

# THE ECONOMIC REVIEW

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

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## PUBLICITY VERSUS INDUSTRIAL SECRETS.

There are few questions, if any, in the present industrial age more important than those which seek to derive an answer in the increased and candid publication of industrial accounts. Such questions have originated in the drafting of demands from various quarters, but perhaps the greatest stress and emphasis at the moment ought to be placed on those demands which arise in and distinguish the worker's case in the conflict with his employer. Contemplating an endless series of wage disputes, innumerable modern economic and industrial authorities have been led to advocate the increased accessibility to industrial accounts, not only as the surest means of dissipating the destructive suspicion which harasses most efforts expended in conciliation, but also as vindicating, *par excellence*, the employer's case and consequent point of view. In a quarrel over the division of the product of an industry no lasting peace can be secured so long as one antagonist remains perpetually blindfolded. Moreover, an increase in wages can only be resisted in the long run by proving an industry's incapacity to support it, and upon this point labour combinations are no longer to be satisfied with verbal assurances. In this sphere it would appear judicious to admit, if not the need for greater publicity, then more freedom of access to the accounts of industrial undertakings. Easier access into the closely guarded privacy of facts relative to business management and finance is being demanded by other than those who are the representatives of Labour. The State, through the medium of a Census of Production, in several countries is tending to enlarge the scope of its obligatory questionnaires and so to penetrate well into the secret managerial preserves of private enterprise. Moreover, in what are best termed "public utility services," such as mining and transport, the State calls compulsorily for returns which disclose the most intimate details concerning output or services rendered, cost of production, and distribution of profits. In another direction we learn from a well-known economist that he would seek to enquire most searchingly into the "stocks in hand"

of various industries in order to calculate and counteract the movement of trade cycles. In fact, taking a broad view, there seems to be a growing tendency among business as well as academic minds to demand a fuller publicity of all the information and intelligence which normally fed the secret deliberations and initiative of those responsible for industrial control and management. Costs of production, and distribution of income or profits, must be accessible to scrutiny in order to allay this or that prompting of an inquisitive nature. Someone will be induced soon to write a diagnosis of the sickness of an inquisitive society. Be that as it may, we are inclined to agree with Sir Arthur Lowes-Dickinson when he states à propos of the subject we are discussing, "It seems useless to expect that any really stable conditions can exist until further information is available in each industry, showing the costs and proceeds of sales of the products, and so enabling the arguments between the parties to take the form of a discussion on the fair division of these net proceeds, rather than, as is often the case at present, a scramble between them as to which can obtain the largest share of an entirely unknown and uncertain amount." This excerpt taken from a paper read recently to the Royal Statistical Society emphasises the need for increased publicity in industrial accounts in order to relieve tension in what are becoming perennial wage disputes. We reiterate that this, above all others, is the main source from which increasing demands for the publication of accounts will originate in the future. It is extremely doubtful whether such demands can be altogether resisted. But, in anticipation, a most important question arises, and it concerns the method by which access to industrial secrets and information is to be obtained. Will trade unions, or works councils, as in some countries, devise their own machinery for the purpose of probing into industrial mysteries, or will a department of State make itself the custodian of carefully audited figures and furnish them to all and sundry, or only to those whom the knowledge may mostly concern? In

Germany we can see trade unions and works councils, sometimes jointly, sometimes the latter alone, evolving claims which destroy utterly the inheritance and *modus operandi* of traditional business methods. In this country and in the United States of America it is possible for one to see the State making available to the public complete and detailed accounts from such utility services as transport, gas, electrical supplies, etc., while exceptionally full information is obtainable from the coal and steel industries. Information upon certain industrial undertakings, which seldom left a Board room, if ever it got so far, can now be purchased with ease and regularity. Therefore, it will easily be seen that much publicity in two directions is already given to a certain class of industrial accounts, and from it one may legitimately infer that the volume of such information will, with time, extend and increase. One could dilate at length upon the value of publicity outside the immediate sphere of industrial unrest; for instance, its value in contributing to a greater efficiency in industrial undertakings, or in giving satisfaction to a naturally suspicious public that it is not being fleeced by industries that are practically monopolies. Obviously publicity is swathed in virtues

at a moment such as the present, which finds our modern industrial fabric on the verge of the melting-pot. But what are the objections to the fullest use of it? Some are natural if not formidable. They are rooted in the conservatism of practical habits and conventions. In the face of syndicalist propaganda and partial success little reason is seen for the abandonment of managerial prerogatives, rights, and privileges, in the control of privately owned industrial undertakings. Insuperable difficulties are foretold in the way of rendering complete information, such as will assist individual evasions, and therefore cause any scheme of publicity to operate unfairly, and not universally. But above all the greatest objection is to be found on the ground that the publication of industrial accounts puts an undertaking at a grave disadvantage in a mercantile system so absolutely competitive as our own. Once publish the costs of production, which is considered to be the ultimate objective aimed at, and any going manufacturing concern has placed itself entirely in the hands of its competitors. Initiative is shorn of its power and destroyed, while private enterprise is relegated to a collection of obsolete industrial phraseology.

## ECONOMIC SURVEY

### AUSTRIA

#### FINANCE

##### THE FINANCIAL CRISIS.

The *Wirtschaftliche Nachrichten* (Aug. 1) deems that the financial crisis had passed its climax by the end of July, and signs of improvement were beginning to appear, and quotes articles in the British Press confirming this impression. The *Morning Post* warns business and financial circles in Great Britain to treat with reserve rumours as to Austria's financial position circulated by irresponsible persons, and considers that the moment is favourable for the investment of British capital in Austria as, so far, that country has attracted almost exclusively French and Belgian capital. The *Financial Times* also predicts a slow but steady improvement in the economic situation. In an interview with the *United Press*, the American Minister, Mr. Washburn, expressed his conviction that Austria would overcome the present crisis. He looked upon the economic relations between the Succession States as less strained—a circumstance which would assist the recovery by Vienna of its pre-war position in Central Europe.

The receipts from the Federal Railways, including the Austrian Section of the Sudbahn, incorporated in them since January 1, amount to 1,090 milliard kronen for the first four months of the year, as against 840 milliards for the corresponding period of 1923.

Cash in the banks (current account and deposits) shows an increase as compared with previous months, the amount in nine leading Vienna banks having risen from 384 milliard kronen at the end of May to 412 milliards at the end of June, and 426 milliards in the middle of July.

On July 29, announces the *Neue Freie Presse*, the Oesterreichische Kaufmannische Bank (Austrian Mercantile Bank) suspended payment. Before the appearance of unfavourable reports in the Press this institution was in no worse a position than the majority of the medium-sized Vienna banks, although its debtors

—largely consisting of traders and manufacturers—were severely affected by the general economic crisis. Efforts were in progress to tide the bank over the temporary lack of ready money, but unfavourable Press reports brought about a run upon it by its customers, with the result that during the last week it was open some six or seven milliard kronen were paid out.

##### FOUNDATION OF A CENTRAL BANKING INSTITUTION.

In order to mitigate the effects of the crisis, the National Assembly, before adjourning for the recess, passed an Act for the foundation of a central banking institution. This measure is intended on the one hand to enable the smaller banks which are in difficulties, owing to the shortage of ready money, to meet their liabilities, and on the other to provide for the permanent re-establishment of this section of banking. The Act concedes to the new institution extensive privileges in the form of exemption from taxes and duties. That it has been possible, within a comparatively short time, to pass the Act and to provide means for the foundation of the institution may be accepted as a promising sign that Austrian business circles are doing their utmost to restore normal business conditions at an early date. In addition to the foundation of a Central Banking Institution it is contemplated founding special institutions endowed with similar exemption privileges for the purpose of financing concrete settlements of liabilities and liquidations. The Act also provides improved methods for the exercise of receiverships and the conduct of arrangements with creditors and in bankruptcy or liquidator's proceedings. In the case of banks, under the Act, corporate bodies may now act as receivers, trustees in bankruptcy or liquidators. Special provisions are made for the protection of small creditors, such as advances out of his prospective share of the assets of the bank in liquidation or the bankrupt's estate, as the case may be, to creditors whose claims do not exceed five million kronen. The Commissioner of the League of Nations has vetoed any participation by the State in



the creation of the institution, so that its capital of 200 milliard kronen (50 per cent. paid) will have to be provided by the National Bank, the Bankers' Association, and the Post Office Savings Bank. No subscription of foreign capital will be sought. It is to be hoped that henceforth the winding up of insolvent banks will be accelerated, this being one of the most important conditions to the overcoming of the financial crisis. (*Wirtschaftliche Nachrichten, Oesterreichische Volkswirt.*)

## INDUSTRY

### THE COST OF PRODUCTION.

Since the war production, in harmony with the cost of living and the high price of raw materials, has become much more costly and uneconomical. Social reform has made itself felt in higher wages and in lower output. In a word labour has become slacker and less remunerative. The most important factor of the increased cost of production is wages, especially in coal production, where this item constitutes 65 per cent. of the price of the product. In the Austrian mines prices are much above pre-war parity. A pickman receives 60,000 to 75,000 kronen a day, as against 3 to 4½ gold kronen before the war, in addition to which, owing to reduced hours of labour, his yield is lower. Moreover, in the eight-hour day are reckoned quite unproductive acts, such as the walk to work, the lighting of the lamps, receipt of pay, etc., whereby productive work is reduced by about 40 per cent. The prices of material, such as timber for the mines and explosives, are also well above the pre-war standard. Utterly disproportionate shares of the gross earnings are absorbed by the Government and by Social Legislation. Taxes have risen enormously, and payments for social purposes form 19 per cent. of the wages account, as against 5 per cent. before the war. The returns of a certain lignite mining undertaking show that before the war lignite was sold at the pit's mouth at Kr.1.1 per metric centner (220 lbs.), which yielded a profit of 30 to 35 heller (100 heller to the krone), whereas to-day the cost of production amounts to Kr.260 per kg., while the mines are forced to deliver their coal to the railways at Kr.200 per kg. This is a serious loss, which is to some extent made good by increasing the price of coal sold to industry. The average sale price is Kr.250 to 300 at the outside, which shows no profit at all. A number of mines have shut down, and the country's total production of lignite has fallen from 2.8 million metric centners in January to barely 2 million in June.

The iron industry is severely hit by the increased cost of coal, material, wages, and other items of production. The cost of production in Austria may be estimated as follows: In 1914 coke cost Kr.4.2 and iron ore 2.6 per centner, to which should be added Kr.1.2 per centner for wages, cost of management and sundries, a total cost of production of pig iron of Kr.8 per centner, which was sold at the works at Kr.9, giving a profit of Kr.1 per centner. To-day, the cost of the same materials is, roughly: Coke, Kr.100,000; ore, Kr.60,000; wages and sundries, Kr.25,000; a total cost of production of Kr.185,000, the sale price having been reduced to Kr.190,000. Only those works which possess the best plant and show cheapest cost of production can more or less pay their way. Already, several works, including blast furnaces and foundries of the Alpine Montan Gesellschaft have closed down. In the steel industry wages are 14 to 27 times higher than those of pre-war days, while the workman's output is 25 per cent. lower.

The cost of production of coal and iron reacts on the other industries. On an average the increase in the cost of wages corresponds to 20 to 30 per cent. increase in the cost of production. One favourable factor is that the price of raw material for most of the finishing industries has appreciably declined as compared with last year. Coal has fallen from Kr.1,050 to 778 the metric centner delivered in Vienna railway stations, pig iron from Kr.2,517 to 1,900, and sheet iron from Kr.3,828 to 3,225 per kg. Other metals, such as copper and nickel, have

also fallen in price of late. Thus the producers of raw material are now worse off than the manufacturers of finished products, who can more or less manage to exist. The cheapness of cost of production achieved by the joint efforts of industry, and which was the source of profits to the big manufacturers has entirely disappeared. Industry is consuming the accumulated stores of the past fat years, and is content if it can employ its workmen and keep its works going without loss. The work of cost reduction must again be undertaken, by means of intensive production, making the most of even the smallest profits, carefully watching the market and keeping a look out for booms. The problem can hardly be solved by an all round cutting of wages. If times continue bad the workman will have to bear his share of the cost, but any appreciable advance in this direction is improbable in view of the prevailing political tendencies; in fact, the workman also suffers from the cost of living, and the purchasing power of his wages, high as they are, is less than before. (*Neue Freie Presse.*)

## FRANCE

### INDUSTRY


#### THE INDUSTRIAL BAROMETER.

The monthly index number of industrial activity, after reaching 124.9 in March, fell again to 113.3 in April and to 111.5 in May. A certain slackening in the advance of business is to be noted. The great basic industries no doubt have strengthened the sound position acquired by them in the preceding months, and if the railways show a falling off in earnings the traffic in the ports shows a material increase in the quantity of cargo discharged and shipped. (A decline has occurred in June, cf. "Communications, traffic in the Ports.") On the other hand foreign trade shows a decline under all headings of the returns with the notable exception of "Import of Coal" and "Import of Phosphates and Nitrates." On the whole, in spite of the somewhat irregular movements of all the items of the index during May, a generally declining tendency may be observed.

