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THE HOUSING PROBLEM.

EUROPEAN DIFFICULTIES.

Throughout Europe few difficulties are more widespread, more perplexing, than those arising out of the Housing problem. They figure prominently in the domestic politics of almost every country, and, in spite of strenuous efforts at reaching a solution, continue insuperable. The shortage of houses, due to the war period, is scarcely diminished in any country, and where diminution has occurred, fresh demands created in post-war years have rendered new building operations almost nugatory. The problem is, and is likely to remain, with us all, largely because the prime motive behind the provision of houses is atrophied. Practically every European country is, at the moment, exhibiting the disastrous effects of artificial intervention with the law of supply and demand. No apology is needed for repeating here an oft-forgotten commonplace which would discover the only method of solving successfully this problem of Housing in a rapid resumption of extensive building operations. There is enough work to occupy several generations. In all countries, demand was never keener or more insatiable. But the shortage of houses has become a problem of international significance solely because we are, all of us, absolutely unable to find a working substitute for the spontaneous play of private enterprise and capital. In normal times, before the war, the chief stimulus to the building of houses was the profitable interest on capital invested which was derived regularly from the rent yield. Its attractiveness as an investment resided, not so much in the high percentage of the interest obtained, as in its permanence and security. In building, and in the demand for it, economic principles operated harmoniously. There were neither excesses of demand nor of supply, with the inevitable result that rent figured as a reliable and stabilised return upon speculative outlay. Therefore, a continual stream of capital into building channels nourished and maintained the steady production of requisite housing accommodation. To-day, in almost every country in Europe, the attractiveness of building industries has fallen from this position of enviable eminence and reappears to capitalist enterprise in a drab, unremunerative disguise. Instead of manifestly wearing the characteristics of a permanent investment, with fixed and determinable rates of interest, housebuilding has now become involved in, and saddled with, what are termed "non-recoverable building costs" which, in point of fact, means nothing other than Capital's initial loss. This, in probably all European countries, has now been accredited as due, in no inconsiderable measure, to war emergency legislation, and, especially to that section of it relating to the protection of the tenant and the leaseholder. Those legislative restrictions have forced rents to-day into an absolutely false economic position. In regard to their proper function they have become vitiated and totally inoperative. During those periods when most other fields experienced rapidly soaring prices, rents were, and still are, held rigidly in check. Hence, within the last two or three years, new building activities have been faced with the hard fact that they must not look to rent for any recompense or interest upon their original and necessary capital expenditure. Economic rents are nowhere obtainable, the costs of house-production being far too great. This, of course, has driven or diverted capital away from building into more promising spheres for investment offered by post-war economic and industrial conditions elsewhere. Building operations collapsed utterly. This, it would be true to say, has been the experience, without exception, in every country in Europe. Consequently, the difficulties to be faced by individual governments are not far to seek. Some substitute for private enterprise was essential. Capital, either all or a portion of it necessary for Housing requirements had to be provided, and provided out of methods devised by themselves. On the verge of a crisis but few of them turned to annul the restrictive legislation which was so largely responsible for the flight of private enterprise and its resources. Since 1920 the majority of European governments have, in one way or another, taken upon themselves the responsibility of finding the bulk of the non-profitmaking expenditure entailed in building by assisting, out of public funds, the development of working-class housing schemes. In raising the necessary finance or, in giving the necessary aid, most flexible methods prevail. Germany, no doubt taking advantage of the successful example provided in New York State, utilised the indirect method afforded in granting a remission of taxation; but most other countries have tried the more direct method of meeting the emergency with specific guarantees to repay loans obtained from private lenders, or with easy loans from the public funds or, as has been most generally the case, with non-repayable subsidies. Invariably the need was more for capital than for concessions and it had to be found. In response to such stimulants building might have been expected to proceed. Unquestionably it has done so, but what should have been obvious from the start soon began most forcefully to declare itself. States found themselves compelled to curtail their housing programmes because the drain on state resources for subsidies, long-term loans, etc., was proving too heavy a burden to be borne indefinitely. It is worth while remembering at this point that it was for social and political reasons alone that public funds had to be utilised on housing and, also, that it had to be done regardless of profit or loss. A crisis had occurred and evil consequences had to be averted. We endeavoured to demonstrate above that building to-day must be carried on at considerable loss. Rent will not recompense expenditure. Certainly then no normal budget could contemplate for long supporting these undiminishing housing costs. It has become well recognised that rent restrictive legislation and the "non-recoverable building costs" are largely interdependent in the consequences they produce upon prospective building. The former interferes most damagingly with the whole problem of housing. To whom, then, does a benefit accrue? The wage-earner possesses a fuller proportion of his income by the protection afforded, and the employer has undoubtedly benefited, because when wages are fixed the proportion which had to be allowed for rent before the war need no longer be taken into account. In some countries both tenant and his employer are being subjected to special taxation. They are considered to be in highly favourable and advantageous positions. Even so, as a palliative to the problem it is a negligible quantity. If government subsidies are failing to cope with the housing shortage, and there is reason to believe that this is so, measures and means must be devised to reattract the supply of capital and private enterprise. The removal of the restrictive legislation upon rent might serve as an inducement. Several countries are displaying a tendency to withdraw or modify their emergency measures in the sphere of tenant protection. The economic reactions of such legislation are becoming more and more evident, and restrictions on rent and leases are being relaxed in certain countries and in some removed altogether. It is noteworthy, however, in the latter instance, that permanent provisions have been introduced with a design to check profiteering in rents and other abuses of the economic strength of the landlord. What the housing problem itself needs is protection from the economic strength of forces which thrive on cheap rents and live in fear of the cost of living index figures.

ECONOMIC SURVEY

BULGARIA

FINANCE

BUDGETS PRESENT AND PAST.

The estimates for 1924–25 have just been passed, and show an expenditure of 6,220,524,620 leva as against 5,596 millions for 1923–24, an increase of over a milliard. According to figures supplied by the Minister of Finance, M. Thorodoff, to a representative of *La Bulgarie*, the chief increases are contributed by the following estimates (in millions of leva): salaries of civil service, 335; pensions, 30; service of the national debt, 330; obligations imposed by the Peace Treaty, 70; social insurance, 16; grants to agriculture and Public Health, 50. The expenditure estimates are distributed as follows (in millions of leva): official salaries, 2,300; pensions, 230; national debt, 1,000; pay of the Army, 400; losses on the exchange on remittances of money abroad, 60; Ministry of War, 567; Ministry of the Interior, 100; leaving a balance available for the remaining needs of the nation of 1,930, equivalent to 64 million gold leva. To meet this expenditure, the revenue estimates amount to 6,223.6 million leva, over a milliard more than last year, distributed as follows (in millions of leva):—

Direct taxes	815
Indirect ,, ...	2,515
Duties and dues	470
Fines and confiscations	53
Railway receipts	917
Post Telegraph and Telephones	134
Domain lands	642
Municipal and departmental taxes for the upkeep of schools	490
Various	167
Surplus of previous Budgets	20

The Special Expenditure Estimates are made up of the following items (in millions of leva): construction and completion of railways, 733; roads, 50; a briquette factory at the Maritza coal mines, 100; workmen's dwellings attached to the State coal mines, 40; reconstruction of the National Theatre, 55; building new schools, 20; telegraphs and telephones, 10. But these works, declares M. Thorodoff, will only be undertaken this year to the extent of the yield from revenue set apart to meet them, namely 400 million leva, which will be devoted to railway construction and completion.

The Budget for the financial year just concluded (1923–24) has been closed not only without deficit but with a surplus of 300 million leva. This result was achieved as follows: the revenue for the year, estimated at 4,345.7 million leva, actually yielded 5,344.5 mill., or nearly 1 milliard in excess of estimates. This increase was furnished by the following sources of revenue (in millions of leva): indirect taxes, 600; special licences, 36; stamp and other duties, 215; railway receipts, 80; other sources, 66. Expenditure for the same period was originally estimated at 4,600.3 mill. leva, but this estimate was subsequently raised to 5,596.1 mill. by increased pay to civil servants and increased grants to pensioners. However, by economies effected in the departments, the actual expenditure was brought down to 4,982.2 mill., a saving on estimates (as increased) of 613.9 mill. leva.

THE FINANCIAL SITUATION.

War and its consequences have impoverished Bulgaria, by reducing at the same time its natural wealth and its production. Thus, whereas for the first eight months of 1912 its exports amounted to 134 mill. leva (gold) during the corresponding period of 1922 they did not exceed 85 mill. The national capital, which before the war had been estimated at over 10 milliards of gold leva, has been reduced to 7 or 8 milliards. On these national resources, thus reduced, heavy burdens have been imposed, such as: reconstruction expenses, payment of reparations, originally assessed at 2,250 mill. leva now reduced to 550 mill., payments in kind by delivery of cattle, coal, etc., and payments effected last year and at the beginning of this year being 300 mill. leva to Yugo-Slavia and 25 mill. gold francs (500 mill. leva) for the cost of occupation. Foreign creditors, holders of pre-war loan bonds, are calling for the revision of the agreement concluded two years ago for the payment of interest in French francs, and demand the payment in fractions of Dutch florins. Moreover, taxation is very heavy, absorbing 40 per cent. of the nation's income as against 10 per cent. in 1912. This is an excessive burden which might well undermine the country's economic future. Let Bulgaria's critics ask themselves what other country vanquished in the war has executed the terms of the Peace Treaties. But it is owing to this heavy burden of taxation that the country has to-day a balanced budget, a circumstance which, in conjunction with the improved foreign trade balance, has contributed to the stabilisation of the currency. As a consequence of the export of a large quantity of Bulgarian tobacco to Czecho-Slovakia, a rise of the lev may even be anticipated.

Towards the end of June a serious shortage of money began to make itself felt on the markets, paralysing national production. Working capital is practically non-existent, and the National Bank of Bulgaria has no funds available to enable it to cope with this state of affairs.

The loans advanced to the Government by the National Bank amount to 5 milliards of leva, and the amount of the note circulation is 4,100 mill. leva, so that the Government has received from the Bank about a milliard leva which have been entrusted to it by private persons. The sums at present advanced by the bank for the purposes of commerce and industry do not exceed 400 mill. leva. It would be to the national interest that a part of these funds should be used for the purposes of industry and commerce. This can only take place, if the Government's debts to the Bank are not increased, and this seems to be the tendency of the Government's financial policy. The amendments introduced into the charter of the Bank constitute a sufficient guarantee in this respect, and bind the Government. Again, the balancing of the Budget sets a seal on this sound policy which will ensure the regeneration of the national finances. A question of equal importance is whether or no a fresh note issue should be resorted to. The Inter-Allied Commission has authorised the issue of a further 1,600 mill. leva. There is no need to issue this amount all at once, but it is certain that the national business does require fresh resources. A moderate issue need not necessarily affect the exchange which depends above all on the economic conditions of the country, and as harvest prospects are fairly good, the National Bank might be justified in proceeding to a new issue in order to relieve the money market. (*La Bulgarie.*)

BANKING AFFAIRS.

At the end of June an agreement was executed by representatives of a number of private banks in Sofia and by the National Bank of Bulgaria for the creation of a clearing house attached to the National Bank. The banks concerned will pay a million leva into the National Bank by way of security. This step has been taken in order to mitigate the shortage of ready money, and to check inflation by encouraging the use of cheques as payment media in the place of notes. (*La Bulgarie.*)

Whereas in the majority of Balkan States, foreign capital invested in banking is subject to restrictions, more or less severe, in Bulgaria, it is predominant. This fact has hitherto escaped the attention of the Bulgarian public, but is revealed in a recent report of the British Commercial Attaché in Sofia. For instance, of the seven most important Bulgarian banks, which control 67 per cent. of the banking transactions of the country, the four leading banks are entirely owned by foreign capital. The capital of the Bulgarska Banka, on the contrary, is exclusively Bulgarian. (*Ibid.*)

A new Bill limits the legal rate of interest in the future to 14 per cent. This rate shall in the absence of special agreement to the contrary, apply also to contracts and debts. As regards contracts, the rate shall not exceed 18 per cent., and in the event of such excess shall be reduced to that amount. (*Neue Freie Presse.*)

AGRICULTURE

COTTON-GROWING.

