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ECONOMIC REVIEW OF REVIEWS.

COMPARATIVE LEVELS OF REAL WAGES.

At the International Conference of Labour Statisticians, held under the auspices of the International Labour Office at the end of last year, it was recommended that the International Labour Office be asked to continue and extend the enquiry which had been started by the British Ministry of Labour with regard to the comparative levels of real wages in certain capital cities. The *International Labour Review** contains a discussion of the methods which are being adopted, and publishes for the first time three tables relating to this matter, two of which are to be continued monthly and one quarterly. The first of these tables gives the money wages calculated on the basis of 48 hours' work at ordinary time rates as at July 1, 1924, for skilled and unskilled labour (in detail) in the building, engineering, printing and furniture trades in 12 European capitals, and also in Ottawa and Philadelphia. The second table gives the average retail prices of certain articles of food for working-class consumption in the same cities on the same date. The third table gives the index numbers of comparative real wages in the same cities (generally in groups) based on the data in the other two tables, and also a second list of index numbers which include rents. The article will of course be studied by everyone who is at all interested in this problem, and we therefore propose to confine ourselves to certain criticisms.

In the first place, the very nature of the task eludes the accuracy which is ordinarily expected of statistical enquiry; for the diversity of habit and taste is so great that it is impossible to determine the relative purchasing power in different places. In one city rice is a staple food, in another bread, and the prices of these two commodities in the respective cities are therefore utterly different. Rice, we will say, is a cheaper commodity than bread owing to differences in cost of production. Are we going to compare real wages in the two cities by asking what the normal consumer of bread would have to pay for bread if he migrated to a city where rice is normally consumed? The I.L.O., recognising this difficulty, takes a certain "basketful" of 16 different articles of food which are consumed in a larger or smaller degree in *all* the capitals concerned, and finds the amount of each article which is consumed weekly by the average adult male wage earner in each capital. Having added up the total cost of these weekly quantities for each city, it proceeds to calculate the number of times the wage rate for 48 hours' work by (e.g.) a carpenter in each city would purchase the respective basketsful of provisions. In March 1924 the London carpenter could buy 10.80 basketsful of the British quantities of provisions in London, and 7.57 basketsful of the same quantities in Stockholm. The Swedish car-

pen-ter, on the other hand, could buy 9.95 basketsful of the Swedish quantities of provisions in London, and 8.26 basketsful in Stockholm. Taking London as 100, the Swedish carpenter's wage works out at 92 per cent. of the Londoner's if he buys the Londoner's quantities in Stockholm, and 109 per cent. if he buys his own quantities in Stockholm. The discrepancy is described as being mainly due to the large quantity of milk in the Swede's budget, milk having a relatively low price in Stockholm. This very serious difficulty the I.L.O. surmounts by taking the arithmetical mean between 92 and 109, i.e. 100.5. For every new city that is added to the calculation the mean has to undergo fresh modification; thus, if Berlin were added the Swedish ratio would fall to 97.4. Why this mean should give any but an arbitrary result is not explained; what we wish to emphasise here is the difficulty of making any comparison at all even where articles are the same, owing to the variety in the relative quantities consumed. It is the same difficulty which leads the I.L.O. to confine its investigations to food and rent only. What it in effect does is to compare *samples* of consumption, which is surely most unsatisfactory. The carpenter in the above illustration, if he possesses an average sized family, spends only about 45 per cent. of his wage on the articles in question (which are the only articles, besides rent, entering into the above-mentioned index number compiled by the I.L.O.); what does he do with the other 55 per cent.? He buys fuel, clothing, furniture, tobacco, and many other articles of food (e.g. vegetables, which are not included) for himself and his family. Unless all these articles of consumption are compared, the index number is, in our opinion, quite valueless even as a rough estimate of the relative levels of wages. And this brings us to our second criticism. The comparison is severely handicapped by the absence of statistical material, which is freely admitted by the I.L.O. Overtime statistics, for instance, and the extra pay which overtime involves have to be left out of the calculation. Particularly important is the inclusion of a sufficient variety of wage-earners and of weighting according to the numbers employed in the several industries. The I.L.O. sees itself compelled to confine its enquiry to four representative industries, and to include no weighting at all. This vitiates the result to an incalculable degree. A significant footnote is added to Table III above-mentioned: "The figures for Warsaw are high relatively to those in other Central European countries. This is due in part, as explained by the Polish Government, to the fact that the wages of the groups of workers included are relatively higher than those of workers in many other industries." A casual glance at the comparative table of wages reveals the fact that the work of wage-earners, even in the same industry, is assessed very variously in the different countries. Thus, while a Norwegian hand com-

* Vol. X., No. 4. International Labour Office, Geneva. London: Allen & Unwin. Monthly, Price 2s. 6d. net.