The following table shows the index numbers of industrial activity in May as compared with the previous month (1913=100 general index, and 5 for individual items):—

Nature of Trade or Industry.	April		May
	1913.	1924.	1924.
Coal and lignite output ... ..	5	4.9	4.9
Coal imports ... ..	5	6.2	6.6
Import and output of mineral oil ... ..	5	9.4	8.0
Iron ore output ... ..	5	3.0	3.2
Output of pig iron ... ..	5	4.3	4.4
Steel ... ..	5	3.9	4.1
Output of potassium, import of phosphates and nitrate (raw salt) ... ..	5	7.9	10.8
Import of raw cotton ... ..	5	3.4	3.3
Import of raw wool ... ..	5	3.1	2.9
Export of cotton fabrics ... ..	5	7.0	6.0
Export of woollen fabrics ... ..	5	7.7	6.5
Export of silk fabrics ... ..	5	7.3	6.7
Export of lingerie ... ..	5	7.8	6.5
Export of motors ... ..	5	10.3	9.9
Average number of 12-ton trucks loaded daily ... ..	5	5.6	5.8
Railway earnings (gold francs) ... ..	5	6.1	5.7
Traffic in the ports, quantity of goods discharged and shipped ... ..	5	4.7	6.1
Traffic on inland waterways ... ..	5	3.9	3.4
Customs receipts (gold francs) ... ..	5	2.9	3.0
Advances and discounts by the Bank of France at end of month (gold francs) ... ..	5	3.9	3.7
Total ... ..	100	113.3	111.5

(*Nord Industriel.*)

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



## COAL OUTPUT IN JUNE.

The following table shows the output of coal and coal products by the mines of Northern France and of the St. Etienne field for the month of June as compared with May (in 1,000 tons):—

	June			May		
	Coal.	Bri-quettes.	Coke.	Coal.	Bri-quettes.	Coke.
West of field ...	779	10	56	821	13	59
*Pas de Calais ...	684	21	34	701	19	31
*Nord ...	536	99	67	558	110	70
Total ...	1,999	130	157	2,081	142	160
St. Etienne ...	311	14	31	—	—	—
Rive de Gier ...	12	3	—	—	—	—
Total ...	323	17	31	343	18	34

\*Devastated.

The output in the Northern mines in June, as compared with May (with 24 working days against 25 in May), shows a decline of 81,591 t. in coal, 11,895 t. in briquettes, and of 3,000 t. in coke. The average daily output was 83,315 t. in June, as against 83,245 t. in May, 82,400 in April and 60,239 in January 1923. The percentage of output as compared with the daily pre-war average was: West of Field, 112; Pas de Calais, 72; Nord, 98.4; total of mines in devastated area, 82.

The progress of output in the mines of the Northern district during the last nine months is shown in the following table (in 1,000 tons):—

	Coal.	Coke.	Daily output.
October 1923 ...	2,024	131	75
November „ ...	1,966	129	78
December „ ...	1,834	133	79
January 1924 ...	2,082	140	80
February „ ...	2,023	148	81
March „ ...	2,111	161	81
April „ ...	2,060	157	82
May „ ...	2,081	161	83
June „ ...	1,999	157	—

(Nord Industriel.)

## SULPHATE OF AMMONIA IN 1923.

The increased activity of the coal mines of the Northern field and the treatment of coal by-products suggests to the *Nord Industriel* the duty of giving a survey of the production and consumption of sulphate of ammonia in France in 1923. The figures in the absence of official returns must be regarded as provisional. The production of sulphate of ammonia rose from 65,000 t. in 1922 to 88,500 t. in 1923. It is, however, a question whether the figures for the output of mines, shales, etc., which appear in the total for 1923 also appear against 1922.

The sources and amount of production are shown below (in tons):—

	1913.	1921.	1922.	1923.
Coke works ...	22,500	24,000	26,000	27,000
Coke ovens ...	40,000	11,000	30,000	26,000
Mines, shales, etc. ...	—	9,500	—	25,000
Refuse ...	12,500	7,500	9,000	10,500
Total ...	75,000	52,000	65,000	88,500

On the other hand the import of sulphate of ammonia, raw and refined (special trade), fell from 75,534 t. in 1922 to 73,814 t. in 1923. Exports totalled 6,639 in 1923 as against 12,060 in 1922, and 3,929 in 1921. By adding imports to production and subtracting exports from the total we find the consumption of sulphate of ammonia in France to have been 96,000 t. in 1913, 116,084 t. in 1921, 128,674 t. in 1922, and 155,680 t. in 1923. These figures show that within a very short time, in order to meet home requirements, France will not only be independent of the foreigner but will be in a position to export.

## SOCIAL AND LABOUR CONDITIONS

## LABOUR TROUBLES IN 1923.

The following figures relating to labour troubles during the last quarter of 1923, as notified to the Ministry of Labour, are reproduced by the *Economiste Français*:

Number of strikes—October 87, November 82, December 51; lockouts—October 6, November 4, December 2; number of participants as far as is known—October 6,736, November 50,513, December 5,562. These disputes, of which 68 in October, 52 in November, and 42 in December, were confined to one industrial establishment, occurred on the following grounds: for increase of wages—October 56, November 57, December 35; against reduction of wages—2, 3, and 5; disputes on account of wages—3, 5 and 2; disputes as to the regulation of work—8, 2 and 1; for reduction of working hours—1, 0 and 0; disputes over workshop regulations—0, 2 and 1; for suppression or reduction of fines—1, 1 and 0; for the reinstatement of workmen—13, 9 and 4; for the dismissal of certain workmen—2, 0 and 1; various causes—7, 7 and 4; total—93, 86 and 53.

The duration of these conflicts was one day in 48, two days in 18, three days in 12, etc., while five lasted over 40 days, and the duration of 65 was undetermined. The number of departments affected was 30 in October, 32 in November, and 21 in December. The Department of the Seine (Paris) suffered 30 in October, 24 in November, and 10 in December.

The industries affected were: preparation of earth and stones, and building—October 16, November 12, December 11; textile, 12, 8, 7; metallurgy, 21, 22, 11; transport and loading, 14, 15, 8; timber and wood, 8, 6, 4; leather and hides, 3, 7, 1; chemicals, 2, 1, 2; printing paper and cardboard, 1, 8, 2; agriculture, forestry and fishery, 1, 0, 0; food, 7, 2, 2; mining, 4, 4, 3; various, 5, 1, 2. The results were: settled, October 22, November 24, December 12; successful, 19, 12, 10; failed, 42, 33, 24; unknown or conflict not terminated in the period, 11, 9, 5.

Two interesting pronouncements on the utility or otherwise of strikes are quoted by the *Nord Industriel* (July 26): The first of these is given by the Institute of Belgian Metal Workers, who by 74,000 votes to 40,000, declared against frequent strikes as *being too often a manifestation of weakness*.

This opinion is confirmed by M. Dubreuil, a well-known authority on trade unions, in an article in the *Information Sociale*, of which the following is the substance:—

The modern strike resembles war, in that if one side only is well armed and prepared it is certain to crush its adversary, while if both are well equipped and organised the struggle will be so long as to render victory ruinous and futile. The writer considers this weapon to be out of date, and in favour only with certain old-fashioned associations, and even these are only galvanised into using it by a nucleus of communists led by men ignorant of labour affairs. Fortunately if the supine and colourless mass of workmen still allow themselves to be occasionally led away by the high-flown but empty phrases of the agitators, it is not long before it experiences a salutary reaction. The workman who returns home from his meeting hears arguments of a different kind from his good wife. Here he hears no high sounding phrases but good convincing reason based on the household accounts. The assistance he receives from the strike committee is negligible, the larder is empty, and the "kids" threatened with starvation, so that the voice of the family usually prevails over that of comradeship. He does not go back to his factory, but gets engaged by a neighbouring manufacturer either in his own town or at a distance. And thus the strike is naturally dissolved by the dispersal of its elements. It is in vain to try to conceal the obvious fact that to-day the working class household will not support hardship as in the past. The undoubted improvement in wages has introduced into these households a degree of comfort which those enjoying it will on no account consent to curtail, not even for the purposes of a strike. The would-be striker, by means of a swift calculation, soon comes to the conclusion that a strike is bad business for him. The writer is assured by examples brought to his notice that this calculation



is almost universally made, and that the workman usually decides on mature reflection, that even if the strike succeeds in obtaining for him an increase of wages, such increase will be long in making good the wages lost while the strike is in progress. Strikes, concludes M. Dubreuil, should only be resorted to as an extreme measure after all possible means of a settlement are exhausted.

#### THE BIRTHRATE AND THE LABOUR PROBLEM.

Once more the note of alarm has been sounded by public men with regard to the decline or stagnation of the birthrate and the effect on the problem of labour, especially in agriculture. The census returns for 1921 show, during the previous decade, a decline of 8 to 9 per cent. in the population of the whole South, and of 11, 12, 13 and even 14 per cent. in such eminently agricultural departments, as the Ariège, Lot Gers, Tarn et Garonne, etc. The department of the Gers alone has since 1846 lost 120,000 inhabitants, a decline of about 40 per cent. of its productive capacity. The losses of the war naturally contribute to this result, but the birthrate also plays a very considerable part, as is apparent in the mortality and natality returns. In eight departments, all essentially agricultural, deaths exceed births by 500 units. Thus agriculture is vitally touched.

But these figures by no means indicate that the towns dispose of all the human power indispensable to their production. The coal output in the North has been maintained only by the immigration of 70,000 Poles; of the labour employed in the Briey iron fields 50 per cent. is foreign; the workshops in French Flanders are only kept alive with the help of Belgian workmen; Italian labour is indispensable to the working of the bauxite deposits of Provence and the lignite mines of the Bouches-du-Rhône; while the iron deposits of the Pyrenées Orientales are entirely dependent on Spanish labour. But in spite of all these attempts to supply labour there still exists a serious shortage. A recent inquiry conducted in the great industrial centres reveals the fact that fresh supplies of men are absolutely essential to the increase of production, upon which, in the opinion of the economists, depends the improvement of the financial situation. It is useless to deplete the country to supply labour for industry, as any reduction of agricultural labour must inevitably increase the cost of living.

But possibly industry may derive labour from sources hitherto untapped. The restrictions imposed by the American Immigration Act will doubtless throw supplies of labour upon the European market. It has been suggested that the Government should open negotiations with Japan for a supply of workers from that country, who have the additional merit of often possessing technical experience. An active production, by reducing cost price, will facilitate the adjustment of prices for home consumption and export. Industrial experts consider that, side by side with this process, it is necessary to increase agricultural produce and consequently to repeople the land. Agriculture has not, except in the South, followed the example of industry in introducing foreign labour. The department of Tarn-et-Garonne has created an important precedent by introducing a considerable colony of agricultural labourers from Piedmont (North Italy) for the cultivation of vegetables. Although the methods of these immigrants differ considerably from those of French farmers, nevertheless their introduction has been much more profitable than the transplantation of labour from Brittany into the Southern departments. An industrial magnate has expressed the opinion that France's economic prosperity demands that the Government should approach with a view to obtaining labour the Governments of countries with an active birthrate, which are obliged to get rid of their surplus population. (*Information Financière.*)

## COMMUNICATIONS

### RAILWAY EARNINGS.

The earnings of the principal railway companies for the first six months of the current year as compared with the corresponding period of 1923, are shown in the following table (in millions of francs):—

	Length in km.	1924.	1923.	Difference in 1924.
State ... ..	9,049	583.3	493.7	89.5
Paris-Lyon ... ..	9,781	1,106.3	929.0	177.3
Nord ... ..	3,830	647.7	576.1	71.5
Orléans ... ..	7,469	527.1	468.2	58.8
Est... ..	5,027	574.7	506.0	68.7
Midi ... ..	4,197	263.7	231.9	31.7
Alsace et Lorraine ... ..	2,262	362.3	229.5	132.7
Total ... ..	41,615	4,065.3	3,434.7	630.6

The figures for 1924 are provisional; those for 1923 amended.

During the first four months of the year the Algerian railways earned 54.4 mill. francs inclusive of the increased railway rates, which if the increases be deducted is equivalent to 24.4 mill. as against 19.9 mill. for the corresponding period of 1923. (*Economiste Français, Exportateur Français.*)

### TRAFFIC IN THE PORTS.

The traffic in the French ports (including Strasburg) during June was as follows: Vessels entering, 4,271; cargo discharged, 3,248,400 t., of which coal 1,299,000 t.; average monthly total cargo discharged during the second half of 1923, 3,450,100 t.; cargo shipped, 911,000 t. The figures for some of the leading ports are: Marseilles, vessels entering, 590; cargo discharged, 412,900 t. (coal 71,300 t.); cargo shipped, 155,500 t. Rouen, vessels entering, 356; cargo discharged, 614,000 (coal 386,000); cargo shipped, 32,300. Havre, vessels entering, 333; cargo discharged, 515,200 (coal 78,500); cargo shipped, 166,600. Saint Malo, vessels entering, 323; cargo discharged, 23,700 (coal 16,700); cargo shipped, 55,000. Bordeaux, vessels entering, 216; cargo discharged, 325,600 (coal 167,400); cargo shipped, 90,400. Dunkirk, vessels entering, 222; cargo discharged, 290,400 (coal 54,300); cargo shipped, 63,400. Boulogne, vessels entering, 251; cargo discharged, 34,600 (coal 13,600); cargo shipped, 26,300. (*Journée Industrielle.*)

### INLAND AND AERIAL NAVIGATION.

The following are the official figures of goods shipped on the inland waterways during the first quarter of 1924 (in tons):—

Rivers ... ..	4,099,512
Canals ... ..	3,767,198—7,866,710

The amount carried during the corresponding period of 1923 was 7,226,239 t., so that the present figures show an increase of 8.8 per cent. (*Journal de la Marine Marchande.*)

During June the Latécoère air line carried on the Toulouse-Casablanca service 286,272 letters with a weight of 5,879 kg., and on the Casablanca Fez-Oran service 25,439, weighing 633 kg. The progress of the postal service of this line since its foundation, appears from the following figures, showing the number of letters carried during the first six months of each of the years mentioned: 1920, 51,352; 1921, 101,202; 1922, 474,110; 1923, 1,231,875; 1924, 1,703,241. (*Exportateur Français.*)

### THE NEW FERRY AND FRENCH PORTS.

M. de Quevanne expresses alarm in the *Exportateur Français* at the menace offered to the northern ports of Calais and Boulogne by the creation of the new ferry service between Zeebrugge and Harwich, which, in his estimation, will divert traffic from the French ports by linking up Great Britain directly with Central Europe, the Little Entente countries, Turkey and Asia. Although the ferry service is a private enterprise, it is supported



by the Belgian Government, the Belgian Railways and the North Eastern Railway Co. It will create an important commercial current through Belgium, especially for goods needing rapid transport without transshipment, to the detriment of the French transit trade. Even French foodstuffs, such as early vegetables, from the south, eggs, dairy produce and poultry, will give the go-by to Calais and pass through Belgium. British travellers bound for Berlin, Vienna, Poland, Constantinople, Switzerland, the South of France and Italy, will likewise use this route and completely desert Boulogne. The writer reproaches French financiers and railway companies with want of enterprise is not having adopted a service of ferry boats from the French side, the objections to which apply equally to Belgium as to France.