In view of the threatened shortage of American cotton various European countries with a climate at all suitable, are experimenting in the cultivation of this plant (Italy, Spain, etc.). The cotton plant is widely cultivated in Southern Bulgaria in the districts of Plovdiv, Hoskovo and Harmanly, where the climate favours its growth. In the Plovdiv district, the fall in the temperature in the autumn often necessitates planting being undertaken in April and in the early part of May. Owing to the same cause and to the prevalence of fogs in October, the plant has frequently to be gathered before reaching maturity. Nevertheless, last year the output of cotton materials increased in the Plovdiv district, where it is rare that less than a decare is devoted to its cultivation on any one farm. Several farmers have succeeded in producing up to 1,000 kg. of raw cotton, equivalent to 300 to 500 kg. of fibre. The use of machinery for separating the seeds from the fibre is spreading. The yield of a decare of cotton plantation varies from 100 to 120 kg. of raw cotton, yielding on an average from 33 to 35 kg. of raw cotton. This result was achieved last year in various villages. The wholesale price of cotton wool is from 65 to 70 leva the kg., and the retail price about 120 leva. A kilogramme of cotton seed fetches about 3 leva. The gross return to the farmer from a decare of cotton plantation may be estimated at 2,000 leva, which is better than the yield from any other kind of cultivation. From the fibre garments are often manufactured by the peasant women, and the seeds serve as fodder for the cattle. Experiments have been made in extracting a particular kind of oil from the seeds, used in oiling agricultural machinery. With encouragement the cultivation of cotton is capable of considerable development, and may serve to feed Bulgaria's infant textile industry. (*La Bulgarie.*)

NEW TOBACCO BILL.

A Government Bill is being prepared amending certain clauses of the existing Tobacco Act. The Bill provides (*inter alia*) for the creation of a special Council for the purpose of examining all questions relating to the production and manufacture of tobacco, especially with regard to the Treasury ; for the creation of a special fund for the improvement of tobacco cultivation and the development of its export ; the adoption of special measures for increasing the cultivation of tobacco in districts suitable for producing superior. qualities ; the encouragement of the foundation of tobacco planters' co-operative societies ; abolition of the present rules for the valuation by revenue officials of the yield from each tobacco plantation. (*Ibid.*)

FINLAND

FINANCE

THE MONEY MARKET IN THE FIRST HALF OF 1924.

Both the Government and other clients of the Bank of Finland, the principal of whom are the Joint Stock banks, have during June required large sums of money. This is shown, for example, by the fact that the Government's balance in the Bank, which was nearly Mk.300 mill. at the beginning of the year and Mk.127.8 mill.

at the end of May, had shrunk to only Mk.71.4 mill. on June 30, when it touched its lowest figure since September 1922. This does not in the least mean that the Government is now suffering from a shortage of cash, for it still has between Mk.400 and 500 mill. deposited in the bigger Joint Stock banks, and has now no short term debts whatever. The Joint Stock banks and other clients of the Bank of Finland had no balance there at all at the end of the half-year, which is an almost unprecedented occurrence. Their balances still amounted to Mk.74.3 mill. at the beginning of the year, but have gradually melted away during the spring months, and finally disappeared in June. While deposits in the Bank of Finland have thus fallen to a minimum, discounts and loans have steadily grown, stimulated by the great demand for credit in the business world. The Joint Stock banks increased their bill rediscounting with the central bank from Mk.538.8 up to 580.7 mill. during June. This figure was 444.1 mill. at the beginning of this year, and 251.1 mill. on June 30, 1923. The total of the Bank of Finland's discounts and loans exceeded a milliard marks for the first time at the end of last month, when the precise figure reached was 1,006.5 mill. It was 716.0 mill. on Dec. 30, 1923, and 808.5 mill. on June 30 of that year.

It might perhaps be expected that this keen demand for money would cause the volume of notes in circulation to swell, but this has not been the case. The Bank of Finland's note issue was only Mk.1,305.1 mill. on June 30, as against Mk.1,361.3 a month earlier, Mk.1,352.4 at the beginning of the year, and Mk.1,436.3 on June 30, 1923. The explanation of this may be found by a study of the Bank's foreign accounts. Its balances with foreign correspondents amounted at the beginning of the year to Mk.607.2 mill., and fell during June from Mk.538.7 to 367.4 mill., the lowest figure touched since September of last year. These big sales of foreign currency have caused an inflow of notes into the Bank which more than counterbalances the increased demand for domestic discounts and loans.

Thus the Bank of Finland's last report for June shows that, while the demand for credit and foreign currency in the Finnish money market is still very big, the Bank has been able to meet that demand without any particular strain. At present there seem to be fairly good prospects of an improvement in the situation. Shipments of the timber sold during the spring and winter are proceeding smoothly, the sales and exports of paper goods have been very satisfactory, and imports will probably soon decrease, now that stocks have been filled up by the big cargoes which arrived earlier in the summer. (*Mercator.*)

TRADE

FOREIGN TRADE RETURNS.

The figures of Finnish foreign trade for the month of June have now been worked out by the Statistical Office of the Board of Customs. The month's imports amounted to a value of Mk.441.2 mill. and exports to Mk.515.3 mill., or Mk.74.1 mill. more than the imports. In the same month of last year imports came to Mk.421.4 mill. and exports to Mk.529.9 mill., so that the positive surplus on the balance of trade was then rather bigger, to be precise Mk.108.5 mill.

The balance of trade month by month for the first half of 1924 is shown in the following figures (in millions of marks):—

	Imports.	Exports.	Surplus of imports (—) or exports (+).
January	378.4	216.7	— 161.7
February	297.9	140.3	— 157.6
March	244.9	125.9	— 119.0
April	426.2	246.2	— 180.0
May	521.8	328.1	— 193.7
June	441.2	515.3	+ 74.1
Jan.—June 1924...	2,310.4	1,572.5	— 737.9
" " 1923...	2,125.5	1,476.8	— 648.7
" " 1922...	1,693.5	1,584.4	— 109.1

Thus the import surplus for the first half of 1924 is about Mk.90 mill. bigger than it was for the corresponding period last year. The figures seem still more unfavourable if compared with those for 1922, but it must be remembered that that year as a whole showed an export surplus of nearly Mk.500 mill., a record which has never been approached either before or since.

The principal imports in the first half of 1924 were as follows (the figures representing millions of marks, and those in baskets the totals for January to June 1923): Cereals and cereal products, 461.3 (321.4); groceries and spices, 320.0 (259.8); metals and metal goods, 254.6 (221.4); oils, fats, etc., 95.7 (69.1); coal, coke, etc., 72.7 (70.5); motor cars, bicycles and other means of transport, 92.7 (59.9); textile fabrics, 149.8 (201.1); spinning materials (raw cotton) wool, etc., 178 (138.5). These figures show that all imports except textile fabrics have increased a good deal this year.

But the principal exports from Finland also show higher values. Thus, during the first half of 1924 animal foodstuffs have been exported to a value of Mk.184.6 mill. (as against Mk.158.7 mill. for January to June 1923), and paper industry products to Mk.641.7 mill. as compared with Mk.631.1 mill. last year. On the other hand wood goods show a slight fall, exports reaching a value of Mk.540.3 mill. instead of Mk.571 mill. for the first six months of 1923. This fall is partly due to shipments having begun later this year, and partly also to somewhat lower prices. (*Mercator.*)

FRANCE

TRADE

FOREIGN TRADE RETURNS.

The Customs Board has now published the foreign trade returns for the first six months of the current year in value and quantity.

Value (in millions of francs).

Imports.	1924.	1923.	Difference in 1924.
Foodstuffs	4,143.5	3,368.9	+ 774.5
Industrial materials ...	13,191.8	9,201.3	+ 3,990.4
Manufactured goods ...	2,537.2	2,089.0	+ 448.1
Total	19,872.6	14,659.4	— 5,213.2
Exports.			
Foodstuffs	1,996.8	1,485.1	+ 511.6
Industrial material ...	5,658.3	4,407.5	+ 1,250.7
Manufactured goods ...	12,689.1	7,459.9	+ 5,229.2
Postal parcels	937.9	796.1	+ 141.7
Total	21,282.2	14,148.8	— 7,133.4

It will be seen that both imports and exports have increased in value as compared with the corresponding period of 1923, the former by 36 per cent., the latter by nearly 50 per cent. The export of manufactured goods shows the remarkable gain of 70 per cent. These increases are due, in part but not entirely, to the rise in prices, itself a consequence of the high rate of the foreign exchanges. The figures for the six months show an excess of exports of Fr.1,409,644,000 as against an excess of imports of Fr.510,500,000 for the corresponding period of 1923.

The following table shows the figures month by month during the year (in millions of francs):—

	Imports.	*Exports.*
January	2,887.9	2,699.8
February	3,713.8	3,918.2
March	3,622.6	4,354.6
April	3,292.1	4,027.0
May	3,177.3	3,360.1
June	3,178.8	2,922.3

The recovery of the franc, which had already affected the returns for April and May, continued to make itself felt on those for June, especially on exports, which fell by Fr.438 mill. in June as compared with May, which itself showed a decline. As compared with March last, the decrease amounts to no less than Fr.1,432 mill. or 33 per cent. By reason of this set-back the balance for June is once more adverse, the excess of imports over exports being Fr.256.5 mill. It will be remembered that the excess of exports in April and May amounted to Fr.35 mill. and Fr.183 mill. respectively. Especially noticeable is the decline in the export of manufactured goods, which fell from Fr.2,453 mill. in April to Fr.2,060 mill. in May and Fr.1,794 mill. in June.

If the value of imports was maintained at practically the May figure, their weight declined from 5,484,884 t. in May to 4,581,841 t. in June. For this decline raw material is solely responsible, that import amounting to 3,906,878 t. in June as against 4,811,665 t. in May. Exports show a slight increase in quantity, from 2,170,775 t. in May to 2,467,622 t. in June; foodstuffs having risen from 87,735 t. to 136,673 t. and raw materials from 1,844,566 t. to 2,108,835 t. On the other hand the export of manufactured goods, which exceeded 400,000 t. in March, fell to 235,000 t. in May, and again to 219,636 t. in June, being nearly 2,000 t. less than in June 1923. The increase in quantity in June as against a decline in value may be partly explained by the preponderance of heavy goods exported during the month.

The following table shows the quantity exported during the first six months of the year (in 1,000 tons):—

	1924.	1923.	Difference in 1924.
Imports.			
Foodstuffs	2,745	2,663	+ 81
Industrial material ...	24,642	22,182	+ 2,459
Manufactured goods ...	755	766	— 10
Total ...	28,141	25,611	+ 2,530
Exports.			
Foodstuffs	717	615	+ 101
Industrial material ...	11,279	9,417	+ 1,863
Manufactured goods ...	1,709	1,329	+ 374
Postal parcels	17	15	+ 1
Total ...	13,717	11,377	+ 2,339

It will be gathered that the increased value of foreign trade for the six months is due as regards imports to the rise in prices and as regards exports to this cause as well as to increased trade.

As compared with the corresponding period of 1913, imports show an increase of Fr.15,632.2 mill. and of 6,360,106 t. or 370 and 29 per cent. respectively, and exports an increase of Fr.17,910 mill., and of 3,666,995 t. or 534 and 36 per cent. respectively. This applies to all the main divisions of trade except the import in weight of manufactured goods, which has declined by 63,908 and the export of postal parcels by 933 t. A noteworthy fact is the increase of the export of manufactured goods by 607,363 t. or 55 per cent. (*Journée Industrielle.*)

CHAMPAGNE SALES.

The number of bottles of champagne sold and despatched from the districts of Châlons, Epernay and Reims during June was 2,064,845, of which 1,099,909 were sold in France and 962,936 abroad. The number of bottles of ordinary sparkling wine sold from the same districts during the month was 352,699. (*Exportateur Français.*)

EXHIBITIONS AND FAIRS.

The *Exportateur Français* supplies the following list (in chronological order) of fairs to be held in France during the remainder of the year. On the lower line in each case will be found the address at which particulars may be obtained:—

TOULOUSE	(June 1 to Sept. 1) Exhibition of Latin countries. Chambre de Commerce de Toulouse
PARIS	(August-September) Concours Lèpine for small French inventors and manufacturers, wireless exhibition. 151 Rue du Temple, Paris (3e).
BASTIA	(September) General. Hôtel de Ville, Bastia, Corsica.
GRENOBLE	(September) Cookery and wine. Société des Cuisiniers du Sud Est, 22 Place Grenette, Grenoble.
LYONS	(September) Agricultural machinery. Hôtel de Ville, Lyons.
CHAMBERY	(October) Commercial and agricultural. Hôtel de Ville, Chambéry.
DIGNE	(October) Perfumery. Office Agricole des Basses Alpes, 9 Rue Colonel Payas, Digne.
PARIS	(October) Horticulture. Société de Horticulture de France, 81 Rue de Grenelle, Paris (16e).
PARIS	(October) International; motor cycles and sport. 51 Rue Pergolèse, Paris (16e).
PARIS	(November) Aviation. Chambre Syndicale de l'Aéronautique, 9 Rue Anatole de la Forge, Paris (17e).
DIJON	(November) Food Exhibition. Hôtel de Ville, Dijon.

INDUSTRY

CONDITIONS AND PROBLEMS IN THE IRON AND STEEL TRADE.

The first returns for June from the foundries and steel works show that the output of iron and steel has fallen off, although the number of blast furnaces at work is the same as in May. The output of pig iron was 640,000 t. in June as against 660,000 in May and of steel 550,000 t. as against 598,000.

