

# THE ECONOMIC REVIEW

A REVIEW OF THE FOREIGN PRESS.

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

Vol. X. No. 5.

August 1, 1924.

Price 1s. Weekly

*Editorial Offices :*

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

Telephone : Gerrard 1396.

*Subscription Rates (Post free, home or abroad)*

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

*The Publisher will be glad to send specimen copies, free of charge, to any address.*

## “COAL AND POWER.” AN ANALYSIS.

As the fogs and mists of controversy clear it must gradually dawn upon every thoughtful mind that any superstructure of civilisation based upon industrialism must contain inherently the fundamental elements of discord. If this truth is not discoverable in the difficulties of access to essential raw materials, it will manifest itself in a destructive disagreeableness in the conditions of necessary labour. Trouble arises because the utilities of a commodity, no less than the culture of a civilisation, tend to obscure themselves in an abysmal darkness which, upon penetration, proves itself to be not only the underworld, but the habitation of the underdog. We live in an age which is growing more and more desperately conscious of these facts. Not simply because of the emergence of political democracy, nor of the rise of the Labour and Socialist parties, but because of the intrusion of ideas of morality into our conception of the universal scheme of things, which ideas, in their turn, find men and women, both Liberal and Conservative alike, seeking not merely new mines for old, but new values for old throughout the whole realm of human activities. We would not be among those critics of the ex-Prime Minister who deny a progressive ethical content to his economics or to his politics. We feel it is a pity that a veil of anonymity hangs over the authorship of the Report entitled “Coal and Power,” and also around other members of the enquiry presided over by Mr. Lloyd George, but it is ridiculous to dismiss this embodiment of the conclusions reached by them as a mere incident in the ephemeral literature of political or party propaganda. In truth it is a party effort, but by what canon of political criticism is the Liberal party not to adumbrate a scheme of proposals and propagate them as an overdue solution of a pressing national problem? It is unfortunate if political intercourse only results in the birth of a compromise, but nothing else is presentable or adoptable in the prevailing welter of economic and industrial confusion. The sentiments governing the members of this enquiry in seeking their conclusions, if their Report be sincere, were akin in tone to those expressed at the commencement of this article, inasmuch as they are able to hope that their recommendations may be eventually “the means of repairing the evils

which resulted from the earlier phases of the industrial revolution, and of laying the material foundations of a clearer, a better, and a more wholesome civilisation.” Feel how one may, the old order is changing. If you doubt it, or doubt the necessity for change, read “Coal and Power” again. Then meditate. In retrospect it is Coal and Steam, in prospect it is the development of Electrical Power. On the one hand, if wealth and commercial supremacy, it was no less a century of misery for millions; on the other hand, we have a vision of centuries of incalculable yet-to-be. In comparison with the United States and other European countries, we are behind in our development of electrical power. Belatedly we have reached a crucial turning-point in the industrial history of England. The vital question we have to decide is, are the economic theories of the past worthily or suitably applicable to the New Era? This economic issue so raised by “Coal and Power” is thrust by it on to the battle-ground of politics, and Mr. Lloyd George and his lieutenants are busily engaged consolidating the advantages which accrue to a successful preliminary skirmish. It was essentially a surprise attack, and if nothing so comprehensive was in existence to meet it, signs are by no means wanting to indicate activity in camps dominated by hostile and critical views. In the coal industry itself both the miners and mine-owners have openly declared their dissatisfaction with the proposals set forward. The royalty-owner, much in the limelight because he is doomed to be compensated out of his parasitic interest, is an object of pity and protection to a strong conservative feeling. The middleman, colliery agent, merchant, dealer, or factor, multiply him and call him what one may, is on the hot bricks of discomfort, fearing too close a scrutiny into relative prices at the pit-head and at the point of consumption; or else he is fearing an increase in the growth of municipal or co-operative experiment in distribution. In fact, “Coal and Power” has challenged the entire coal industry, which, within itself, was well divided between those with a loathing to depart from the *status quo*, and those with a similar loathing for anything short of complete nationalisation. It is easy, therefore, to see the origin of many of the difficulties which will confront a compromise such



as this enquiry's proposals. If the component parts of the coal industry persist in an attitude of aloof rigidity one can only foresee a road to disaster. Dismissing socialisation or nationalisation as well as capitalist trustification of the mines as impracticable, and in the long run uneconomical, "Coal and Power" sets forward its proposals for reforming the coal-mining industry with a clarity which is both rare and refreshing. Summarised shortly, they include the purchase of all minerals and royalties by the State; the creation of a body to be known as the Royalty Commissioners; it will administer the nation's mineral estate, facilitate the amalgamation of existing mines, encourage the development of better and new mines, and insist upon housing and village accommodation for miners as a condition attached to a mining lease held under the Crown. In regard to the self-governance of the industry, the Report is equally as experimental in its suggestions. Executive functions it would retain in the hands of those at present exercising them, but it would make statutory provision for miners and mine-owners to meet in consultation upon problems and disputes should they arise. They would meet on equal terms in (1) Pit Committees, (2) District Boards, (3) the National Mining Council. The latter body is to be empowered to criticise the policy pursued by the Royalty Commissioners and will possess the right of appealing to the Minister of Mines to override decisions. Moreover, on behalf of the miners, the National Mining Council is to administer a Housing and

Welfare Fund consisting of the present levy of one penny per ton, amounting roughly to £1,000,000 yearly, and a ten per cent. deduction from the purchase price of royalties, estimated at a capital sum of about £7,000,000. Other recommendations there are concerning not merely the improvement of the miner's status and lot in society, but a complete reorganisation of the industry's interior economy. Enough has been indicated above to illustrate how far the proposals contained in this Report have gone to meet demands which have issued from a more revolutionary basis. Only time can reveal its acceptableness to all of the parties concerned. If we are conscious of a twinge of scepticism in ourselves as to the ultimate result it is because this whole problem of the coal-mining industry, together with any scheme for the development of electrical power, must be thrown into the cockpit of party politics in order to fight out a satisfactory solution. There the odds are against either sound economics or considered judgments, so largely has it become a sphere devoted to the task of manipulating and exploiting the non-rational nature of electoral opinion. "Coal and Power" in the photographs of mining village sordidness which it exhibits, is not free from such an attempt to curry favour, regrettable we think because it will only compel its most formidable opponents to dip into the reservoir of hog-wash from which the pages of the industrial history of England can be so seductively written.

## ECONOMIC SURVEY

### AUSTRIA

#### FINANCE

##### THE JULY ESTIMATES.

The General Commissioner of the League of Nations has issued the following communication in respect of the estimates for July (the Budget is now drawn up monthly): The figures of the provisional estimate for July 1924 as agreed between the Austrian Government and the Commissioner of the League of Nations are as follows: expenditure, 758 milliard paper kronen (52.6 million gold); revenue, 657 milliard paper kronen (45.6 million gold), which leaves a deficit of 101 milliard paper kronen (7 million gold) to be met out of the proceeds of the League of Nations loan. (*Wirtschaftliche Nachrichten.*)

##### THE FINANCIAL SITUATION.

The financial situation at the end of the second week in July is summarised by *Wirtschaftliche Nachrichten*, the joint organ of the Vienna Chamber of Commerce, the Foreign Trade Department of the Austrian Chambers of Commerce, the Vienna Fair Committee, and the Vienna Bankers' Association, in the following terms.

At the monthly meeting of the Austrian National Bank held on July 7, the question of a further increase of the bank rate was discussed owing to the excessive amount of bills deposited with the Bank for discount, the amount of which during the first week of the month had increased by 110 milliard kronen. It was not decided to raise the rate for the time being, but the prospect of doing so in the near future was contemplated. This measure was strongly advocated by the Bank's foreign counsellor, Dr. Anton van Gyn. Formerly the increase of the discount rate up to the end of June was more or less customary, but relief was generally experienced towards the end of July by fresh receipts, and it

was only at the end of August or the beginning of September that another rise in the rate became imperative. This relief, although somewhat belated, may yet be experienced this year. The latest reported amount of discounted bills, 3½ milliard paper kronen or 225 million gold kronen, is not excessive as compared with the discount figures of the Austro-Hungarian Bank in pre-war times, amounting to over a milliard gold kronen. The report of the National Bank of July 7 shows the metal reserve of the issue bank, which had declined for some weeks, had again risen, having increased by 5½ milliards during the last week, while the note circulation had fallen by 11 milliards, but on the other hand the liabilities to be met immediately had increased by 203 milliards, so that liabilities and note circulation amounting to 8.7 billion kronen is covered by a reserve of 3.35 billion, or 38 per cent.; if the note circulation alone is taken the cover is 43 per cent. The debt of the Federal Government to the National Bank declines week by week, and somewhat more rapidly of late owing to the fact that the gain in coin accruing to the Government from the coining of the new "schilling" and other coins is employed solely in the settlement of the Government's debt to the Bank.

After a not inconsiderable rally on the Bourse early in the month business again became flat towards the middle. Prices sagged almost imperceptibly; on the other hand a decided tendency to economise on the part of the public was made manifest. On this account the savings banks raised the rate of interest to 9 per cent. on July 12, following the example of the other banks, which raised it to that amount on sums payable on demand and to 12 per cent. on three months deposits. The latest returns relating to savings deposits show appreciable increases, the increase for April being 7.6 per cent., that for May 7 per cent., while the June increase can have fallen very little short of the latter figure.

Foreigners have in the meanwhile convinced them-



selves that the absurd rumours of the shortage of money in the banks and industrial undertakings had no foundation, in fact, and that these financial institutions are as sound as ever. This circumstance has somewhat damped the zest for manufacturing reports, and created an atmosphere of tranquillity and reflection, which would have been welcome a month earlier. The amount of ready money remains the same, as does the money rate, so that the anticipated raising of the discount rate has had little or no effect upon contango rates.

CAPITAL ISSUES.

During the second quarter of 1924, 46 joint stock companies were floated, with an aggregate capital of 87,970 million kronen. The following figures show the number of companies floated in some of the leading branches of industry, with their aggregate capital in each branch (in millions of kronen): Iron and steel (4) 4,100; electricity (3) 23,650 (including the Vorarlberger Landes Elektricitäts A. G. at Bregenz, with 21,600); engineering (4) 6,600; commercial (4) 6,400; brick-making (3) 5,500; paper (2) 1,400; motors (1) 2,000; mining (1) 2,000. Existing companies increased their capital during this period by some 36,303 million kronen, including 2 banks, which raised 4,950 million kronen.

At the close of the period company foundation appears to have slackened appreciably. From the beginning of the year up to June 15, 98 joint stock companies, apart from banks, were floated with an aggregate capital of 102,340 million kronen, whereas the succeeding month witnessed the flotation of only 11 companies, with a capital of 27,600 million kronen. (*Wirtschaftliche Nachrichten, Neue Freie Presse.*)

TRADE

FOREIGN TRADE RETURNS.

Austria's foreign trade is gradually, if slowly, improving. The following table shows the returns for each of the first five months of the year.

	Import.	Export.	Balance.
January ... ..	164.2	72.5	— 91.7
February ... ..	164.2	72.5	— 91.7
March ... ..	172.2	88.2	— 84
April ... ..	182.2	101.5	— 80.7
May ... ..	183.6	108.6	— 75
The five months ...	866.4	443.3	—423.1

As the official returns give the figures for January and February together, the above figures are arrived at by striking the average. (*Wirtschaftliche Nachrichten.*)

COMPETITION IN THE IRON TRADE.

The Austrian iron and steel trade has since the waning of the Ruhr crisis declined much more rapidly than that of Czecho-Slovakia, in fact, the latter has, on the markets of the Succession States, that is those composing the old Austro-Hungarian Empire, gained a complete victory over her Austrian competitor. The following table shows the average export each month of iron products by the two countries (a) to all countries, (b) to the Succession States during 1923 and the first quarter of 1924 as compared with 1922 (in 1,000 tons):—

Monthly average.	(a)		(b)	
	Czecho-Slovakia.	Austria.	Czecho-Slovakia.	Austria.
1922 ... ..	16	20	10	12
1923, 1st quarter ...	33	26	14	14
„ 2nd „ ... ..	55	27	14	9
„ 3rd „ ... ..	57	36	8	11
„ 4th „ ... ..	43	27	16	12
1924, 1st quarter ...	35	16	17	10
Compared with 1922 ...	+ 19	— 4	+ 7	— 2

The increase of Czecho-Slovakia's exports and the decline of those of Austria quarter by quarter may be judged from the above table. The principal markets for both countries before the Ruhr crisis were in the new or Succession States, which took more than half their iron exports. The success of Czecho-Slovakia in

this field appears from the following figures, which show the difference in the monthly average of the export of iron products by Czecho-Slovakia and Austria respectively to each individual country between Jan. 1, 1923 and March 31, 1924, as compared with the monthly average for 1922 (in 1,000 tons): exports to; Hungary, Czecho-Slovakia, + 0.6; Austria, — 1.7; Poland, Czecho-Slovakia, — 0.4; Austria, — 0.3; Yugo-Slavia, Czecho-Slovakia, + 0.3, Austria, + 0.6; Rumania, Czecho-Slovakia, + 4.3, Austria, — 0.2; Czecho-Slovakia's export to Austria, + 1.9, Austria's export to Czecho-Slovakia, — 0.6; Czecho-Slovakia's iron exports to Germany are + 7, while Austria's are — 3. It is, however, well to consider what markets the iron products of each of these rivals find at home. The Austrian industry being much smaller, enjoys this advantage, that it can more easily be satisfied with a home market in which it is protected by a tariff wall. Of late this market has been a very good one, absorbing during the first quarter of 1924 an average of some 40,000 tons per month, much higher than in 1922. On the other hand, the protected home market is much too restricted to provide compensation for the loss caused by the Ruhr settlement to the much more highly productive Czecho-Slovak industry, which must in consequence find outlets in the Danube countries at all costs. This is perhaps the best explanation of the revulsion of the Danube markets in favour of Czecho-Slovakia to the detriment of Austria.