## GERMANY

### TRADE

#### FOREIGN TRADE IN JUNE.

Owing to very incomplete returns from the occupied area the following figures must be treated with caution, especially in striking a balance between imports and exports. The two sets of figures are, according to present values (in thousands of gold marks):—

Imports.		June.	May.	Jan. to June.
Live stock ... ..	...	4,871	9,290	44,488
Food and beverages ... ..	...	138,237	169,584	1,033,705
Raw materials ... ..	...	303,164	424,886	2,004,495
Semi-manufactured goods ... ..	...	71,560	79,769	440,661
Manufactured goods ... ..	...	216,446	202,499	924,304
Gold and silver ... ..	...	18,846	782	32,987
<b>Total ... ..</b>	<b>...</b>	<b>753,124</b>	<b>886,810</b>	<b>4,480,640</b>
Exports.		June.	May.	Jan. to June
Live stock ... ..	...	530	620	2,612
Food and beverages ... ..	...	30,985	32,792	150,682
Raw materials ... ..	...	26,526	31,883	170,090
Semi-manufactured goods ... ..	...	33,403	33,526	181,155
Manufactured goods ... ..	...	383,013	415,082	2,315,137
Gold and silver ... ..	...	791	2,267	7,603
<b>Total ... ..</b>	<b>...</b>	<b>475,248</b>	<b>516,170</b>	<b>2,827,279</b>

There was a heavy decline in imports and a comparatively small decline in exports as compared with May. It is significant that while the imports of raw materials show a decrease of 25 per cent. there was an increase in the import of manufactured goods. The most satisfactory point about the returns is the decrease in the adverse trade balance, which had been growing steadily each month since the beginning of the year, as is indicated by the following table:—

	Imports.	Exports.	Import Excess.
	(In millions of gold marks.)		
January ... ..	567.13	431.02	136.11
February ... ..	718.59	466.34	252.25
March ... ..	692.69	456.56	236.13
April ... ..	803.16	481.96	321.20
May ... ..	870.18	516.22	353.96
June ... ..	753.12	475.25	277.87
<b>Total ... ..</b>	<b>4,404.87</b>	<b>2,827.35</b>	<b>1,577.52</b>

Among detailed variations in June as compared with May noteworthy is the decline in the import of textile raw materials and manufactured goods, rye, barley, meal, butter, cheese, and especially coal, which fell from 16.4 mill. doppelzentner to 11.9 mill. dz. There was an increase in the import of iron ore (of which, however, the returns are untrustworthy), and particularly of rolling mill products and iron goods. As regards exports there was a considerable decline in textile manufactured goods, chemical and pharmaceutical products, porcelain, glass, and artificial manures, whilst the only considerable increase was in sugar. (*Berliner Börsen-Zeitung, Deutsche Allgemeine Zeitung.*)

The Eco Della Stampa, Corso Porta Nuova 24, Milan, Italy.—This office reads for you all newspapers and reviews, and sends to you with all despatch cuttings concerning you. Terms of subscription will be sent on receipt of your card.—*Adv.*

## INDUSTRY

### CONDITIONS IN THE SILK INDUSTRY.

The Association of German Silk Weavers, Crefeld, has presented to the Reichstag Committees for Economics and Foreign Affairs a memorandum regarding the situation in the silk industry, in which it voices the desires of the industry in respect to trade treaty negotiations. The memorandum states that the German silk industry, in contrast from other important branches of the textile industry, had a very active and important export before the war. The principal foreign customers were in the first place England, then Belgium, Spain, Scandinavia, Italy, Austria-Hungary, Holland, France and America. Particular branches of the industry, such as, for instance, neckties, had a practical monopoly in these markets. Now, however, the chief markets have been partially or completely lost owing to Germany being cut off from the world market, and the export figures have fallen to a few per cent. of the total turnover. This decline is also due to the heavy increase in the costs of production. The foreign producer, especially the French and Italian, can produce from 15 to 20 per cent. cheaper than the German. Moreover, the works are running at an average of only about two-thirds of their capacity, whereas even before the war they were generally not profitable except at full pressure. Again, during the last ten years foreign competitors have enormously improved their technical equipment, whereas the German industry will be unable for a long period to acquire a like efficiency owing to the shortage of money and the lack of technically qualified hands. High tariffs and anti-German preferential rates have also had a deleterious effect, and only the comparatively large home consumption has kept the industry alive at all. Export is only being continued with a view to retaining existing commercial connections and keeping the works running as far as possible. The economic position of the German people must inevitably bring about a reduced consumption of textiles and particularly of silk goods, and unless exports can be extended to markets hitherto closed the industry must succumb altogether. Two things are therefore essential: the removal of all hindrances to successful export, and the introduction of foreign capital. The memorandum closes with the demand that in the impending trade treaty negotiations every effort should be made to obtain the same conditions in the world market for the products of the German silk industry as are enjoyed by its competitors. (*Frankfurter Zeitung.*)

### REPORT ON THE DYE INDUSTRY.

The Department of Commerce in Washington has published a report on the German dye industry and dealing with the development and conditions of the Interessengemeinschaft der Chemischen Grossindustrie. The *Frankfurter Zeitung* pays a tribute to its thoroughness and states that it contains important information which has not hitherto been published. The following table shows the output of the individual factories for the years 1920 to 1923:—

	1920.	1921.	1922.	1923.	Average percentage of total production.
	(In £; 000's omitted.)				
Barmen (Wülfig Dahl & Co.) ... ..	773	622	582	597	0.50
Berlin (A.-G. für Anilinfarben) ... ..	13,731	10,968	19,733	19,095	11.20
Biebrich (Kalle & Co.) ... ..	4,799	5,234	9,013	4,617	4.45
Düsseldorf (Karl Jäger) ... ..	166	111	178	235	0.15
Frankfurt (Cassella) ... ..	12,310	19,208	27,068	23,991	14.80
Griesheim (Griesheim Electron) ... ..	2,553	3,454	6,328	7,095	3.25
Höchst (Farbwerke) ... ..	14,987	22,996	42,298	16,271	17.90
Leverkusen (Bayer) ... ..	23,927	19,595	37,420	33,333	20.50
Ludwigshafen (Badische Anilin) ... ..	26,016	29,207	41,460	33,806	23.10
Mülheim (Leonhardt) ... ..	544	864	1,657	970	0.75
Uerdingen ... ..	3,348	3,940	6,672	4,831	3.40
<b>Total ... ..</b>	<b>103,154</b>	<b>116,199</b>	<b>192,409</b>	<b>144,841</b>	<b>100.00</b>



In 1913 the production was estimated at £280 to 290 mill. so that in 1922 the production reached two-thirds of the pre-war level. On the other hand owing to extensions the capacity of the factories is estimated at 20 to 25 per cent. higher than in 1913. The effects of the Ruhr struggle are seen in the vastly reduced production at Höchst in 1923. The following table shows the comparative total production of the various kinds of dyes:—

	1920.	1921.	1922.	1923.
	(In £; 000's omitted.)			
Alizarin (red) ... ..	7,308	6,902	8,960	8,588
Synthetic indigo ... ..	17,937	24,538	41,291	23,655
Vat dyes ... ..	2,327	3,963	4,506	4,338
Indanthrene (blue) ... ..	354	244	28	159
Alizarin (except red) ... ..	2,433	1,198	1,968	2,269
Direct dyes ... ..	23,064	22,059	38,359	32,273
Direct dyes for diazotising... ..	3,931	3,843	5,686	3,657
Acid dyes for wool ... ..	17,394	20,233	30,954	20,868
Mordant dyes for wool ... ..	7,066	6,679	12,593	8,255
Basic dyes ... ..	5,019	6,090	9,139	6,841
Sulphur dyes ... ..	11,200	16,378	32,165	28,982
Lac dyes ... ..	5,121	4,074	6,799	4,956
Total ... ..	103,154	116,199	192,408	144,841

Alizarin (red) is only produced in Leverkusen and Ludwigshafen; synthetic indigo only in Höchst and Ludwigshafen; vat dyes in Biebrich, Frankfurt, Griesheim, Höchst, Leverkusen and Ludwigshafen; indanthrene (blue) in 1923 only in Ludwigshafen though in the earlier years it was produced also in Leverkusen; alizarin (except red) in Frankfurt, Höchst, Leverkusen and Ludwigshafen. Most of the other dyes are produced in all the factories, except that the small factory in Düsseldorf only produces direct dyes, acid dyes and lac dyes. The decline in the production of synthetic indigo may be ascribed to the reduced output at Höchst due to the occupation of the Ruhr.

As regards the position of the German dye industry in the world market it is estimated that the direct share in 1913 was 75 per cent., whilst another 13 per cent. came from factories indirectly connected with the German producers, so that 88 per cent. of the world consumption was produced in Germany. With the outbreak of the war the United States, England, France, Japan and Italy endeavoured to make themselves independent of this monopoly, and have been successful to the extent that England now produces about 80 per cent. of its own consumption, France, Italy and Japan 40 to 50 per cent. each, and the United States 93½ per cent. In addition Switzerland, formerly Germany's principal competitor, has increased both its capacity and its endeavours to find markets. In 1922 Germany's export of dyes was only one half that of 1913, in spite of the increased capacity. In view of the changed situation the Interessengemeinschaft has endeavoured to come to terms with foreign competitors or to participate in foreign enterprise in order to recover a share in the world market commensurate with its capacity of production. (*Frankfurter Zeitung*.)

SOCIAL AND LABOUR CONDITIONS

HOURS OF LABOUR.

Since the withdrawal of the order relating to hours of work agreements have been made which show considerable variation in different industries and in different parts of the country. In some instances a temporary extension of hours has been fixed, such as the 57½ hour week in the north-west group of the metal industry. Generally, however, the 48 hour week is retained in principle, but the employer is given the right to require overtime if conditions so demand, though in many cases the consent of the works council is necessary. There is usually no extra pay for overtime, though latterly overtime agreements have been including provisions for extra pay. Thus in the book-printing trade 12½ per cent. is added to the rate of pay for overtime, in the timber trade 10 per cent. As the agreements only give the maximum permissible overtime, statistics relating to the actual hours worked are not automatically

available. But the Allgemeine Deutsche Gewerkschaftsbund took a census of actual hours worked during the week from May 12 to 17. The census included 2,453,523 workers in 46,122 different concerns. The following table shows the number of men in every 100 who worked 48 hours and the number who worked over 48 hours:—

Industry.	48 hours and less.		Over 48 hours.		Total.
	48-51.	51-54.	Over 54.	Over 54.	
Textile ... ..	17.6	23.8	54.3	4.3	82.4
Metal ... ..	36.5	5.8	36.6	21.1	63.5
Book printers ... ..	50.6	5.8	41.9	1.7	49.4
Chemical ... ..	56.0	2.8	33.4	7.8	44.0
Timber ... ..	78.6	6.8	10.0	4.6	21.4
Shoe ... ..	85.5	3.5	10.8	0.2	14.5
Building ... ..	89.0	3.3	4.8	2.9	11.0
Average	45.3	8.3	33.4	13.0	54.7

Thus 54.7 per cent. worked over 48 hours and 13 per cent. over 54 hours. The following table shows the percentage working over 48 hours and over 54 hours respectively in different States:—

State.	Over 48 hours.	Over 54 hours.
Rhineland-Westphalia	81.2	47.7
Bavaria ... ..	68.0	4.1
Saxony ... ..	58.4	1.7
Hanover ... ..	54.2	3.1
Baden ... ..	53.3	1.2
Silesia ... ..	52.0	8.5
Province of Saxony	50.0	26.3
Hesse... ..	47.9	4.7

The percentage in the second column is also included in the first. In judging these figures account should be taken of the fact that the census did not include miners and workers in Reich undertakings, as all these work overtime. It is not probable that the overtime revealed by these figures will be exceeded, as the economic situation has recently become less favourable and less overtime has therefore been required by the employers. The existing economic situation is evidenced by the following unemployment figures for June 30:—

Trade Union.	Member-ship in 1,000's.	Fully unemployed. In 1,000's	per cent.	Partially unemployed. In 1,000's	per cent.
Builders ... ..	391.5	36.4	9.3	—	—
Woodworkers ... ..	309.4	37.0	12.0	44.1	14.2
Metalworkers ... ..	841.3	138.6	16.5	263.8	31.4
Textile workers ... ..	355.1	15.4	4.3	109.5	30.8
Factory workers ... ..	312.0	27.8	8.9	26.0	8.3
Book printers ... ..	68.1	2.6	3.8	0.3	0.5
Total, June 30	2,277.4	257.8	11.3	443.7	19.5
„ May 31	2,321.3	225.1	9.7	195.8	8.4

The increase in fully employed during June was 16.5 per cent., and in partially unemployed 132.1 per cent. (*Wirtschaft und Statistik*.)