The problem of supplying the home market with iron and steel products of the highest importance for French engineering, mechanical and electric, and for second fusion foundries, although shelved for the moment, has not yet been solved and hangs like a sword of Damocles over the heads of all the contending parties. The existing situation, perturbed and always uncertain, is aggravated by abrupt and violent fluctuations of the market.

Assuming that the London Conference were to break down, that the Belgians and French remain in the Ruhr and that the agreement with the Ruhr magnates is not renewed, a fresh currency crisis would probably ensue accompanied by a resumption of orders from home consumers and also by a rise in prices. Pressed by the home consumer on the one side and attracted by the possibilities offered by foreign markets owing to the depreciation of the franc on the other, the French iron and steel producers are swayed between these two sets of customers and will probably end by satisfying neither.

Certain leading trade associations, such as the Federation de la Mécanique and the Syndicat des Mécaniciens, Chaudronniers et Fondeurs de France, are at present using their best endeavours to settle the question.

In order to appreciate the problem it is necessary to obtain an idea of the output and export of iron and steel products. During the first five months of the year the output of pig iron was 3,125,000 t., or an average of 625,000 t. a month, as against 1,852,000 or 370,000 a month in the corresponding period of 1923, a difference caused by the lack of coke resulting from the occupation of the Ruhr. The export of this product during the same period was 338,600 t., a monthly average of 67,700 t. as against 236,000 t. and 47,200 t. respectively during the first five months of 1923.

These figures show both an appreciable increase of production in 1924 and a dearth of iron and steel in France in the first five months of 1923, which sent prices up to an almost unprecedented extent. As regards steel, the output during the period was 2,834,500 t. as against 1,756,400 t. in 1923, being a monthly average of 565,000 t. and 351,800 t. respectively. The export of the various classes of products during the first five months of 1924, as compared with 1923 (in brackets) was (in tons) rolled or wrought iron and steel in blooms, billets and bars, 647,800 (296,000); iron or steel rails, 136,000 (96,000); sheet iron, 28,000 (16,400).

The following import figures will serve to show very roughly the amount of these products available for home consumption: rolled iron and steel in blooms, bars, etc., 128,000 (66,400); iron and steel rails, 2,400 (15,900); sheet 27,200 (43,500).

It will be seen from the above figures that export during the first five months of the current year was quite justified by output, and that home consumers had no cause for complaint except between the middle of January and the middle of March, when the currency crisis was at its height and the demand from foreign markets was enormous. As the representatives of the iron founders observed at their conference with the engineering firms and converters of raw products, that when at the end of 1923 the market was sound but dull and prices accommodating, consumers of the raw products gave no orders, but when the boom came, orders flowed in and those from the home market were set aside in favour of those from abroad. Since then output has revived, there is no dearth of stocks, prices are on the low side, but orders are not forthcoming. The producers have accumulated stocks, the manufacturers of the finished article are unostentatiously disposing of their reserves and should there be a sudden demand, the difficulties of three or four months ago would inevitably recur. It is in order to avert these that the representatives of the engineering trade have requested the iron founders to consider the means of reserving for the manufacturers, at all costs, a certain proportion of iron and steel, which is infinitely easier in theory than in practice. An inquiry has been instituted by the Association of Engineers, Boiler Makers and Founders of France to ascertain the requirements in unworked iron and steel of its members, which is still proceeding, but only in October will it be possible to harmonise the views of producers and consumers.

The recent report of the Board of the Société des Cokes des Hauts Fourneaux ("Scof") for the year 1923, summarised below, will give an idea of the difficulty encountered during the year by the French iron and steel industry in obtaining the necessary fuel. The "Scof," which was entrusted with the distribution among the iron and steel works of the whole of the fuel obtained from sources outside the works, was, it will be remembered, dissolved on March 1, 1924, and has been replaced by the Office de Répartition de Cokes Allemandes (Orca). The "Scof's" financial year began on Feb. 1, the final year with which the report deals consisting of 13 months from Feb. 1, 1923, to Feb. 29, 1924. The substance of the report is as follows: The "Scof" bore the brunt of the occupation of the Ruhr by the French and Belgians, and its effects were at once felt by the iron and steel industry owing to the immediate stoppage of reparation fuel. The chief source of supply having thus suddenly run dry, the "Scof" sought to collect all available fuel at home and abroad. As the output of the French mines could not be increased, recourse was had to the Belgian, Dutch, British and American markets, but the supply of the two first was limited, while the two last would only furnish coke of poor quality, which often arrived in a damaged condition. In order to increase the supply the "Scof" was empowered to manage and work all the available coke ovens on French territory and even some outside it. At the same time the Allied engineers in the Ruhr placed at the disposal of the Mission Interalliée de Contrôle des Usines et des Mines (M.I.C.U.M.) gangs of workmen to assist in dealing with the stocks of coal formed at the beginning of the passive resistance. The deliveries of German fuel were thus appreciably increased. The "Scof" distributed during the 13 months 1,847,000 t. of coke, an amount totally insufficient for the ordinary needs of the industry. The French mines supplied 487,000 t. (of which 356,000 t. from the Nord and Pas de Calais) and 382,000 tons were purchased abroad from Great Britain, Belgium, Holland and the United States. The "Scof" had 1,116,000 tons manufactured in the coke works rented by the company, the output of these works, which was only 15,000 t. in January 1923, rose to over 100,000 t. in June, a rate which was maintained until the end of January 1924. The coal supplied to the "Scof's" coke works came from Great Britain (700,000 t.), Holland (463,700 t.), France (60,300 t.), Germany (10,500 t.), the United States (8,000 t.)

The supply of the "Scof" was assured by British fuel, the price of which was fixed on British parity, and this price was further increased by the rise in the London exchange.

This rise reached the price of French and even of German coal. To these causes affecting the average price must be added the transport rates of coal to its various coke works borne by the "Scof." The costs of export were also very heavy, although it was suspended for several months. The universal price for members of the "Scof" rose from Fr.95 per ton in January 1923 to Fr.200 and 220 per ton at the end of the year. In spite of this rise in price the "Scof" was not able to wind up its transactions without loss, and the deficit will have to be made good by its members in proportion to the amount of fuel allotted to each works. (*Information Financière, Nord Industriel, Journée Industrielle.*)

THE MAY MINERAL OUTPUT.

The output of iron ore in May amounted to 2,286,116 t. as against 2,144,691 t. in April. The activity of the iron and steel trade is evidenced by the diminution of the stocks of ore from 3,410,000 t. in April to 2,150,000 t. at the end of May. The output of potassium salts was 59,871 t. and other salts 109,690 t. (*Information Financière.*)

GERMANY

FINANCE.

FAILURE OF THE BECKER STEEL WORKS.

The authority supervising the affairs of the Becker Steel Works has issued a statement with regard to the failure, in which it says that the fundamental cause was the lack of any connection with a large bank, so that when the period of great money scarcity came the company was not in a position to obtain the necessary credit. The managing director, Herr Becker, died about this time, and the persons who took over the financial direction of the concern, instead of making prudent efforts to assure the provision of credits by other means, proceeded to obtain them through bills in a manner which can only be characterised as irresponsible. These bills bear the signature of three firms of the Becker concern, viz. the Becker Steel Works, the Indubank and the Eschweiler-Ratinger Metal Works. The raising of money in this way involved an immense outlay in interest and commission. In addition, insufficient caution was displayed in the choice of the persons who were employed to negotiate the acceptances. The result was that there was an enormous difference between the sum for which the obligations were taken up and that which was actually received by the Indubank or by the Becker Steel Works in hard cash. It was impossible to bridge over this gap and the debt thus incurred was mainly responsible for the financial collapse. Those who took this course will have to take the full consequences of their action, and have already been removed from their posts. The supervising committee has also decided to take criminal and civil proceedings against them. If the efforts at reconstruction should fail bankruptcy proceedings will be inevitable, and in that event the shareholders will get nothing and the creditors only a very small composition. The only chance of avoiding this lies in making every possible effort at reconstruction. (*Deutsche Allgemeine Zeitung.*)

RISE IN THE DEBENTURE STOCK MARKET.

Whilst the share market has been stationary, there has been during the last few months a noticeable increase in the demand for industrial debenture stock, which in the course of time has brought about a considerable improvement in prices for this class of security. The following table indicates the nature of the movement in some leading debenture securities:—

	Debenture Prices. May 2.	Debenture Prices. July 21.	Share Prices. July 21.
	(In billions per cent.)		
A.E.G. (1911)	5	5.37	6.5
Badische Anilin (1919) ...	2.5	3.9	11.37
Feldmühle Papier	5.1	7.5	2.25
Felten und Guilleaume ...	5.2	6.75	6.75
Höchster Farbwerke ...	1.3	2.5	9
Rütgerswerke	1.55	2.3	9.6
Zellstoff Waldhof	0.26	2.5	7.2

Thus the debenture prices have risen about 50 per cent. in seven weeks, whilst share prices have fallen about 10 per cent. during the same period. It will be noted that with one exception (Feldmühle Papier) the debenture prices are generally from one half to one-third of the share prices, so that the vast disproportion between them which existed last year has been considerably reduced. The above examples are limited to quotations on the Berlin Exchange, but there are a whole number of debenture quotations on other exchanges which are higher than the corresponding share quotation on the Berlin Exchange. The following are examples :—

	Share Prices.	Debenture Prices.
	(In billions per cent.)	
Adler Portland Cement ...	3.75	12.25
Electr. Licht und Kraft ...	6.37	7.00
Th. Goldschmidt	8.50	9.50
Humbold Maschinen ...	11.75	12.00
Lahmeyer	6.00	6.50
Lindes Eis	5.40	9.50
Thüringer Gas	4.80	9.00
Ver. Smyrnaer Teppische	1.00	9.00
Voigt und Haeffner ...	1.00	4.50
Westfalische Eisen u. Draht	9.87	10.00
R. Wolf	4.40	6.00

The majority of these debentures were issued before the war, whereas those in the first table have mostly been issued since the war. Moreover, in no case does the price of debenture stock rise above 13 per cent. of par, which points to the effects of the third emergency order relating to the restoration of secured debts and fixing the maximum revaluation at 15 per cent. of their gold value. Now at the present moment the actual values of restored debts stand considerably below 15 per cent., so that market prices reaching to 10 and 12 per cent. would appear strange. These high prices, combined with a rising debenture market while the share market is falling, can only be explained on the assumption of a large increase in demand, and that not on the part of the public, but on the part of the companies themselves. Companies having been restoring the value of their secured debts in accordance with the regulations, and then redeeming them on the exchange as the only means of cancelling them. The fear, apparently ungrounded, of a new order raising the percentage to which debts are to be restored has induced companies to do this quickly. The present situation in the debenture market therefore is the natural expression of actual conditions. (*Vossische Zeitung.*)

TRADE

WHOLESALE PRICES IN RECENT MONTHS.

The index figures of the Reich Statistical Office for wholesale goods are as follows (1913 = 100) :—

Goods.	April 29.	May average.	June average.	July 1.
1. Corn and potatoes	93.3	91.0	84.2	82.6
2. Fats, sugar, meat and fish	130.8	126.4	114.2	111.8
3. Colonial goods and hops	216.0	195.8	180.9	182.4
4. Hides and leather	140.3	126.8	115.1	107.6
5. Textiles	210.6	211.6	204.1	199.9
6. Metals and mineral oils	120.8	117.0	113.5	113.6
7. Coal and Iron ...	141.7	145.1	144.5	136.2
Foodstuffs	110.6	106.6	97.9	96.4
Industrial materials ...	150.9	152.2	149.6	143.1
Home-manufactured goods	113.3	112.2	106.1	102.5
Imported manufactured goods	181.2	173.8	165.0	163.2
Total index	124.6	122.5	115.9	112.6

Wholesale prices have thus shown a general downward tendency during the last three months, but the fall has been much more marked in foodstuffs than in industrial raw materials, where the high level of coal and iron prices have had their effect. The noticeable fall in coal and iron at the beginning of July is due to the reduction of 20 per cent. in the price of Ruhr coal at the end of June. From the point of view of the agricultural crisis the reduction in the disparity between the prices of agricultural products and those of industrial materials at the beginning of July is favourable. (*Wirtschaft und Statistik.*)

The *Frankfurter Zeitung* wholesale index number is calculated on a different basis from that of the Reich Statistical Office, and produces a totally different result. The former is the arithmetical mean of the prices of 98 commodities, including a group of industrial manufactured goods, whereas the latter is based on the prices of 38 principal commodities and is "weighted"; out of 66 points 30 fall to corn and potatoes, for instance. Accordingly the extreme lowness of corn prices in Germany has a considerable effect on the official index number. While declining to compare the relative value of the two methods of calculating the index figure for general purposes, the *Frankfurter Zeitung* claims that its method is superior for the specific purpose of gauging the situation in the industrial market. The *Frankfurter Zeitung* index figure for wholesale commodities at different dates since the stabilisation of the currency in November last is as follows (1913 = 100) :—

Goods.	Nov. 29.	Jan. 31.	April 15.	May 30.	July 3.	July 17.
1. Foodstuffs and Luxuries ...	180.9	149.1	150.9	131.1	125.7	125.4
2. Textiles, leather, etc.	174.3	194.0	207.8	198.1	187.4	186.3
3. Minerals ...	171.0	131.7	147.9	134.4	119.1	121.6
4. Various ...	149.4	120.9	133.6	130.6	119.0	116.5
5. Industrial manufactured goods ...	149.7	133.8	140.8	141.7	137.6	135.7
Index for 98 commodities	165.0	143.1	152.3	143.0	134.3	133.6

The highest point since November was reached on April 15, between which date and July 3 there was a fall of about 12 per cent. In the subsequent fortnight, on the other hand, there was a further fall of only 0.5 per cent. On July 3 the figure was 134.3, whereas the official figure on the same date was only 112.6. In group 1, in spite of a rise in corn, eggs, lard and butter, there is a fall of 0.2 per cent. between July 3 and 17, as hops and tobacco had gone back about 40 and 30 per cent. respectively. But for these two commodities there would have been a rise of 5.4 per cent. in the group. In group 2 there is a fall of 0.6 per cent. as compared with July 3, chiefly owing to cotton yarn and fabrics. Hides, on the other hand, showed a not inconsiderable increase and leather a slight increase. Group 3 is the only one which shows an increase. The fall of 1.4 per cent. in group 5 is mainly due to textile goods.

