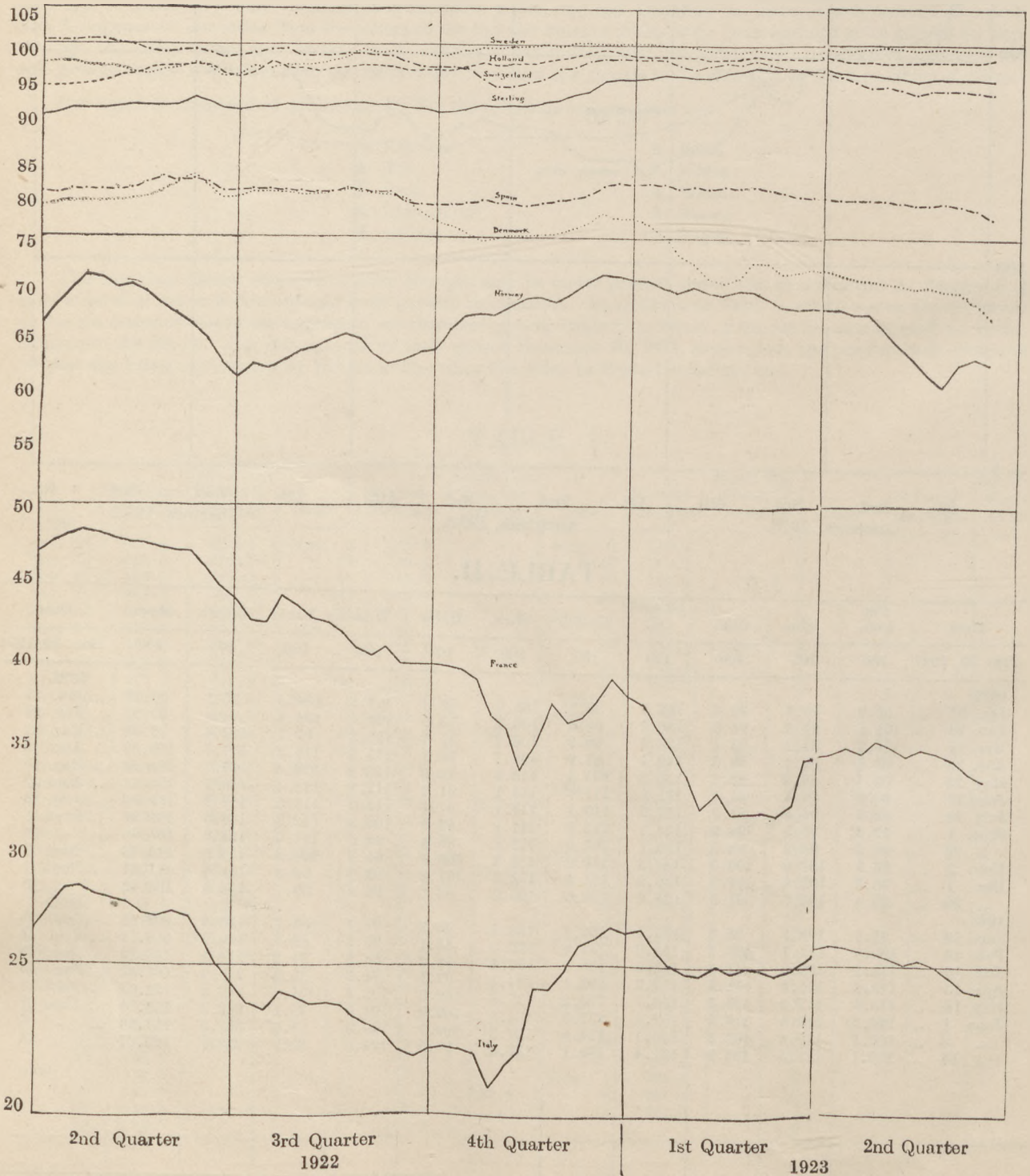
Statistical Section

THE EUROPEAN EXCHANGES

WEEKLY PERCENTAGE OF DOLLAR PARITY

(To Week Ending June 18th.)

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	128.1	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	16	116.8	100.7	129.7	122.8

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

BANK OF ENGLAND AND CURRENCY NOTE RETURNS.

Combined Balance Sheet for 14th June, 1923.

LIABILITIES.				ASSETS.			
Notes Issued.	£	£		Government Debt.	£	£	
B. of E.	145,456,865			B. of E.	11,015,100		
Less those in C.N. Reserve	22,450,000			C.N.	243,632,526		
		123,006,865				254,647,626	
C.N. outstanding	286,470,302			Less C.N. Investment Reserve			
C.N. called in but not yet cancelled	1,474,007			Account	12,316,147		242,331,479
		287,944,309					
				Other Securities.			
				B. of E.			8,734,900
				Gold Coin and Bullion.			
				B. of E.	125,706,865		
				C.N.	27,000,000		
				C.N. Balance at B. of E.	177,930		152,884,795
Ratio of Gold to Notes	37.2%						
.. Gold & Silver to Notes	38.9%			Silver Coin			7,000,000
		410,951,174					410,951,174

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 14	123.0	287.9	411.0	152.9	37.2	38.9

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