COMMUNICATIONS

SHIPPING RETURNS FOR JUNE.

In consequence partly of the reduced import of coal due to the conclusion of the German coal strikes, partly of the quiescence which normally follows the seasonal spring shipments, and partly of the difficult economic situation of Germany, traffic at the nineteen principal seaports fell by nearly 8 per cent. as compared with May; America and Sweden alone of the chief countries maintained their tonnage. The following table shows the net registered tonnage from the different countries in thousands of tons:—

Country.	Total.			
	June.	May.	June.	May.
Germany ... ..	761.2	1,755.0	2,516.2	2,659.2
Great Britain ... ..	43.0	963.7	1,006.7	1,287.6
Netherlands ... ..	19.4	369.4	388.8	416.9
Sweden ... ..	318.3	57.7	376.0	214.3
United States ... ..	20.1	320.7	340.8	325.5
Denmark ... ..	92.7	55.1	147.8	205.9
Norway ... ..	31.5	112.7	144.2	182.9
Other countries ... ..	37.3	371.7	409.0	480.6
Total, June ... ..	1,323.5	4,006.0	5,329.5	5,772.9
„ May ... ..	1,022.2	4,750.7		

It will be noted that the large decline in traffic at the North Sea ports was to some extent offset by a relatively heavy increase at the Baltic ports. The total traffic at the nineteen ports during the first half of the current



year was 28.5 mill. net registered tons, as compared with 30.5 mill. in the corresponding period of last year, a decline of 6.6 per cent. The decline is mainly due to the decrease in the import of English coal; German traffic, on the other hand, was a trifle larger this year than last. (*Wirtschaft und Statistik.*)

#### INLAND WATERWAY TARIFFS IN 1923 AND 1924.

Inland waterway tariffs in 1923 were entirely governed by the currency and economic collapse. The invasion of the Ruhr and the railway tariff policy brought about a situation in which the usual deciding factors became of quite secondary importance. Traffic on the Rhine came to a standstill with the commencement of passive resistance in January, and on the Dortmund-Ems Canal with the introduction of Customs frontiers by the occupying powers in February. Except for a partial activity due to the necessary transshipment of coal the South German waterways suffered heavily from the closing of the Rhine, and coal supplies reached South Germany from Upper Silesia mainly by rail, instead of by the Oder. Water transport was totally unable to compete with rail transport, as the rates of the latter lagged far behind the depreciation of the currency. Prior to the period of rapid depreciation the proportion between the rates on the Oder and those on the railways was about the same as pre-war, though the rates on the Elbe had risen slightly, but when the fall of the mark set in water freights moved up more rapidly than rail rates, till they were often nearly as great as the latter, and in some cases (e.g. up-stream on the Oder) considerably greater. With the return to gold in November, however, rail rates were fixed at about double pre-war, whilst water freights again returned to their pre-war proportion. From January to March 1924 ice hindered water transport, but after that the reduction of 17 per cent. in railway rates and sharp competition with the railways brought about a considerable reduction in water freights, which, like all other prices, had remained too high during the period of stabilisation. At the present moment freights from Hamburg up-stream are only about 25 per cent. above pre-war, whilst Elbe down-stream rates are about 50 per cent. above. Coal freights from Kosel to Stettin are about 35 per cent. and ore freights from Stettin about 20 per cent. above pre-war. On the Rhine the present rates are very low. Thus, between Rotterdam and the Ruhr harbours the towage charges are 25 per cent. below pre-war, in spite of high coal prices, whilst the lighterage is less than half what it was before the war. Between the Ruhr harbours and Mannheim the towage charges are 50 per cent. and the lighterage about 25 per cent. above the 1913 charges. The following table shows the movement of tariffs in gold marks per ton:—

End Stations.	Class of goods.	1913.	Dec. 1923.	June 1924.
Konigsberg-Tilsit ...	Coal ...	...	* 5.10	2.40
Konigsberg-Danzig...	Piece goods ...	...	*11.03	15.00
Stettin-Kosel ...	Iron ore ...	4.55	6.60	5.50
Kosel-Stettin ...	Coal ...	4.63	6.76	6.10
Kosel-Berlin ...	Coal ...	5.54	7.00	6.60
Kosel-Madgeburg ...	Coal ...	...	10.76	9.80
Hamburg-Berlin ...	Coal ...	2.85	—	3.50
Hamburg-Halle ...	Coal ...	4.05	8.00	5.00
Hamburg-Dresden ...	Coal ...	4.35	8.50	5.00
Hamburg-Madgeburg	Coal ...	2.19	5.00	2.70
Hamburg-Tetschen	Heavy goods ...	5.05	12.20	6.20
Dresden-Madgeburg	Bulk goods ...	—	3.50	2.80
Dresden-Hamburg ...	Bulk goods ...	2.24	5.00	3.50
Dresden-Lübeck ...	Bulk goods ...	2.69	6.40	4.00
Rhine—				
Ruhr harbours-Mainz	Coal ...	2.42	—	2.07
„ Mannheim	Coal ...	1.76	—	2.22

\* November.

(*Ibid.*)

#### RAILWAY FREIGHTS AND COMMODITY PRICES.

Since the middle of March the tariffs on the railways have remained generally unchanged. The emergency

rates for corn, potatoes and foodstuffs have been provisionally extended till Sept. 30. Exceptional rates have been introduced only for export goods and through traffic. The *Frankfurter Zeitung* tariff index number, calculated for 10 commodity groups on the average rates for 100, 300 and 600 km. respectively, stands at 148.7 per cent. of that for April 1, 1914, as compared with 163.9 per cent. at the beginning of January. A comparison of the index number with the *Frankfurter Zeitung* wholesale index number shows that, except at the middle of April, freights stand considerably higher than wholesale prices; the following table shows the comparison in detail:—

	Jan. 2.	Jan. 31.	March 1.	April 15.	May 30.	July 3.	July 31.
Wholesale index	139.7	136.3	140.6	145.9	137.8	129.0	130.2
Freight index	163.9	153.6	148.2	148.7	148.7	148.7	148.7

Freight index in percentage of wholesale index	117.3	112.7	105.4	101.9	107.9	115.3	114.2
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Thus on July 31 freight charges relatively to commodity prices are 14.2 per cent. higher than in 1914, and their reduction to the level of commodity prices is a matter of urgent necessity.

## LUXEMBURG

### TRADE AND INDUSTRY IN 1923.

The official report on trade and industrial conditions in the Grand Duchy of Luxemburg in 1923 supplies interesting data with regard to the economic recovery of that country. From the beginning of 1922 two events of exceptional importance, the unexpected occupation of the Ruhr and the growing confusion consequent on that operation, prevented any expansion of foreign commerce, and suddenly checked the economic development of industrial enterprise, except in a very few branches. The Grand Duchy is so closely dependent on the international market and its resources are so restricted that it was the first to feel the effects of the new situation, and it was only able to benefit to a very limited extent by the favourable state of the market. For two months the metallurgical works were deprived of their supplies of coke, and the irregularity and uncertainty of these supplies lasted until August. Afterwards the situation gradually improved, but the inferior quality and high price of American coke seriously affected the costs of production. The mining industry suffered from all the bad effects of the occupation of the Ruhr, and especially from the transport difficulties which it brought about. And as the home demand declined, exports to Germany dwindled to an insignificant amount. The production of ore and the output of the iron and steel industry show a very considerable decrease as compared with the preceding year. Thus in 1923 the production of ore aggregated 4,097,549 t. as compared with 4,488,974 t. in 1922 and 7,333,372 t. in 1913; that of pig iron 1,406,666 t. as compared with 1,679,318 t. in 1922 and 2,547,861 t. in 1913; and that of steel 1,193,471 t. as compared with 1,378,902 t. in 1923 and 1,182,227 t. in 1913. The labour market, however, underwent no violent changes and was free from conflicts; but it was severely handicapped by the eight hours day, which seriously affects the industrial output. For while France and Germany, realising the needs of their industrial organisation, have reverted to more liberal conditions—certain German works having already reintroduced the old arrangement of two twelve-hour shifts—the restrictions governing the hours of work in Luxemburg are rigidly enforced, thus placing its industries at an unfortunate disadvantage in competing with those countries. The reduction of the hours of work, by reducing the amount of work that could be disposed of, naturally intensified the difference between the demand and the supply of labour, the latter declining more and more. A whole section of industries are consequently unable to develop their output owing to the shortage of workmen.



In the tanning industry, however, there has been a marked improvement as a result of the increased demand for export. The various branches of the textile industry have also experienced a brisk demand for prompt delivery, and were unable to meet the requirements of the market. There is likewise a great improvement in the output of the brewing industry, while conditions in the tobacco factories have been normal. In several branches, however, the situation has been rather unfavourable. The mechanical workshops and foundries, having lost their principal outlets in Lorraine and the Sarre without finding any compensation on the Belgian market, have been obliged to find more remunerative specialities, and are having rather a bad time. The glove-makers are experiencing great difficulties, while millers are fighting Belgian competition without any hope of success. In the midst of all its vicissitudes industry is concentrating and simplifying its organisation so as to make itself independent of the fluctuations of a too restricted home market. It has taken steps to stabilise the position it has recently gained in the world markets by establishing foreign sale agencies. The transport question, which is of vital interest, looks like being soon settled in a way that will help to promote the economic development of the country. The railroad convention that has just been concluded with the Prince Henry Company, under which the railway system has been definitely unified and its management also, will put an end to the temporary arrangement which has only lasted too long.

In the various branches of the wholesale and retail trade business has been fairly regular. The industrial revival, especially in the building trade, and the spending fever among all classes of the population have certainly given a fillip to trade. The labour market, too, has been remarkably free from violent fluctuations and conflicts. A saner appreciation of the economic conditions has put an end to the effervescence of the years immediately after the war, and the situation is calm. The sterilising jealousy between capital and labour which was sedulously fostered for a long while has now given way to a spirit of closer and more confident co-operation. Some statistics are supplied with regard to the production of ore. Very little was produced by the mines belonging to other than the great iron and steel works, and this was sold at the rate of from Fr.8 to 10 for ore containing 30 per cent. of calcareous and 34 per cent. of silicious iron. When the cost of production was between Fr.10 and 12 per ton, certain markets adopted a movable scale of Fr.0.75 to Fr.1 per cent. of iron per ton. In 1923 the output amounted to 4,097,549 t. of a value of Fr.39,308,000 as compared with 4,488,974 t. of a value of Fr.37,116,900 in 1922 and 3,031,626 t. of a value of Fr.26,461,773 in 1921. The price per ton rose, therefore, from Fr.8.73 in 1921 to Fr.8.44 in 1922 and to Fr.9.60 in 1923. This last price has only been exceeded once in the last twelve years, viz. in 1920, when it reached Fr.10.26. The annual output, 4,097,549 t., though fairly satisfactory—being over 400,000 t. above the average for the last seven years—will not bear comparison with the returns for the years 1896 to 1913. The average for each of the seven-year periods from 1896 to 1923 is shown in the following statement:—

	Tons.
1896-1902 ... ..	5,318,225
1903-1909 ... ..	6,467,236
1910-1916 ... ..	6,298,512
1917-1923 ... ..	3,691,852

(*Moniteur des Intérêts Matériels*, August 4-5.)

## POLAND

### FINANCE

#### THE NEW GOLD CURRENCY.

The preliminaries for a monetary reform in Poland have been concluded. The new bank of issue, the Bank

Polski, and some special enactments form the basis for the reform. After the publication of the statutes of the new bank, founded in the form of a joint-stock company, the subscription list was opened in January last. The capital of 100,000,000 zlotys (gold francs) was subscribed within two months. All the shares were taken up by Polish private capital, the State taking over merely 10 per cent. instead of the 30 per cent. originally suggested. At the very outset 68 per cent. of the capital was paid up in gold, foreign currency and bills. The remainder was to be paid up by the end of June. The first general meeting of shareholders of the new bank of issue took place on April 15 and the bank started operations on the 28th of that month. On the same day the liquidation of the hitherto existing "Polska Krajowa kasapozyczkowa" commenced. The notes of the new bank of issue were issued in a new unit—the zloty—which is now the legal currency of Poland. By a presidential decree of April 17 last the terms are fixed upon which the Polish marks may be exchanged for gold currency.

The relation of gold to the mark is fixed at 1 zloty = 1,800,000 marks. Up to June 30, 1924, payments could be made in either marks or in zlotys. From July 1 the mark ceased to be legal currency in Poland. The period during which banknotes, including those of the Polska Krajowa kasapozyczkowa can be exchanged for gold in the Bank of Poland or its branches will terminate on May 31, 1925. Within this period all the mark banknotes will be withdrawn and replaced by the notes of the new bank of issue. In addition to these Bank of Poland notes, there will shortly be placed in circulation new silver coins of 1, 2 and 3 zlotys denomination, besides smaller denominations of copper and nickel. (*Central European Observer*.)

#### POSSIBLE SUPPRESSION OF THE COAL TAX.

A Warsaw message to the *Neue Freie Presse* states that, at the instance of business circles, the Government has reduced the coal tax from 40 to 5 per cent., and it is further rumoured that it is contemplating its suppression. This measure would involve a complete revision of the Budget, since the tax has been estimated to yield 5 million zlotys, and in connection with the loss of this amount it should be remembered that the Budget already shows a deficit of 70 mill. zloty.