INDUSTRY

THE FUTURE PRICE OF COAL.

The Mining Association in Essen has recently published a report on the financial situation of the Ruhr mining industry. The report is gloomy in the extreme. The cost of producing a ton of Ruhr coal is reckoned at Mk.18.91 exclusive of M.I.C.U.M. burdens, or at Mk.29.13 inclusive of these. The average return is given as Mk.16.74, so that there is a loss of Mk.2.17 per ton without M.I.C.U.M. deliveries and of Mk.12.39 per ton if these are included. The latter deficit is borne to the extent of Mk.4.80 by the Reich and of Mk.7.59 by the industry. The *Vossische Zeitung*, commenting at length on the report, says the estimate of the burden involved in the M.I.C.U.M. agreements appears to be substantially correct; but that, as it is to be hoped that these will soon cease, it is pertinent to enquire as to subsequent coal prices. It must not be overlooked that the public is holding up orders for coal in the expectation of lower prices when the agreements are no longer operative; on the other hand, the industry points out that current prices, even apart from the agreements, are inadequate to meet the necessary charges on the mines. The report gives the following calculation of costs, which affords some indication of future prices :—

	Mk.
Wages	7.17
Officials' salaries (13 per cent. of wages) ...	0.93
Contribution to miners' relief fund and insurance	1.12
Cost of materials	3.60
General overhead charges	1.90
Total ...	15.30
Writing down (10 per cent.)	1.53
Total cost per ton	16.83

From every 100 tons 11 tons must be deducted for consumption by the mines themselves and for allowances.

Total cost per ton therefore

$$\text{Mk.}16.83 \times \frac{100}{89} = 18.91$$

This calculation is exclusive of M.I.C.U.M. obligations. The output per man per shift is given as 0.865 ton, which is extremely low. At the beginning of April, under unfavourable conditions, the output was 0.880 ton, and the decline is attributable to the subsequent introduction of "holiday shifts." As soon, however, as the M.I.C.U.M. agreements cease output will doubtless immediately rise to the April level, which may therefore be taken as a basis for calculating future costs of production. At the average of Mk.5.80 per shift the wages bill works out at Mk.6.59 per ton. 13 per cent. of wages is too high an estimate for officials' salaries; before the war it was 8 per cent., and may now be put at 10 per cent. This would make Mk.0.66 instead of Mk.0.93 per ton, and contributions for short time and insurance will accordingly fall from Mk.1.12 to Mk.1.05 per ton. Materials cost before the war Mk.2.34 per ton, and according to the official index figure have only risen 20 per cent. This item should therefore be estimated at Mk.2.81 instead of Mk.3.60 per ton. The remaining items need not be questioned, though Mk.1.90 for general overhead charges is high. These reductions bring down the cost per ton from Mk.18.91 to Mk.16.79, which is about the same as the return per ton (Mk.16.74) given in the report. The return at Mk.16.74, however, is reached after taking Mk.1.75 off the average sale price as a "Syndicate levy," which should be reduced by at least 50 per cent.; a reasonable margin of profit would then be left to the colliery owners. Apart, therefore, from the M.I.C.U.M. agreements the situation in the Ruhr coal industry is not so unfavourable as it is depicted by the Mining Association, but the cessation of these cannot by itself bring about more than a slight reduction in prices. This can only be done through the lowering of interest charges for money and through increased output to be achieved, not by longer hours, but by technical improvements, for which there is plenty of room.

LATVIA

FINANCE

STATE AID TO AGRICULTURE AND TRADE.

The Bank of Latvia recently put notes to the amount of 200,000 lats into circulation. The note circulation therefore now amounts to 25,700,000 lats covered by 1,500 kg. of gold, $2 million and £454,000. There is a 100 per cent. cover.

From the very beginning the Latvian Government has regarded the financing and reconstruction of national agriculture as one of its most vital tasks; and with this purpose in view a State Agrarian Bank was established as soon as Latvia became independent, which centralises all the agricultural credit transactions and the business connected therewith. On January 1 the number of ground areas upon which loans had been granted was 1,396 and their extent 81,564.36 hectares. The taxation value was 8,254,600 lats and the number of loans 1,498. In the course of last year 18,712 short term loans were granted to the amount of 10,135,011 lats. These loans are distributed as follows among the various groups of farmers: new farms, 12,637 loans of 6,199,610 lats (69.27 per cent.); older farms, 4,506 loans of 2,133,408 lats (23.92 per cent.); leaseholders, gardeners, etc., 874 loans of 415,998 lats (5 per cent.); fishermen, 367 loans of 161,630 lats (1.8 per cent.). In addition to this there are the loans to industries in the rural districts, which have been divided among 890 undertakings.

Parliament has decided to use foreign merchandise-credits to a sum of 10 million lats. The Finance Minister is authorised to issue State Debt certificates within the limit of this sum as security for the credits. This enables Latvia to make use of the Swedish and Finnish credits, and a beginning will be made as soon as the Ministry's authorisation is given. (*Baltic-Scandinavian Trade Review.*)

TRADE

FOREIGN TRADE NEGOTIATIONS.

Latvia's foreign trade connections are greatly in need of extension. The balance of trade must be restored, and to this end new categories of export goods must be found to offset the loss caused by the diminished export of timber. The easiest way to establish connections with new markets is by the conclusion of trade agreements. After the first negotiations with England and Czecho-Slovakia matters apparently were allowed to rest. It is all the more gratifying therefore, says the *Baltic-Scandinavian Trade Review*, to note the activity the Government has recently displayed in preparing way for new negotiations. Of course those States which are already bound to Latvia by commercial ties will be given first consideration Thus negotiations have been resumed with Italy, which has secured a good sales market in Latvia and which is also a customer for timber, and through Milan's textile industry for flax. The ratification of the treaty with Holland may be regarded as an accomplished fact, and this treaty opens up a new field of operations for Latvian timber exporters. The negotiations with France will probably take some little time yet and will not be concluded until late in the autumn.

The adverse trade balance, which was quite considerable in the first months of the year, fell in April, when the total value of the imports only slightly exceeded that of the exports. The former amounted to 42,322,920 kg. of a value of 18,164,252 lats, while the latter stood at 52,458,863 kg. of a value of 16,105,577 lats. The value of the exports therefore has, in comparison with March, increased almost threefold, while that of the imports remained at about the same figure. The majority of goods were imported from Germany, Soviet Russia, England and Lithuania, while the exports went mainly to England, Belgium and Germany. It will be seen from the above that England continues to play the leading rôle as a buyer from Latvia. Thus the value of timber goods purchased during the first five months of the present year amounted to £663,624 as against £616,362 in 1923 and £310,939 in 1922, while her imports of flax aggregated £502,531 as against £293,784 in 1923 and £120,440 in 1922.

Some little progress has been made in the negotiations with Soviet Russia with regard to forest concessions. The Russians' first offer having proved to be unsatisfactory, a total of about 4,442,000 standards spread over ten years is now suggested. The shares in the mixed joint stock company are to be divided equally between the Russian and Latvian shareholders, and the "Dwinoless" trust is to participate in the holding on the Russian side.

INDUSTRY

SURVEY OF INDUSTRIAL ENTERPRISE.

The recently published figures in respect of the industrial undertakings in Riga afford an interesting view of the present position of affairs. In examining these statistics, says the *Baltic-Scandinavian Trade Review*, the number of workers and not the number of undertakings should be taken into consideration. The leading place is taken by the timber industry. The promising development in this branch of production, in which more and more foreign capital is being invested, rests entirely on a natural basis, the home raw material, and can only be regarded as satisfactory. The same, however, cannot be said of the manufacturing industry, chocolate and kindred products which comes second. Five large sweets factories are, for example, in excess of the requirements, and a gradual writing down will be necessary. Next in order comes the metal industry, of which Libau was formerly the chief seat. It is interesting to note that there are also large footwear factories in the leather industry, a branch of production which seems to be developing a good export capacity.

In the vicinity of the Goldingen the Rummel River is to be exploited for Latvian power stations. In this way it will be possible to electrify a large portion of Courland. A joint stock company has been formed with the object of building a power station. One of the uses to which the current is to be put will be the operation of a cellulose factory. This factory will be established with Czecho-Slovak capital as a branch of the great Baltic cellulose factory in Schlock.

The number of steam boilers in Latvia now amounts to 3,432 with a heating surface of 66,422 sq. metres; this includes 2,681 locomobiles with a heating surface of 30,105 sq. m.

RUMANIA

POLITICAL AND GENERAL

THE MINES ACT.

The Mines Bill, which has been the object of considerable controversy and opposition, notably on the part of foreign oil companies which it especially affects, has been passed by Parliament and was promulgated on July 4. The new Act, consisting as it does of 270 clauses, is too lengthy for analysis in these columns, but its main outlines have already been given (*cf.* The Economic Review, March 28, p. 276). As finally passed, the Act contains certain amendments and modifications introduced in deference to the representations of the foreign companies and their Governments, described by the Rumanian Government and its supporters as far-reaching, and by its opponents as insignificant. The great innovation in the mining law of the country introduced by the Act is the assignment to the State of the ownership of all minerals and mining rights to the exclusion of the owners of the surface. The Act provides (clause 245) that the mining rights existing at the date of the promulgation of the Constitution, and which were worked by the owners of the surface, shall remain in force for the maximum term allowed by the Act in respect of each class of deposit, and that the owner shall (on the conditions therein specified) have the right of alienation when the concession expires before the time provided by the Act for each class of deposit. And the Act further provides (clause 255) that the rights of owners of land who at the date of the promulgation of the Constitution were working oil or other bituminous substances shall be recognised as valid for the maximum term provided for by the Act for each class of deposit.

The chief cause of dispute is the pressure which the Act seeks to bring to bear upon foreign companies to become naturalised.

The Government, since the passing of the Act, has issued the following communication to foreign journals (published by, among others, the *Neue Freie Presse* of Vienna): "Far-reaching amendments have been introduced into the Bill in the course of the debate in Parliament. Acquired rights have been safeguarded to the utmost, and consequently existing companies will suffer no molestation in their development. Such companies may in the future acquire oil fields of large extent from private owners; they may prospect over new ground and obtain extensions of area without any conditions as to nationalisation being imposed upon them. It is only when the companies desire to acquire fresh territory under the terms of the new Act that they will be required to accept within the next ten years the co-operation of

Rumanian capital. It is considered in Rumania that the alarm displayed at first in certain oil quarters cannot now be justified, in view of the recent amendments introduced into the Bill. Moreover, the majority of existing companies have formally acquiesced in it." The leading Rumanian economic review, *Bursa*, which publishes this communication, disputes its premises, and declares that the amendments are insignificant and constitute no improvement in the Act. Moreover, adds this authority, the concluding sentence in the communication is a gross exaggeration, as the only companies which have acquiesced in the Act are the Steaua Romana and Concordia.

A French authority on Rumanian oil affairs has expressed to the *Information Financière* the following views on the ultimate influence of the new Act on the fate of the Rumanian oil industry, and especially on the future of companies which interest the Paris market.

The new Act affects new undertakings rather than those already in existence, the vested interests of which are safeguarded. It is only on the former that the obligation is imposed of becoming Rumanian within the next ten years as to 60 per cent. of their boards and 50 per cent. of their capital. It is true that to these undertakings thus naturalised the concession of oil-bearing land belonging to the State will be exclusively granted, but these concessions will be seriously burdened since they impose the obligation of carrying out costly prospecting works and the right of redemption by the Government on simple repayment of expenses incurred with interest at 10 per cent.