Austria is also beginning to feel the results of altered conditions in the Ruhr in the form of renewed competition on the part of Germany. The reduction of German coal prices by 20 per cent., the prospect of reduced rates on the German railways, and the measures being taken by the German Government to support the iron and steel industries of Western Germany in their efforts to increase exports point to a revival of their enterprise in Central Europe. Already in the early months of the current year, Austria's imports of German coal, iron and machinery have appreciably increased. Prospects for the extension of German iron and steel exports are the more favourable in that the Czech industry is engaged in supplying the home market and the output of the Polish industry is, owing to the crisis through which it is passing, momentarily at a standstill. It is worthy of note that in the first quarter of 1924 Austria imported from Germany a greater quantity of mineral fuel than during the whole of 1923. (*Neue Freie Presse.*)

SOCIAL AND LABOUR CONDITIONS

COST OF LIVING.

The wholesale index number for June was 6 per cent. lower than in May. There was a drop in both food-stuffs and manufactured products.

This decline in the index number of wholesale prices naturally affects the retail index number which during the period June 15 to July 14 records a drop of only a slight one. If no change is shown in the index of clothing and dwelling, food prices have dropped 0.67 per cent., lighting and heating 0.11 per cent., making a decline in the general index of 0.42 per cent. Up to the middle of June an increase of 2 per cent. as compared with the previous period was recorded. (*Wirtschaftliche Nachrichten.*)

UNEMPLOYMENT, EMIGRATION, AND TRADE UNION MEMBERSHIP.

At the beginning of June the number of workmen in receipt of relief throughout the country was 68,475, of whom 37,651 belonged to Vienna. These figures show a decline as compared with the beginning of May of 17 per cent. for Austria and 11 per cent. for Vienna. A further marked decrease occurred during June. The principal decreases are shown in the metal, hotel and hairdressing industries, and in unskilled labour. The extensive road and building works now being under-



taken in Vienna account for the increase of employment of unskilled labour and workers in the metal trades.

According to the emigration office returns the number of overseas emigrants in June was only 94, and during the first half of the year 1,058 as against 7,843 in the first half of 1923, a decline largely attributable to the restriction of immigration into the United States.

The report of the Austrian Labour Commission shows that on Dec. 31, 1923, the number of members belonging to 47 trade unions and 8 local labour associations was 896,703 as against 1,049,949, distributed among 49 general and 14 local associations at the end of 1922. Thus the falling off of the number of union workmen and employees amounts to 14.59 per cent. In Vienna the number of members of trade unions declined from 509,229 at the end of 1922 to 454,625 at the end of 1923. (*Wirtschaftliche Nachrichten.*)

## CZECHO-SLOVAKIA

### FINANCE

#### THE BANKS IN 1923.

The year 1923, writes Dr. J. Hrase in the *Gazette de Prague*, opened inauspiciously for the Czecho-Slovak banks. Three banks of fairly good standing, including the Bohemia Bank, which has a branch in Paris, were compelled to suspend payment. Their difficulties were caused by economic circumstances common to all banking centres, especially the rapid and unexpected changes in the position of industry and the fluctuations of the exchange. Energetic measures adopted after these failures, for the protection of small depositors, soon restored public confidence in the banks. Other banks of old standing and solidly established survived the year without undergoing the least crisis, and even consolidated their position by developing their relations with foreign countries. The following survey deals with the leading banks endowed with a capital of 100 million kronen and upwards which are: the Bank of Industry and Agriculture of Bohemia (210 millions); Zivnostenska Banka (200 millions); Discount Bank of Bohemia (200 millions); Union Bank of Bohemia (200 millions); Bank of Agriculture and Industry of Moravia (120 millions); and the Bank of Credit of Prague. The Anglo-Czecho-Slovak Bank (120 millions) has not yet published its balance-sheet. The banks reduced in 1923 their liquid assets and deemed advisable after the crisis of 1922 to increase their bill discounting business, drafts and securities. The discount department of the Zivnostenska Banka and of the Discount Bank show a considerable increase. Certain banks reduced the credits granted by them by 10 per cent., others adopted even more stringent measures. The banks in general rendered their assets more readily realisable by reducing their advances to industry and by exacting payment of the debts due to them from manufacturers. The deposits slightly increased during the year, a proof of the continuance of the spirit of public thrift and of the public confidence in the banks. Never before the war were the amounts entrusted to the banks on current and deposit accounts so high in relation to their capital as they are to-day, with the result that some banks are inclined to increase their capital. In 1923 two of the banks under review increased their capital by 50 million and a third, the Union Bank of Bohemia, by 40 millions. The reserve funds were also generally increased during the year. The share capital in 1922 amounted to 6.7 per cent. of the capital entrusted to the banks and in 1923 to 6.1 per cent. The reserve funds amounted to 63 per cent. of the share capital in 1922 and to 66 per cent. in 1923. The business of the banks not having diminished, they were unable to reduce their expenditure on staff and material. On the other hand, considerable profits were made on the sale of securities purchased the previous year at cheaper rates. This goes to swell the aggregate profits which rose from 95 to 121 million kronen. This increase in gross profits is counterbalanced by taxes, general and

local, which showed a rise of 30 per cent. as compared with the previous year. For this reason dividend remained practically unchanged, and thanks to this steadiness the shares of the leading banks are as much in request as securities with fixed interest and their quotations are far from showing the same violent fluctuations as those of industrial shares.

This general and somewhat superficial survey is supplemented by the following more detailed statement of the position of the Prague banks in the same year by Dr. Friedrich Weil in the *Neue Freie Presse*. During 1923 every branch of industry without exception was involved in difficulties to which a number of sound undertakings succumbed. No disaster was suffered by any Prague bank (the failures referred to by Dr. Hrase presumably occurred in the provinces), but the situation of the Czeska Bank was very critical for a time, and the Builders' Bank was also in difficulties for some months, but both were saved by assistance from the Ministry of Finance. There is an undoubted tendency in Prague unostentatiously to eliminate unsound banks founded during and since the war. The following table shows (a) the share capital, (b) the amounts at which the accounts were balanced at the end of 1923, (c) gross profits, (d) net profits, (e) percentage of net profits to share capital, (f) percentage of dividend of the leading Prague banks (the first four in millions of kronen):—

	(a)	(b)	(c)	(d)	(e)	(f)
Zivnostenska Banka ...	200	4,907	362.8	47.83	23.92	14
Discount Bank of Bohemia	200	4,036.7	190.3	35.93	17.97	14
Union Bank of Bohemia...	160	3,110.7	218.9	32.73	20.45	14
Bank of Industry and Agriculture of Bohemia ...	210	2,854.7	193.4	25.2	12.00	8
Prague Credit Bank ...	100	2,009.2	144.5	25.25	25.25	14
Bank of Commerce and Industry ...	80	1,735.8	85.7	15.92	19.60	10
General Bohemian Associated Bank ...	75	1,003.9	87.6	9.66	12.88	8
Commercial Bank of Bohemia ...	75	1,014.4	84.7	13.94	18.58	7
Czech Agrarian Bank ...	60	1,073.3	76.7	6.09	10.15	4
German Agrarian Bank	32	533.2	51.21	2.27	7.09	5

The Union Bank of Bohemia and the Discount Bank of Bohemia, the two great German banks, whose business is largely industrial, both suffered loss through their industrial customers, many of which have not yet been recovered. All banks without exception adopted during the period of inflation a mistaken credit policy. The indebtedness of industry to the banks is enormous, and weighs with special severity on German undertakings against which the Banking Office's policy of withholding credit is chiefly directed. By these methods the Banking Office pursues a national policy, of which German banks and German industry are equally the victims.

If the extent of business can be gauged by the balances shown by the balance-sheets the Zivnostenska Banka again takes first place. During the year it took up, so to speak, a defensive position and managed its property acquired during the boom period which succeeded the revolution with considerable skill. Persistent rumours are afloat as to coming changes in the management of this bank, and Dr. Hodac, the secretary of the Czech Industrial Association, is cited as a favourite candidate for an important post on the administration. The Zivnostenska Banka set the example to the other banks of beginning to reduce gross and net profits, which in 1922 had reached their maximum. If credence is to be placed in its report, this bank must do a very moderate business on the Bourse, so unconvincing are its figures in this respect, but it is so certain of its position that in drawing up its balance sheet it can afford to disregard the feelings of the public. On the other hand, abroad it leaves no stone unturned to maintain its reputation acquired through the false assumption on the part of many foreign banks of being a State bank. Formerly this bank alone conducted credit operations abroad on behalf of the Czech Government. It has now been deprived of this function by the Banking Office of the Ministry of Finance. By a tacit agreement between



the Zivnostenska Banka, the Discount Bank of Bohemia, and the Union Bank of Bohemia their dividends this year have been maintained at an equal figure, the same as last year's, a circumstance which has caused the other banks also to keep up last year's dividends which otherwise they would probably have reduced. Banks outside Prague are more or less local institutions, although two Brunn banks, the Discount Bank of Moravia, and the Agrarian Bank of Moravia stand out prominently among them.

During the current year the Prague banks are pessimistic, although there is a considerable difference between the pessimism of Prague and that of Vienna. The industrial crisis in Czecho-Slovakia is not so acute as in the neighbouring States, but the latter reacts effectively and directly upon business and consequently upon banking in Czecho-Slovakia.

## TRADE

### EXHIBITIONS AND FAIRS.

The fourth fair at Bratislava (Czecho-Slovakia's connecting link with the Black Sea and Near East, whence the fair is often described as the Oriental fair) will be held from August 23 to September 2. Its chief sections will represent the following industries: building, electrical engineering, mechanical engineering, metallurgy, wood and furniture, leather, clothing, office furniture, popular art, fancy and sporting goods, toys, chemicals, glass jewelry, provisions, musical instruments. Special exhibitions will also be organised by the Czecho-Slovak Government and private bodies. The postal exhibition will be provided with a wireless station.

Visitors to the fair will profit by a reduction of 33 per cent. in the rates and fares on the railways of Czecho-Slovakia and some other countries; for instance, Yugo-Slavia has agreed to a reduction of 50 per cent. on fares and rates for passengers and goods proceeding to the fair. The usual import and export facilities will be granted, and a Customs Office and Office of Import and Export in the fair itself will be at the disposal of the public. (*Exportateur Français.*)

For the ninth Samples Fair to be held at Prague from Sept. 21 to 28 next, the Yugo-Slav railways are granting a reduction of both passenger fares and freights to the extent of 50 per cent. The Rumanian railways are granting a 50 per cent. reduction of fares, the passenger paying the full outward fare for his ticket which is then available for the return journey without further charge. Czecho-Slovak railways grant a 33 per cent. reduction.

A deputation of 30 representing the Municipality of Copenhagen will visit the Fair. Special deputations will also attend from France, Germany, Italy, Holland, Mexico, Columbia and other countries. (*Central European Observer.*)

## INDUSTRY

### CONDITIONS IN VARIOUS INDUSTRIES.

A report on the prevailing situation in the textile trade which appears in the *Národní Listy* states that the favourable conditions in the cotton yarn market continue. All the spinning mills are at work, the majority indeed doing overtime. Stocks on hand are not very large, and in view of the stringency on the money market most of the mills are working on a cash basis. The export trade is satisfactory, sales to England and Holland maintaining their level while those to the Baltic States, Rumania and Yugo-Slavia show improvement. Sales to Germany on the other hand have declined and manufacturers also find it difficult to get in outstanding accounts from that country. In other branches of the trade there is no deterioration, the weaving and printing mills having steady work, while prices on the whole are well maintained.

In the hardware trade, says the *Central European Observer*, the factories turning out enamel goods are profiting by Germany's inability to compete and are working on full time. Considerable export business is being done with America, England, France and the

Far East. Employment in the iron trade is unsatisfactory, both inland and export orders having recently fallen off, the latter largely in consequence of the trade stagnation in the Succession and Balkan States. The hosiery trade has of late made a rapid recovery and business is very brisk. A large export trade is being done with markets which were formerly the monopoly of the German hosiery trade. In leather the home trade is fairly satisfactory and the boot and shoe factories are well employed. Export trade is slack, the Polish and Hungarian markets being practically closed against Czecho-Slovak products.

According to *Carpathia*, the organ of the timber trade, prices in the inland market are maintained, and the demand for various categories of timber is such that a satisfactory autumn business may be looked forward to. Orders from France and Holland are unacceptable owing to the low prices offered. With England some business is being done despite the strike in the building trade.

The situation in the musical instrument trade in the north of Bohemia which employs about 60,000 hands has of late, says the *Bohemia*, considerably improved, and the industry is regaining its old markets.

## FRANCE

### FINANCE

#### REVENUE RETURNS.

The taxes collected in June under the general Budget estimates amount to Fr.2,122,133,400, of which Fr.120,959,500 are derived from exceptional sources, including the special war profits tax of Fr.76,202,300. This leaves Fr.201,173,900 as the proceeds of ordinary permanent taxation for the month, representing an increase of Fr.536,604,200 as compared with June 1923. The increase for the first six months of the year amounts to Fr.2,544,267,000. The yield from the main sources of revenue from indirect taxation for June and the first six months of the year is as follows (in millions of francs): indirect taxes and monopolies for June, 1,464.1, an increase of 188.5 as compared with June 1923 and of 35.6 as compared with estimates and for the first six months of the year, 9,314.3, an increase of 1,785.6 on the first half of 1923 and of 1,013.9 on the second half; turnover tax for June, 321, an increase of 79.5 on June 1923 and of 179 on the estimates and 1,905.4 for the first six months of the year, an increase of 526.1 (38 per cent.) on the first six months of 1923, of 268.8 (16 per cent.) on the second half, and of 413 on estimates; duties on the registration of the transfer of property, stamps on stock exchange transactions, tax on income from securities, luxury tax on sales between private persons not being traders, in all, for June, 493.6, an increase of 48.1 on estimates and of 88.8 on June 1923, this increase being largely attributable to the tax on income from securities; Customs, including duties on mineral oil, spices, paraffin, petrol, benzoline,

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Issued and Paid-up Capital	- - - - -	£15,592,372
Reserve Fund	- - - - -	£8,250,000
Deposits (30th June, 1924)	- - - - -	£295,698,105

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**EXECUTORSHIPS and TRUSTEESHIPS  
UNDERTAKEN.**



sugar and salt, for June, 220.6, being below estimates, but 1 per cent. above the yield for June 1923; indirect local taxes, including duties on articles of consumption levied by the Excise jointly with the Customs, 427.6 for June, an increase of 17.7 on June 1923 and a decline of 11.5 on estimates, due chiefly to the falling off of duties on wine and spirits; Post Office (not included in the above), 109.5 for June, being 3.7 below estimates and 14.6 below the receipts for June 1923.