positor receives 88 kronor per week, and a machine compositor 80 kronor, the London hand compositor receives 89s. per week, and the machine compositor 96s. Samples of wages, therefore, must give quite misleading results unless spread over a considerably larger number of industries than four. Finally, the I.L.O. itself introduces an error into its calculations. We have already mentioned that one step in the process consists in drawing a mean between the ratios of the number of basketsful of provisions purchaseable in the different capitals out of the respective weekly wages earned by the same class of worker (e.g. the carpenter). The mean is in any case arbitrary, but it is rendered much more so by being an arithmetical instead of a geometrical mean. This, at any rate, might be eliminated in future calculations. Much, therefore, as the initiative of the I.L.O. is to be welcomed in comparing the levels of real wages, we cannot find that it has yet succeeded in producing a comparison which is even approximately correct, except by accident.

THE AGRICULTURAL CRISIS IN FRANCE.

*La Réforme Sociale** reprints an address delivered by M. PIERRE CAZIOT last June at the annual meeting of the Société d'Economie Sociale on the present crisis in French agriculture. The productive capacity of the country has been satisfactorily restored, though the weight of the public debt constitutes a heavy burden on production. The agricultural situation has the appearance of being good, yet the agrarian crisis is assuming dangerous proportions. The equilibrium between industry and agriculture, which existed before the war and which is an essential condition of healthy national development, is now definitely broken. The flow of labour from the land to industry, commerce and the public services, which took place during the second half of the last century, has become excessively rapid since the war and is going on continuously. This is the root of the problem; 50 years ago one-half of the working population was on the land, but the proportion is now reduced to one-third, and, if efficiency is taken into account, represents hardly more than one-fourth. The result is that agriculture is becoming increasingly pastoral; more meat is being produced, but less corn and sugar beet. The area under corn fell from 7 mill. hectares in 1890 to 6.5 mill. hectares in 1913 and 5.2 mill. hectares in 1923; even this figure is probably an over-estimate, and should stand at something nearer 4.5 mill. hectares. Prior to 1914 the average annual imports of corn were 2.3 mill. quintals; since the war the average has been 15.6 mill., and this year will probably reach 20 mill., representing a value of over Fr.1.5 milliard, which is a considerable item in the trade balance. As to sugar only 700,000 tons out of a total consumption of 1 mill. tons are produced in France, and, in spite of the restoration of the devastated areas, France is not likely again to produce the whole of her requirements owing to the shortage of labour. The prospects of exporting surplus meat do not seem favourable in view of Australian and Argentinian competition, so that compensation is hardly to be expected from this source. Nor can much be achieved in the direction of more extensive cultivation; here again machinery cannot make up for the shortage of labour. French industry, moreover, will probably be unable to produce sufficient to meet the unfavourable trade balance due to the large import of agricultural commodities.

The question is purely one of man-power, and the national existence depends on the rapidity with which the requisite solution can be achieved. The matter is rendered more difficult by the excessive predominance of individualism in French life.

* IX. Series, Vol. IV., No. 9-10. Paris. Monthly, Fr.30 per annum.

Legislative reforms and improved education must remain ineffectual without the re-colonisation of the land on a family basis. The policy of introducing large masses of foreign mercenaries is highly dangerous from the national point of view. Immigration cannot immediately be stopped, otherwise the large farms in the North and in the Paris area must remain uncultivated; it cannot, however, provide more than a provisional remedy. Families must be settled on the land and be bound to it by material ties; the process of settlement must be gradual and must be carried out with care and foresight. Attention must also be paid to the problem of preserving the peasantry which already exists. This is a moral and educational rather than a material problem. The present education in the rural districts is faulty; instead of preparing the children of the land to take their place in the national economy, it rather encourages the exodus to the cities. The peasant is tending more and more to imagine that he is at the bottom of the social scale, and that he ascends to a higher level by moving into the town. The women in particular are averse from rural life, which is losing its former distinctive gaiety. The problem, in short, is one which must be faced with patience and resolution.

PROF. CASSEL ON THE DAWES PLAN.

In *Wirtschaftsdienst** is an article by Prof. CASSEL in which he seeks to "make a correct estimate of the place occupied by the Dawes Plan in the development of Reparations policy, and of its importance as a provisional adjustment of conflicting aims and as the basis of a gradual progress towards the restoration of healthy conditions." The solution of the fundamental conflicts is evaded and relegated to the future. The plan provides for economic instead of "political-geographical" pledges; the exploitation of the new pledge system forms the real content of the plan.