As regards land not the property of the State, the new Act alters the existing system very materially by its assignment to the State of the ownership of everything below the surface, hitherto belonging to the surface-owners. But the alteration affects these far more than the mining companies, which will, as before, be compelled to pay to the staff 10 per cent. of all profits after paying a dividend at 5 per cent., and to deliver to the State 10 to 20 per cent. of their gross output of oil, whereas while formerly the whole of this accrued to the owners, in the future the Government will only allow them a share. This change may even be to the advantage of the companies by relieving them of troublesome costly haggling with the peasant proprietors and of the hazards attendant upon proving their titles.

Of greater importance at the present moment to the oil companies than the Mines Act is perhaps the Commercialisation Act. This Act, in order to assure to the country an adequate supply of fuel, has granted to a company, the capital of which is subscribed as to 40 per cent. by the Government, as to 40 per cent. by the oil undertakings, and as to 20 per cent. by the public, the monopoly of the distribution and sale of oil and oil products in Rumania. This system involves the expropriation of the pipe lines, leaving only to the owners priority of transport, and will result in the taxation of proceeds of sales at home and in limiting the export to the share of the products not required for the needs of the nation. Its operation has for some months increased the price of crude oil by some 28,000 to 36,000 lei the truckload, and reduced the profits of the refineries.

In summing up the effects of the new Act, the above-mentioned authority is of the opinion that the new scheme devised by the Government for naturalising as far as possible one of Rumania's chief industries will not check the co-operation of foreign capital, which is, in fact, indispensable. This restriction of the activity of the oil companies will of course cause certain disadvantages which may eventually be removed by subsequent amendments, and it will certainly not seriously prejudice the future of oil companies, especially those which devote themselves exclusively to oil production, such as the Roumano-Belge des Pétroles, or even of those which possess large refineries of their own, such as the Steaua Romana, Astra, Concordia and Columbia.

It will be noted that these companies which the new Act will not affect include the only two which, according to the *Bursa*, have acquiesced in it. Other undertakings are, however, showing active opposition to the Act. According to a message to the *Neue Freie Presse* (July 18), the obvious aim of the Act to force foreign oil companies to naturalise themselves has provoked measures of retaliation on the part of certain undertakings. It is reported in well-informed circles that the Standard Oil and Royal Dutch Companies are preparing to embarrass the Rumanian oil industry by artificially reducing prices.

Again, the *Central European Observer* informs us that, owing to the action of American oil owners in Rumania grouped round the Standard Oil Company which represented to their Government that the interests of American citizens were threatened, negotiations on the subject are proceeding between the United States and Rumanian Governments, the former having presented an "interrogatory" to the latter.

FINANCE

NEGOTIATIONS FOR A FOREIGN LOAN.

At a recent meeting of the Rumanian Cabinet Council it was unanimously decided to raise a foreign loan as speedily as possible. In well-informed circles it is asserted that Rumania can only obtain a loan from some financial group which has an influence upon the London Stock Exchange. The negotiations which the Government are now conducting in this matter are being carried on with a syndicate which is in close connection with Rumanian oil interests. While not, perhaps, one of the foremost concerns in the City, the combine in question disposes of sufficient means to ensure it an advantageous position on the Rumanian oil market.

The negotiations will depend directly upon an oil concession, but it is fairly certain that such a concession will be granted in this connection. In financial circles there is a difference of opinion as to whether it would not have been better to negotiate for a loan on the direct basis of an oil concession. It is considered that in this case a wider field of competition would have been opened up and that a loan could have been secured on far more favourable terms than will be possible in the present circumstances. (*Central European Observer.*)

TRADE

THE ECONOMIC CRISIS.

A Bucharest message to the *Neue Freie Presse* from a well-informed Rumanian source states that the business crisis prevailing in Rumania since the beginning of the year has given rise to considerable comment.

Criticism has been bestowed on the attitude of the Government and the National Bank, which, from fear of inflation, have refused to increase the note circulation of 17 or 18 milliard lei, an amount at which it has stood for some years, and thus compel a population of 17 million to conduct their business with an average capital of 1,000 lei per head. A consequence of this shortage of ready money is, on the one hand, the impossibility on the part of Rumanian traders of meeting their liabilities, a source of friction with foreign creditors and of the depreciation of the leu, and on the other hand a stagnation of business in industrial undertakings through lack of funds. Of late the following fresh factors have aggravated the crisis and adversely affected the currency: reports of bad harvest prospects, believed to be greatly exaggerated; and the passing of the much-contested Mines Act, which provokes discontent not only at home but probably among the powerful foreign interests connected with the Rumanian oil industry. A new policy is hoped for which must in the first place attract foreign capital by means of liberal concessions. Thus alone can the abundant natural wealth of the country be fully developed, the present depression dispelled, and an era of great economic revival and restored confidence be inaugurated.

SWITZERLAND

POLITICAL AND GENERAL

THE PROBLEM OF TICINO.

The geographically and ethnographically somewhat isolated canton of Ticino is presenting a problem of considerable difficulty to Swiss statesmanship. It is no doubt true that irredentist activity on both sides of the frontier has now ceased; Mussolini has publicly declared that as far as Italy is concerned there is no Ticino question, whilst in Ticino itself only an infinitesimal minority desires union with Italy. Nevertheless there is a good deal of discontent in the canton. Separated as it is by the Gotthard mass from the rest of Switzerland it finds itself in an unfavourable position both from the economic point of view and from that of political intercourse. Communication with northern Switzerland is hampered by the extra rates charged on the Gotthard railway. The Ticinese complain that they do not obtain their fair share of Federal appointments, and that, as there is no Italian university in the Confederation, they are compelled to go to Italy for their higher education, whilst examinations for State appointments can only be taken in the German and French languages. With regard to their economic grievances a petition has been presented by the Ticinese Government to the Federal Council asking for redress. As a concession to their demands new railway tariff rates are being introduced next year for distances over 151 km., which will assist the transport of goods to and from the canton. The cantonal Chamber of Commerce in Bellinzona has also recently handed a memorandum both to the Government and to the Ticinese deputies in the Federal Assembly asking for special railway rates for raw materials required by Ticinese industries and for Ticinese manufactured goods, the abolition of all extra charges on goods destined for abroad via Chiasso, the Italian frontier station, and other concessions with regard to railway and postal rates. The memorandum also calls attention to the economic development and the economic needs of the canton. It is represented that the economic isolation of the canton was not remedied by the Gotthard tunnel both because of the extra rates charged and because of the centralisation of the Swiss tariff system, which meant a great sacrifice for the canton. The economic connection with Italy which existed before the construction of the railway had gradually ceased, but had not been compensated for by a sufficient increase in the relations with the rest of Switzerland. The once prosperous silk industry of the canton had suffered from the Federal factory law of 1876 to such an extent that the cocoon production has fallen from 200,000 kg. to 15,000 kg. Moreover, the Federal corn monopoly is very disadvantageous to Ticino, inasmuch as it simply raises the price of bread without benefitting cantonal agriculture, which does not produce corn. Another cause of dearness in the canton without corresponding advantages are the various import prohibitions and restrictions.

However much concessions to Ticino may be desirable from the political point of view, they will be difficult to carry out, because other cantons will follow with similar demands, to which the Confederation could not accede. (*Frankfurter Zeitung.*)

The Federal Railway administration has rejected practically all the Ticinese demands on financial grounds; for the desired concession with regard to the extra mountain rates, for instance, would involve the sacrifice of similar charges on other mountain lines which the railways are not in a position to bear. The decision has evoked keen disappointment in Ticino. (*Neue Zürcher Zeitung.*)

FINANCE

STABILISATION OF THE SWISS FRANC.

Before the war the Swiss franc was one of the most stable currencies. During the war the difficulty of provisioning the country together with the need for commodities on the part of the belligerents created a stiff demand for Swiss securities. This, and the heavy import of gold (amounting to over Fr.300 mill. between 1914 and 1918) caused a considerable rise in the franc, which in June 1918 stood at about 31 per cent. above New York parity. After the war the growth of imports, rising in 1920 to an excess of Fr.966 mill. over exports, the decline of tourist traffic and losses on the exchange all combined to have an unfavourable effect on the Swiss franc, so that in December 1920 it stood at only 80 per cent. of New York parity. In 1921 the decline of imports and the heavy immigration of foreign capital again raised the franc above New York parity. The Swiss National Bank then reintroduced the gold currency, which reached about Fr.200 mill. between December 1921 and May 1922, but had again to withdraw it owing to the recovery of the dollar. Low Swiss interest rates brought about the withdrawal of the foreign capital, and this movement was further accentuated by the Socialist proposal for a capital levy, which caused the emigration of Swiss capital also and forced down the franc. In addition came heavy demands on the National Bank by the Confederation and the Federal Railways, and in December 1923 the franc was 10 per cent. below parity. The current year, however, has witnessed another change. The favourable development of Swiss export, partially caused by the stabilisation of the German currency, has enhanced the demand for Swiss securities. Moreover, by means of a dollar loan in the spring it has been possible to reduce the note circulation and to fund a large proportion of the floating debt. The note circulation fell from Fr.982 mill. at the end of 1923 to Fr.863 mill. at the beginning of May, and the dollar exchange fell from Fr.5.73 at the end of December to Fr.5.61 at the end of June. In July there was a further considerable improvement, the dollar exchange falling to Fr.5.42 on the 14th of the month, accompanied by a similar movement of all the other exchanges. This is due to a further improvement in the trade balance and a further decline in the note circulation, which has fallen by Fr.15 mill. since the beginning of May. The circulation of Darlehenskassenscheine has also fallen by Fr.10.5 mill. From the the fact that the amount of gold in the National Bank fell by Fr.7.3 mill. in the first week of July it would appear that the bank is prepared to use part of its large reserve of gold to absorb the excess of notes. In addition to this, particularly since the abolition of the restrictions on German travel, the heavy tourist traffic is creating a demand for Swiss francs, and finally a part of the last dollar loan can be used to finance current imports of wheat, so that the Swiss demand for dollars is at the moment very small. But more important than all these factors is the improved confidence in the Swiss exchange, which, in view of the strong and successful efforts to rehabilitate the public finances, the high gold cover for the note circulation (about 60 per cent.), to the increasingly favourable position of the Federal railways and postal services and the growing tourist traffic, appears to be thoroughly justified. In Swiss financial circles a further strengthening of the franc is expected. (*Vossische Zeitung.*)

SOCIAL AND LABOUR CONDITIONS

UNEMPLOYMENT IN APRIL.

The unemployment outlook continues to improve. The number of totally unemployed at the end of April was 16,730, which shows a decrease of 22 per cent. as compared with the figures for March and 53 per cent. as compared with those for April of last year. The number of partially unemployed was 6,465, which represents a decrease of 21 and 64 per cent. respectively.

In the summer the unemployment will in all probability not be appreciably above the normal pre-war level. Of the 4,650 totally unemployed who found employment 1,160 belonged to the building industry, 600 to the metal and machine industries, 425 to the hotel industry, and nearly 1,000 to other occupations, while 1,520 were unskilled labourers. Of the decrease of 1,699 in the partially unemployed 1,209 belonged to the textile industry. The number of men applicants per 100 vacancies was 177 as against 211 in March, 303 in April 1923, and 545 in April 1922. (*Neue Zürcher Zeitung.*)

COMMUNICATIONS

THE ELECTRIFICATION OF THE FEDERAL RAILWAYS.

The electrification of the Swiss Federal Railways has recently made great strides. On Oct. 2, 1923, the Federal Parliament sanctioned a credit of Fr.60 mill. out of the general State funds with a view to accelerating the execution of the electrification programme. According to the new programme about 1,530 km. out of the total of 2,930 km. should be electrified by the end of 1928. At the beginning of June the section Basle-Lucerne was ready for the running of electric trains, so that all the lines connecting with the Gotthard line are now worked electrically. The lines at present being electrified are Zurich-Berne, Zurich-Richterswil, and a portion of Zurich-Buchs, which will mainly relieve the heavy suburban traffic with Zurich. The next lines to be electrified are Lausanne-Geneva (75 km.), Zurich-Wintersthur (41 km.), and Zurich-Rapperswil (36 km.) on the right bank of the lake. The increasing proportion of electric traction on the Federal railways is already noticeable in the 1923 returns; for the electric train mileage rose from 13 per cent. to 17 per cent. of the total mileage run. The number of electric locomotives rose from 102 to 123, and 40 more are building. The total expenditure on electric traction rose by Fr.52.3 mill. to Fr.365.5 mill., of which Fr.146 mill. were for electric power stations, Fr.67.7 mill. for cables and Fr.107 mill. for electric locomotives. The execution of the whole programme will cost another Fr.400 mill.