The total revenue collected by the Treasury month by month during the first six months of the year is shown below (in millions of francs):—

January ... ..	2,296.0
February ... ..	1,980.3
March ... ..	2,110.6
April ... ..	2,399.7
May ... ..	1,968.6
June ... ..	2,122.1
	12,877.4

To the total for the six months, direct taxes contribute Fr.2,372 mill., indirect taxes and monopolies Fr.9,314.3 mill., Domain lands Fr.73 mill.

M. Maurice Kellersohn, commenting on the above returns in the *Information Financière*, considers them to be of supreme importance as an indication of the country's financial future. At first sight, he writes, the figures appear more satisfactory than those for May, 2,122 mill. as against 1,968 mill., being nearly equal to the monthly average of 2,231 for the period from October to April, a result the more remarkable in that the exceptional revenue is represented only by Fr.120.9 mill. as against Fr.267.9 mill. for May, leaving a sum of Fr.2,001 mill. in respect of ordinary revenue as against Fr.1,700 mill. for May. From these results revenue appears to be stable. The increase of some Fr.300 mill. from one month to the other may be attributed almost entirely to the increased yield from direct taxation, which has risen from Fr.272.2 to Fr.523.4 mill., an increase of Fr.251.1 mill. The share in the total increase contributed by indirect taxes, monopolies and Domain lands is insignificant, being only Fr.49.3 mill. It is not open to doubt that the improved yield from direct taxation is to be ascribed mainly to the recovery of arrears prior to 1924, under the threat of charging interest on the amount in arrear for the benefit of the Treasury. There we have a cause of increase, not to be underestimated indeed, but somewhat exceptional. The really significant figures from the point of view of the relation between the Treasury receipts and the business activity of the country are those of the indirect taxes and monopolies, which show but a very slight increase. The important point to note is that hitherto the imposition of the surtax at the end of March has not produced any appreciable increase in the yield from those taxes which appeared most likely to respond to it. If, therefore, the yield from these tax sources of revenue has not improved, although the tax has been raised by a fifth, it means that they have declined in quantity and value. In other words business has not recovered from the blow which it received in the form of the too hasty restoration of the value of the currency in March and April. It will be noted that the slight improvement in the yield from indirect taxes corresponds exactly to the recovery of the foreign exchanges. The July returns will benefit by the numerous quarterly taxes falling due for collection. But the monthly yield should show an increase of at least 20 per cent. on the average yield from October to March, that is to say, before the application of the surtax.

## INDUSTRY

### THE SUPREME COUNCIL OF COMMERCE AND INDUSTRY.

M. Loucheur, the Minister of Commerce and Industry in M. Poincaré's reconstructed Government, had prepared a scheme for the appointment of a Supreme Council of Commerce and Industry, which has now been completed by the present Government and published in the form of a Ministerial Decree by M. Loucheur's successor, M. Raynaldy, the substance of which is as follows:—

(Clause 1 does not appear in the original French.) 2. A Supreme Council of Commerce and Industry is appointed at the Ministry of that name, the functions of which are to consider and advise on all questions affecting commerce and industry submitted to it by the Minister, and to hold with his authority enquiries affecting commerce and industry; the Council shall meet at least once every three months. 3. The Council shall be composed of the following persons: the Presidents of the commissions of commerce and of the Customs of the Chamber and Senate, and the reporters on trade to the Finance Commissions of both these bodies; fifteen Presidents of local Chambers of Commerce and of local Economic Associations; the President of the Banque Nationale du Commerce Extérieur; the President of the Chamber of Commerce of the Seine (Paris); a representative of the National Committee of Foreign Trade Councillors; a representative of the General Confederation of Production; a representative of the General Confederation of Labour; a representative of the French Committee of Exhibitions; a representative of the National Association of Economic Expansion; a representative of the Association of Industry and Agriculture; a representative of the Republican Committee of Commerce, Industry and Agriculture; a representative of the Committee of the Association of Traders, Commission Agents and Foreign Trade; two representatives of popular banks; fifty-six economists and persons engaged in commerce and industry. 4. Members are appointed for a term of two years by an order of the Minister, and may, on good reasons being shown, be represented by a substitute. 5. The directors of the Central Administration and the chief of the Cabinet of the Minister of Commerce shall be *ex officio* members of the Council. 6. Power to the Minister to appoint one or more vice-presidents to preside in his absence over the general meetings of the Council. 7. Power to the Minister to divide the Council into three sections, commerce, industry and economic organisation, each of which shall be competent to deal with all questions submitted to it by the Minister, the full Council or the permanent committee referred to below. 8. The chairmen of and reporters to the various committees attached to the Ministry, and other specified officials, may be heard by the Council on questions within their province, and shall have a right to vote on such questions. 9. A permanent committee consisting of the presidents of the sections, two representatives of each section chosen by the Minister, and the *ex officio* members of the Council shall represent the Council in its relations with the Minister. (*Journée Industrielle.*)

### THE COTTON INDUSTRY IN 1923.

The number of spindles and looms at present employed in the French cotton industry may be distributed among the various branches of the industry as follows: spinning, 9,605,000 spindles, 1,225,000 winding spindles, 182,000 power looms, and 25,000 hand looms, from which must be deducted 225,000 spindles, 12,000 winding spindles, and 6,000 power looms destroyed during the war and not replaced by the end of 1923. The output in 1923 reached some 22,000 metric tons of cotton yarns and 11,200,000 lengths of fabric of 100 metres. American raw cotton used in the mills shows a decline in favour of cotton of other origin. In 1912-13 the French mills consumed 306,000 bales of American cotton or 79.8 per cent., 95,000 bales (9.4 per cent.) of Indian cotton, 80,000 bales (7.9 per cent.) of Egyptian, and 29,000 bales (2.8 per cent.) of other cotton. In 1920-21 with a reduced total consumption by the French mills, that of American cotton had fallen to 583,000 bales, but in the following year the consumption of American cotton had definitely declined in relation to that of other cottons, the proportions being: American 77.2 per cent., Indian 11.5 per cent., Egyptian 7.1 per cent., other varieties 4.1 per cent. In the last cotton season, 1922-23, the decline had become still more marked, the figures being: American cotton 790,000



bales (67 per cent.), Indian 107,000 (14.5 per cent.), Egyptian 93,000 (7.3 per cent.), other varieties 126,000 (10.7 per cent.). Finally, at the beginning of the current year, the high American prices had caused manufacturers to seek their raw material elsewhere.

At the present time the industry employs 200,000 hands, and if labour conditions in 1923 were favourable it is by no means certain that the current year will pass off without incident, although, thanks to the increased use of machinery, the daily output per workman was maintained at the same level as before the war. The employers in general are opposed to the eight-hour day. A shortage of labour, due to the war and lack of apprenticeship, will have to be reckoned with, especially in the north. To the labour crisis must be added the housing crisis, which has compelled employers to build houses for their workmen at heavy cost, which they let to them very cheaply, sometimes at a rent of Fr.2.50 per room a month. In the Roubaix-Tourcoing district the rate of wages per hour was as follows on April 1 last: workmen Fr.1.9, weavers Fr.2.5. (*Ibid.*)

### SOCIAL AND LABOUR CONDITIONS

#### COST OF LIVING.

The Ministry of Labour has just published the following index numbers of wholesale prices compiled by the Statistique Générale de la France. The index numbers are based on prices ruling at the end of each of the months given, those for June being provisional, the others amended (July 1914 = 100):—

	Articles.	June.	May.	April.
General Index ...	(45)	474	468	459
<i>Foodstuffs.</i>				
Total ...	(20)	426	425	423
Vegetable foods ...	(8)	417	423	392
Animal foods ...	(8)	406	401	424
Sugar, coffee, cocoa ...	(4)	492	488	491
<i>Industrial Material.</i>				
Total ...	(25)	517	506	492
Minerals and metal ...	(7)	456	440	431
Textiles ...	(6)	650	653	594
Various ...	(12)	474	456	467

(*Journée Industrielle.*)

## GERMANY

### POLITICAL AND GENERAL

#### THE FINANCIAL TREATY WITH CHINA.

The treaty between Germany and China, which was signed on June 7, is the result of long and difficult negotiations and marks the final restoration of peace between the two countries. The agreement settles the questions of Chinese war claims and of confiscated German property. The claims of German nationals in respect of private property liquidated in China are relinquished in part settlement of payments due from Germany in Chinese railway bonds, and the German Government itself undertakes the compensation of its nationals. Any remaining German private property in its possession is released by the Chinese Government. The latter resumes the service of Chinese State loans issued in Germany. This will be done by payment of interest coupons on the reorganisation loan which fall due on or after July 7, 1924, whilst coupons and lottery bonds on the three railway loans due before Oct. 1, 1924, are to be gradually paid off to the extent of one year's arrears in each year. All coupons and lottery bonds payable after Oct. 1, 1924, will be met as they fall due. A second important section of the agreement relates to the Deutsch-Asiatische Bank. In August 1917 the Chinese branch of this bank was closed and put in liquidation. The Chinese Government now restores to the bank its property and buildings in Peking and Hankau together with its account-books which were confiscated. It compensates the bank for the portion of its assets already liquidated (the exact amount has still to be determined) and reinstates the bank in all its

former rights including the right of issue. The order prohibiting the bank from paying out to its depositors is rescinded as from Oct. 1, 1924. (*Deutsche Uebersee Zeitung.*)

### FINANCE

#### THE STOCK EXCHANGE IN THE FIRST HALF OF 1924.

The current year began with a distinct upward tendency in the price of shares. The rapid fall of the mark had brought an extraordinary glut of funds into the share market; nevertheless at the end of the inflationary period prices remained considerably below their pre-war level, particularly in respect of the manufacturing industries and of trade and commerce. The following table shows the movements of the share index (in gold; 1913, 100):—

	Mining and heavy industries.	Manufacturing industries.	Trade and Commerce.	Total.
1923 ...	25.92	17.42	5.90	16.15
1924				
January ...	45.74	44.21	15.77	35.76
February ...	48.93	47.57	17.53	38.64
March ...	39.91	39.04	14.02	31.48
April ...	29.50	28.87	10.46	23.33
May ...	25.96	24.32	9.36	20.18
June ...	23.06	19.93	8.86	17.50

The stabilisation of the mark, just as in Austria, opened the way towards a restoration of the price level, and the most noticeable rise was in industry and commerce, where the index for January was 56.5 per cent. above that for the preceding month. In February, however, the advance stopped, and a heavy and protracted decline set in which is still going on. There are a number of reasons contributory to this movement. In the first place, the intrinsic gold value of the share was very problematical. The stabilisation crisis showed at its commencement that the value of individual undertakings could not be fully represented by real assets alone, but that the latter were themselves to some extent conditional upon the possibilities of production, of the market and of eventual profits. Moreover, it was seen that, even though buildings and machinery might have been actually improved, there were nevertheless considerable losses in working capital. All this was bound to raise doubts as to whether the price level reached in January was after all justified by the intrinsic gold value of the undertakings. The resultant decline in demand was further aggravated by the falling away of that large body of commercial buyers who, during the inflationary period, had regarded the share investment not so much from the point of view of profit, but rather as means of insurance against loss, but who with the return of currency stability preferred short term lending. In addition, with rare exceptions, the foreign purchaser of German industrial shares disappeared. But the most important cause of the decline in prices was the shortage of credit consequent upon stabilisation, which necessitated the conversion of securities into liquid funds and produced something of a glut in an already falling market. This explains why in March and April, when the Reichsbank policy was one of easy credit, the fall in the prices of shares was considerably greater than in the two following months, when the restriction of credit by the Reichsbank aggravated the shortage; for the volume of reserves held in the form of shares by industry and commerce naturally became exhausted as the process of realisation advanced. In consequence of this disturbing factor, moreover, the prices of all three classes of shares fell at about the same rate during March and April, whereas in May and June, when economic influences again came into play, considerable variations in the rate of fall became noticeable. In the latter two months, and especially in June, the heaviest fall was in the shares of manufacturing industry, whilst in trade and commerce the rate of decline slowed down considerably. The following table shows the monthly rise or fall in the share index:—



1924.	Mining and heavy industries.	Manufacturing industries.	Trade and Commerce.	Total.
January ...	+15.66	+39.35	+56.52	+32.97
February ...	+6.97	+7.59	+11.15	+8.06
March ...	-18.42	-17.92	-20.01	-18.53
April ...	-26.10	-26.07	-25.37	-25.90
May ...	-11.99	-15.74	-10.52	-13.50
June ...	-11.16	-18.05	-5.35	-13.28

(Wirtschaft und Statistik.)