"The real consequence of this taking of pledges is that the payment of reparations is henceforth made independent of German influence and becomes purely the concern of the Entente. This consequence will achieve completion when the Entente actually takes over the transfer of the Mark credits of the Reparation account to the Entente countries. . . . The programme imposed on Germany for the fulfilment of her obligations is in reality devoid of substance. When the plan comes into operation Germany has to concentrate all her resources upon maintaining budgetary equilibrium out of the very reduced means still left at the disposal of her Government. That is the problem for Germany, and it presents extraordinary difficulties."

Prof. Cassel goes on to say that the greatest difficulty in regard to Reparation payments lies in the transfer of the money from Germany to her creditors. The plan leaves it to the future to show how far the transfer can be made without endangering the German exchange.

"The fate of the German exchange is made dependent upon a policy which must aim at continual conversion of the largest possible Mark credits into other currencies. The political interests and the economic delusions which press for transfers regardless of consequences can, under the London Agreement, at any time submit the conduct of the transfers to arbitration. It must at least appear highly doubtful whether it will be possible to keep an exchange continually balanced in this way at the edge of the precipice. The maintenance of an exchange demands confidence, and confidence demands a certain margin of safety. The real confidence of the world in the German exchange will in any case depend on whether the Transfer Committee removes all possible doubt that it will under no circumstances endanger the value of the German exchange. If, in deference to French demands, first consideration is given to the transfer of the largest amount possible at any moment, and the stability of the German exchange is made a matter of secondary concern, then it will certainly be impossible to maintain that stability, in which case the whole plan of payments will not be long in collapsing."

Prof. Cassel then reproaches the Dawes Plan with overthrowing the Rentenmark, which, with the assistance of "certain gold credits in New York or London," could easily have been made the basis of an effective gold exchange. On the other hand, the

* IX. Year, No. 45. Hamburg. Weekly, Price M.1.

800 mill. Mark loan affords little support to the German exchange, but, on the contrary, must seriously endanger it in the very first year inasmuch as it is to be used concurrently for Reparation payments. The Dawes Plan is, in more ways than one, essentially a compromise.

"The Dawes Plan is a compromise between the efforts to restore German economic life and German finances on the one hand and the demands for immediate payments on the other . . . (it) is a compromise, and, it must be said, a very bad compromise for Germany, between the moratorium which all experts consider necessary, and the attempt to prevent Germany from being benefitted by a moratorium, which might perhaps give German

production a competitive advantage! In the second place, (it) is a compromise between the effort to assure to Germany permanent economic restoration, and the desire to exploit her to the greatest possible extent. . . The question whether the Dawes Plan is a plan for the permanent subjection of Germany or for obtaining the maximum Reparations payments she can afford, must therefore remain open."

The Plan had to leave room for the continuance of the fantastic illusions which had been nourished, but it provides a framework within which these illusions may gradually be brought face to face with reality, and many experts hold that it has considerable value from this point of view.

ECONOMIC SURVEY

(The following Survey is strictly impartial both in content and in selection, and is in no way subject to the influence of Editorial opinion.)

BELGIUM

FINANCE

The Budget for 1925.—The General Budget Statement for 1925 prepared by M. Theunis, Premier and Minister of Finance, was issued on November 12 as a Parliamentary "Paper." It forms a volume of over a hundred pages and gives a comprehensive and lucid account of the nineteen separate Budgets published at the same time, eleven of which have been presented to the Chamber and eight to the Senate for examination and report. The Ordinary Budget shows a revenue of Fr.4,258 mill. and an expenditure of Fr.4,246.6 mill. and the Extraordinary Budget a revenue of Fr.109.7 mill. and an expenditure of Fr.621.4 mill.; the Budget of Recoverable Expenditure reaches a total of Fr.976.7 mill., while the Budget for the Navy and Mercantile Marine, Posts and Telegraphs shows a revenue of Fr.343.3 mill. and an expenditure of Fr.625.5 mill. The aggregate revenue, therefore, is Fr.5,697.7 mill. as against an expenditure of Fr.6,470.2 mill., which leaves a deficit of Fr.772.5 mill. which will have to be met by a loan, and will increase by that amount the Public Debt, which now stands at 41 milliards. The above figures are arrived at on the assumption that the Bill adjusting the salaries and pensions of State officials is voted; that the increased taxation introduced in the Chamber in June last, and estimated to produce Fr.120 mill., is carried; that the expenditure on account of reparations and the costs of occupation, amounting to Mk.195 mill. gold, are paid by Germany; and that railway revenue and expenditure balance. The Ordinary Budget, it will be seen, shows a surplus of Fr.21.4 mill., notwithstanding the heavy charges included in it on account of reparation and reconstruction loans. Taxation is estimated to produce Fr.3,540.5 mill., including the Fr.120 mill. not yet passed, but the voting of which will place the country's finances on a secure basis. If subsequent Governments adhere to the policy carried out by the present Cabinet, M. Theunis is convinced that no further increase of taxation will be necessary. As it is, the taxpayers are now paying on an average in direct taxes sixteen and a half times more than in 1913, or, taking into account the depreciation of the franc, four times more. The Public Debt has risen from Fr.40,005 mill. in 1923 to Fr.40,684 mill. in 1924, six milliards of which consist of short-dated loans. The increase, therefore, is Fr.680 mill., Fr.479 mill. of which are due to the depreciation of the franc; but the increase due to fresh requirements amounts only to Fr.142 mill., as the various issues totalling Fr.931 mill. have been counterbalanced by repayments to an aggregate of Fr.789 mill. The time is now approaching, says the *Neptune*, when it will be possible to consolidate the floating debt, stabilise the franc, and put an end to the issue of Treasury Bonds, which are a drain on the capital essential to trade and industry.