#### BUDGET ESTIMATES FOR 1924.

Ordinary and extraordinary expenditure is estimated to amount to 1,490,985,000 zlotys, revenue to 1,422,713,000 zlotys. Parliament has under consideration a bill to create a monopoly in methylated spirits, to date from January next. On this bill being passed, it is expected that the Government will offer the spirits monopoly as guarantee for a foreign loan. (*Ibid.*)

### "The Central European Observer"

COMMERCIAL AND POLITICAL WEEKLY.

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## RUSSIAN REPARATIONS IN JEWELRY.

The Soviet Government in 1922 paid to the Polish financial administration reparation for damage done by the Russians to the Polish railways and means of communication. These reparations mostly took the form of delivery of jewelry to Poland. As a result of a recent agreement between the Polish Government and the Italian Banca Commerciale, the latter has undertaken to sell a part of these jewels (which includes some of the imperial crown jewels) of the present value of 6 million dollars. (*Neue Freie Presse.*)

## BRITISH CAPITAL IN POLAND.

The former Minister of Commerce, M. Szydłowski, has been in London with the object of interesting English industrial and financial circles in the exploitation of the Galician oilfields, as the French investments there already prove inadequate.

The Economic Council of the Cabinet has approved of the export of 150,000 tons of sugar to England. This enables a loan of £1,500,000 to be secured at once and a further million in the autumn. Poland is to export this year 20 per cent. of her entire sugar output. (*Central European Observer.*)

## TRADE

### COMMERCIAL TREATIES.

Recently the relations between Poland and Hungary have taken a turn for the worse, mainly on account of the expulsion of Polish subjects out of Hungary. As a result the negotiations for a commercial treaty between the two countries have been broken off.

The Polish Senate has ratified the Commercial and Navigation treaties with Denmark and Iceland, the Hygienic Convention with Latvia, and the Amendment to Article 20 of the Franco-Polish Commercial treaty. (*Central European Observer.*)

### IMPORT AND EXPORT REGULATIONS.

Simultaneously with the publication of the new Customs tariff the extended list of articles enjoying specially favourable rates has come into force. To this certain articles have been added which will pay the following reduced proportions of the ordinary Customs duties: leather and rope footwear, 60 per cent.; soles, uppers and welts, 80 per cent.; cotton goods, raw, bleached, mercerised and dyed, woollen, worsted and other fabrics, 80 per cent.; half wool fabrics, 80 per cent. The above rebates will be applied independently of rebates granted in favour of the country of origin so that goods coming from Austria will enjoy a double reduction. The Order granting these reductions remains in force until October 1. It exemplifies the prevailing tendency to reduce the cost of living by granting special privileges to imported articles of first necessity. Simultaneously the obligation to pay the Customs duties on certain goods in gold has been abolished.

The Export and Import Office has granted licences to export the following quantities of the undermentioned goods without payment of export duty: 220 truck loads of barley; 100,000 kg. of pearl barley; 60 t. of barley bran on payment of a duty of 5.2 zloty per ton; 3 truck loads of clover; 2 truckloads of clover refuse; 30 truckloads of millet ground and unground; 8½ t. of rapeseed; 75 truckloads of maize; 50 t. of undressed rabbit and hare skins; and 4,763 kg. of rags of foreign origin. Restrictions on the export of grain and barley have been removed and these commodities may now be freely exported on payment of the duty of 5 zloty per ton. (*Wirtschaftliche Nachrichten.*)

### SOME FOREIGN TRADE FIGURES.

Poland since the incorporation of Upper Silesia within her frontiers has become one of the leading coal producing countries of Europe, and the output in 1923 amounted

to 36,097,997 tons. Of this total, about one-third was exported to the following countries (in tons): Germany, 8,042,903; Austria, 2,789,607; Czecho-Slovakia, 742,226; Hungary, 374,571; Danzig, 240,221; Switzerland, 154,065; Rumania, 121,302; Sweden, 24,965; Jugo-Slavia, 21,187; Denmark, 17,770; Memel, 16,247; Italy, 6,150.

According to a report compiled by the Commercial Attaché to the Polish Legation at Prague, Poland imported in 1923 goods to the value of Kr.207,100,000 from Czecho-Slovakia, including (in millions of kronen):—

Leather, 48.0; coke, 26.6; woollen yarns, 22.5; tubes, pipes, rolled iron, 19.0; cotton yarns, 17.5; iron and steel, 16.2; pig-iron and semi-manufactures, 16.1; tin plates and tubes, 15.5; cotton goods, 15.3; timber, 9.9; in addition to other textiles, paper, ceramics, porcelain, glass, machinery, electrical fittings, musical instruments and chemicals.

Polish exports to Czecho-Slovakia, which were some Kr.20 mill. less than the import figure, included: Coal, naphtha, paraffin, timber, flax, hemp, lead, salt, soda, hops, beans, feathers, turpentine, etc. (*Ibid.*)

## INDUSTRY

### THE INDUSTRIAL CRISIS.

The Polish Minister of Commerce, M. Kiedron, discussing the economic crisis through which Poland is passing, describes it as an elemental one, and declares that it is not in the power either of the Government or the public to bring the crisis to a speedy end. This can only be brought about by degrees and by reforming one branch of industry after the other. Recently a slight improvement has been observable. The most serious cause of the crisis lies in the high costs of production, the lack of economy in the whole organisation of enterprise, and sometimes in the small output of the workers. It is an unhappy circumstance that credit is dear, but the fact must be realised that credit will be cheap as soon as the public is wealthy.

A foreign loan will only help Poland when she can dispose of her products. To-day the industries have huge stocks on hand, and a foreign loan must not be used to increase these stocks still further. They must be sold, even if at a reduced price. The public must learn to economise again. They have not yet learnt that a groat has great value. It cannot be denied that grave mistakes have been made in the past in respect of export policy, but an improvement has now taken place. For the future, certain alleviations have been made to the export trade. Care must be taken, however, that at the time when all industrial products are falling in price, the cost of the necessaries of existence shall not rise. The Minister believes that Poland is slowly moving forward to the end of the general crisis. If nothing unexpected intervenes, he says, one may hope that by winter a decided improvement will have set in, and that it will increase still further in the coming year. (*Central European Observer.*)

### IMPENDING CRISIS IN THE OIL INDUSTRY.

The Polish oil mining industry is faced with the possibility of a severe crisis. While for the past few years oil prices have remained comparatively steady, taxes and costs of production have risen considerably. Since February wages have shown a tendency to remain steady, and in April even declined, but the balance thus created was disturbed by a drop in oil prices noted during the past month. A thorough reform of the oil mining industry has been advocated and M. S. Szczepanowski, an ex-Premier, has propounded a scheme of reform of which the following are the main lines: The rejection of any suggestion to convert oil mining and refining into a Government monopoly, the like rejection of any proposal to create Government oil rights and concessions, recognition and preservation of the naphtha mining rights by the owners of the soil, the



passing of measures to check speculation on the part of the owners of oil properties prejudicial to the production of oil, the limitation of taxation of the (oil) mining industry. (*Neue Freie Presse.*)

## RUMANIA

### A SURVEY OF INDUSTRY.

The following study of the position of industry in post-war Rumania is contributed by M. Carl Helfft, of Bucharest, to the *Wirtschaftliche Nachrichten*.

However improbable it may sound, Greater Rumania, despite the annexation of the Banate, Transylvania and Bukovina, is of little greater industrial importance than the old pre-war kingdom of Rumania.

Before the war some million gold lei were invested in industry, representing 4.7 per cent. of the whole national wealth estimated at 21 milliard lei; the number of industrial workers was 308,320, or 8 per cent. of the working population of 3,925,967; and the value of industrial production amounted to 989,643,731 out of a total production (including that of agriculture) of 2.5 milliard lei, or 39 per cent. of the whole, a large proportion in a country so essentially agricultural as Rumania.

The number of inhabitants, the extent of land fit for cultivation, and the length of the railway lines are from 210 to 250 per cent. higher than before the war. The amount of horse-power used in industry has increased by 153 per cent. and the number of industrial workers by 150 per cent. This maintenance of the proportion between the increase of territory and population and that of mechanical power and manual labour in industry shows no perceptible augmentation of industrial intensity.

The chief advantage accruing to the country from the annexation of the new provinces is the acquisition of valuable mineral deposits which form the basis of industrial development. The deposits and metal industry of the new provinces may be divided into two groups, Hunedoara and Reschitza, from which are derived the bulk of the ores and semi-manufactures required by the industries of the remainder of the country. Their output, however, is still below that of pre-war days.

In favourable circumstances Rumania would be in a position to supply 45 per cent. of her requirements in iron ore and semi-manufactures. The import of machinery and metal in 1922 amounted to 275,000 t., with a value of 95 million gold or 3 milliard paper lei.

Rumania at her present stage of development requires some 650,000 t. of iron products a year, for the manufacture of which 1,440,000 t. of iron ore are necessary. Were the whole of this amount to be produced in Rumania itself the whole mineral wealth of the country would be exhausted in 12 to 15 years. In order to prevent this a movement has been set on foot for the introduction of a new tariff drawn up in such wise as to admit raw materials free of duty and increase their import by special agreement with the producing countries, while semi-manufactures and finished articles are to be specially protected to enable an industry for their manufacture to be founded and developed.

The writer then gives the following account of individual industries:—

*Iron and Steel.*—The value of the production of the industries working in iron in 1921 as compared with 1913 (in brackets) was as follows (in millions of gold lei): Boilers, etc., 3 (12.7); machinery, 13.6 (12.4); shops for repairing machinery and making spare parts, 33 (12.7); steel casting, 3.6 (3.2); casting of other metals for bells and various articles, 1.2 (3.3); metal appliances and locksmiths' work, 1.4 (2.9); nails and screws, 8.4 (10); sheet iron, 1.6 (6); tools, 0.2 (0.1); various wire articles, nails, chains, etc., 2.1 (1.1); shipbuilding, 2.4 (2.4).

*Paper.*—Average output, 23,114 t. as against 17,717 t. before the war, or 1.5 kg. as against 2.2 kg. per inhabitant. Therefore Rumania is now obliged to import considerably, which she did not do before the war except in the case of the best quality paper. The consumption of paper has greatly increased through the acquisition of provinces with a more cultured population. In 1920 the import of this commodity was 12,208 t. of a value of 15.3 mill. gold lei, or 2 per cent. of the total value of imports. There is no reason why home production should not satisfy home consumption, as the raw material, namely wood, is available in large quantities.

*Chemicals.*—The chemical industry has developed considerably, oil refineries and coal and wood distilling works being specially important, but these works are not yet in a position to supply home consumption, the import of chemical products in 1920 being 14,000 t. in weight and 2,223,370 gold lei in value. The value of the home production of chemicals in 1921 as compared with 1913 (in brackets) was as follows (in millions of gold lei): Sulphuric acid and copper vitriol, 2.8 (6.4); soda and potash, 5 (17.6); drugs, 1.1 (1.0); chemical products, 2.4 (9.1); dyes, 0.5 (1); oil refining, 51 (213); liquid carbonic acid, 0.2 (1.5); oxygen and acetylene, wood and coal distilling, 5.5 (29.4); soap and candles, 7 (13.1); total, 76 (292.9). If oil refining and distilling from wood and coal are left out of account, the results are 50.3 for 1913 and 19.5 for 1921, a serious decline.

*Flour milling.*—The output of the flour mills is only two-thirds of their pre-war output, a result due mainly to transport difficulties and a decreased yield from agriculture. In consequence a number of mills have had to close down and others to reduce their activity. Greater Rumania possesses 395 large milling works (with a daily output of 10 t. and upwards), 672 engines, and 51,800 h.p., and an aggregate capital of 402 million gold lei. In 1913 they ground 266,490 truckloads, to which wheat and rye contributed 192,280 truckloads and maize 71,364, and in 1919 only 179,903 truckloads, consisting of wheat and rye 125,363 and maize 53,502. The smaller works, with a daily output of less than 10 tons, employ over 2,200 h.p., and their output in 1921 shows a corresponding decline to that of the larger works. The capacity and output of the farmers' private mills, where the bulk of the maize is ground, cannot be estimated owing to lack of data.

*Sugar.*—Eleven sugar factories employing 12,449 h.p. produced 9,420 truckloads, of which 7,225 were sugar, and in 1919 1,523 truckloads, including 1,122 of sugar. Home consumption demands 9,000 truckloads. Although the deficit has been considerably reduced of late years, consumption is still dependent on imports. Since the industry depends on agriculture, its extension permitting a large export trade is imperative as soon as beet is cultivated in adequate quantities.

*Brewing and Distilling.*—The 55 breweries amply suffice for the needs of home consumption, which are very small. The output in 1919 was 497,768 hectolitres of beer as against 968,669 hl. in 1913. The number of distilleries is 240, and they work with 351 engines and 8,600 h.p. The chief materials used are maize and potatoes. In 1913 19,589 truckloads of maize and 5,726 of potatoes, and in 1919 12,514 and 1,237 respectively, were consumed, the output of spirit being 797,826 hl. in 1913 and 449,920 hl. in 1919. Since there is a sufficiency of raw material and spirit is a much sought after article of export, a proper organisation of the industry would probably yield rich profits to Rumania's foreign trade.