## TRADE

## FOREIGN TRADE RETURNS.

The Reich Statistical Office published for the first time in the May number of the *Monatliche Nachrichten über den auswärtigen Handel Deutschlands* a general survey of the value of the foreign trade with the various countries. The survey covers the first quarter of the current year. In order to draw a comparison with 1913 it is necessary to deduct the trade with the areas which have since been excluded from the German Customs frontiers. The value of this in millions of gold marks was as follows:—

	Imports.	Exports.
Alsace-Lorraine ...	87.9	2.1
Saar District ...	16.9	12.5
Danzig ...	7.5	17.4
Memel ...	4.3	3.0
West Poland ...	22.7	4.9
Polish Upper Silesia ...	47.3	26.7
Luxemburg ...	7.4	1.7
Total ...	194.0	68.3

There is thus a heavy adverse balance of trade with these areas, and additional account must be taken of the fact that the returns of imports over the western frontier are by no means complete. Deducting these figures, the comparative imports and exports (in millions of gold marks) are as follows:—

	Jan. to March, 1924.	Quarterly average, 1913.
Imports ...	1,793.9	2,801.7
Exports ...	1,285.5	2,549.5
Excess of imports ...	508.4	252.2

The following table shows the comparative volume of foreign trade with the countries of Europe (in millions of gold marks):—

Country.	Imports.		Exports.	
	Jan.-March, 1924.	Quarterly average, 1913.	Jan.-March, 1924.	Quarterly average, 1913.
Great Britain ...	179.8	219.0	113.0	359.6
Czecho-Slovakia ...	100.6	206.8	78.7	276.2
Austria ...	28.7		77.1	
Hungary ...	8.7	356.2	17.7	220.0
Jugo-Slavia ...	7.6		8.0	
North Russia ...	6.4	220.0	14.6	220.0
South Russia ...	24.7		0.3	
East Poland ...	12.4	220.0	26.7	220.0
Estonia ...	2.9		8.4	
Latvia ...	5.2	220.0	14.9	220.0
Lithuania ...	5.3		9.8	
France (excluding Alsace-Lorraine)	36.6	146.0	15.6	197.5
Belgium ...	24.6	86.2	21.2	137.8
Netherlands ...	83.3	83.3	134.4	173.4
Switzerland ...	64.8	53.3	72.7	134.0
Italy ...	67.8	79.4	49.1	98.4
Finland ...	5.2	11.3	19.0	24.4
Sweden ...	14.3	56.0	58.0	57.4
Norway ...	19.5	20.5	32.4	40.4
Denmark ...	64.2	47.9	67.1	70.9
Spain ...	25.7	49.7	20.4	35.8
Portugal ...	5.4	6.3	6.7	13.0
Rumania ...	15.9	19.9	21.4	35.0
Bulgaria ...	6.7	2.2	6.1	7.6
Serbia ...	1.5	2.6	1.1	4.9
Greece ...	16.7	6.5	7.3	6.1
Turkey ...	12.8	18.5	9.8	24.6
Total Europe ...	847.4	1,472.3	912.3	1,919.3

The figures for France and Belgium are too low owing to incomplete returns. The deficiency cannot, however, exceed Mk.100 to 150 mill., or about 5 to 8 per cent. of the total trade. On the other hand, present values are on an average about 20 to 25 per cent. above pre-war, and the above figures for the current year appear

to that extent more favourable than they really are. It will be seen that, while exports to Britain are only about one-quarter of pre-war, the imports are practically three-quarters. There is a marked fall both of imports and exports in the case of Russia and the Succession States. The decline of German export trade with Europe is accounted for mainly by Great Britain and Russia.

The following table shows the trade with countries outside Europe (in millions of gold marks):—

Country.	Imports.		Exports.	
	Jan.-March, 1924.	Quarterly average, 1913.	Jan.-March, 1924.	Quarterly average, 1913.
<b>America—</b>				
United States ...	406.2	427.8	95.6	178.3
Cuba ...	0.4	3.3	5.8	8.5
Argentina ...	107.3	123.6	44.4	66.5
Brazil ...	26.4	62.0	21.8	50.0
Chile ...	4.1	50.0	13.7	24.5
Uruguay ...	8.6	10.8	4.9	9.0
Other countries	25.2	71.1	27.5	49.8
Total America ...	578.2	748.6	213.7	386.6
<b>Asia—</b>				
British India ...	82.8	135.4	33.8	37.7
Ceylon ...	4.9	10.5	0.5	1.3
Dutch Indies ...	60.4	56.9	16.3	24.6
China ...	28.3	32.5	30.6	30.7
Japan ...	1.6	11.6	38.6	30.7
Other countries	6.4	15.4	6.5	12.0
Total Asia ...	184.4	262.3	126.3	137.0
<b>Africa—</b>				
Egypt ...	18.3	29.6	9.4	10.8
British S. Africa	49.6	17.4	8.4	11.7
British S. West Africa ...	23.2	33.6	3.0	4.2
Former African Colonies ...	1.1	10.6	1.1	13.0
Other countries	10.7	33.0	5.8	13.0
Total Africa ...	102.9	124.2	27.7	52.7
Australia ...	80.9	81.9	4.4	25.9

Having regard to present values, exports to the United States have fallen by about half; trade with the Argentine continues to be comparatively good. Noteworthy is the increased export to Japan, accompanied by an enormously diminished import from that country. There is a striking decrease of trade with the former German African Colonies and of exports to Australia, though imports from that quarter are well maintained. (*Deutsche Allgemeine Zeitung.*)

## CONSUMPTION AND EXPORT OF COAL IN 1923.

The Reich Coal Council has recently issued its report for 1923, which includes a statistical survey of the coal output of the whole world. The following statistics relating to Germany are extracted by the *Deutsche Allgemeine Zeitung*. Assuming the value of imported Bohemian lignite to be two-thirds and that of German lignite to be two-ninths of hard coal, the consumption of coal in Germany before and since the war is as follows:

	Output.	Import.	Export.*	Consumption.
	(In thousands of tons.)			
1913 ...	209,494	16,260	46,065	179,689
1919 ...	128,554	1,315	8,507	121,362
1920 ...	156,213	1,908	23,951	134,170
1921 ...	163,550	2,784	27,286	139,048
1922 ...	160,426	15,503	25,325	150,604
1923 ...	88,502	26,703	9,693	105,512

\* Including deliveries to the Entente.

Thus the output of Germany in 1923 as compared with 1913 has fallen by about 60 per cent., and the consumption by about 40 per cent. The following is a detailed comparison of exports in 1913 and 1923:—

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.



1913.

Country.	Hard coal and briquettes.	Coke.	Lignite.	Lignite briquettes.
France ...	3,556,695	2,376,507	—	64,075
Belgium ...	6,167,289	936,515	—	103,720
Italy ...	1,027,178	183,488	—	—
Austria-Hungary ...	12,293,111	1,051,341	49,527	116,756
Holland ...	7,522,313	285,223	10,133	282,225
Switzerland ...	2,290,854	363,611	—	210,587
Russia ...	2,111,757	546,191	—	—
Denmark ...	316,339	52,337	—	—
Sweden ...	184,707	208,107	—	—
Other countries	1,420,767	429,666	685	83,772
<b>Total ...</b>	<b>36,901,010</b>	<b>6,432,986</b>	<b>60,345</b>	<b>861,135</b>

1923.

Country.	Hard coal and briquettes.	Coke.	Lignite.	Lignite briquettes.
France, Belgium and Italy ...	4,158,799	2,451,398	—	198,873
Austria ...	28,161	31,477	—	13,430
Hungary ...	150	150	—	—
Poland ...	60,849	76,576	101	2,845
Danzig ...	—	—	323	12,575
Memel ...	—	—	20	3,056
Holland ...	1,228,487	107,897	—	101,346
Switzerland ...	42,216	60,328	—	177,316
Russia ...	—	—	—	—
Czecho-Slovakia ...	96,475	34,248	7,918	130
Denmark ...	20	—	—	14,935
Sweden ...	—	—	—	—
Saar District ...	12,701	19,073	—	1,915
Other countries	405	—	20	6,375
<b>Total ...</b>	<b>5,628,263</b>	<b>2,781,147</b>	<b>8,382</b>	<b>532,796</b>

Nearly four-fifths of the total export of hard coal and coke in 1923 went to the Entente countries, and as far as the world market is concerned Germany has almost disappeared.

## HOLLAND

### POLITICAL AND GENERAL

#### THE NEW TARIFF BILL.

The opposition to the Tariff Act Amendment Bill is apparently not confined to the parties of the Left in the Second Chamber, and the confidence begot of the ease with which the Government carried their proposal to go into Committee on the Bill has become somewhat less assured. A revolt against the measure has now manifested itself among the Christian Historicals, with M. Lovink as its leader, and the *Gazette de Hollande* anticipates that, notwithstanding the strong line taken by the *Nederlander*, the official organ of the party, in support of the Bill, M. Lovink may be able to detach a section sufficiently strong in combination with the Left to ensure the rejection of the measure. The only objection raised by the *Nederlander* is to the Government proposal to abolish the 5 per cent. *ad valorem* duty on a number of articles, a list of which is appended. The industries affected by this proposal and a few Catholic newspapers also object to the removal of this duty, and although the Government might be prepared to meet these objections, in spite of the fact that this step would hardly be in keeping with the principle of the Bill, any such concession would only stiffen the opposition of the Left and would fail to conciliate M. Lovink and his friends. The fate of the Bill and of the Government, therefore, is rather uncertain. On the other hand, there may be a general feeling of reluctance on the part of the Second Chamber to precipitate a fresh Cabinet crisis only six months before the general election is due to take place. With the exception of the Socialists and Communists and the few State servants who are not yet Socialists, adds the *Gazette de Hollande*, general confidence is felt in the work of M. Colyn, whose task as Minister of Finance is the most difficult and important. In this he is admirably seconded by his colleagues in the Cabinet. For Dr. de Visser, Minister of Education, and M. Aalberse, Minister of Labour, this support entails a considerable sacrifice, as it means

the breaking down of what they have personally built up; but they are actuated by the conviction that the State expenditure must be reduced at all costs if the economic recovery of Holland is to be made possible.

The following is the list of articles, now mostly subject to a 5 per cent. *ad valorem* duty, which, if the amending Bill is passed, will be allowed free entry:—

- Glazed and burnt bricks and tiles.
- Fireproof bricks for slow combustion stoves.
- Tubes (also of dried cement), sinks and kerbstones.
- Pans, stone bottles, pots and other vessels over 12 kg.
- Ammunition containing gunpowder, gun-cotton, etc. (except cartridges and percussion caps).
- Tinplate goods (tubes, tins, mountings for cardboard boxes and tiles).
- Other tinplate ware (except toys).
- Sealing wax or lacquer not in tablets.
- Ovens for household use equipped with heating apparatus, stationary accumulators over 10 kg. excepted.
- Apples, pears, grapes, plums and fresh apricots and dates.
- Wainwrights' work.
- Live game.
- Presses, etc., not exclusively for mechanical power (not intended for factory equipment).
- Utensils, with a few exceptions, which as a rule are the property of the employer.
- Plaster casts, with a few exceptions.
- Glassware—(a) Pans over 12 kg. made entirely of glass; (b) glass bottles, in basket or otherwise, with a neck-width of 8 cm. or less, weighing over 5 kg.
- Rubber strips for wheel tyres and billiard tables.
- Divers' suits.
- Gold and silver foil in books.
- Curled, crimped or otherwise prepared hair.
- Curled fibre hair for furniture.
- Divers' helmets, smoke and other masks to protect the face, etc., whilst working or rendering assistance.
- So-called *Baculageube* for ceilings.
- Pavement blocks.
- Handles for brushes, etc.
- Boxes, tin boxes, etc. (not earthenware or cork), over 12 kg. in weight.
- Wood for parquet flooring.
- Windows, doors, sills.
- Xyloolith.
- Strips of leather for binding or sewing.
- Leather strings.
- Leather linings for caps and hats.
- Toes, heels, etc., of shoes for use in shoemaking.
- Anvils.
- Iron girders united to form bridges or other constructions and with several holes.
- Switches and frogs, hookbolts, etc.
- Bicycle and other tubes.
- Parts for the construction of buildings and materials for finishing buildings.
- Telegraph apparatus, indicators.
- Monometers, voltmeters and ampere meters, transformers, controllers, etc.
- Consumption meters for gas or water weighing over 50 kg., and for electricity weighing over 25 kg.
- Worked ivory, except statuettes, personal ornaments and buttons.
- Brass faucets.
- Gilt tacks, staircase rods.
- Organ pipes.

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## FINANCE

### THE ROTTERDAMSCH BANKVEREENIGING.

For months past, says the *Haagsche Post*, a number of financial papers have conducted a regular campaign against the Rotterdamsche Bankvereeniging, but for over a year it has been known in *haute finance* circles both at home and abroad that the Directors of the Bank had decided, with the approval of the Government, to counter this organised attack by disclosing its real position to the Bank of the Netherlands, and that the latter, after a thorough examination of the situation, had through its President, Dr. Vissering, declared its readiness whenever necessary to co-operate with the Rotterdamsche Bankvereeniging "in maintaining its liquidity." This statement, says our contemporary, ought fully to have reassured the public mind, meaning as it does that the available assets of the Bank are ample to meet its obligations and that in the event of a run on the Bank the Bank of the Netherlands would come to its aid and provide any ready cash that a sudden panic might make necessary. Unfortunately the word "liquidity" was mistakenly read by at least one important Dutch paper as "liquidation," and this misinterpretation was quickly seized on by the enemies of the Rotterdamsche Bankvereeniging to bolster up their "campaign of lies and calumny." The action of the Bank of the Netherlands, however, did not prevent considerable offerings of Bankvereeniging shares on the Stock Exchange, and these were promptly taken up by a mysterious combine which, it is reasonable to suppose, may have been at the back of the campaign against the Rotterdamsche Bankvereeniging. Dr. Vissering, adds the *Gazette de Hollande*, has assured the Management of the Deutsche Reichsbank that the rumours that have recently been in circulation concerning the Rotterdam bank are absolutely without foundation. Like many other banks, it had of late years suffered heavy losses, but not so great or of such a nature as to justify any feelings of alarm. Moreover, any rumours to the effect that these losses were connected with transactions in French francs were absolute fabrications.

## TRADE

### FOREIGN TRADE RETURNS FOR JUNE.

The foreign trade returns for June compare very unfavourably with those for the previous month, for although the volume of imports is considerably larger their value is nearly Fl.30 mill. less, while exports are over 220,000 t. down in respect of volume and nearly Fl.25 mill. in value. The following tabular statement, in which the figures are exclusive of the trade in gold and silver specie and bullion, shows the position at a glance:—

	Imports.		Exports.	
	Tons.	Fl.	Tons.	Fl.
January ...	1,615,109	177,949,000	625,194	116,522,000
February ...	1,667,561	185,566,000	707,744	125,465,000
March ...	1,802,949	186,545,000	766,016	131,920,000
April ...	1,660,128	189,773,000	781,734	136,431,000
May ...	1,733,929	218,738,000	899,658	135,531,000
June ...	2,049,645	189,081,000	678,409	110,839,000

The adverse trade balance, moreover, is the largest recorded this year, amounting as it does to Fl.78,242,000 as against Fl.73,207,000 in May, Fl.53,342,000 in April, Fl.54,625,000 in March, Fl.60,101,000 in February, and Fl.61,427,000 in January.