TRADE

Foreign Trade Returns.—The figures of the foreign trade returns for August reproduced in our issue of October 10 from the *Moniteur des Intérêts Matériels* (Sept. 26) were, as stated at the time, subject to revision. As the official return published in the Economic Supplement of the *Bulletin Commercial* (Oct. 20) shows them to have been inaccurate in several respects, we reproduce the whole statement as amended.

The foreign trade returns for August under the Trade Convention between Belgium and the Grand Duchy of Luxemburg show imports to a total of Fr.1,364,026,000 and exports to a total of Fr.1,008,124,000, which leaves an adverse trade balance of Fr.335,902,000 (or, excluding gold and silver specie and bullion, one of Fr.356,923,000) as compared with Fr.363,351,000 (or, excluding gold and silver specie and bullion, Fr.357,442,000) in July. The following table gives an analysis of the trade under the following headings: (a) Live stock, (b) Foodstuffs and beverages, (c) Raw material and semi-manufactured goods, (d) Manufactured goods, (e) Gold and silver specie and bullion:—

	Imports.		Exports.	
	Tons.	Fr. (1,000).	Tons.	Fr. (1,000).
(a) ...	1,395	6,156	1,018	6,598
(b) ...	265,981	353,362	52,364	86,871
(c) ...	2,552,828	674,601	1,314,483	303,028
(d) ...	100,499	329,209	406,446	609,908
	2,920,703	1,363,328	1,774,311	1,006,405
(e) ...	—	698	3	1,719
Total	2,920,703	1,364,026	1,774,314	1,008,124

For the first eight months of the year the returns work out as follows:—

	Imports.		Exports.	
	Tons.	Fr. (1,000).	Tons.	Fr. (1,000).
(a) ...	9,585	39,860	10,680	83,146
(b) ...	2,040,228	2,762,576	327,452	717,530
(c) ...	18,545,085	5,541,415	9,650,660	2,914,423
(d) ...	948,078	3,068,834	3,278,281	5,157,490
	21,542,976	11,412,685	13,267,173*	8,872,589
(e) ...	4	10,737	58	28,018
Total	21,542,980	11,423,422	13,627,231†	8,900,607

Assuming the other figures in the third column are correct, (*) should read 13,267,073 and (†) 13,267,131.

INDUSTRY

The Coal Output in September.—The coal output in September amounted to 1,569,030 tons for 25 working days as against 1,702,150 tons in August for 21 working days, 1,973,360 tons in July for 26 working days, and an average of 2,049,802 tons for the first six months of the year for an average of 25 working days. The falling off in production is entirely due to the prolonged strike in the Borinage, which, however, has now come to an end, although the Rieu-du-Cœur collieries had not yet been able to resume work at the date of the last

report (Oct. 24). As a consequence of this struggle the number of days' work put in by the skilled miners working the seam fell from 475,860 in August to 423,730, by the body of underground workers from 2,554,750 to 2,303,780, and by the whole of the labour engaged, including surface men, from 3,824,680 to 3,414,600. The output per man per day in September was at the rate of 3,702 kg. per skilled miner working the seam, 663 kg. per underground worker and 457 kg. per head of the whole of the labour engaged, as against 3,576 kg., 666 kg. and 445 kg. respectively in August, 3,426 kg., 663 kg. and 452 kg. respectively in July, and an average of 3,457 kg., 678 kg. and 467 kg. respectively for the first six months of the year. The average gross output for the first nine months of the year, viz. 1,949,261 t. for an average of 24.7 working days, compares favourably with the average monthly output for the previous three years and for the year before the war, which ran as follows: 1,909,660 t. in 1923, 1,769,514 t. in 1922, 1,815,564 t. in 1921, and 1,903,460 t. in 1913, the average number of working days being 23 in 1923 and 24 in the other three years. There was a further considerable decrease in the stocks at the pithead, which on September 30 amounted to 676,080 t. as against 824,460 t. on August 31, the depletion amounting to 148,380 t., which corresponds with the falling off in output due to the strike, viz. 133,120 t.