But however much the electrification is to be welcomed its profitableness is doubtful; for this depends above all upon the price of coal, at any rate as long as the intensity of traffic remains as it is at present. Even if the latter rose to the 1913 level the cost of running, with coal at Fr.60 per ton, would be just as high as for steam traction. If the price of coal falls the comparative profitableness of electric traction is lowered, though of course it increases with the intensity of traffic. In its message of June 1, 1923, in which the credits for electrification were proposed, the Federal Council said: "The more traffic increases the more profitable electric traction becomes, inasmuch as coal parity falls 1 per cent. for every 4 per cent. increase in traffic." On the other hand the increasing use of electricity makes Switzerland increasingly independent of coal imports from abroad. When the electrification programme is complete the estimated reduction in the consumption of coal will amount to between 450,000 and 500,000 tons. (*Vossische Zeitung.*)

REDUCTION OF RAILWAY FREIGHT RATES.

The Federal Railway Administration has decided upon the following reductions in freight charges, to take effect from Jan. 1 next. :—

Distance kilometres.	Percentage of increase over pre-war rates. New rates.	Present rates.
100	175	175
200	126	140
300	75	100
400	45.6	77.5
500	26.5	64

It will be seen that the new tariffs are based upon a progressive reduction of charges for longer distances; for distances under 100 km., on the other hand, there is no change. The object of the new scale is to assist outlying cantons like Geneva or Ticino, and the estimated loss involved is about Fr.2 mill. per annum. The new rates differ materially from the proposals for a much larger reduction quoted in THE ECONOMIC REVIEW, July 4, 1924, p. 13. (*Neue Zürcher Zeitung.*)

TURKEY

FINANCE

THE BUDGET

The estimates for 1924 show a revenue of £T129,214,610 made up of (in millions of £T): direct taxes, 43.9; indirect taxes, 28.1; monopolies, 16.4; various undertakings, 0.7; State Domain Lands, 4.4; fines, 3.2; various, 5.4. The yield from taxes on articles of consumption is estimated at 14.6 mill. and that from fresh sources of revenue at 12.7 mill. The expenditures estimated are (in millions of £T): service of the National Debt, 7.5; National Defence, 27.2; Marine, 6.5; Public Works, 17.3; Agriculture, 5.4; Education, 6.8; Health and Poor Relief, 2.9. The Finance Act doubles the surtax on tobacco imposed in 1917 and establishes a match monopoly as from March last. The Commissioner of Finance is authorised to raise with the Ottoman Bank short-dated loans, and to open short-term current accounts in addition to the current account opened by the Treasury with the Bank. (*Information Financière.*)

OTTOMAN LOANS.

The Report of the Council of Administration of the Ottoman Public Debt for the year gives in addition to the revenue conceded to the Debt by the Muharrem Decree (Unified 4 per cent. and Lottery Bonds), the results of the administration of Tithes, "Aghnam" and various revenues assigned to the railway kilometric guarantees and to the charges of the sundry loans "outside the Decree," i.e. not included in the Imperial Decree of Dec. 8–20, 1881. (Muharrem Decree.)

The Report, preceded by a general review, comprises four parts dealing respectively with kilometric guarantees loans, sundry services and revenues encashed for account of the Government.

The general results for the year 1922–1923 (1338) compare as follows with those of 1921–1922 :—

The gross receipts from Tithes, "Aghnam," and sundry revenues: in 1922–1923, £T3,328,013; 1921–1922, £T9,906,729; a decrease of £T6,578,715.

With the exception of the increase resulting from the settlement of accounts in arrears relating to Mesopotamia and Arabia, the ceded revenues show a decrease under all headings.

This decrease is due: (*a*) In Syria: to the fall in cereal prices averaging about 30 per cent.; (*b*) In the other districts: to the fact that from the date of their passage under the control of the Grand National Assembly, the agencies in these districts ceased to send their receipts to the Central Office.

Thus the accounts were closed at the end of May for the Broussa Bach-Mudiriet, the end of June for the Smyrna Bach-Mudiriet, the end of August for the Adrianople Bach-Mudiriet, the end of September for the Dardanelles, Yalova and Ismidt Agencies, which are dependencies of the Constantinople Bach-Mudiriet.

The net receipts amounted to: 1922–1923 (1338) to £T2,676,964; 1921–1922 (1337), £T8,475,130; or a decrease, for the reasons given above, of £T5,798,166.

Out of the above amount of £T2,676,964, which represents the net receipts for the year 1922–23, a sum of £T2,488,840 has been placed to a special account. This sum constitutes a reserve against reimbursements to be made to Syria on the settlement of the final accounts, in consideration of payments previously made in excess of the proportion allotted to that country by the Treaty of Lausanne as from March 1, 1920. (*Report of the Imperial Ottoman Bank,* June.)

THE CURRENCY CRISIS.

The Turkish Commission of Economic Affairs has issued to the Chamber of Commerce of Constantinople a report on the measures to be adopted for the stabilisation of the Turkish currency, the substance of which is as follows :—

The note circulation estimated at £T150 mill. is not excessive in view of the needs of commerce. The Government need only abstain from a further note issue. The recovery of the exchange may be accomplished by the consolidation of the national debt, internal and external. After the payment of outstanding interest, the Service of the National Debt will not exceed 25 per cent. of total expenditure.

But the urgent question of the hour is the improvement of the trade balance, but as long as Turkey, an agricultural country, continues to import corn from the United States, Russia and Bulgaria, the restoration of the exchange remains impossible. The only remedy for the instability of the currency is an increased productive capacity. The Commission is sceptical as to the value of a foreign exchange department, but recommends as a preventive to fluctuations caused by speculation special regulations for the Bourse in accordance with the requirements of the country, and in particular the management of this institution by a board under Government control. (*Exportateur Français.*)

TRADE

THE SITUATION IN CONSTANTINOPLE.

We are indebted to the June Report of the Imperial Ottoman Bank for the following information on the trade situation in Constantinople :—

The economic uneasiness previously increased during May and the commercial crisis is all the graver in the absence of any immediate remedy.

Although rumours have been circulated with regard to the eventual withdrawal of town-dues on commodities of first necessity, it does not seem likely that a reduction in fiscal charges is possible.

Deficient sowings and poor agricultural results, due both to the reduction in the populations and to the methods of cultivation employed, the reduced purchasing power of the urban and rural population, the reserve shown by foreign companies and by local capitalists and traders, exclude any hope of an early improvement in the situation. Under these conditions transactions are very much reduced. Goods are left lying in Customs and are only withdrawn gradually and with great difficulty.

The import trade is weak; business in piece goods slowed down considerably after the Ramadan Festival, and the colonial produce trade is affected by the fall in the prices of sugar.

Deals in carpets contributed the only animation in the export trade. The first consignments of mohairs have arrived from Anatolia and stocks of the new season are being constituted.

The transit trade has declined further. The ports of Salonica and Piraeus have succeeded in attracting a great part of the transit trade formerly centralised in Constantinople, especially in the case of Persian carpets, British and Heraclée coal.

TOBACCO EXPORTS FROM CONSTANTINOPLE.

The arrivals of tobacco in Constantinople during May, reports the Imperial Ottoman Bank, amounted to 1,507,000 kg., and exports to 814,000 kg., distributed among the various destinations as follows (in kg.) :— Algeria, 6,000; Antwerp, 19,000; Alexandria, 6,000; Amsterdam, 89,000; Hamburg, 298,000; London, 51,000; Naples, 116,000; San Sebastian, 8,000; Trieste, 221,000; total, 814,000.

AGRICULTURE

SOME CROP PROSPECTS.

According to the latest information, the tobacco harvest should yield 61,438,000 kg. as against 24,500,000 kg. last year. The Government is vigorously prosecuting its efforts to increase cultivation, and has recently succeeded in obtaining a tobacco crop from the island of Kush Adassy, where tobacco has not hitherto been grown. The yield is small, but of the best quality.

The vintage in the Vilayets of Smyrna and Magnissa is estimated to yield 33.5 mill. kg., and the fig crop in the same district 281 mill. kg. (*Neue Freie Presse.*)

FOREIGN BANK RATES.

	Per cent.		Per cent.
Amsterdam	5	Kovno	8
Athens	7½	Lisbon	9
Belfast	5	Madrid	5
Belgrade	6	Moscow	6
Berlin	90	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

CANADIAN MINING ITEMS.

Dr. G. A. Young, of the Canadian Geological Survey, writing on the Coal Reserves available in the Dominion, says that attention has been directed during the sessions of the First World Power Conference to the possibility that the coal resources of the British Empire may be exhausted within a few centuries. So far as Canada is concerned such a contingency seems to be remote. For many years the Canadian Geological Survey has been investigating the coal fields of the Dominion and it has been estimated that the reserve of coal amounts to more than 1,000,000,000,000 tons, largely lignite, but including over 250,000,000,000 tons of bituminous coals. Though the greater part of the various coal fields have been studied in a general way, yet their extent is so great that detailed investigations by the Geological Survey have been limited to a relatively small part of the whole. The great extent of the Canadian coal fields is apparent when it is realised that basins of coal-bearing strata extend almost continuously for a length of 700 miles within the eastern part of the Rocky Mountains and adjoining foothills. The coals of this region are largely bituminous or semi-anthracitic and seams 10 to 15 feet in thickness are common. In addition, thousands of square miles of the prairie country of Alberta, Saskatchewan and Manitoba are underlain by strata holding workable seams of lignite and bituminous coals, and important coal fields occur in British Columbia both in the interior and on the Pacific coast, while highly developed coal fields occur in the East in Nova Scotia and New Brunswick, in some cases at tide water.

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The Hon. Charles McCrea, the Minister of Mines for the Province of Ontario, says that at the present time Ontario gold mines are producing over £400,000 a month, and that next year the production of gold will almost certainly be over £600,000 a month.

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The production of gold from the mines of Ontario for the first quarter of 1924 was 277,369 oz., compared with 213,263 oz. during the corresponding period of last year. This is a new record for the Province.

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As indicating the opportunities that still await prospectors in the mining regions of Northern Ontario, Canada, fourteen claims have just been staked, with two promising veins showing visible gold, at a point only three miles west of the main line of the railway, in Gren fell township. This ground has often been visited by prospectors, but had never previously been staked.

SPECIAL ARTICLES

REPORT ON THE OTTOMAN PUBLIC DEBT.

The following is a résumé of Sir Adam Block's Special Report on the Ottoman Public Debt for the forty-first financial period, March 1, 1922, to February 28, 1923.

Sir Adam begins by expressing regret that in 1922–23 the Council of the Debt continued to be deprived of all the revenues in Anatolia, while in the last six months of that year the agencies of the Debt Council at Adrianople, Broussa and Smyrna were attached to the Government of Angora, the receipts being taken by the Government. He also mentions the special conditions under which the service of the Debt operated during the year, giving the details published by the Council of the Debt in their Report with regard to sundry sums applied to the Special Reserve Fund, to the coupons of the Unified Debt in arrears, and to the Turkish Lottery Bonds. He then goes on to state that the nominal capital of the Unified Debt in circulation on February 28, 1923, was Ltqs. gold 36,428,546, and that the nominal capital of Lottery Bonds in circulation on the same date was Ltqs. gold 10,018,046. "These two sums constitute the Debt of Turkey covered by the Decree of Muharrem. The total Foreign Debt of the Government of Turkey outstanding on March 1, 1922, including the loans specially secured on the Egyptian Tribute (Ltqs. gold 16,353,216) was Ltqs. gold 176,305,370."

Sir Adam Block writes as follows on the situation of the foreign bondholders: "From my last Report, as well as from the recently published Report of the Council of the Corporation of Foreign Bondholders for the year 1923, the Unified Bondholders will have realised the unsatisfactory situation existing in Turkey at the present moment. Until the Treaty of Lausanne is ratified, until the contributive parts of the detached States are settled, and until an agreement is arrived at between the Turkish Government and the bondholders with regard to the contention raised by the former that it is unable to pay the service of its Foreign Debt in the currency defined in the contracts and bonds, I do not anticipate any improvement in the relations between the Turkish Government and the Council of the Debt. The latter is now practically deprived of all its revenues, with the exception of those in Constantinople and the immediately surrounding district. During the past year the Council of the Debt has made numerous representations to the Turkish Government, protesting against repeated infractions of the Decree of Muharrem. The three Allied Governments have also called the attention of the Turkish Government to the serious consequences that may ensue if it continues to ignore its obligations under the Decree of Muharrem, but hitherto little or no progress has been made. It is to be hoped that in the current year a settlement will be come to. Such a settlement is not only necessary in the interest of the bondholders, who at present are deprived of any income from their investment, but it is also of the highest importance for the Turkish Government if it wishes to maintain its credit abroad.