The following table from *In- en Uitvoer* (July 23) gives

an analysis of the June returns according to the following categories of goods: (a) Live stock; (b) Foodstuffs for man and beast and beverages—(i) raw materials and semi-manufactured goods, (ii) manufactured goods; (c) Raw materials and semi-manufactured goods—(i) of animal origin, (ii) of vegetable origin, (iii) of mineral origin; (d) Manufactured goods; (e) Other goods; (f) Gold and silver specie and bullion:—

		Imports.		Exports.	
		Tons.	Fl. (1,000).	Tons.	Fl. (1,000).
(a)	...	577	310	1,580	1,114
(b)	i ...	238,172	37,498	65,871	22,347
	ii ...	73,016	14,180	71,233	32,289
(c)	i ...	10,245	7,148	3,267	2,014
	ii ...	215,969	35,879	24,283	8,651
	iii ...	1,199,298	26,886	402,030	7,107
(d)	...	309,355	66,878	108,934	37,125
(e)	...	3,013	302	1,210	193
		2,049,645	189,081	678,409	110,839
(f)	...	2	143	143	7,172
Total	...	2,049,647	189,224	678,553	118,011

Our contemporary, however, is not greatly concerned about the falling off in trade, which it points out is symptomatic of the summer months. Besides, June is a day shorter than May, it included five Sundays as against four, and also more feastsdays, which all tends to the limitation of business. The explanation of the reduced value of the imports in conjunction with a large increase in volume is satisfactory inasmuch as it is largely accounted for by a falling off in the import of manufactured goods to the value of Fl.30 mill.

The imports of coal, coke and briquettes in June aggregated 636,446 t. (as against 425,301 t. in May), of which Germany supplied 332,352 t. (as against 235,256 t.), Great Britain 269,330 t. (as against 168,739 t.) and Belgium 33,554 t. (as against 20,922 t.), while exports totalled 175,014 t. (as against 219,136 t. in May), of which 63,134 t. went to France (as against 86,343 t.), 68,965 t. to Belgium (as against 64,111 t.), 39,276 t. to Germany (as against 39,797 t.) and 12,569 t. to Switzerland (as against 13,649 t.), in addition to which 41,818 t. (as against 69,183 t.) were supplied to Dutch and 41,953 t. (as against 95,674 t.) to foreign shipping.

A survey of the returns for the half-year shows a total import trade of 10,526,649 t. of a value of Fl.1,147,436,000 as compared with 8,745,476 t. of a value of Fl.995,978,000 in the corresponding period of 1923, and a total export trade of 4,458,756 t. of a value of Fl.756,695,000 as compared with 3,820,832 t. of a value of Fl.592,061,000, which gives an adverse trade balance of Fl.390,741,000 as against Fl.403,917,000 last year. In 1922 the adverse trade balance was returned at Fl.412,585,000 and in 1921 at Fl.483,466,000.

## SOCIAL AND LABOUR CONDITIONS

### THE ANTI-PROHIBITION MOVEMENT.

The fifth annual conference of the International Federation of Anti-Prohibitionists, says the *Gazette de Hollande*, held in the Kurhaus at Scheveningen, was a great success. Austria, Belgium, Denmark, France, Great Britain, Holland, Sweden, Switzerland and seven other countries sent delegates. The proceedings under the chairmanship of the President, Comte Bertrand de Mun, lasted several days, and the meetings were addressed among others by Dr. Heineken, Chairman of the Dutch Committee; Dr. Marcus, of Stockholm; Dr. Bles; Dr. E. van Raalte, of The Hague; and M. Simon Maas, who all dwelt on the danger of excessive restriction of the liquor traffic as evidenced by the experience of various countries, and expressed their satisfaction at the failure of prohibition in every country where it had been put to the test. The following resolutions were unanimously adopted: (1) The fifth Conference of the International Federation of Anti-Prohibitionists records with satisfaction the popular feeling of revolt against the tyranny of Prohibition, a feeling that is steadily growing in all civilised countries owing largely to the deplorable effects which the working of Prohibi-



tionist measures has had from an economic, social and moral point of view. (2) The fifth Conference of the International Federation of Anti-Prohibitionists particularly draws the attention of the champions of individual liberty in all countries to the fact that prohibitionists, conscious of the utter failure of total prohibition, are now seeking to attain their ends by instalments. The first step is what they are pleased to call local option, a spurious appellation which in reality means local veto, while the second consists in separate and successive attacks on the interested parties, the producers and the traders, in order to divide them and so weaken their resistance. (3) The fifth Conference of the International Federation of Anti-Prohibitionists is of opinion (a) that Dr. Bratt's plan was well intended to oppose to the menace of total prohibition in Sweden a system which would allow of the moderate consumption of alcoholic liquors; but (b) that, on the other hand, the effect of this system now in force in Sweden is to create a monopoly which results in oppressive interference on the part of the State with the reasonable rights of producers, traders and consumers and infringes their liberty, the defence of which is one of the principal objects of the Federation. (4) The fifth Conference of the International Federation of Anti-Prohibitionists protests strongly against the unjustifiable attacks by total abstinensers on men of eminence and conviction who in the name of Science condemn Prohibition, and have openly pronounced in favour of the moderate consumption of alcoholic liquor in the interest and for the greater physical and moral good of mankind.

## HUNGARY FINANCE

### THE PROGRESS OF FINANCIAL REGENERATION.

Herr Philipp Weiss, President of the Ungarische Commercial Bank, in an interview with our special Budapest correspondent, has expressed the following views on Hungary's financial regeneration which is now being undertaken.

The new machinery devised for the purpose of financial reform is being zealously supervised by Dr. Popovics, President of the National Bank, Baron Koranyi, the Finance Minister, and the General Commissioner of the League of Nations. The latter knows that his measures for assistance are important, but also that their success depends in the first instance on good harvests. The prospects of this year's harvest, which has already begun, are fairly promising. When it is remembered what a stream of gold last year's harvest caused to flow into the country—and it is to be hoped that the present year's yield will not fall far short of it—the future may be contemplated with confidence.

Despite the improved financial situation the tone of the Bourse is dull. The Vienna market hampers the import of securities, since as soon as prices show an upward tendency in Budapest, bills come in from Vienna, which in view of the restricted capital on that market, immediately drive them down again. This however does not deter foreigners from interesting themselves in Hungarian securities. If large blocks of shares are not sold and new foreign issues absorbed to the same extent as in Austria, nevertheless since the stoppage of the note issue, orders for the purchase of first-class banking and industrial shares are given daily by sound financial houses for purposes of investment and not of speculation. At present all eyes are centred on the League of Nations loan, the participation in which by Czecho-Slovakia to the extent of £500,000, has made an excellent impression not only in financial, but also in political circles. At what figure the stabilisation of the krone will be fixed has not yet been determined. The measures adopted by the Foreign Exchange Department give grounds

for the belief that it will be stabilised on the basis of sterling and not of the dollar, as a recognition of the assistance received from Great Britain. Since, then the pound sterling stands at a discount of from 10 to 12 per cent. on dollar parity, the Hungarian krone will probably be stabilised at the same amount below the Austrian krone. Should, however, Hungary's financial situation improve and the gold reserve of the national bank increase, then obviously the rate of the krone will rise. At first the stabilisation of the krone will no doubt mean a stagnation of business for banks and industrial undertakings. The cessation of profits hitherto made solely on the fall of the krone must once more give rise to sound financial methods. Should the present harvest fulfil its promise, business stagnation will prove to be merely transitory. It is needless to say that this stagnation has been foreseen and every provision made to prevent serious disturbance. Credit for industry has become appreciably cheaper than it was some months back. Further relief will be afforded as soon as the banks are in a position, by means of staff reductions, to effect appreciable economy in working expenses.

It is noteworthy that those provided with import permits by the Foreign Exchange Department have for the last three weeks received in full the amount of foreign currencies applied for by them. Many importers are not taking up the amount of foreign currency offered to them, a convincing proof of the improved system. Formerly the distribution of foreign currencies was so slow and bad that importers had to apply for more than they required. This procedure has now ceased, as money is plentiful, especially as it cannot be invested on the dormant Bourse. The Government, too, in consequence of its covenant with the League of Nations to stop the note issue has been able to obtain enough money wherewith to discharge its debts. In this way some hundreds of milliards have been thrown into circulation and glutted the market, so that they cannot find investment. However, with the financing of the harvest, which requires several milliards, this aspect of the financial situation will be changed.

### THE LEAGUE OF NATIONS LOAN.

In Hungary itself 12 million gold kronen have been subscribed to the loan, of which about 7 million were taken up by the banks and the rest by industrial firms. This subscription takes the form of the conversion of a corresponding amount of the preliminary advance of 19 million Swiss francs. The share subscribed in London amounts to exactly £7,902,700 nominal value, most of which is taken up by the Rothschild-Baring syndicate. New York's share taken up by the firm of Edward Speyer and the Transatlantic Trust company amounts to 7.5 million dollars. Italy's share amounts to 170 million lire, Switzerland's to 30 million francs (Swiss), Holland's to 5 million gulden and Sweden's to 3,780,000 Swedish kronor. A Czecho-Slovak banking combine with the Bank of Industry and Agriculture at its head has taken up 10 million gold kronen. The issue price is on the average 88 per cent. and the interest works out at 7½ per cent. The loan is redeemable by 1944, but can be redeemed on notice by the Hungarian Government at the expiration of 10 years.

The State revenues pledged as security for the loan, the Customs, sugar duties and the salt and tobacco monopoly give a much higher yield than was estimated in the report of the Financial Committee of the League of Nations. This report estimated the average monthly yield at 2.8 million gold kronen during the first half of the financial year and 4.7 million during the second half, whereas according to an official communication the actual returns for the first ten months of the year ending May 31, 1924, show an average monthly yield of 6.1 million. During the first twenty days of June the revenue from these sources amounted to 8½ million gold kronen. The tobacco monopoly, which according to the League of Nations estimate should have contri-



buted 43.8 per cent. of the aggregate revenue from the above mentioned security during the second half of 1924, earned 2.8 million gold kronen in April and 5 million in the first twenty days of June as against the estimate by the League of Nations of an average monthly yield of 1½ million gold kronen for the first half and 2 millions for the second half of the financial year. (*Wirtschaftliche Nachrichten.*)

### THE NATIONAL BANK.

The first report of the newly constituted National Bank shows the following assets and liabilities (in paper kronen): *Assets.* Metal reserve, gold coined and in bullion, 246,947,122,278; foreign currencies, bills and securities admitted as gold reserve by clause 85 of the Articles of Association, 681,276,689,039; silver coined and in bullion, 9,822,656,924; making in all, 938,037,468,241; outstanding amounts due in respect of share capital, 214,436,535,840; discounted bills, warrants and securities, 1,192,510,837,931; loans on personal security, 17,566,032,500; debt due from the Government, 1,980,000,000,000; other assets, 3,390,489,966,924.

*Liabilities.* Share capital (30 million gold kronen), 449,673,986,180; note circulation, 2,893,718,891,802; deposits and other liabilities payable at sight, (a) to the State, 755,240,310,148, (b) others, 380,469,555,013, making together, 1,135,709,864,161; other liabilities, 3,253,914,099,313. (*Wirtschaftliche Nachrichten.*)

## TRADE

### FOREIGN TRADE RETURNS.

The value of Hungary's foreign trade was (in millions of gold kronen): April, Imports 60; exports 51.6; May, imports 58.7, exports 47.2; and the first five months of the year, imports 251.8, exports 206.4, an increase as compared with the corresponding period of last year of imports 32.8 and exports 72.4. The value of the chief items of foreign trade was (in millions of gold kronen):—

*Imports.*—Cotton fabrics, April 5.1, May 9; timber and woollen articles, April 6.4, May 5.1; woollen fabrics, April 3.5, May 4.7; machinery and plant, April 3, May 3.5; coal, April 4.4, May 3; cotton yarns and threads, April 3.3, May 2.5; woollen yarns, April 1.1, May 2; lard, April 1.1, May 1.7; prepared leather, April 2, May 5; paper and paper goods, April 1.7, May 1.2.

*Exports.*—Live stock, April 7.2, May 9.1; wheat and rye flour, April 7.1, May 9; rye, April 3.7, May 2.9; sugar, April 3.1, May 1.8; eggs, April 0.6, May 1.8; wheat, April 2.2, May 1.7; meat (fresh and preserved) and sausages, April 1.9, May 1.7; machinery and plant, April 3.4, May 1.7; raw tobacco, April 0.5, May 1.4; electrical machinery and plant, April 1.3, May 0.9. (*Wirtschaftliche Nachrichten.*)

### TRADE WITH GREAT BRITAIN IN 1923.

The value of British exports to Hungary fell in 1923 to 9 million gold kronen compared with 17 millions in 1922. At the same time Hungary's exports to England increased from 6 million gold kronen to nearly 12 millions. Textiles, iron and rubber were the main imports from England, while poultry formed 42 per cent. and sugar 25 per cent. of the Hungarian export to England. (*Central European Observer.*)

## NORWAY

### POLITICAL AND GENERAL

#### RESIGNATION OF THE GOVERNMENT.

The Budget forecast for the past financial year is now shown to have been based on far too sanguine expectations, and *Norsk Næringsliv* fears that the national balance-sheet will close with a deficit of from Kr.40 to 45 mill. The Premier, M. Berge, has already informed

the Storting that the revenue from State services like the Post Office and Railways will fall short of the estimate by some Kr.6 mill., while Excise duties will probably show a like shortage; telegraphs are Kr.3.2 mill. below the estimate, taxes about Kr.2 mill., and Customs, notwithstanding the "gold" duty, Kr.2.9 mill., making the aggregate shortage not less than Kr.20 mill. On the other hand, expenditure has exceeded the estimates by some Kr.20 to 25 mill., so that the total deficit for the year, as we have already said, will amount to between Kr.40 and 45 mill. As announced in the King's Speech at the opening of the Storting early in the year, the Government had decided to introduce a Bill for the repeal of the Prohibition Act, which had not only proved a lamentable failure from the point of view of temperance, but had also seriously prejudiced the country's trade relations with Spain and Portugal, and M. Berge anticipated that the abolition of this restrictive measure on trade would benefit the revenue to the extent of Kr.36 mill. The Odelsting, or Lower House, however, has now rejected the Government Bill by a majority of 14, chiefly on the ground that the Storting should not take it upon itself to reverse the established policy of the country without a direct appeal to the electorate. The Cabinet crisis which is bound to ensue in the event of the Lagting, or Upper House, confirming the vote of the Odelsting will probably result in the formation of a Radical Government under M. J. C. Mowinkel, who was Minister of Foreign Affairs in the Administration of M. Blehr, which resigned early in 1923. In the debate in the Lower House the Radical Opposition had no alternative proposal in order to make good the loss of Kr.36 mill. which its vote would entail, and the issue at the impending general election, three months hence, is likely to turn on a choice between repeal of Prohibition and increased taxation. That the Radical Party appreciate the disadvantageous position in which this will place them was shown by their anxiety during the debate to avoid a Cabinet crisis by their offer to co-operate with the Government for the purpose of finding some other means of raising revenue, in which case both sides of the House would have shared in the unpopularity of any additional burdens that in the circumstances might have been required.