Coke.—The production of coke in September amounted to 360,410 t. as compared with 337,120 t. in August, 354,340 t. in July and an average of 357,878 t. for the first six months of the year, the number of hands employed in the industry being 4,868 as against 5,284 in August, 5,359 in July and an average of 5,532 over the previous half-year. The average monthly output in 1923 was 346,366 t., 225,624 t. in 1922, 115,913 t. in 1921, and 293,580 t. in 1913. The record output was in January 1924, when it reached a total of 375,800 t.; as compared with this the September production shows a shortage of 15,390 t., but it is 14,044 t. above the monthly average for 1923, 134,786 t. above that for 1922, 244,497 t. above that for 1921, and 66,830 t. above that for 1913. The increased production in September is surprising in face of the diminished output of bituminous coal in the Borinage caused by the strike.

Briquettes.—The production of briquettes amounted to 171,070 t. as against 172,950 t. in August, 173,960 t. (corrected) in July, and an average of 168,482 t. for the first six months of the year. As compared with previous years the September output was 10,150 t. higher than the average for 1923, but 35,360 t. below that for 1922, 51,194 t. below that for 1921, and 46,150 t. below that for 1913. The number of hands employed in the industry in September was 1,548 as against 1,535 in August, 1,487 in July and an average of 1,523 for the first six months of the year.

The market towards the end of October, says the *Moniteur des Intérêts Matériels*, showed signs of weakness, picked anthracite being very firm, while assorted semi-bituminous coal showed rather less activity. Generally speaking, industrial coal was meeting with rather sharp competition, but bituminous coal was the worst affected, so much so that in the Campine, owing to the accumulation of stocks, workmen had to be discharged and output reduced. For one thing, no one knows what arrangements will be made for the import of German coal. Theoretically speaking there is free entry, but in practice the Germans are themselves not quite clear as to their position and scarcely know how to carry on while the negotiations with France are still pending. Meanwhile, the Belgian Government has promulgated a decree subjecting the importation of German and Dutch coal as from October 31 to the holding of a licence, with a view to stopping or at any rate checking to a certain extent the entry of German coal masquerading as Dutch. As things are, the competition of genuine Dutch coal is itself very keen, for the heavy influx of German coal into Holland is driving the output of the Limburg mines across the frontier into

Belgium, via the Meuse. Coke, on the other hand, is rather more in demand, but prices are stationary.

Foreign competition, on the whole, is so great in respect of all kinds of fuel that it is almost impossible to keep up prices, which tend to decline from month to month, and even from week to week. Under these conditions it is felt impossible to go on paying the present high rate of wages, and it is being seriously considered whether the eight hours system can be maintained in view of the more liberal manner in which the Act is interpreted by Belgium's chief competitor. At any rate, there is no chance of stable conditions so long as the new agreement with regard to German reparations is not definitely fixed and the problem of German competition under the Dawes Plan is not practically solved. Meanwhile, it may be noted that the deliveries of Belgian coal to the Réparcharal already showed a falling off in the first ten days of October, when it only amounted to 117,230 tons, and in the second ten days, when there was a further decline to 113,115 tons. With regard to coke, however, the price is Fr.135 per ton on truck at the frontier, to which has to be added cost of carriage, at the rate of about Fr.12 to Charleroi and £8 to Liège, besides other small charges which bring up the cost per ton to Fr.148 or 149 in the former case and to Fr.144 or 145 in the latter. For November, however, these prices have been reduced to Fr.143 or 144 and Fr.138 or 139 respectively, but even so they are still high as compared with the price of Belgian coke of similar quality.

According to the *Echo de la Bourse* (Nov. 6) the coal market continues very depressed, and everything seems to indicate that it is approaching a crisis. Up to the present no decision has been reached with regard to wages, in spite of the fact that these, in conjunction with the famous eight-hour day law, form the keystone of the coal trade. Foreign competition is not falling off, rather the reverse, and the lack of sales is becoming more intense, so that many collieries are from week to week deciding to stop work on Mondays, in order to prevent as much as possible the accumulation of stocks at the mine-head. Industrial qualities are still difficult to sell and it may be said that many quotations have again fallen about Fr.5 a ton. Household coal is weaker and available stocks on the whole are very abundant. Various sellers are beginning to cut their prices, though by not more than five francs a ton. Patent fuel is weak and difficult to sell. Coke is worth not more than Fr.125 to 130 a ton for blast furnace quality. With regard to by-products, the market for coal tar is not only firm, but rising, both because of the good tendency of the English market and large purchases both at home and abroad. Available stocks for November–December are practically nil.