*Textiles.*—This industry has gained considerably by the acquisition of the new provinces. The mechanical power which it now employs is 13,530 h.p., as against 4,333 h.p. in the pre-war territory. Nevertheless, home consumption can only be supplied in a small degree. In 1921 43,700 t. of textile goods of a value of 280 mill. gold kronen were imported. Here again the



industry is capable of considerable development, since Greater Rumania possesses 8,800,000 sheep with a productive capacity of 13,200,000 kg. of washed wool a year, but at present only about half this quantity is worked into cloth. By means of a greater use of the material to hand and increased sheep-breeding the import of textiles might be reduced by half and 140 mill. gold lei kept in the country. The value of the output of the various branches of the industry in 1919 as compared with 1913 (in brackets) is as follows (in millions of gold lei): Hats, 32.8 (11.8); cloth, 97.5 (46.3); cotton spinning, 42.2 (23.4); cotton weaving, 24.1 (12.2); ropes, 3.7 (1.7); wadding, 1 (0.9).

*Leather and Tanning.*—The leather dressing and tanning industries are closely allied with stock-breeding, and their increase since the acquisition of the new provinces amounts to 80 per cent. The output of these industries is quite up to the pre-war standard, and constitutes the one branch of industrial production which has overcome the consequences of the war. Nevertheless, it does not quite satisfy the needs of home consumption, as the import of leather goods in 1921 was 5,855 tons in quantity and 40 mill. gold lei in value. The value of the production of the various branches of the industry in 1919 as against 1913 (in brackets) was (in gold lei): Tanning, 37.1 (52.3); strap-work, 1.7 (1.4); gloves, 0.2 (nil); boots and shoes, 45.6 (26).

*Pottery and Glass.*—Home production can easily cope with home consumption, and the glass industry shows possibilities of development. The ceramic industry includes 216 factories with a mechanical power of 39,779 h.p., and consumed in 1919 1,009,661 t. of raw material as against 2,271,013 t. in 1913. The value of its products in 1919 (1913 in brackets) was (in millions of gold lei): Tiles, 30 (43.2); cement, 19 (35); gypsum, 6 (8.7); lime and chalk, 7 (13.7); asphalt, 0.7 (1.8); pots, stoves, ornaments, 9 (7.3).

## RUSSIA

### TRADE

#### TURNOVER OF ARCOS.

The turnover of Arcos, Ltd., in June amounted to £1,187,064, as compared with £1,404,609 in May:—

	Purchases.	June. £	May. £
In Great Britain ...	...	918,219	1,050,257
In other countries ...	...	94,093	143,305
	Total ...	1,012,312	1,193,562
Sales ...	...	174,752	211,017

The following were the chief purchases made in Great Britain:—

	May. £	June. £
Agricultural requirements	—	30,917
Belting and fabrics ...	36,143	26,225
Coal ...	24,372	—
Cotton ...	527,630	295,599
Chemicals ...	34,223	145,443
Electrical plant ...	16,511	408
Food ...	910	31,706
Machinery (general) ...	5,999	60,832
Textiles ...	45,772	23,883
Hides ...	584	15,114
Metals ...	137,900	136,934
Tools ...	19,548	28,742
Transport requirements ...	7,005	22,836
Wool and yarn ...	187,461	50,422

The values of the chief commodities sold by Arcos, Ltd., in Great Britain were:—

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	May. £	June. £
Furs ...	48,686	42,264
Flax, hemp, and tow ...	97,605	95,183
Santonin ...	12,486	—
Bristles ...	13,832	10,303
Oils (lubricating) ...	11,729	9,160
Kerosene ...	10,137	1,147
Timber ...	—	16,524

It should be borne in mind that there are special companies and agents for the sale of timber, oil, grain, etc., whose returns are not included in those given above. (*Russian Information and Review.*)

## INDUSTRY

### THE COAL INDUSTRY.

*Output.*—The gross yield of coal from all the fields of the Soviet Union for the six months October 1, 1923, to March 31, 1924, amounted to 446,267,000 poods (approximately 7,200,000 tons, 1 ton being equal to about 62 poods)—including 90,918,000 poods of anthracite (1,400,000 tons).

The amount of coal consumed locally was 79,347,000 poods (1,280,000 tons), thus leaving a net yield of 366,920,000 poods (5,900,000 tons). The second quarter showed an increase in local consumption of 17 per cent. The corresponding period of 1922–23 gave the following figures: gross yield, 346,644,000 poods; local consumption, 90,358,000 poods; net yield 256,286,000 poods. Hence the half-year reviewed shows an increase in the gross yield of 28 per cent. and in the net yield of 43 per cent., while the quantity used locally was reduced by 22.6 per cent. in relation to the gross yield. Last year the percentage relation was 29 per cent. The following table shows the output in respect to the particular fields:—

#### TOTAL COAL OUTPUT.

(In thousand poods.)

Coalfield.	Oct. to Dec. 1923.	Jan. to March 1924.	1st half 1923–24.	1st half 1922–23.	Percentage 1923–24 to half-year 1922–23.
Moscow Basin ...	13,600	12,987	25,587	30,252	85
Siberia ...	23,901	25,623	49,524	45,217	110
Urals ...	17,316	20,818	38,134	38,057	100
Donetz Basin ...	165,706	166,298	332,004	233,118	142
Total ...	220,523	225,744	446,267	346,644	128

The following are the chief particulars with regard to the output of the Donetz Basin:—

	Oct. to Dec. 1923.	Jan. to March 1924.	1st half 1923–24.	1st half 1922–23.	Percentage 1924 to 1923.
Donugol ...	135,407	135,953	196,887	271,360	137
Combines ...	30,299	30,345	36,231	60,644	168
Total ...	165,706	166,298	233,118	332,004	142
Quantity of anthracite	46,266	44,652	58,938	90,918	154

As far, therefore, as the output of coal is concerned, the sales difficulty has had no negative effect. It is only the Moscow Basin that felt the influence of the sales difficulty, and that is to be expected, in view of its inability to compete with coal from other fields when freight tariffs were reduced, on account of its lower quality.

Although there was a slight difficulty in the sale of coal, the yield of the second quarter when compared with the first showed an increase of 2.3 per cent., mainly in the Urals and Siberian fields. In the case of the Moscow Basin, on the contrary, there was a smaller yield than in the first quarter.

The extent to which the programme laid down has been carried out is as follows:—

	Per cent.
Donugol ...	122
Combines of Donetz Basin ...	106
Urals ...	81
Siberia ...	89
Moscow Basin ...	77
Average ...	107



*Labour.*—The following are the figures in respect of the number of registered workers :—

Period.	Workers.	Hewers.
Average for first quarter ...	170,211	24,924
January ...	164,384	27,384
February ...	158,861	26,014
March ...	160,595	25,776
Average for first half of 1922-23	150,178	—

There was a tendency to reduce the number of surface workers at the end of the half-year, but the number of hewers is on the increase. There is a slight reduction of workers in the Donetz coalfield, but the reduction in the other fields is greater on account of the sales difficulty. When compared with last year's labour power, there has been a striking increase in the Donetz field, a reduction in the Moscow and Urals coalfields, and in Siberia the same level has been maintained.

*Despatch.*—The figures (in thousands of poods) of coal sent to consumers is given in the following table :—

Coalfield.	Coal Despatch.		1st half-year 1923-24.	Percentage of half-year 1923-24 to half-year 1922-23.
	Oct.-Dec. 1923-24.	Jan.-Mar. 1923-24.		
Moscow Basin	11,817	10,278	22,095	101
Siberia ...	14,712	18,332	33,044	104
Urals ...	15,403	15,763	31,166	102
Donetz Basin ...	95,691	74,146	169,837	120
Total ...	137,623	118,519	256,142	113

The position of the Donetz coalfield is as follows :—

	Coal Despatch.		1st half-year 1923-24.	Percentage of half-year 1923-24 to half-year 1922-23.
	Oct.-Dec. 1923-24.	Jan.-Mar. 1923-24.		
Donugol ...	77,488	56,476	133,964	110
Combines ...	18,203	17,670	35,873	179
Total despatched	95,691	74,146	169,837	120

The reduction in the quantity of coal despatched made itself felt at the close of the first quarter on account of the lack of sales. The snowfalls in February still further aggravated the despatch situation, which was somewhat acute in the Donetz Basin, where the reduction in the second quarter as against the first was 23 per cent. Siberia, on the other hand, shows an increase in the quantity of coal despatched, due to the demand for Siberian furnace coal in the Urals and Trans-Urals markets, and special freight rates assisted such deliveries.

The increase in the total coal despatch, when compared with the corresponding period of the previous year was 13 per cent., whereas the output had increased by 28 per cent.

Stocks of coal at the pit head increased steadily during the half-year, from 87 million poods in October to 185 million in April. (*Russian Information and Review.*)

#### THE ADMINISTRATION OF THE DONETZ MINES.

According to an article in *L'Echo de la Bourse* based on information given by M. Vaucher, the head of Dr. Nansen's Information Bureau at Moscow, the administrative organisation of the coal industry in the Donetz basin was considerably modified in the course of last year and is still in the process of adaptation to the conditions of the new economic policy. Whilst the former "Central Administration of the Coal Industry" was a State organ, the new organisation possesses much more independence and responsibility. It has its own budget and floating funds; it delivers its production either to the State institutions or to the open market for payment; in short, it tends to work on a commercial basis. It has considerably reduced its bureaucratic apparatus and seeks to decentralise its responsibility by itself entering into relations of a commercial character with the mines administrations, to whom it pays the market price for the coal delivered. It gives them considerable liberty of action with regard to internal organisation. At the head of the organisation is the

administrator of the State coal industry for the Donetz basin, who is assisted by a deputy chief and three colleagues. The seat of the administration is at Kharkov. It comprises the following sections: technical, commercial, financial, statistical, supply and administrative. All buying and selling of coal is done by the commercial section. The central administration is concerned with the execution of the Government's plans with regard to the delivery of fuel to the State consumers.

#### AGRICULTURE

##### BAD HARVEST PROSPECTS.

The harvest prospects in Russia have latterly become more unfavourable than ever on account of the heavy drought. In many districts, such as the Don area and the Kursk, Rjasan and Orlov Governments, parts of the Tartar Republic and elsewhere, there has been little or no rain. In western and central Russia there has been more rain, though, apart from hail, not exceeding 10 to 15 mm. The condition of winter as well as summer seeds has in consequence deteriorated. Only in isolated districts, such as Tula, Nikolajev and Orenburg is heavy rain recorded. In the Ukraine, according to the Central Statistical Office, the harvest prospects are to be estimated as follows: in 33 per cent. of the districts a moderate harvest is expected from the winter seed, in 3 per cent. below moderate and in 4 per cent. bad. The prospects for summer corn are also bad. In 14 per cent. of all districts a bad harvest is expected. As, however, there is a large area under cultivation this year the net produce is expected to be the same as last year. Although the danger of a failure of the harvest is officially denied, it nevertheless appears to be considered necessary to be prepared for all contingencies. Thus in the Council for Labour and Defence a committee has been formed under the chairmanship of Krassin in order to work out the measures which the Soviet authorities would have to take in the event of a failure in individual districts. The People's Commissary for home trade has been instructed to watch carefully the movement of prices for corn and foodstuffs, and, if necessary, to prevent their manipulation by fixing maximum prices for bread in individual districts, and to regulate prices and relieve distress by issuing corn supplies from State granaries. The export of corn from districts where there is danger of shortage is prohibited. In addition the commissariat for home trade is to accumulate large stocks of corn in such districts. (*Deutsche Allgemeine Zeitung.*)

#### 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 ...	3
Brussels ...	5½	Paris ...	6
Bucharest ...	6	Prague ...	6
Budapest ...	10	Reval ...	8
Christiania ...	7	Riga ...	8
Copenhagen ...	7	Rome ...	5½
Danzig ...	12	Sofia ...	7
Dublin ...	5	Stockholm ...	5½
Geneva ...	4	Vienna ...	12
Helsingfors ...	9	Warsaw ...	12

#### THE WHIRL OF THE WORLD.

Despite the numerous attractions in London at the present moment, visitors cannot afford to miss the gorgeous Revue "The Whirl of the World" at the Palladium. Mirth and merriment predominate, and the whole cycle of some twenty scenes provides an enjoyable evening or matinee's entertainment. The dancing is above the average and the dresses and scenic effects are a pleasing feature. The cast is excellent and includes, in addition to Billy Merson, Walter Williams and Nellie Wallace, those versatile artistes, Lorna and Toots Pounds, in themselves a super-recommendation. We certainly advise discriminating playgoers to book seats at the Palladium.



## SPECIAL ARTICLES

### BALANCING THE BUDGET IN A SOCIALIST STATE.

The swing of the political pendulum towards socialism at the recent French elections has doubtless prompted M. André Liesse to consider in the *Economiste Français* the effects on the national finances of a Socialist policy genuinely adopted by the Government.

The rock on which a Radical Socialist Government, really intent on carrying out its programme and keeping its promises, is most likely to split is certainly the problem of balancing the Budget. The programme of the Radical-Socialist party, which naturally involves indefinite expenditure, in itself a cause for uneasiness, is a perpetual menace to the balance of the national accounts. This party is a partisan of State socialism and its doctrines only differ from those of the collective or communist party in that they recognise private property and trade which communist doctrines reject. It is true that these two principles of private property and trade are considerably distorted in the ideas of the party to be played by the State held by the lower middle class.

#### THE PRINCIPLES OF STATE SOCIALISM.

The principle of that ideal known as State Socialism consists in the intervention of the Government directly and without defined limits in economic production and the circulation of wealth. A Government inspired by this principle ends by assuming the management and liabilities of undertakings belonging to private industry and by nationalising them. It is known that this system of nationalisation is to begin with the railways, mines, sugar industry, insurance, etc.; but the Radical-Socialist programme also includes, in addition to such nationalisation unlimited and continuous intervention in the realm of labour, by means of regulations imposed upon those enterprises which remain unnationalised. Such is the starting point of State Socialism, and its destination is not far to seek, unless the application of these principles be stopped short. It is national bankruptcy if the experiment be carried out in its entirety without being restrained by the common sense of the nation. In the midst of this confusion, communism will have every chance of coming into power, in the most unfavourable circumstances, moreover.