Since the above was in type M. Berge has tendered the resignation of his Government and a new administration has been formed, as anticipated, by M. J. L. Nowinkel, who has reserved to himself, in addition to the Premiership, the Portfolio of Foreign Affairs. The other appointments are: M. A. Holmboe, Minister of Finance; M. L. Oftedal, Minister of Social Affairs; M. O. Mjelde, Minister of Labour; M. H. Five, Minister of Agriculture; M. Meling, Minister of Commerce, Navigation and Industry; M. Paalberg, Minister of Justice; M. Rolf, Minister of Defence; M. Jakobsen, Minister of Ecclesiastical Affairs; and M. Tvelten, Minister of Public Instruction.

## TRADE

### FOREIGN TRADE RETURNS.

The foreign trade returns for April show a falling off in both imports and exports as compared with March, and a large increase in the adverse balance of trade. Imports aggregated Kr.133.5 mill. as against Kr.140.7 mill. and exports Kr.61.8 mill. as against Kr.69.1 mill., the adverse trade balance amounting to Kr.71.6 mill. as against Kr.26.5 mill. The returns for May put the imports at Kr.140 mill. and the exports at Kr.69.1 mill., which gives an adverse trade balance of Kr.70.9 mill. The following table shows the value of the foreign trade (in millions of kroner) for the first five months of the year:—

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	Imports.	Exports.	Adverse balance.
January ... ..	100.0	69.4	30.6
February ... ..	104.9	78.4	26.5
March ... ..	140.7	69.1	71.6
April ... ..	133.5	61.8	71.7
May ... ..	140.0	69.1	70.9
Total ... ..	619.1	347.8	271.3

Imports of grain during this period, says *Farmand*, reached the high figure of Kr.71.7 mill. and raw and semi-manufactured minerals Kr.70.1 mill., while textiles are returned at Kr.62.9 mill., fats, oil, tar, rubber, etc., at Kr.51.6 mill. and ships, automobiles, machinery, etc., at Kr.49 mill. The following table gives the figures for the principal exports (in millions of kroner):—

	1924.	1923.	1922.
Fish and herring ...	63.6	38.0	36.9
Canned goods ...	27.3	12.2	11.3
Condensed milk ...	6.9	7.9	7.4
Timber ... ..	20.2	38.9	33.6
Pulp ... ..	41.8	68.5	56.9
Paper ... ..	27.4	47.2	42.2
Nitrate of lime ...	22.1	25.1	29.2
Metals in manufacture	33.8	15.2	11.3

It will be seen, adds our contemporary, that the increase in the export of fish and fish products counterbalances the decrease in that of timber and allied products. The improvement in the former is due to the better tone in the world's markets and to the abundant supplies of raw material from the fisheries on the northern and western coasts; while the loss on wood goods, pulp and paper is largely attributable to the closing down of the mills for over three months and to the dockers' strike in the leading ports. At the end of May these labour troubles were finally settled, and the mills all over the country are now working again at their full capacity, while the export of wood goods, pulp and paper is particularly brisk, at a time too when the usual summer deadlock is the one feature of the market.

There is no material change in the sulphite market, says *Affarsvärlden*, though the Continental papermakers are again coming into the market, but only for small quantities sufficient to cover immediate requirements. British papermakers have bought small parcels of easy bleaching sulphite, and there is an increasing demand for this grade, the Norwegian mills being fully occupied with shipments on account of running contracts and having only limited quantities available for delivery this year. The demand from the United States is practically unchanged, as many paper mills there are still reducing the output of their sulphite plants, finding it more advantageous to buy Scandinavian fibre at present low prices than to produce this grade themselves, and there is reason to believe that further important quantities will be required for this market in the course of the summer and autumn. There is, however, some uneasiness as the result of offers from Germany at somewhat reduced rates, but it is understood that these offers are dependent upon the development of the financial crisis in that country, which is compelling many industrial enterprises to dispose of their output for ready cash even at a loss. Anyhow the amount of German sulphite fibre brought into the market under such conditions is not great, and is readily taken up. The sulphate mills are pretty well sold out for this year, and only odd lots of sulphate fibre for prompt shipment are now coming into the market. With regard to mechanical wood pulp, the summer months are always a trying period for the mills, as the wet pulp is very liable to get damaged if stocked for any length of time; for this reason manufacturers prefer to sell off as quickly as possible any lots they may have on hand, even at reduced prices. The latest quotations give bleached sulphite at £18 10s. to £20, easy bleaching sulphite at £13 17s. 6d. to £14 10s., strong sulphite at £12 5s. to £13; easy bleaching sulphate at £13 15s. to £14 5s., kraft pulp at £12 10s. to £13; while mechanical wood pulp is being cleared at £4 2s. 6d. to £4 7s. 6d. per ton c.i.f., one lot of 20,000

tons of wet pulp having been contracted for in London at £4. There has been a brisk demand also for dry ground pulp from France and Spain, with firm quotations at Kr.125 per ton net f.o.b. Gothenburg and Kr.118 to 120 per ton f.o.b. Baltic ports.

NORWEGIAN INDUSTRIES FAIR 1924.

The fifth Norwegian Fair is to be held at Christiania during the week from August 31 to September 7. This institution has so far given very gratifying results, the four previous fairs having comprised an extensive range of exhibits representing practically every branch of industry and production throughout the country. Exhibitors have on each occasion done a good turnover, and have established new connections among both home and foreign buyers. The Fair has been attended by purchasers from nearly every European country, and also from many overseas centres. The Norwegian Industries Fair affords intending buyers an excellent opportunity to become acquainted with Norwegian products and manufactures of every description, and to get into close personal contact with Norwegian firms in every branch of trade. Christiania, the capital city, has excellent direct railway and steamship services to all the leading trading centres in Europe and overseas, and is thus easily reached by visitors from any part of the world.

FOREIGN BANK RATES.

	Per cent.		Per cent.
Amsterdam ... ..	5	Kovno ... ..	8
Athens ... ..	7½	Lisbon ... ..	9
Belfast ... ..	5	Madrid ... ..	5
Belgrade ... ..	6	Moscow ... ..	6
Berlin ... ..	9	New York ... ..	3½
Brussels ... ..	5½	Paris ... ..	6
Bucharest ... ..	6	Prague ... ..	6
Budapest ... ..	10	Reval ... ..	8
Christiania ... ..	7	Riga ... ..	8
Copenhagen ... ..	7	Rome ... ..	5½
Danzig ... ..	12	Sofia ... ..	7
Dublin ... ..	5	Stockholm ... ..	5½
Geneva ... ..	4	Vienna ... ..	12
Helsingfors ... ..	9	Warsaw ... ..	12

\* \* The Peasant Shop, with its offshoot in a fine old Georgian house in Great Russell Street, was started in 1914 in a slum, once part of a very fashionable quarter of eighteenth century London. Many a customer visiting it comments on its charm and fascination, for the setting of the old Queen Anne house, with the original Adam's fireplace and panelled walls, somewhat restored to its former elegance, adds to the joy and pleasing effect of the stock. You may buy not only peasant wares, including some brightly coloured plaited felt rugs and shoes made by an old woman of 76 who at one time lived in the house, but also the original work of artists and craftsmen. The atmosphere of harmony and simplicity over it all forces one to realise an added pleasure in visiting it.

\* \* In the course of a visit to Bisley last week our representative found in use there an eminently serviceable invention in the shape of Lt.-Col. E. St. J. Neale's Compact Camp Cooker and Carrier, equally adapted for domestic or open-air use. The contrivance is portable, will carry all necessary cooking and table utensils, and the single-oven make will cook an ample meal of joint, vegetables and sweet for ten persons at a minimal cost for fuel, the two-oven make for double that number. For small flats or bungalows, picnicing or camping parties, motoring tours or yachting cruises this cooker has been found to answer all the purposes claimed for it by the inventor, and as a result it has been adopted by the Admiralty, the Royal Air Force, the Territorial Army and the Australian Commonwealth Government. Moreover, it is on view and sale at the Army and Navy Stores.



## SPECIAL ARTICLES

### THE FINANCIAL SITUATION IN POLAND.

The suddenness of Poland's financial recovery during the first six months of the current year has been much commented upon in the Newspaper Press of this country. It is worth while to retrace the steps taken on the road to recovery and to ascertain the actual position.

The situation at the end of 1923 was critical in the extreme. The Polish mark continued to decline and all efforts directed towards balancing the Budget failed to attain their effect. The following table shows the losses of the Treasury on revenue caused by the decline in the value of currency during 1923 :—

	Revenue.	Estimated.	Realised.
		(In millions of Zlotys.)	
Direct taxes ... ..	...	281	63.6
Indirect taxes ... ..	...	167	92.1
Various taxes and duties ... ..	...	64	43.2
Customs ... ..	...	100	48.0
Monopolies ... ..	...	65	30.4
Other revenue ... ..	...	307	145.5

Total (exclusive of railways) ... 984 422.8

Including railways, the realised Budget for 1923 shows :—

	Zlotys.
Expenditure ... ..	1,109,400,000
Revenue ... ..	422,800,000
Deficit ... ..	786,600,000

As in former years this deficit was nearly covered with the help of the printing press, but this only served to accelerate the downward slide of the currency. The situation presented all the features of a vicious circle. It was impossible to stabilise the currency while the Budget remained unbalanced, and it was impossible to balance the Budget in the face of a continuous fall of the mark. The attempt at "valorisation" of taxes proved only partly successful, and at the end of January the Finance Minister, invested with dictatorial powers by Parliament, came to the conclusion that only the realisation of what seemed to be impossible of achievement without outside assistance, *i.e.* a simultaneous stabilisation of the mark and balancing of the Budget, with a change of monetary system to follow soon afterwards, could redeem the extremely critical situation.

By a Decree of Government the printing press was stopped on February 1 and Treasury borrowing from the temporary Bank of Issue thereupon ceased. This bold step caused the immediate stabilisation of the mark at the rate of P.M.1,800,000 = 1 zloty (the new monetary unit).

The new Bank of Issue, called the "Bank of Poland," has been established as a private Joint Stock Company with a capital of Zl.100,000,000 (£4,000,000 gold) divided into 1,000,000 shares of Zl.100 each. Subscriptions were opened during February and March and once more the forecast of the Finance Minister was amply justified. By March 31 private subscribers took up 99 per cent. of the shares, leaving to the Government only 1 per cent. instead of the 40 per cent. anticipated. On April 15 the Bank of Poland was formally organised and it began its functions on April 28. Exact data concerning the position of the Bank of Poland and the changes induced in the monetary system by the withdrawal of the mark and the introduction of the zloty will be given further on. Let us consider now the question of balancing the Budget.

As stated above, the year 1923 ended with a considerable deficit. January 1924 closed badly with a revenue of Zl.38,341,546 as against an expenditure of Zl.73,129,206. In February, however, and subsequent months the full effect of the stabilised currency made

itself felt. The Estimates for the whole of 1924 show the following figures (revised June 10, 1924) :—

Revenue ... ..	Zl.1,422,525,000
Expenditure ... ..	1,582,550,000
Deficit... ..	Zl.160,025,000

This deficit is more than covered by the extraordinary receipts of the Treasury, which include the following (in round figures) :—

	Zlotys.
Proceeds from liquidation of the State Loan Bank	97,000,000
" " internal loans	36,000,000
" " the note issue } Gold sold to the	55,000,000
" " reserve issue } Bank of Poland	22,000,000
Issue of coins (silver and nickel)	100,000,000
Italian Loan	50,000,000
Total ... ..	360,000,000

It will thus be seen that after the deficit has been covered a substantial balance of about Zl.90,000,000 will remain to the credit of the Treasury.

In conformity with the needs of the situation, the Finance Minister decided to resort to the method of monthly Budgets thus enabling him to keep close account of the progress of his reforms. In his speech on April 1 the Finance Minister declared that the balancing of the monthly Budgets had been assured for the whole of 1924. The following table giving the results for the first five months appears to support the Minister's claim :—

#### Monthly Budgets 1924.

	Revenue.	Expenditure.	Surplus or deficit.
January ... ..	38,341,546	73,129,206	— 34,787,760
February ... ..	80,760,892	90,215,923	— 9,455,031
March ... ..	122,766,001	114,838,417	+ 7,927,584
April ... ..	130,430,745	119,403,687	+ 11,027,058
May (Estimates) ... ..	133,504,127	133,455,279	+ 48,848
June ... ..	149,530,264	148,233,918	+ 1,296,346

The satisfactory nature of the financial improvement indicated above can be further shown by figures giving the actual increase in the yield of taxation during the first six months of 1924 :—

#### Revenue from Taxation (in thousands of Zlotys).

	Jan.	Feb.	March.	April.	May.*	June.*
Direct taxes ... ..	7,758	35,262	59,133	50,291	47,510	43,500
Indirect " ... ..	8,303	11,690	15,335	16,950	15,515	15,000
Customs ... ..	5,358	7,969	13,058	21,137	13,000	11,000
Other taxes, stamp duties, etc. ... ..	2,538	3,916	5,945	6,022	6,000	7,000
Export duty ... ..	634	397	2,020	3,311	800	800
Monopolies ... ..	3,500	4,227	8,235	10,617	11,108	11,100

\* Estimated.