Reparation Supplies of Fuel from Germany.—The reparation supplies of fuel from Germany during September and October amounted to 389,526 t. and 340,555 t. respectively, which represents a shortage of 10,474 t. and 59,445 t. respectively as compared with the monthly quota of 400,000 t. stipulated in the Spa Convention. The following tabular statement shows how these figures compare with the deliveries effected since the collapse of passive resistance in the Ruhr, bearing in mind that the returns for May and June were necessarily affected by the coal strike in the occupied territories:—

			Tons.
December 1923	...	...	330,002
January 1924	...	...	343,229
February	...	...	408,727
March	...	...	531,061
April	...	...	511,524
May	...	...	136,609
June	...	...	344,447
July	...	...	442,940
August	...	...	414,934
September	...	...	389,526
October	...	...	340,555
Total	...	...	4,193,554

This gives an average for the eleven months of 381,232 t., involving a shortage of 18,768 t. per month. The following tables give analyses of the September and October returns:—

	September.		Total.
	By rail via Montzen.	By water via Ruhrort.	
Gas coal	15,853	28,603	44,456
High flaming gas coal	23,061	20,308	43,369
Coking coal	103,674	117,443	221,117
Coal for industrial purposes	4,145	8,979	13,124
Household coal	14,289	—	14,289
Blast furnace coke	44,499	1,620	46,119
Lignite briquettes	7,052	—	7,052
Total	212,573	176,953	389,526

In addition there were on September 30 supplies to a total of 12,540 t. loaded ready for despatch, including 2,318 t. of gas coal, 1,721 t. of high flaming gas coal, 8,161 t. of coking coal and 340 t. of blast furnace coke. (*Echo de la Bourse.*)

	October.		Total.
	By rail via Montzen.	By water via Ruhrort.	
Gas coal	17,308	25,590	42,898
High flaming gas coal	29,519	20,865	50,384
Coking coal	91,948	92,149	184,097
Coal for industrial purposes	3,952	5,517	9,469
Household coal	13,591	—	13,591
Blast furnace coke	31,421	2,302	33,723
Lignite briquettes	6,393	—	6,393
Total	194,132	146,423	340,555

In addition there were on October 31 supplies to a total of 1,595 t. loaded ready for despatch, including 360 t. of high flaming gas coal and 1,235 t. of coking coal. (*Neptune.*)

The delivery of reparations coal, says the *Moniteur des Intérêts Matériels* (Nov. 7), has been suddenly stopped for a whole week consequent on the negotiations between the German producers and the Franco-Italian-and-Belgian authorities, but after lengthy and somewhat heated discussions the German mining magnates eventually conceded the principal demands of the Allies and undertook to resume delivery on Thursday, Nov. 6, an understanding which warded off the possibility of severe measures on the part of the Allies.

The Iron and Steel Industry in September.—The returns of the iron and steel industry for September show that there were 48 blast furnaces in operation as against 49 in August and July and an average of 45 in the first six months of the year. The output of pig iron amounted to 238,750 t. as against 244,310 t. in August, 247,380 t. in July and an average of 228,030 t. in the first six months of the year; that of raw steel was 237,930 t. as against 231,230 t., 238,490 t. and 228,968 t. respectively; that of semi-manufactured steel 6,790 t. as against 6,860 t., 6,500 t. and 6,745 t. respectively; that of finished steel 193,970 t. as against 194,120 t., 202,850 t. and 197,292 t. respectively; and that of finished iron 13,010 t. as against 15,030 t., 16,380 t. and 17,668 t. respectively. There is a falling off, therefore, as compared with the previous month in every department except raw steel. As compared with previous years the average output of pig iron for the first nine months of 1924 is 50,836 t. above that for 1923, 99,545 t. above that for 1922, 160,148 t. above that for 1921 and 26,122 t. above that for 1913; the corresponding surpluses in respect of raw steel are 46,553 t., 106,472 t., 170,648 t. and 30,875 t., in respect of semi-manufactured steel 965 t., 1,233 t., 1,485 t. and 1,582 t., and in respect of finished steel 36,073 t., 76,689 t., 127,846 t. and 42,266 t.; but in the case of finished iron, while the average this year is 585 t. below that for 1923, it is 1,705 t. and 4,189 t. above the averages for 1922 and 1921 respectively, but 8,636 t. short of that for 1913.—The production of raw zinc amounted to 13,510 t. as compared with 13,280 t. in August, 13,000 t. in July and an average of 13,357 t. for the first six months of the year, of 12,341 t. for 1923, of 9,428 t. for 1922, of 5,839 t. for 1921 and of 17,019 t. for 1913.