"For the information of the bondholders I give here a short summary of the present position. The Peace Treaty was concluded at Lausanne on July 23, 1923. It is at present in course of ratification. Amongst other stipulations of the Treaty concerning the Council of the Debt, that institution is entrusted with the determination of the contributive parts of the detached States, to be paid from March 1, 1920, the amounts unpaid being made good in twenty equal annuities from the coming into force of the Treaty. The Council has already made a preliminary study of the question, and, as soon as the Treaty is ratified, will invite the representatives of the detached States to take part in a final examination of the figures. A delay of three months is fixed for the settlement of this question, and it is provided that even if an objection be raised by any State the payment of the contributive part shall not be suspended, and any dispute shall be referred within one month to an arbitrator appointed by the Council of the League of Nations. The detached States other than Turkey shall within three months after notification of their respective shares in the annual charge of the Debt assign to the Council of the Debt adequate security for the payment of their share. A representative of the Council of the Debt is to take part in the work of a Commission to meet in Paris to determine the method of carrying out the distribution of the nominal capital of the Debt. At the time of the negotiations at Lausanne the Turkish Government made an official declaration to the Debt Council that as soon as peace was concluded the revenues of the bondholders would be restored to them; but in spite of all their efforts to obtain the execution of this assurance the Council during the year 1923–24 continued to be deprived of most of its revenues, and of all control over its agencies in Anatolia or Thrace. There was no justification for this action on the part of the Government, since the dual régime resulting from the co-existence of a Government at Angora and a Government at Constantinople terminated in the month of November 1922. In February 1923 the Angora Government proceeded to encash for its account the Customs surtax in Constantinople, and later deprived the Council of the receipts of the agency of Tchataldja. The authority of the Council was thus reduced to a control of its agencies in Constantinople and the immediate surrounding district. The gross receipts of the ceded revenues from this source may be estimated at Ltqs. paper 3,960,000." The details of these revenues are given in the Report. "The figures for the year 1923–24 show a decrease on the former year of about Ltqs.7,800,000. The receipts of 1913–14 amounted to Ltqs. gold 5,436,000. The present paper currency is worth to-day about one-eighth of the gold currency. It is difficult to compare figures which are not established on the same basis. The extent of territory has varied and been curtailed, . . . but it can be said that the five millions odd of gold pounds of 1913–14 is equivalent to about forty millions of Turkish paper pounds. After reducing the former figure by 25 per cent., in view of the territory lost since 1913, the Council should be in a position to collect from the ceded revenues thirty millions of Turkish paper pounds, whereas in 1922–23 it only encashed about twelve millions, and in 1923–24 four millions. Isolated from its agencies up country the Council of the Debt can exercise no control over its revenues, and it is to be feared that, freed from the supervision of the Central Administration, the agencies of the Public Debt in the Provinces will be found to have fallen from the high standard which was required of them in former years.

"Amongst the revenues which have been lost even at Constantinople is the spirits revenue. This revenue, which was capable of great expansion, has been almost annihilated by the imposition of the dry régime in Constantinople from 1922. The Debt Council estimates the loss to the bondholders as at least Ltqs. paper 4,000,000 per annum. In spite of the stipulations of the Decree of Muharrem the Debt Council was not consulted when the spirits revenue was abolished, and no revenue has been offered in its place. It is expected, however, that the Chamber of Deputies at Angora will shortly revise its policy in respect of Prohibition. Nothing definite is known of the intentions of the Government as to the manner in which the spirits revenue is to be collected in future, but in any case it is to be hoped that the collection will revert to the Council of the Debt. The Council of the Debt has also been deprived of the Customs surtax in Constantinople and elsewhere, whilst the fixed assignments representing the tribute of Bulgaria, the surplus revenue of Cyprus, the royalty paid by Eastern Rumania, and the duty of Tumbeki have not been forthcoming. Lastly, in June 1923 the Government, without consulting the Council, came to an arrangement with the Tobacco Régie Company, which to a certain extent ignores the interests of the Debt Council to whom the tobacco revenue was ceded in 1881. The result of these various infractions of the Decree of Muharrem is that the net amount available for the service of the Debt during the year 1923–24 will not probably exceed Ltqs.1,810,000 (paper), which is about one-tenth of the amount necessary for the payment of the annuity of the Unified Debt and the Turkish Lottery Bonds. As to any payment of the coupons or distribution on account thereof, the Turkish Government has notified to the Debt Council that no payment is to be made until a settlement with regard to the currency of the Debt is arrived at. All this has naturally had an adverse effect on the credit of Turkey. In February 1923 the Unified Debt was quoted in London at 21 and in Paris at 58. On April 1, 1924, the Unified Debt was quoted at 17 in London, whereas in 1912–13 the purchases for amortisation were effected at 88 per cent. It is of the highest importance, therefore, that the Council should be re-established as soon as possible in its rights and attributions devolving from the Decree of Muharrem. The result would be an immediate improvement in the credit abroad of the Turkish Government. In the common interest of the bondholders and of the Government of Turkey there can be no advantage in delaying a return to normal conditions.

"The moment appears to be opportune for placing before the bondholders a short summary explaining the origin of the Debt Council, its rights and attributions, and the results of its activity over a period of forty-two years. In 1875 the external Debt of Turkey exceeded £200,000,000 sterling. The amount required for the service of that debt was over £12,000,000 sterling. On October 6, 1875, Turkey notified its decision to reduce by 50 per cent. the interest and sinking fund of its Debt. Six months later the service of the Debt was completely suspended, in consequence of the insurrection in Bosnia and Herzegovina, followed by the war with Servia and Montenegro. The Great War with Russia, which broke out in the early part of 1877, imposed a further drain on the finances of the Empire, and in addition Turkey was eventually called upon to pay a war indemnity of £T.44,000,000 (gold). This serious situation impelled the British and French bondholders, followed later by other bondholders, to constitute a Bondholders' Defence Committee. Delegates were sent to Berlin to present to the Powers in Congress a memorandum asking the Powers to find remedies for an equitable settlement of the Turkish Debt question. After examination of the grievances of the bondholders, the Italian plenipotentiary, Count Corti, presented in his name, and in the name of his colleagues of Great Britain and France, the following declaration, which was inserted in Protocol No. 18 of the meeting of the Congress of July 11, 1878, in spite of the opposition of the representative of Turkey: 'The Powers represented at the Congress invite and recommend the Sublime Porte to institute at Constantinople a Financial Commission, composed of experts nominated by the respective Governments interested, to examine the claims of the bondholders and to propose the most efficacious means to give them satisfaction.' After a good deal of tergiversation the Sublime Porte created an administration called 'the Six Indirect Contributions,' which was the forerunner of the present Ottoman Public Debt Administration. On the Board of this administration were the delegates of British and French holders of Turkish bonds. The six revenues were the stamps, the spirits, the fisheries, the silk tithe, the salt and the tobacco. Sir Hamilton Lang was appointed Director General of the newly created administration, and the favourable results in the first year of the Administration of the Six Contributions, and the good impression produced by the report of Sir Hamilton Lang, induced the Turkish Government to endeavour to arrive at a wider arrangement with its creditors abroad. On October 3, 1880, the holders of Turkish bonds were invited to send delegates to Constantinople to devise means for an equitable arrangement in respect of the Foreign Debt. Delegates of the British, French, German, Austrian and Italian bondholders proceeded to Constantinople, and with five Ottoman members designated by the Sublime Porte negotiated the Decree of Muharrem (December 8/20, 1881), under which was instituted the Ottoman Public Debt Administration. This Decree, which defines the rights and attributions of the Council of the Administration, stands good to-day, with the exception of the modifications introduced by the Décret Annexe of 1903.

"The nominal capital of the loans subjected to conversion in 1881 amounted to £191,000,000 sterling. This sum was scaled down to £106,000,000 sterling, that is to say a nominal capital of £85,000,000 sterling was annulled, or in other words 44 per cent. of the total claims of the bondholders was abandoned. The revenues ceded to the bondholders were expected to suffice for the payment of an interest of 4 per cent. on the remaining debt. These, however, only produced sufficient for payment of interest at 1 per cent. until 1903. In order to secure the interest and sinking fund of the reduced Debt as above, the Turkish Government ceded to the bondholders the same revenues more or less as those assigned to the Administration of the Six Indirect Contributions. The Council of the Debt, which was charged with the administration of the assigned revenues, consisted of seven members: a British representative, who also represented the British bondholders and unofficially represented the Belgian bondholders, and a representative of the French, Italian, Turkish, German and Austrian bondholders, as well as a representative of what were termed the Priority Bonds of the Balata Bankers. The German and Austrian representatives were eliminated recently in virtue of the stipulation of the Versailles and St. Germain Treaties. The important point to note with regard to this new organisation is that, in order to give unimpeachable security to the bondholders, the Council was given the widest authority to administer and collect the ceded revenues, without any interference on the part of the Turkish Government. The foreign representatives were named by the respective Foreign Financial Syndicates, and the Council was given the right to appoint and remove all its officials without exception. The Turkish Government, it is true, had the right to inspect and verify the accounts, but its commissary and inspectors were debarred from interfering in any manner in the administration. The Government was under the obligation of approving and of inserting in the Official Budget of the Empire the Budget prepared annually by the Council of the Debt, provided that that Budget was in accordance with the existing regulations of the Turkish Government. Had it been otherwise the Government would have been able indirectly to hamper the action of the Council by suppressing or reducing any credit considered necessary for the improvement of the methods of collection, for the proper payment of an adequate staff, or for the introduction of modern methods initiated by foreign experts for the purpose of increasing the revenues assigned to the bondholders. The Council was in fact an autonomous institution, and its independence of Government control is confirmed by the stipulation that, in case of any dispute between the Government and the Council, the matter at issue should be referred to an independent arbitrator.

"The Decree of Muharrem was communicated by the Sublime Porte to the Powers, who formally took note of it, and it thus became not only a simple arrangement between a debtor and creditor, but part of the International Law of Europe. It was in fact the child of the

Congress of Berlin, as indeed is stated in the first words of the preamble of the Decree itself. It may even be said that the Decree was a solemn promise and assurance made to Europe; and at the Lausanne Conference, on July 17, 1923, the Allied Plenipotentiaries clearly stated that they reserved to themselves the right of intervention on behalf of their bondholders. Under the wise and careful administration of the Debt Council all the revenues ceded to the bondholders have increased progressively. During the thirty years following the settlement of 1881 Turkey was under the necessity of contracting loans abroad, principally in order to meet the recurring deficits in the State Budget; but the foreign money markets were disinclined to come forward as lenders without an adequate guarantee. That guarantee was found in the Council of the Public Debt, and, with one or two exceptions, the Debt Council was requested by Turkey to give its assistance in assuring the proper execution of all new loan contracts entered into. It is clear therefore that Turkish credit was absolutely bound up with the maintenance of the Debt Council in all its attributions and powers.

"In 1903 the Turkish Government proceeded to a fresh exchange of views with the bondholders, which resulted in what is called the Décret Annexe of September 1/14, 1903, which provided for the consolidation and unification of the Debt. The amount available for amortisation under the Decree of Muharrem was reduced and a fixed interest of 4 per cent. on the Unified Bonds was assured. After provision for the fixed annuity thus required, 75 per cent. of the surplus accruing from the proceeds of the six revenues was to revert to Turkey, and 25 per cent. to be applied to Extraordinary Sinking Fund on the Unified Debt. . . . In entering into the unification arrangement of 1903 the bondholders consented to a further reduction of the capital of the Debt. The nominal Unified Converted Debt was fixed at £28,250,000, while the amount of the Debt outstanding was £69,000,000, the sacrifice made by the bondholders being thus about 58 per cent. The capital of the Debt before the Decree of Muharrem was in round figures £191,000,000, and with the scaling down to £85,000,000 in 1881 and £40,000,000 in 1903 (including the Lottery Bonds) the total capital claim of the bondholders is to-day only about 35 per cent. of the original figure. The revenues, which in 1882–83, that is to say in the first full year of the creation of the Council of Debt, were £T.1,559,854, amounted in 1911–12 to £T.3,188,533 gold. As to the surpluses paid to the Government, they increased from Ltqs. 338 in 1903 to Ltqs. 1,671,404 in 1913.