A further analysis of revenue still more clearly indicates a steady improvement, for, excluding the Property Tax, which will be dealt with later on, the monthly progress under the various headings can be stated as follows :—

#### Collection of taxes and imposts, January to May.

Direct taxes : January, Zl.5,969,529 ; February, Zl.7,304,771 ; March, Zl.12,636,426 ; April, Zl.32,313,111 ; May, Zl.29,643,235.

Indirect taxes : January, Zl.8,303,499 ; February, Zl.11,690,764 ; March, Zl.15,335,743 ; April, Zl.16,950,457 ; May, Zl.15,880,215.

Customs : January, Zl.5,358,848 ; February, Zl.7,969,848 ; March, Zl.13,058,175 ; April, Zl.21,137,899 ; May, Zl.17,590,000.

Various taxes and duties : January, Zl.2,538,320 ; February, Zl.3,916,607 ; March, Zl.5,945,572 ; April, Zl.6,022,529 ; May, Zl.6,360,735.

Export duty : January, Zl.334,432 ; February, Zl.397,542 ; March, Zl.2,020,069 ; April, Zl.3,311,320 ; May, Zl.1,749,775.

Monopolies : January, Zl.3,500,544 ; February, Zl.4,227,140 ; March, Zl.8,235,680 ; April, Zl.10,617,621 ; May, Zl.12,667,784.



*The Property Tax.*—Among the measures undertaken in order to assure the execution of the programme of financial reforms is the Property Tax (sometimes erroneously called "Capital Levy") which was voted by Parliament and is estimated to yield Zl.1,000,000. Owing to general money stringency in Poland, this tax is to be paid in six half-yearly instalments spread over three years. The actual yield of this tax up to May 31 amounted (in round figures) to Zl.132,000,000. For the remaining months the yield is estimated as follows: June, Zl.10,000,000; July, Zl.30,000,000; August, Zl.25,000,000; September, Zl.15,000,000; October, Zl.30,000,000; November, Zl.70,000,000; and December, Zl.61,000,000. It is expected that a total of Zl.300,000,000 will be realised for the whole of 1924.

*Loans.*—This story of financial progress is still further emphasised by considering the results of various internal and one external loan operation. The most encouraging proof of the confidence attending the financial effort of Poland is the great success of the 100,000,000 gold lire seven per cent. loan (£4,000,000) contracted in Italy, and oversubscribed there elevenfold. The proceeds will be applied in the first instance to the purchase of private tobacco factories by the State Tobacco Monopoly, which is estimated to increase the profits of the monopoly from Zl.72,000,000 to Zl.120,000,000 per annum.

Owing to the above mentioned stringency of ready money in Poland the capacity of the internal market to absorb loans is limited, all the more so as the subscriptions for the Zl.100,000,000 stock of the Bank of Poland and the payment of over Zl.126,000,000 in property tax, together with the greatly increased yield of ordinary taxes, have still further depleted the available resources of the subscribing public. Nevertheless a relatively considerable quantity of Government stock is being steadily taken up: (a) \$5,000,000 Premium Loan, of which 324,624 shares of \$5 each were taken up for about Zl.9,000,000 (to May 10); (b) Zl.100,000,000 Ten per cent. Railway bonds were also taken up for about Zl.16,000,000 (to May 20). The latter issue was made for the special purpose of railway development, in order to relieve the Treasury. Before the Railways were organised as an autonomous State enterprise they were responsible for the major part of the Budget deficit. Since February the ordinary Railway Budget has been balanced, while the extraordinary expenditure on development is being met by the proceeds of the loan.

The new gold currency, the "Zloty," was introduced on April 28, on which day the Bank of Poland commenced its operations. The position of the Bank of Poland on June 10 was as follows: Gold, Zl.72,341,946; Dollars and other currencies at par, Zl.223,433,627; bills discounted, Zl.130,341,388; other loans, Zl.4,297,896; capital not yet called in, Zl.14,639,519. On the Debit side: Share capital, Zl.100,000,000; notes in circulation, Zl.256,957,305; other liabilities, Zl.112,809,690. The present total of notes in circulation is as follows: Zloty, 256,957,305; small change, 36,583,979; metal coinage, 936,286; Mark notes, 138,716,930—Total, 433,194,500.

## THE CRUDE RUBBER SUPPLY: AN INTERNATIONAL PROBLEM.

(Continued.)

### STEPS TO MEET POSSIBLE DANGERS.

It is less the present supply of crude rubber than the future supply that should concern consumers in America.

A crude rubber survey of the region where 95 per cent. of the crude rubber we consume is produced shows that by 1930 the planted area will have a capacity to contribute about 600,000 tons annually. The world consumed 430,000 tons of rubber in 1923. An investigation into the future world demand for rubber, undertaken

by the Rubber Association of America, indicates that by 1930 consumption will exceed production. That a shortage of crude rubber is likely to be felt by 1928 is indicated by a comparison of the prospective production and consumption for the next few years. It is a picture which cannot be looked upon with complacency.

It will be clear from the foregoing that there are two distinct problems involved: (1) monopoly control of a basic raw material, and (2) a shortage in that raw material developing within a few years. To meet these problems there are two courses open: (1) new planting, and (2) an extension of America's present holdings in the East.

Nothing in the way of new planting now will have any effect upon the situation during the next seven or eight years, for it takes from four to six years to bring rubber into bearing, and it is ten years or more before the tree approximates its full yield. New planting, therefore, is to be considered rather as a means of protecting our supplies in the more distant future.

A survey of the Philippines and of Latin American countries shows that there are large areas in these regions where the physical conditions, such as soil, climate, etc., are as good as those in that part of the East where the plantation industry is now centred. But unfortunately an important adverse factor to consider is labour. With methods of planting as they are, wages alone amount to 40 per cent. of the cost of bringing an acre of rubber into bearing, and 40 per cent. of the cost incurred on a plantation in harvesting the crop. The British, French and Dutch possessions in the East have not only a large labour force to draw upon, but the great additional advantage of low wages. Labour in these countries costs about one-half of what it does in the Philippines, and from one-fourth to one-third of what it does in Central and South America; and if large-scale operations were undertaken this differential might be still more marked.

The findings of a recent field party sent out by the Department of Commerce show that in the Philippines sufficient labour exists outside the region where the climate is favourable to rubber production, and that there are no insurmountable difficulties in the way of mobilising and transferring this labour. But existing laws and the present political situation are not favourable to large-scale production. In the Latin American republics investigated there is a shortage of labour. No production of rubber on a large scale is possible in them without resorting to imported labour, which can be obtained cheaply only in China. While the difficulties of obtaining this class of labour are probably not insurmountable, the proceeding would involve, first, negotiations on the part of the Latin American governments with the country from which the labour was to be obtained, and, secondly, the possible attitude that the United States might take toward such an immigration into Latin America.

Other questions involving more general policies also arise. We have to consider, for example, our national defence, especially as concerns the protection of our lines of transport in the remote contingency of war; again, we must consider the trend of social and political conditions in the East; thirdly, there is the question of the desirability of having our risks more widely scattered and of not being dependent upon one geographical region.

The survey referred to shows nothing at present that justifies us in taking an alarming view concerning these factors, but it is felt that they present sufficient justification for seriously considering experimental work in new districts, and perhaps along rather different lines than those in vogue in the East.



## THROUGH THE REVIEWER'S EYES

*The Foreign Exchanges.* By A. W. Flux, C.B., M.A. (London: P. S. King and Son, Ltd. Price, 10s. 6d. net.) Among the numerous novelties which the war introduced into the experience of mankind the upheaval in the foreign exchanges is not the least momentous. For a parallel of approaching magnitude it has been necessary to go as far back as the early years of the last century, and even that was vitiated by the immense changes which the century witnessed in the complication of financial and commercial intercourse between nations. Within living memory no disturbance had occurred sufficient to engage the attention even of the business world, far less of the man in the street; such adjustments as were necessary could be arranged by the bankers without difficulty. Since the war the substitution of paper for gold currencies, combined with Governmental penalty or improvidence, has caused fluctuations and plunges which ten years ago would have been thought utterly impossible. Four years ago the fall of the mark to 300 appeared phenomenal; yet to-day we are able to think in billions with equanimity, and the commercial possibilities of mark notes are apparent even to the street hawker. Manufacturer, trader, speculator, trade unionist alike scan the daily exchange rates for variations which may affect them intimately. The economic effects of changes in the rates are generally understood a good deal better than the causes, which are obscure to the inexpert and debateable even among the initiated, so obscure and debateable indeed that unscrupulous politicians have been successful in trading upon the popular ignorance to stir up international friction by ascribing fictitious causes to changes which happened to be unfavourable. The present volume by so eminent an authority is therefore particularly welcome. Mr. Flux has contrived to be at once intelligible to the layman and instructive to the student on the extremely complex subject of foreign exchanges. In the main he has devoted himself rather to exposition of general theory than to polemical participation in current controversy. Even where, as in the case of index numbers as a gauge of purchasing power parity, space prevents him from giving more than an introductory sketch he is infallibly stimulating. Nevertheless, particularly in the final chapter on the stabilisation of the exchanges, he has some pertinent things to say on questions under debate at the moment. He is an advocate of a general return to the gold basis as the only means of restoring exchange stability. But he warns against over-hasty measures to this end. Sweden, the Netherlands, Canada, Japan and possibly Switzerland all stand sufficiently near parity to enable them to make the necessary adjustments without undue economic disturbance. With regard to Great Britain he says: "A hasty move towards resumption of convertibility does involve certain risks, particularly while payments to America of considerable amounts in respect of war borrowings have not become so much part of the regular routine as to cease to exercise a serious disturbing influence on the market rates. While the financial situation has not been adjusted to payments on the scale necessary to meet the terms of settlement, we should be hasty in clamouring for a resumption of specie payments in this country." The other depreciated exchanges are such that the gold basis can be resumed only by a gradual process of recovery. And he adds: "In all this discussion it is assumed that the United States will not do anything to prevent the restoration of exchange in these various countries on the old basis, by modifying the price level in that country." "Were gold once more the general currency of the world, the domestic policy of even so powerful a commercial community as that of North America could not render wholly nugatory, as it can at present, the efforts made elsewhere to stabilise the position." With regard to stabilisation at something like the existing price levels in countries with incon-

vertible currencies he says: "A balance of advantages might perhaps be looked for from a stabilisation of prices and exchanges not too far from the present levels." But "it is sometimes suggested that the calculated purchasing power parity between two countries can tell us what rate of exchange would correspond to the existing levels of prices in them. Though there may be means of calculating a rate of exchange appropriate to any given levels of prices in two such countries, the process of calculation is not the simple arithmetical one adopted in any calculations of purchasing power parities that have yet appeared in print." J.C.J.

*Social Insurance: What it is and what it might be.* By Alban Gordon, B.Sc., F.C.S. (London: The Fabian Society and George Allen & Unwin, Ltd. Price, 6s. net.) This interesting contribution to the literature on a question of outstanding importance is deserving of close attention. It is written in the belief that the time is ripe for an extension and the unification of our various systems of social insurance, the administration of which is admittedly cumbrous and wasteful, and in the assurance that the author has valuable suggestions to offer for the co-ordination of those systems and for supplementing them with benefits that are now lacking. The first part of his work Mr. Gordon devotes to a statement of the shortcomings disclosed in the working of the National Insurance Act, chief among which he conceives to be the inadequacy of the benefits conferred, the complexity of the system, the vast amount of overlapping in its administration, the inequality of benefit extended, the lack of measures for the prevention of sickness, and the failure of the approved society system. His treatment of the subject of unemployment insurance provides a very fair example of his method of approach. Unemployment, he argues, is not necessarily an evil: on the contrary, a reasonable amount of unemployment, otherwise a reserve of labour, is one of the most necessary parts of our social machinery. It is directly to the advantage of the employer of labour that there should be a reserve of labour for him to draw from: the cost of it therefore should to a large extent fall upon him. But what is a reasonable amount of unemployment? "The proportion of unemployed at any given moment," he explains, "should not be in excess of the nation's economic ability to maintain them in a reasonable state of physical efficiency and mental well-being." The cost would be small, and could be met, he suggests, by transferring a portion of the profits in any one year over and above say 6 per cent. on the capital involved to an insurance fund. This, however, does not appear to us to meet the facts of the case, inasmuch as unemployment commonly exceeds the limits of the reasonable, and only too often to a very serious extent, while in the actual conditions of keenest international competition we have no guarantee that the annual profits will even amount to 6 per cent. on capital, let alone exceed it. The line of thought traced by the author is none the less suggestive, and worthy of closer investigation. In the second part of the book Mr. Gordon lays before us a comprehensive scheme of unified social insurance covering the risks of sickness, unemployment, accident, widowhood and orphanhood, indigent old age and premature death, the manifest advantage of which would be, from the point of view of administration, that a single elected authority would replace the various organisms now in existence, and, from the point of view of the insured, that they would have to deal with only one source of benefit instead of having to apply to half a dozen offices for the benefits they desire to draw. For this scheme it is claimed that it is thoroughly democratic, free from the taint of officialdom, based on units of workable size, and that it obviates all overlapping, all duplication of work and unnecessary competition. It would also effect a great saving in the cost of administration, diminish opportunities for fraudulent claims, and abolish the taint of



pauperism. And all this at the cost of a contribution of 4s. 3d. a week, 1s. of which would be paid by the State (9d.) and the municipality (3d.), and the balance of 3s. 3d. by the employer at the rate of 8d. and by the employee at the rate of 5d. in the £ on wages, the latter being equivalent to a farthing in the shilling. Here, at any rate, is food for much thought. W.