The balancing of the Budget therefore is the main obstacle to be overcome by a Radical-Socialist Government. Let it be noted, by the way, that it is a pure illusion to think that any country possesses such inexhaustible sources of wealth as will enable it to indulge in similar experiments, monopolise certain industries, hamper the work of others, and satisfy the greed of adherents ever becoming more exacting. Certainly some of those who embark upon this course without reflecting whither it is to lead, assert that they will be able to stop in time, that to predict the logical consequences of this course is an exaggeration and that they will not be induced to apply the extreme measures advocated by the fanatics of their party.

#### THE SOCIALIST IDEA IN IMPERIAL GERMANY.

It is hard to believe such resistance possible, or that the course of State Socialism, which continually gains momentum, can be checked under a democracy. That Bismarck should have adopted this doctrine within the limits of his autocratic temperament is easily understood. Under a practically absolute monarchy, such as was Germany in the days of the Iron Chancellor, State intervention could be regulated, restrained and enclosed within an administrative system subject to a veritable military discipline. Academical socialism—such as was the fashion in German universities towards the middle of the last century—had prepared public

opinion for an organisation placed under the strict control of the State and worked by a staff of which the Prussian official affords a typical example.

In Germany the God of State worshipped by Hegel was regarded not merely as a beneficent providence, but also as an exacting deity. Hence the acceptance by Bismarck of a class of socialism expressed by social laws calculated to enrol, as in a regiment, the workman in administrative organisations, which in recalling the guilds of olden days, were pleasing to his medieval mind. It is notorious that he rejected the system advocated by Lassalle, namely the constitution of productive co-operative societies financed by the State. This idea has not been wholly abandoned since the Soviet Government, it is said, at a loss in their dealings with the peasants, would like to organise such societies. The doctrine of State socialism involving the direct management by the State of certain nationalised industries is already well known across the Rhine, since the various German States have long since worked mines, salt marshes, and other industries. Nevertheless it is a question whether ultimately, even assuming an autocratic political system and in spite of the traditional discipline of the German people, social laws and State Socialism would not in course of time have developed further in that country.

#### THE CONSEQUENCES OF STATE SOCIALISM UNDER A DEMOCRACY.

In any case the excesses of State Socialism can only be kept in check under a strong Government. It is not therefore exactly suited to modern democracies ill protected against such excesses. Democracy, as a political system—such as it is conceived by the Anglo-Saxons—should in preserving economic liberty, side by side with political liberty, react against the encroachments of the demagogue. Political freedom is primarily founded on freedom of labour and legal equality. If for the latter be substituted an equality of ranks, the logical consequence is the suppression of freedom of labour, which typifies all other kinds of freedom, and this result leads directly to a dictatorship whether imperial or communist.

But, argue the moderate partisans of State Socialism, the intervention of the Government in economic matters cannot be entirely suppressed; there are cases of which examples can be cited, where such intervention is exercised to the general advantage, it is all a question of moderation. This of course cannot be gainsaid, but the very comprehensive question of the necessary and optional functions of the State and of those which can be assigned to it without serious prejudice to the public interest, has caused the shedding of a vast quantity of ink, and cannot be dismissed in a few lines. It is, however, a fundamental question, and the basis of the conduct of a Government. On the method of its settlement depends the balancing of the Budget and the ordering of the national finances. Without going deeply into the question, it can be said that France has already experienced the encroachments of State Socialism. The regulation of labour has made considerable progress in the country during the last thirty years, and the Eight Hour Day Act has put the finishing touch on the restrictions on work already enacted. The State owns railways, carries on a printing business, and runs monopolies such as those of tobacco and matches, unknown in Great Britain, the United States and Belgium. France has had infused into it a strong dose of State Socialism by successive Governments not all Radical-Socialists, or if they are it is without their knowledge.

There is already sufficient evidence to show that this point cannot be passed without danger to the balancing of the Budget. It must be understood that a reaction against the system of Budget deficits is imperative. A



timid step was taken in this direction at the time of the currency crisis early in the year by restoring the manufacture of matches to private enterprise. The programme of the combine of the Left has promised that the Government would continue to manufacture matches—and buy them abroad. This is quite logical according to Radical-Socialist doctrines, but is contrary to the principle of a balanced Budget. During the debate on this monopoly facts were cited to prove that the Government is a sorry manufacturer, incapable of improving its plant and of extracting the best results from plant and labour. Now these defects are not peculiar to the administration of match manufacture, but are to be found in all other State-managed undertakings. And not only the manufacture of matches should be restored to private enterprise, but also the tobacco industry and trade, to the greater advantage of the Budget. But the opposition of those of all classes interested in the maintenance of these industrial monopolies deterred the Poincaré Government from introducing this obvious reform which would have offered a considerable addition to revenue.

These considerations however only bear on fiscal monopolies, the products of which are offered to the public at very high prices, and if the Treasury does not derive from them, by reason of their cost price, much too high, the revenue which it ought to receive, what can be said for the arsenals where the Government works for itself, and can only redeem its mistakes by making the taxpayer pay for them? It has been proved over and over again with the corroboration of figures that many of these works could be suppressed without detriment to the national defence.

This idea of the State as producer is illustrated by a goodly number of institutions, dependent on the doctrine of State Socialism, which make their influence felt in every political party in spite of the experience of State-managed enterprises during the war, which should have opened the eyes of the blindest. It should be sought then, in the present condition of the national finances, to reduce the application of this doctrine rather than to extend it.

But these are not the only causes of the deficit; others exist of a different kind, among which should not be overlooked the Social Insurance Bill brought forward by the late Government. The warning has been repeatedly uttered that the financial consequences of this Bill are indefinite, and that for this very reason they may be expected to make holes in the estimates of ever-increasing profundity which will swallow up vast resources, in the near, and especially in the remote, future. It is to be feared that extravagance will also be practised in this direction, and that the provisions of the Bill will increase the burdens on the Budget. It is also to be feared that to these burdens be added others due to increases of the pay of certain classes of Government officials, formed into unions—apparently recognised by the new Government—will vigorously push their claims.

#### PROBABLE EFFECT OF THE SYSTEM ON THE FRENCH BUDGET.

Under such conditions it is very problematical whether the Budget, which, according to the latest estimates prepared by the last Government, very properly includes the recoverable expenditure, can be balanced. It will of course benefit by the surtax of one-fifth which caused the fall of the late Government to the benefit of the coalition of the Left. But on the other hand the candidates of the latter have freely promised the suppression of the turnover tax as a bid for the votes of the small tradesman and manufacturer. But the proceeds of this tax, about 3½ milliards a year, with prospects of an increase following the extension of business, offers no mean contribution to the national revenue. In a recent article in the *Revue de Paris*, M. de Fels gives some very sage advice with regard to an improved financial policy calculated to lighten the

burden of the taxpayers, who will be called upon to find 30 milliards unless it be energetically decided to avoid fiscal adventures and stupid blunders.

But the partisans of State Socialism are impervious to these objections, since the deficit in the Budget caused by a generosity imposed upon their weakness, will easily be met, according to them, by taxation such as they understand it. For the time being they appear to have abandoned the idea of a capital levy, which, if made general, would be found to be impracticable, since all owners of capital would either sell or borrow. What would become general is the depreciation of all property. There remains the income tax, but to increase this to excess would be to nip in the bud capital in the process of formation, and to check the development of savings already owing to the depreciation of the franc, barely adequate to meet calls made upon them. What would happen to-morrow should this source of wealth be reduced or dried up by inopportune and ruinous measures?

Will France's future rulers, concludes the writer, avoid the serious mistakes in which the carrying out of their programme would involve them? Will they profit by the lesson of events learned by their predecessors in office? The movements of the exchange may, however, operate as a powerful check upon them and cause them, willy-nilly, to respect economic laws. Above their theories stand the quotations of the franc, the decline of which increases the cost of living which they are pledged to reduce.

#### CANADIAN MINING ITEMS.

Much interest, says Dr. G. A. Young, of the Canadian Geological Survey, is still being displayed in Canada, in what has come to be known as the Quebec gold field, a district situated in the western part of the Province of Quebec. The area attracting attention forms a belt extending from the Ontario border in an easterly direction for a distance of more than a hundred miles through an unsettled forested region lying south of the Canadian National railway line. In this territory, more particularly in the western part near the Ontario boundary, a number of deposits have been proved to carry promising gold values, development work is being pushed on various properties, and new discoveries are reported from time to time. The gold-bearing deposits though of various types are all, so far as known, definitely related in origin to bodies of intrusive rocks, and the study and delimiting of the areas occupied by such rocks is engaging this summer the attention of four field parties of the Geological Survey of Canada. Two of these parties are at work in the newer eastern part of the field, where preliminary work seems to indicate the existence of various types of intrusive rocks such as the gold-bearing deposits normally accompany. The region, though comparatively easy of access, is in general a somewhat difficult area to prospect properly, but considering that geological conditions appear to be everywhere similar and that gold-bearing deposits have been discovered here and there over an area more than a hundred miles long and twenty or more miles wide, it seems not unlikely that deposits of sufficient size and of high enough gold tenor as to constitute mines will yet be found.

\* \* \* \*

Ontario has a gold mine, the Hollinger, which produces a ton and a quarter of gold bullion every month, worth about £200,000.

\* \* \* \*

The silver mines of Ontario have already produced silver to the value of over £45,000,000.

#### BANKING NEWS.

Mr. Kenneth H. Rockey, formerly London representative of the National Bank of Commerce, New York, has been admitted a partner of Messrs. Huth & Co., of New York, as from August 1.



## THROUGH THE REVIEWER'S EYES

*Is Unemployment Inevitable? An Analysis and a Forecast.* (London: Macmillan. Price, 8s. 6d. net.)

*Unemployment, 1920-1923.* Studies and Reports, Series C (Unemployment), No. 8. (Geneva: International Labour Office. Price, 3s.)

Much water has flowed since the day when the unlimited pursuit of private economic advantage was held to be synonymous with the unlimited enhancement of the public interest. There was no doubt the appearance of plausibility in the view that the community must necessarily benefit both by the stimulus to energy and by the spontaneous corrective of individual acquisitiveness afforded by the free interplay of private industrial and commercial initiative. Experience, however, does not tend to justify the wisdom of relying upon providential guidance of forces that are blind, whether in the sphere of matrimony or of economics. Moreover, with the growth of political democracy there has been a distinct shifting of the social centre of gravity, and the definition of public benefit has undergone a change corresponding to the new orientation of social values. Men are less content than they were to leave to the good offices of philanthropy the redress of economic maladjustments; they rightly deny that "stake in the country" is proportionate to the accumulation of material possessions, inasmuch as no man, however rich or poor, can lose more than his all. *Laissez-faire* judged the success or failure of trade and industry by the magnitude of profits; a trade depression meant that profits were less than they might have been, whilst the rumours of distress fell only upon the ears of charity. Except to visionary minds profits have lost to-day none of their old importance as a proper function of industrial endeavour, for profits are the indispensable source of material progress in any practicable scheme of economics. But we are at length attaining to a more just appreciation of the perspective in which profits must be viewed in relation to the other legitimate interests served by industry and commerce. And we have learned to recognise that profits themselves are less independent of the fate of those other interests than we were once fain to imagine. Two main results emerge from this advance in economic thought: in the first place, the fortunes of the wage-earners, particularly in respect to unemployment, demand and attract at least as much attention as those of the *entrepreneurs*, and, in the second place, *laissez-faire* has given way to the intensive elaboration of checks and adjustments with a view to ensuring the highest measure of common welfare.

The unprecedented fluctuations of trade due to the economic dislocation occasioned by the war and its aftermath have concentrated exceptional attention upon the gravest of the concomitant evils, namely, unemployment. It has become evident that variations in the volume of employment are almost an exact measure of variations in the prosperity of trade, so evident indeed that it has become customary to speak as though the paramount object of counteracting the trade cycle were the elimination of unemployment. The real object, however, must be the elimination of the economic waste of which trade cycle and unemployment are alike symptoms. The trade cycle appears to be mainly the result of the victory of the short view in the conflict between the long and the short views of human advantage. In economic affairs, as in political affairs, men will pursue an immediate and particularist advantage in preference to an ultimate and universal advantage, and innumerable experiences of the final unpleasantness which such action involves seem unavailing to deter them. Even those men who know and prefer the long view are almost always prevented by the action of their more shortsighted fellows. It is the prime merit of the invaluable volume "Is Unemployment Inevitable?" that it never loses sight of the fateful potency of the short view. Its dominant note is one of sane optimism tempered by extreme caution in dealing with the baffling problem of the trade cycle.

We are not invited to the hasty adoption of seductive panaceas without a searching examination of the difficulties which are bound to beset our path. Positive conclusions are indeed reached, but there is no trace of dogmatic insistence upon their efficacy. The book is undoubtedly a lasting contribution towards the solution of the problem of unemployment.