It is known in a general sort of way, says the *Moniteur des Intérêts Matériels*, that the difficulties experienced

by German industry owing to payment of reparations still allowed them to subsist without trouble, notwithstanding all that is said by the German Press, whose interest in misrepresenting the position is so obvious as almost to be glaring. Under the Dawes Plan these payments in kind will be reduced to one-fourth or one-fifth of present deliveries, and naturally enough the Belgian industrialists are anxiously asking themselves what proportions the already dangerous German competition is likely to assume. Some interesting documents in this connection were supplied to the French and Belgian plenipotentiaries before the London Conference by the Micum, than which there is no body in a better position to estimate the economic strength of Germany, the enormous increase of her means of production and therefore of her export possibilities. The statistics produced by the Micum afford a very complete view of German industry as a whole, and incidentally give a very clear idea of all that has taken place since the war in the Ruhr in respect of those branches of German activity more directly concerned with those payments in kind that affect Belgian industry. The output of coal there in 1922 amounted to 96,610,000 t. and the production of coke to 24,073,000 t. and of briquettes to 4,218,000 t. Comparing these figures with the returns for the previous ten years, it is seen that the output of coal was only exceeded on four occasions, viz. in 1917 (99,030,000 t.), in 1914 (98,080,000 t.), in 1913 (114,183,000 t.) and in 1912 (102,818,000 t.); while that of coke was exceeded in 1918 (25,987,000 t.), in 1917 (25,934,000 t.), in 1916 (25,483,000 t.) and in 1913 (24,737,000 t.), and that of briquettes in 1921 (4,369,000 t.), in 1915 (4,340,000 t.), in 1914 (4,278,000 t.), in 1913 (4,954,000 t.) and in 1912 (4,219,000 t.). On the basis of the ascertained figures of production for the first four months of this year it is computed that the output of coal in 1924 will aggregate 125,300,000 t. and that of lignite 123,000,000 t.; taking the latter as equivalent to 27,333,334 t. (9 tons of lignite being equal to 2 tons of coal), we arrive at a total output of over 152,600,000 t. as compared with 148,000,000 t. in 1922. In any case, the total fuel output in Germany in April 1924 was 4,600,000 t. in excess of the figures for the corresponding month of 1922, and it is steadily growing. In May the output of lignite in the Cologne coal basin amounted to 285,573 t., thus beating all previous records, while the total German output aggregated 10,790,000 t., or 570,000 t. more than in the preceding month. After a careful comparison of production, imports and exports, and consumption of pre-war and post-war Germany, the *Moniteur des Intérêts Matériels* comes to the conclusion that Germany will henceforth be in a position to meet the normal demands of industry in France and the Grand Duchy of Luxemburg while herself working at the rate of 120 per cent. of her pre-war capacity.

FRANCE

POLITICAL AND GENERAL

The Resumption of Relations with Russia.—The Conference between the representatives of the French and Soviet Governments will take place in Paris, probably in December, for the purpose of considering the question of the re-establishment of normal relations between the two countries, says the *Agence Economique et Financière*. This problem, however, raises various questions which exceed the competence of an exclusively Franco-Russian Conference and call for an international solution. These may be divided into two categories. Whatever engagements the Soviet Government may enter into with regard to debt and reparations, as well as the possibility of an expansion of commercial relations, can only be kept if Russia's economic organisation is saved from the utter ruin into which it has sunk. Hence arises again the question of international assistance to effect the economic and financial rehabilitation of the country which came to the front at Cannes, Genoa and The Hague but met with no solution. For it is only by an international understanding that the

question can be settled of how the service of a loan is to be restarted in the interest of a section of bondholders while the interests of the remaining bondholders remain in suspense. And again, with regard to the security to be given for a new loan to the Soviet Government, this security would need to be guaranteed by some international body in order to avoid rivalry and the risk of natural distrust.