*Journal of the Royal Statistical Society.* May 1924. (London: Royal Statistical Society. Price, 7s. 6d.) In the short space at our disposal it is not possible adequately to discuss the contents of the current number of the *Journal*. Its principal contributions are devoted to the questions of ascertaining, publishing and circulating information relative to Cost in Industrial Production. Two papers, The Census of Production, by A. W. Flux, C.B., M.A., and Publicity in Industrial Accounts, with a comparison of English and American Methods, by Sir Arthur Lowes-Dickinson, M.A., F.C.A., together with the discussion provoked at the reading of them among the Fellows of the Royal Statistical Society, should be read and digested by as many business men and students of industrial problems as possible. It is beyond dispute that the safest way to combat or allay industrial unrest, which is seldom not focussed upon the debatable question of the unequal division of the product of industry, lies along a road in which secrecy can find for itself the barest minimum of cover. The atmosphere of unrest is still more disturbed, and agitation stimulated, by inaccessibility to material which is essential to an elucidation of the main Labour claim. The defect hampers both parties involved in a wage dispute. Needless to say, tremendous obstacles thwart either the collection of material and information relative to the cost of production or the full publicity of it when gathered, but of such obstacles a reader must learn for himself by turning to the pages we have referred him to. It must suffice for us to point out that an inquisition conducted on behalf of the State, such as a Census of Production, is sandwiched between two formalities which must ultimately vitiate from several points of view the results of the census. This must be clearly so if the answer to some queries is obligatory while to others it is optional. Such procedure is, of course, out of respectful deference to the customs and habits of the traditional business man and his world. Approaching the question of Wages Mr. Flux illustrates our meaning. He says: "In our Census of Production Act the powers conferred on the Board of Trade to exact information specifically exclude enquiries as to wages. If it were deemed desirable to attempt to obtain, in connection with the Census, information as to the wages bill, it could only be done by means of optional questions. Such questions would clearly be inexpedient if there is a general opposition among manufacturers to furnishing this information. That there was, in 1906, such opposition may be safely concluded from the fact that the possibility of interpreting the powers conferred by the Act so as to cover an enquiry as to the wages bill was carefully excluded in formal terms. It is by no means certain that the general feeling at the present time may not be rather in favour of using such an opportunity as the Census affords for supplementing our knowledge of the distribution among the interests concerned of the value produced by their associated efforts. Whether that is the case will need to be explored before the scope of the voluntary questions to be used in the forthcoming Census is finally determined." That excerpt from Mr. Flux's paper not only makes certain difficulties apparent, but, what is more important, it lends some colour to our hope in regard to a future Census of Production. Industrial conservatism is gradually giving way to the imperative demand for what the present President of the Board of Trade would term "measurement and publicity." We would reiterate the desirability of studying both Mr. Flux's and Sir Arthur Lowes-Dickinson's papers together. They are as interdependent as it is possible to be. If after two or three hours' solid study of them

the student is in need of diversion, let him turn to Sir Josiah Stamp's delightful playfulness with John Maynard Keynes' "Tract on Monetary Reform." H.J.H.

*French-English and English-French Dictionary of Technical Terms . . . used in Finance, Banking, Currency, . . . and Allied Subjects.* By J. O. Kettridge, F.S.A.A., A.C.I.S. (London: George Routledge & Sons, Limited. Price, 10s. 6d. net.) As the title-page further sets forth, the work contains the translations of twenty-five thousand words, terms and phrases, illustrated by numerous instructive examples and explanations, the whole arranged in progressive order in the readiest form for rapid reference. The author tells us that his equipment for the task has been a lifelong loving study of the English and French languages, fortified by thirty years' experience in the City of London as accountant and auditor, and his ambition has been to surpass all existing productions. As Mr. Kettridge will be the first to acknowledge, there is no finality to a dictionary of this description, and it is no disparagement of his work to suggest that even during the building up and production of his Dictionary the evolution of business has led to the creation of new words and terms, the omission of which from its pages involves no reflection on the competence of the author and in nowise detracts from the completeness of his work. After considerable experience of technical dictionaries, and much suffering at their hands, we have no hesitation in congratulating Mr. Kettridge on his achievement. The plan of the work is simple and logical, and easy reference is ensured by the typographical display, which is exceedingly clear. The author and publishers would place their readers under a further obligation were they to issue a periodical leaflet of additions and emendations. This would help to keep the work up to date and add considerably to its value. W.

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# STATISTICAL SECTION

## THE TRADE BAROMETER

### EXPLANATION

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

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

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

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

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

TABLE I.

Date 1920.	10 Com- modities	Bd. of Tde. Monthly Average	Date	10 Com- modities	Bd. of Tde. Monthly Average	Date	10 Com- modities	Bd. of Tde. Monthly Average	Date	10 Com- modities	Bd. of Tde. Monthly Average
Jan. 16	367.9	296.6	Sept. 15	161.2	154.3	July 27	175.3		Mar. 21	180.4	
Feb. 13	367.6	310.3	Oct. 13	161.2	155.2	Aug. 3	171.7		28	177.1	
Mar. 19	396.9	319.0	Nov. 17	169.3	157.6	10	173.5		Apr. 4	176.3	
Apr. 16	384.6	325.2	Dec. 15	161.2	155.8	17	174.6	154.5	11	178.1	
May 14	391.2	325.5	29	162.6		24	168.4		18	177.5	164.7
June 18	417.7	322.4	1923			31	168.0		25	175.8	
July 16	418.8	316.9	Jan. 5	162.4		Sept. 7	168.4		May 2	172.0	
Aug. 13	386.8	313.1	12	162.8		14	173.2	157.8	9	170.9	
Sept. 17	379.4	311.4	19	163.2	157.0	21	173.8		16	171.2	163.7
Oct. 15	328.6	302.3	26	165.3		28	171.2		23	169.5	
Nov. 19	293.0	286.9	Feb. 2	166.9		Oct. 5	166.1		30	171.2	
Dec. 17	257.0	263.8	9	168.7		12	164.2		June 6	167.5	
1921			16	177.2	157.5	19	166.0	158.1	13	167.1	
Jan. 14	244.2	245.9	23	181.1		26	165.8		20	167.8	162.6
Feb. 18	219.1	225.2	Mar. 2	184.8		Nov. 2	166.4		27	167.6	
Mar. 18	199.0	210.8	9	188.2		9	170.4		July 4	167.1	
Apr. 15	202.8	204.8	16	192.4	160.3	16	171.7	160.8	11	165.4	
May 12	204.8	201.7	23	180.8		23	175.6		18	167.1	
June 17	201.8	197.7	30	188.9		30	177.4		25	170.4	
July 15	194.4	194.1	Apr. 6	192.2		Dec. 7	175.4				
Aug. 19	178.1	190.0	13	197.4	162.0	14	177.0	163.4			
Sept. 16	183.4	187.0	20	198.5		21	175.5				
Oct. 14	170.2	180.7	27	202.9		28	176.8				
Nov. 18	154.5	172.8	May 4	198.7		1924					
Dec. 16	153.2	167.9	11	197.5		Jan. 4	174.8				
Dec. 30	150.0		18	198.1	159.8	11	176.4				
1922			25	197.6		18	178.6	165.4			
Jan. 20	144.0	164.0	June 1	193.1		25	180.0				
Feb. 17	149.2	161.8	8	191.4		Feb. 1	181.1				
Mar. 17	149.8	160.0	15	190.0	159.3	8	186.8				
Apr. 14	151.7	160.1	22	183.1		15	187.9	167.0			
May 19	162.1	160.6	29	180.6		22	185.9				
June 16	163.6	159.9	July 6	177.3		29	186.8				
July 14	165.1	160.3	13	177.9	156.5	Mar. 7	184.4				
Aug. 18	164.0	156.3	20	177.3		14	182.1	165.4			



CHART ILLUSTRATING TABLE I.

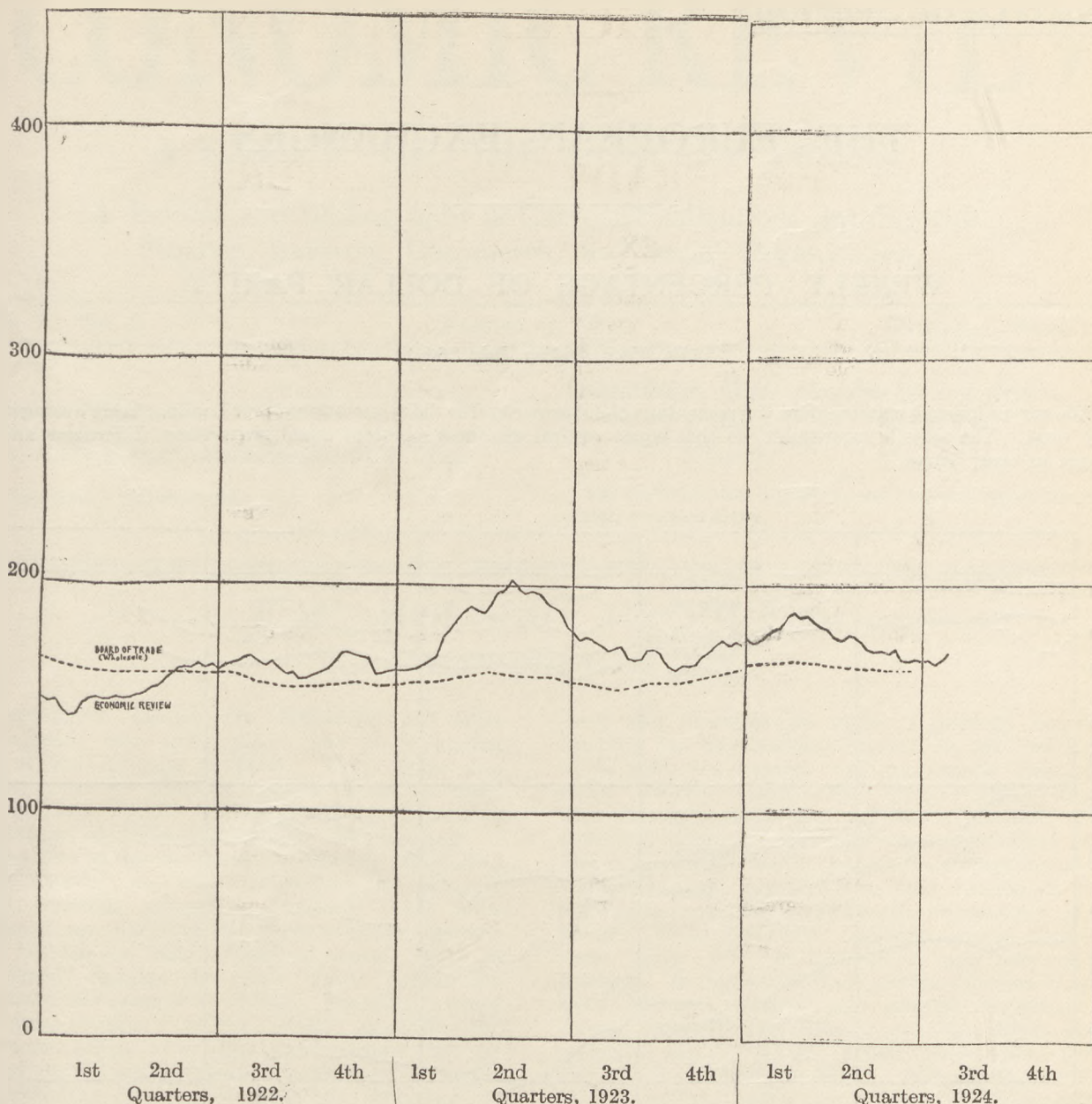


TABLE II.

Date.	Pig iron.	Tin.	Coal.	Linseed Oil.	Cotton.	Wool.	Hides.	Wheat.	Bacon.	Sugar.	Mean.	Date.
Dec. 30, 1921	100	100	100	100	100	100	100	100	100	100	100	Dec. 30, 1921.
1922.												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
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
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. 29 ...	94.3	95.2	92.9	135.1	105.9	117.8	96.4	82.8	104.0	134.6	105.90	... Sept. 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. 29 ...	89.4	106.7	91.5	138.6	126.0	120.0	93.5	90.4	89.7	138.5	108.43	... Dec. 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
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
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
July 20 ...	102.6	108.1	100.0	154.4	129.5	126.7	89.9	105.9	80.1	184.6	118.18	... July 20
Oct. 12 ...	93.4	117.1	90.6	150.9	136.4	126.7	84.8	83.0	66.2	145.9*	109.50	... Oct. 12
Nov. 16 ...	97.2	127.4	97.2	149.1	165.8	128.9	87.0	86.2	73.5	132.7	114.50	... Nov. 16
Dec. 14 ...	101.4	138.5	92.5	150.9	173.5	133.3	84.1	93.3	69.1	143.2	117.98	... Dec. 14
1924.												1924.
Jan. 18 ...	100.5	146.9	94.3	154.4	164.1	137.8	88.4	91.7	69.1	143.2	119.04	... Jan. 18
Feb. 15 ...	96.7	163.4	96.2	171.9	159.6	151.1	91.3	100.4	65.8	156.1	125.25	... Feb. 15
Mar. 14 ...	94.3	166.6	98.1	138.6	143.0	151.1	89.1	105.1	71.0	156.8	121.37	... Mar. 14
Apr. 18 ...	99.1	142.2	100.0	133.3	160.4	153.3	87.7	99.6	71.3	136.5	118.33	... Apr. 18
May 16 ...	96.7	129.5	87.7	132.5	151.2	153.3	88.4	102.8	75.0	124.3	114.14	... May 16
June 13 ...	92.5	128.9	81.1	140.4	147.3	142.2	92.0	106.7	83.5	99.3	111.39	... June 13
" 20 ...	89.6	128.2	79.2	143.0	146.8	142.2	92.0	106.7	87.5	103.4	111.86	... " 20
" 27 ...	92.0	131.8	77.4	143.0	144.6	142.2	92.0	106.7	83.1	104.7	111.75	... " 27
July 4 ...	90.6	132.4	75.5	143.0	145.3	142.2	92.8	108.3	80.1	104.1	111.43	... July 4
" 11 ...	89.6	128.9	74.5	140.4	140.6	142.2	92.8	111.5	80.9	101.4	110.28	... " 11
" 18 ...	88.2	134.3	75.5	142.1	145.2	142.2	92.8	112.3	79.8	101.4	111.38	... " 18
" 25 ...	88.2	142.3	75.5	143.9	153.6	142.2	92.8	113.8	79.8	101.4	113.60	... " 25

\*Revised Quotation.



Statistical Section

THE EUROPEAN EXCHANGES

WEEKLY PERCENTAGE OF DOLLAR PARITY

(To Week Ending July 26th.)

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.