The eminent authors of "The Third Winter of Unemployment" have invited leading authorities to contribute essays on certain relevant aspects of trade and finance and upon the prospects of important selected industries. The subjects treated in these essays include, amongst others, "Correctives of the Trade Cycle," by Professor A. C. Pigou; "The Effects of Currency Inflation," by Professor M. Bonn; "The Economic Effects of the Export of Capital," by Mr. C. K. Hobson; "The Future of British Industry," by Professor J. H. Jones; and the condition of the agricultural, coal, iron and steel, engineering, shipbuilding, cotton, and woollen industries. There are also important statistical enquiries by Professor Bowley and Mr. F. D. Stuart on the future employable population of Great Britain, the postponement or acceleration of works and the effect on employment of adjusting rates of wages by index numbers. These essays form the larger portion of the volume, but are preceded by an excellent survey of the problem by the collaborators, which is based partly on their own enquiries and partly on the essays already mentioned. Nor does the permanent value of the volume in any way suffer from the admitted incompleteness of its scope. There is practically no discussion, for instance, of the mobility of labour either between places or between industries, or of the incidence of various degrees of national saving and consumption upon unemployment. No doubt the authors will seek a further opportunity of rectifying these and similar omissions of which they are fully aware. But even so the scope of their enquiry is sufficiently wide. It covers the evolution of the trade cycle, particularly of the one through which we have passed since the armistice, the use of a discount policy for combating the cycle, the publicity of economic information, the advancing and retarding of works by public authorities, and the future share of Great Britain in the world's trade. It also makes a strong plea for improved statistical information and for a new committee on currency. We will make no attempt even to indicate here the views set forth on all these problems; but there is one view due to Professor Bowley and endorsed by the collaborators which is of such exceptional interest, and we venture to think novelty, that we cannot pass it over. From an analysis of the census returns it is estimated that, if emigration continues as in the decade preceding 1911, there will be actually fewer persons of employable age in 1941 than there were in 1921. "These figures point to certain conclusions, which may be reassuring to those holding alarmist views of the difficulty of finding employment for the increasing population. They are: (1) The problem of the increasing working population is one of the next few years only. (2) Normal emigration would reduce this problem to comparatively small dimensions. (3) If emigration became normal, the immediate problem could be entirely removed by raising the school age to 16, which would withdraw from the labour market some 700,000 lads. "If no change occurs in the birth rate, the problem fifteen years hence may be an insufficiency of labour."

The volume on "Unemployment, 1920-1923," issued by the International Labour Office, forms an extremely useful supplement to the one just noticed. It is a survey of the development and recovery of the unemployment crisis in all the principal countries of Europe, in the United States and Japan, and in the British Dominions, and is richly supplied with statistical material. It also adumbrates the conclusions which are to be drawn whilst disclaiming any authoritative pronouncement.



The main conclusion is that there is a striking relationship between unemployment and prices. "A rapid fall in prices has always been accompanied by a marked increase in unemployment. A rise in prices not exceeding certain limits has almost invariably been accompanied by a marked reduction of unemployment." Catastrophic inflation has ultimately led to a crisis of unemployment, whilst price stabilisation has sooner or later led to a revival. A rather unexpected conclusion, however, is "the relatively unimportant part played by export trade in the revival of employment. . . . The international situation does not appear to have played a leading rôle either in prolonging or in abating the crisis." In most of the countries surveyed unemployment either increased with increasing exports or decreased with decreasing exports. France and Italy alone show exception to this paradoxical relation. This opens up an important field for further enquiry. Theoretically there is no necessary connection between exports and employment. It may well happen that a temporary disparity between the price of certain commodities produced in two different countries might stimulate between them an artificial exchange of goods which would normally be purchased in the respective home markets. Clearly such an exchange would not occasion increased employment in either country. Moreover, in most countries only a fraction of the total production is destined for export, and a rise in the export market may be more than counterbalanced by a severe depression in the home market, though an increase in the exports of those industries which normally produce mainly for the foreign market would be bound to render a simultaneously increasing unemployment less severe than it otherwise would have been. The volume under review does not enter into such questions as these sufficiently to enable us to form a judgment as to the actual influence of fluctuations in exports upon fluctuations in employment, or as to the extent to which existing unemployment in England is due to the failure of the foreign market. In any event, conclusions based on the mere coincidence between increasing exports and increasing unemployment must be received with extreme caution. J.C.J.

*European Housing Problems since the War.* Studies and Reports, Series G. (Housing and Welfare), No. 1. (Geneva: International Labour Office. Price, 6s.) This volume is an excellent and comprehensive study in an incorrigible and ubiquitous problem. It is divided into two parts; one consisting of an admirable general survey of the housing dilemma in Europe, the other sketching very fully the individual attempts made to understand and to remedy it in seventeen distracted countries. Both parts together form a more than serviceable introduction to the study of European housing difficulties, and as an accomplished task the volume does infinite credit to those who have undertaken it. In a prefatory note we are told that the International Labour Office "did not undertake an enquiry in the strict sense of the word, but based its work exclusively on such material as could be collected and examined in the office. No special service was set up to study housing, but one member of the staff, Mr. Hugo Haan, specialised in the subject and prepared the present report under the direction of the Acting Chief of the Research Division, Dr. Karl Pribram." In spite of the fact that one drifts steadily into pessimism when contemplating a solution of the housing difficulty, to the labours of those two gentlemen considerable gratitude is due from all serious students of this truly perplexing problem. The report is eminently readable and is illustrated with an ample supply of statistical information. The section of the report which deals with the housing problems in various countries covers, in each case, considerable ground, and does not withhold any of the material necessary to the making of true opinion. We are given detailed particulars of the legislative action taken in various countries to protect the tenant from increases in rent during the war period

and subsequently. Also, the fullest possible information is given of the various attempts made in most countries to resuscitate the building trades as the best means of reducing the shortage of housing accommodation. In this connection we would call attention, in passing, to the extraordinary activities displayed by Continental co-operative societies. Although it is possible to over-estimate their importance in regard to an ultimate solution of the problem, the growth in their numbers during post-war years makes their effort and potentialities not without significance. In Germany in 1912 there were 1,173 building co-operative societies, in 1922 the number had risen to 3,234, of which Prussia claimed at least 2,546. These are united in a central organisation known as the Union of Federations of German Building Co-operative Societies. Italy, France, Belgium and the Netherlands display similar activities in endeavouring to cope with the shortage of cheap working-class dwellings. Success has not by any means always accompanied these efforts. Probably because they were confronted with those insuperable difficulties which succeeded in driving away both capital and private enterprise. Owing to rent restrictive legislation and to the rise in costs of building materials, it is not possible to erect houses to-day and obtain an economic rent from them. Subsidy, or no subsidy, this problem exists or very soon returns to make itself a nuisance to the increased production of houses. Private or co-operative initiative are both faced with the same difficulty, namely, of having to provide something for nothing or dangerously close to nothing. With this aspect of the European housing problem, indeed it seems to us *the problem*, this report deals most fully and most fairly. The shortage of houses continues in all countries because capital cannot be re-attracted to building as a safe method of investment. In the chapter which concludes its general survey of the European housing problems the report strikes a series of the most significant notes, and as it is helpful to hear them in order to understand or penetrate into the prevailing international discord, we select the following passage for that particular purpose: "Building could only be carried on at a loss, and the State found itself obliged to provide out of its own funds the sums needed to cover the difference between the cost of building and the capitalised value of the return expected from the housing. Under this stimulus building revived somewhat. . . . In spite of all efforts, however, progress was slow, and even so the drain on State resources for subsidies, long-term loans, etc., proved too heavy to be borne indefinitely. Many States have therefore been compelled to curtail their housing programmes. This step was dictated by financial necessity. . . . The same tendency to withdraw or modify emergency measures may be observed in the sphere of tenant protection. The economic reactions of this legislation are becoming more and more evident, and the restrictions on rents and leases have been relaxed in many countries, and in some removed altogether." In our own words then, one can conclude things are taking a turn in the right, which is an old and tried, direction. H.J.H.

#### PUBLICATIONS RECEIVED.

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

*Die Arbeit: Zeitschrift für Gewerkschaftspolitik und Wirtschaftskunde.* Th. Leipart, Editor. No. 1. July 15, 1924. (Berlin: Verlagsgesellschaft des Allgemeinen Deutschen Gewerkschaftsbundes.)

*The Journal of the Textile Institute.* Official Journal for Communications (Transactions) released for publication by the British Cotton Industry Research Association, British Research Association for the Woollen and Worsted Industries, Linen Industry Research Association, and British Silk Research Association. July 1924. (Manchester: The Textile Institute.)



# STATISTICAL SECTION

## THE TRADE BAROMETER

### EXPLANATION

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

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

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

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

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

TABLE I.

Date	10 Com- modities	Bd.of Tde. Monthly Average	Date	10 Com- modities	Bd.of Tde. Monthly Average	Date	10 Com- modities	Bd. of Tde Monthly Average	Date	10 Com- modities	Bd.of Tde Monthly Average
Jan. 16	367.9	296.6	Sept. 15	161.2	154.8	July 27	175.3		Mar. 21	180.4	
Feb. 13	367.6	310.3	Oct. 13	161.2	155.2	Aug. 3	171.7		28	177.1	
Mar. 19	396.9	319.0	Nov. 17	169.3	157.6	10	173.5		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		2	172.0	
Aug. 13	386.8	313.1	12	162.8		14	173.2	157.8	9	170.9	
Sept. 17	379.4	311.4	19	163.2	157.0	21	173.8		16	171.2	163.7
Oct. 15	328.6	302.3	26	165.3		28	171.2		23	169.5	
Nov. 19	293.0	286.9	Feb. 2	166.9		Oct. 5	166.1		30	171.2	
Dec. 17	257.0	263.8	9	168.7		12	164.2		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		4	167.1	
Apr. 15	202.8	204.8	16	192.4	160.3	16	171.7	160.8	11	165.4	
May 12	204.3	201.7	23	189.3		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		1	173.3	
Aug. 19	178.1	190.0	13	197.4	162.0	14	177.0	163.4	8	174.6	
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.

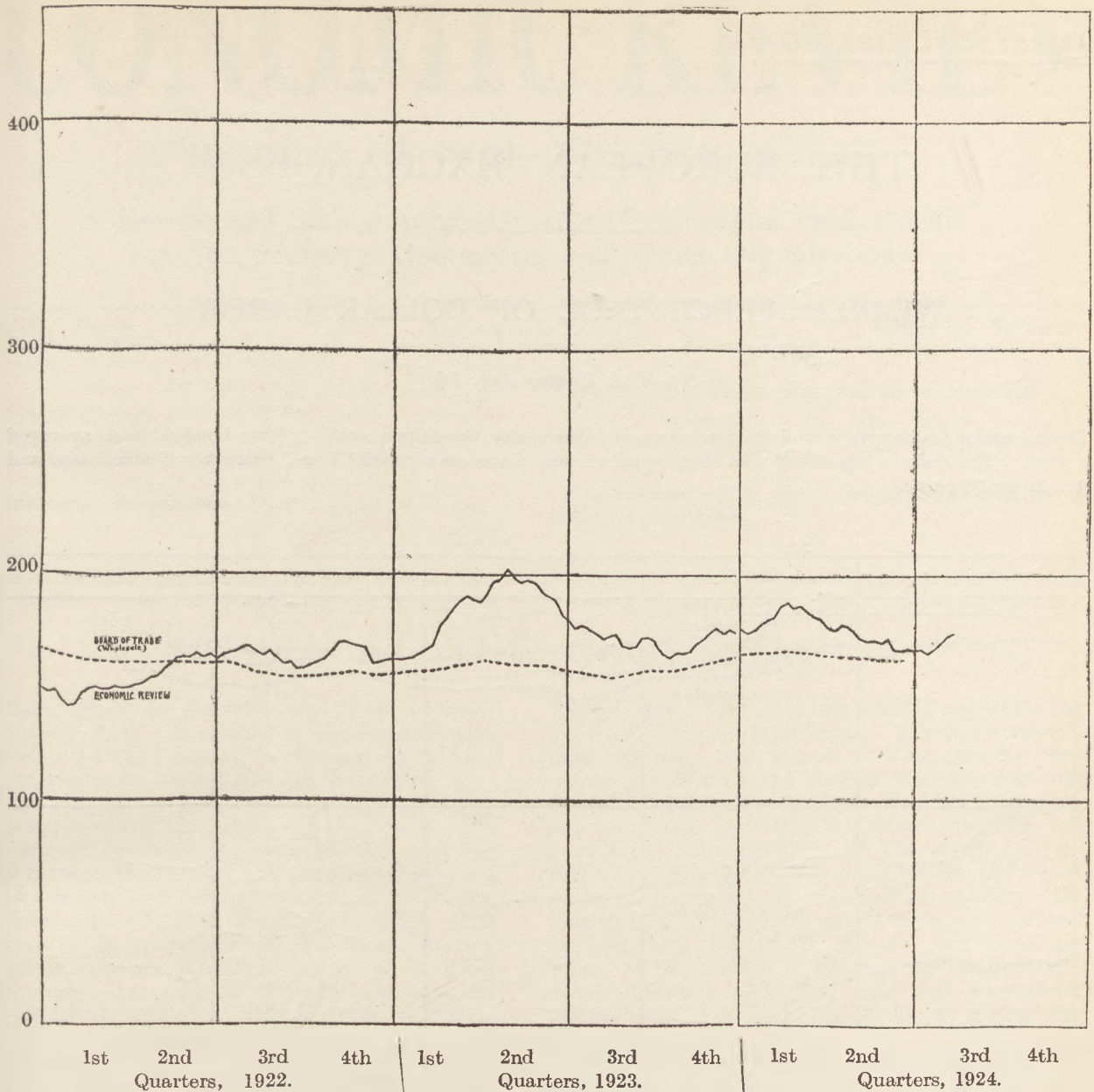


TABLE II.

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	186.7	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
" 8 ...	87.7	147.7	78.3	149.1	159.7	151.1	94.2	120.9	79.8	96.0	116.45	... " 8

\*Revised Quotation.



## Statistical Section

# THE EUROPEAN EXCHANGES

## WEEKLY PERCENTAGE OF DOLLAR PARITY

(To Week Ending Aug. 9th.)

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.