"I have thus," writes Sir Adam Block, "sketched very briefly the history of the Council of the Ottoman Public Debt. I have shown its origin and the advantages which have accrued both to the Turkish Government and to the bondholders owing to the careful administration of the ceded revenues. In 1881 Turkish credit was non-existent, while in 1914, before the Great War, it was on a par with most of the great States of Europe. In addition to this the Debt Council has introduced into Turkey methods of administration which were a great improvement on the fiscal administration in general, and bear favourable comparison with that of many countries even in Western Europe. The Staff, consisting of many hundreds of officials scattered throughout the country, had become, thanks to adequate pay and strict control, a very great asset to the Turkish Government. The officials of the Public Debt were acknowledged by the Turkish Government itself to be beyond reproach, and indeed on many occasions not only did the Turkish Government request the Debt Council to allow it to utilise them in the collection of Government revenues, but many of them were taken into the service of the State. At the present moment, when the Turkish Government has expressed its intention of entering into fresh negotiations with the bondholders, and, what is perhaps natural at a moment when a spirit of nationalism holds the field, of putting an end to what may be admitted to be a small though useful *imperium in imperio*, it is as well to bear the above facts in mind. In the meantime, until previously existing arrangements with its creditors are modified with the consent of the latter, it is incumbent on the Turkish Government to maintain intact the stipulations of the Decree of Muharrem. Turkey requires the aid of foreign capital for restoration and development. In spite of the goodwill of the Allied Governments, the money markets of those countries which are in a position to render financial aid will fight shy of investments in Turkey unless the investor is convinced that the Turkish Government has inaugurated a sound financial policy at home and has shown its clear intention of giving complete satisfaction to its old bondholders. Credit once lost requires years to restore. The new Government at Angora is credited with the sincere desire of making Turkey a prosperous and progressive country, but were the money markets of the West to be closed against her, the realisation of well-meaning intentions of the new rulers of Turkey will encounter serious difficulties."

Sir Adam Block states in a postscript that "since the above was written the Turkish Government has appropriated the remaining revenues left to the bondholders in the region of Constantinople and its immediate dependencies, and all the agencies of the Debt Council have been detached from the control and direction of the Council. The Government has further informed the Council that the expenditure of the Central Administration at Constantinople, as provided for in the Budget prepared by the Council for the current year, is to be reduced by about 50 per cent., and that reductions in the staff and salaries are to be made accordingly. The Council of the Debt is thus deprived of its last revenues and of the independence it has enjoyed for more than forty years under the Decree of Muharrem in respect of its staff and the collection of the revenues ceded to the bondholders in 1881."

PUBLICATIONS RECEIVED.

An Appeal to British Fair Play. (Munich: Hermann Lutz.)

Bulletin of the Pan American Union. July 1924. (Washington, U.S.A. Price, $2.50 per annum, plus 75 cents per issue for countries outside the Pan American Union.)

Deutsche Handelspolitik: Ihre Geschichte Ziel und Mittel. Eine Einführung von Prof. Dr. Th. Plaut, Privatdozent an der Universität Hamburg. (Leipzig: B. G. Teubner. Price, G.Mk.5.60 paper cover, G.Mk. 8 bound.)

Die Grundlagen der Weltwirtschaft. Eine Einführung in das Internationale Wirtschaftsleben von Dr. Hermann Levy, a.o. Professor a.d. Techn. Hochschule, Berlin. (Leipzig: B. G. Teubner. Price, G.Mk.5 paper cover, G.Mk.7 bound.)

Economic Barometers. Report submitted to the Economic Committee of the League of Nations. (Geneva: International Labour Office. Price, 1s. 3d.)

European Housing Problems since the War. (Geneva: International Labour Office. Price, 6s.)

Fourth Year Book of the League of Nations and Chronicle of Related International Events, Jan. 1 to Dec. 31, 1923. By Charles H. Levermore, Ph.D. (London: P. S. King & Son, Ltd. Price, 7s. 6d.)

Indian Emigration. (India of To-day, Vol. V.) By "Emigrant." (London: Humphrey Milford. Price, 3s. net.)

Is Unemployment Inevitable? An Analysis and a Forecast. A continuation of the investigations embodied in "The Third Winter of Unemployment," published in 1923. (London: Macmillan and Co., Limited. Price, 8s. 6d. net.)

Norway at the Convention, London, 1924. Edited by Robert Millar. (Published by the Norway "On to London" Committee and the Christiania Advertising Club.)

THROUGH THE REVIEWER'S EYES

Works Councils in Germany. By Marcel Berthelot. "Studies and Reports," Series B. (Economic Conditions), No. 13. (Geneva: International Labour Office. Price, 2s. 6d.) This is one of the most useful and valuable studies and reports as yet produced by the International Labour Office. It is so because its subject-matter relates to an innovation in our industrial organisations, the value of which has never been properly appraised nor its consequences adequately foreseen. In one shape or another, the principle underlying the establishment of works councils, which asserts the workers' claim to a share in the control and management of industry, has come to stay. Industrial organisations in all countries have recognised it and endeavoured to give it expression. M. Berthelot has sketched in this volume very ably the history and development of the idea in Germany. Since the war industrial history has been made so rapidly that it comes rather as a surprise to us to learn that German labour organisations so far back as 1890 were engaged in activities to which may be attributed "the real origin of works councils." True, subsequent progress was slow, but the soil had been fertilised and bore fruit in due season. In tracing the development of works councils in Germany since the signing of the armistice, one might anticipate finding every aspect of a highly controversial subject and problem revealed. Innumerable were the forces released to play havoc with Germany's industrial re-organisation. In the face of external intimidations it is amazing to watch, even in M. Berthelot's pages, the employer and the worker in Germany adhering to the respective claims upon the industrial system. Under the influence of Russian revolutionary propaganda the German worker was at one critical moment in danger of assimilating Soviet ideas and translating them speedily into practice. It is illuminating to read how this whole tendency was diverted and conquered by trade union orthodoxy. The tide of Communism was most effectually stemmed, leaving industry to be reorganised through the efforts of more normal antagonists. Naturally one would expect to find a new tail wagging the trade union dog, but subsequent events have proved the growth to be superfluous. In point of fact, measured by the Works Councils Act of February 4, 1920, the honours are very evenly distributed between the organisations of employers and constitutional trade unionism. This, we would remark again, is an exceptional fact, because the time was, and never will be more, ripe in Germany for a partial or complete triumph of revolutionary action. One cannot minimise either the prevalence of Socialist and Communist opinion, or the abundance of moderate and liberal desire for industrial reform, but the outstanding feature in the works councils controversy is the extraordinary resistance displayed by conservative forces. During a political and industrial crisis it is difficult sometimes to see how proletarian demands are to be rebutted. In the recent history of Germany this must frequently have been apparent, and yet to this day agitation still proceeds with demands which are analogous to those which culminated in the passing of the works Councils Act of 1920. A recapitulation of some of the most radical of the demands put forward to-day will best impress the reader of the resistance supported and maintained during the past four years by the Federation of German Industries and the Federation of Employers' Associations. The chief claims now made by works councils in the metal industries may be summarised as follows: (1) The right to examine all account books and correspondence, purchase and sale contracts, and other documents of the business; (2) the suppression of a clause in the Act of 1920 which forbids works councils to enter into business secrets; (3) a right to supervise and check balance-sheets with the aid of all the necessary documents and information; (4) the right to request all the officials of the business to furnish any information thought necessary, and compulsion upon such officials to answer the questions put; (5) the right to supervise credits obtained, whether in marks or foreign currencies; (6) the right to supervise tax returns and the output of the undertaking; and (7) the right to alter and improve the equipment and technical organisation of the undertaking. If these demands seem excessive they are but variations of similar demands made in the agitation which led up to the Act. It is obvious that they originate in the extreme left wing of labour organisation. M. Berthelot's volume portrays the associations of employers working in conjunction with the normal trade union movement to achieve a settlement which has proved acceptable to both. The Works Councils Act of 1920 is a compromise, but it has gone farther than similar institutions in other countries, and the account of it here presented should be studied as an experiment in giving the workers a real share in the control and management of industry. H.J.H.

Fourth Year Book of the League of Nations. (Published by The Brooklyn Daily Eagle. London: P. S. King & Son, Ltd. Price, 7s. 6d. net). The title of this year-book is misleading: it is not an official publication of the League of Nations, but is issued under the auspices of the League of Nations Union in America. It is a compendium of proceedings of the League of Nations and of significant international events in the year 1923 arranged chronologically and divided somewhat arbitrarily into chapters. It is very well indexed, and forms an excellent and comprehensive reference book for international affairs during the past year.

PUBLICATIONS RECEIVED.

Norway: Foreign Trade. (Christiania: The Trade Intelligence Bureau of Norway.)

Unemployment 1920–1923. (Geneva: International Labour Office. Price, 3s.)

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

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

TABLE I.

Date	10 Commodities	Bd.of Tde. Monthly Average	Date	10 Commodities	Bd.of Tde. Monthly Average	Date	10 Commodities	Bd. of Tde Monthly Average	Date	10 Commodities	Bd.of Tde Monthly Average
1920.											
Jan. 16	367.9	296.6	Sept. 15	161.2	154.3	July 27	175.3		Mar. 21	180.4	
Feb. 13	367.6	310.8	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	178.2	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	160.8	16	171.7	160.8	11	165.4	
May 12	204.3	201.7	23	189.8		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. 1	173.3	
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.

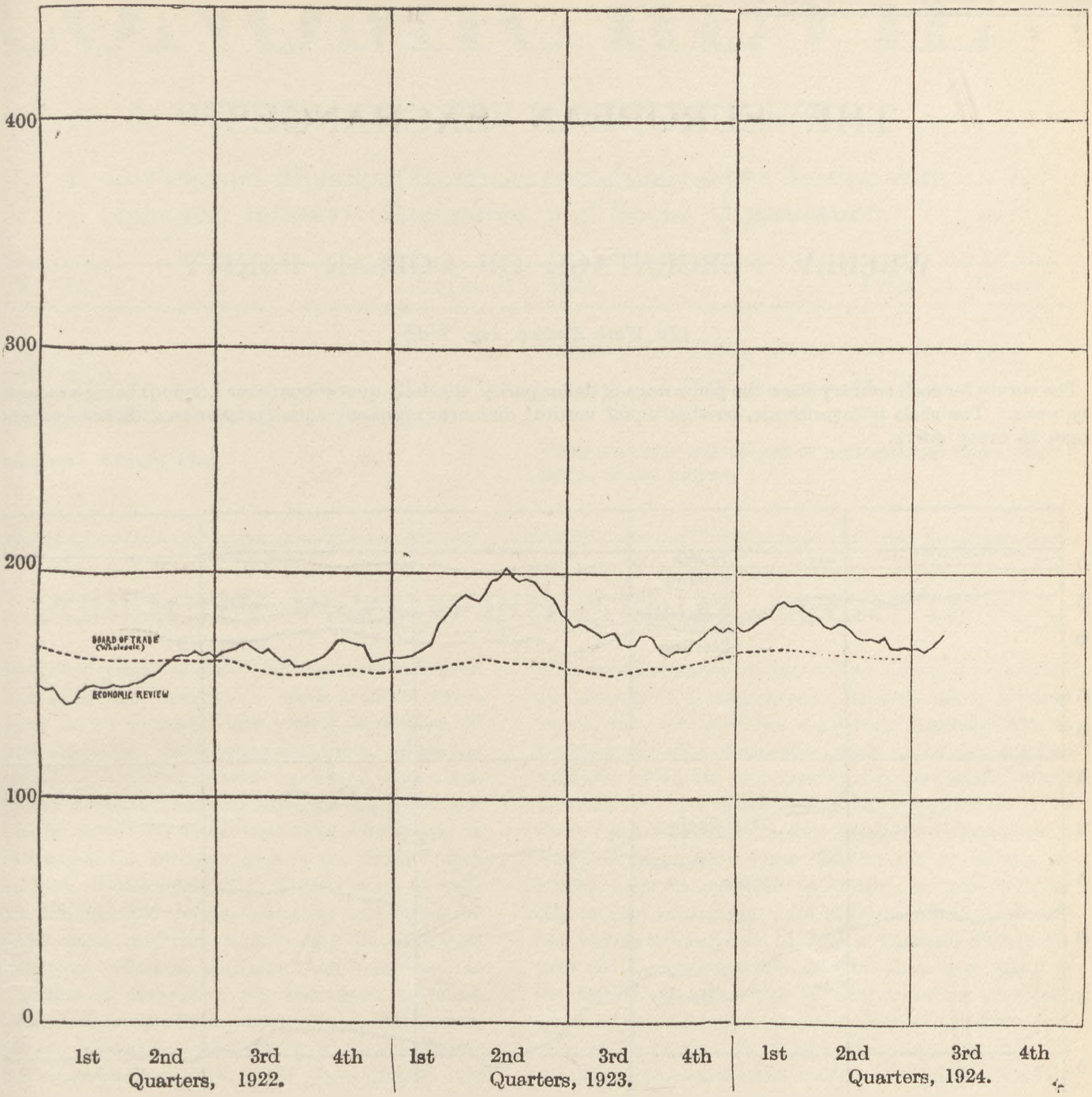

TABLE II.

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
Aug. 1 ...	87.7	145.0	78.3	146.5	164.7	142.2	93.5	116.2	79.8	101.4	115.53	... Aug. 1

*Revised Quotation.

Statistical Section

THE EUROPEAN EXCHANGES

WEEKLY PERCENTAGE OF DOLLAR PARITY

(To Week Ending Aug. 2nd.)

The curves for each country show the percentage of dollar parity, the daily quotations (over London) being averaged every week. The scale is logarithmic, so that equal vertical distances represent equal *proportional* differences and changes in every curve.