We place no faith in the correctness of the reports that have appeared in the Press to the effect that the document recognising the Soviet Government or the accompanying Note contained references either to international assistance for the reconstruction of Russia or to the appointment of an international trade company to control the whole trade of Russia, the profits from which would be applied to the service of the old Russian debts. International assistance or the application to Russia of another Dawes Plan would certainly be rejected by the Soviet Government, and besides the development of the natural wealth of the country by foreign capitalists and experts would always meet with the same difficulties which have confronted foreign concessionaries in Soviet Russia. The Soviet Government repudiates international assistance, which it conceives as an attempt of bourgeois countries to meddle with the affairs of the Union of Soviet Republics, and the official newspapers have repeatedly declared that the Government will never agree to the introduction of a new Dawes Plan into the economic life of Russia. As to the results which might accrue under present conditions from the investment of foreign capital in Russia, we may point to the statements just made at Stockholm by M. Sedergren, the engineer in charge of the agricultural concessions granted by the Soviet Government to Nansen. These concessions consist of a lease of 3,000 hectares in the neighbourhood of Saratov and Ekatherinoslav. To this day, he declares, these concessions have entailed nothing but losses, owing partly to the climatic conditions, but also to the fixing of minimum prices for cereals and to the complete demoralisation of the agricultural labourers, who think of nothing but holding meetings under any pretext. The working of the concessions is also rendered difficult by the interference of the local authorities at every stage of the enterprise. Moreover, the peasants in the neighbouring villages, who have lost all their horses as a result of the operation of Communism, see with envious eyes the machinery in use on Nansen's concessions, and the local Communists take advantage of this feeling to excite feelings of hatred towards foreigners.

Thus the present economic conditions in Russia on the one hand, and the policy of the Soviet Government on the other, do not appear to admit of the possibility of raising the question of international assistance in the economic restoration of Russia at the approaching Conference. On the other hand, the second category of questions raised by the negotiations with the Soviet Government, and particularly the question of the settlement of the old debts and that of the guarantees that would be required for a new loan, can only be disposed of on an international basis. The French Government drew the attention of the British Government to this consideration when Mr. MacDonald and the Soviet Government opened their negotiations. The settlement of the old debts and the indemnification of holders of property who have suffered from the nationalisation system must be effected under identical conditions for the whole body of creditors. These questions should not be the subject of separate bargaining between the Soviet Government and other countries. And further, in the event of a new guaranteed loan, be it floated in England or in any other country, it is necessary that the principal Powers interested should participate to prevent the possibility of any one single Power obtaining privileges or control in Russia. It would almost seem to be indispensable, concludes the *Agence Economique et Financière*, that some of the questions about to be raised at the Conference with the Soviet representatives be examined and settled internationally, and it suggests

that an international body *ad hoc* be appointed for the purpose.

TRADE

Foreign Trade Returns for October.—Excellent as were the foreign trade returns for September, those for October are still more satisfactory. Not only have imports and exports increased, but the latter have done so to a far greater extent than the former. The increase in the value of the imports amounted to over Fr.240 mill., while that of the exports aggregates Fr.347.5 mill. The balance of trade which in August was adverse to the extent of Fr.104.5 mill. and favourable in September to the extent of Fr.27 mill., now represents an excess of exports over imports of over Fr.134 mill. With regard to imports, foodstuffs show an increase of about Fr.30 mill., raw material and semi-manufactured goods one of Fr.192 mill. and manufactured goods one of about Fr.18 mill. With regard to exports, foodstuffs have risen from Fr.304 mill. to Fr.352 mill., raw material from Fr.722.5 mill. to Fr.777 mill., manufactured goods from Fr.2,005 mill. to Fr.2,206 mill. and postal parcels from Fr.153 mill. to Fr.196 mill. As compared with October 1923 the returns for the corresponding month this year also show a general increase, of Fr.337 mill. for imports and of Fr.771 mill. for exports. On the import side raw material contributes an increase of Fr.196.5 mill. and on the export side manufactured goods one of over Fr.694 mill.; the only unsatisfactory feature being a fall of Fr.48 mill. in the export of raw material and semi-manufactured goods.

The following table shows the course of foreign trade from October 1923 to October 1924 inclusive (in thousands of francs):—

		Imports.	Exports.	Balance of trade.
1923	October ...	3,060,415	2,808,235	— 252,180
	November ...	3,160,504	2,941,386	— 219,118
	December ...	3,863,382	3,113,874	— 749,508
1924	January ...	2,887,921	2,699,833	— 188,088
	February ...	3,713,800	3,918,279	+ 204,479
	March ...	3,622,604	4,354,695	+ 732,091
	April ...	3,292,151	4,027,041	+ 734,890
	May ...	3,177,313	3,360,148	+ 182,835
	June ...	3,178,867	2,922,304	— 256,563
	July ...	3,099,976	3,013,713	— 86,263
	August ...	3,071,943	2,967,146	— 104,797
	September ...	3,156,970	3,184,332	+ 27,362
	October ...	3,397,608	3,531,896	+ 134,288

The following table gives the volume of the imports and exports in October and September of this year (in tons):—

	Imports.		
	October.	September.	Difference.
Foodstuffs	494,238	449,313	+ 44,925
Raw material and semi-manufactured goods ...	4,049,173	4,169,340	— 120,167
Manufactured goods ...	116,673	113,680	+ 2,993
Total	4,660,084	4,732,333	— 72,249
	Exports.		
	October.	September.	Difference.
Foodstuffs	169,699	132,398	+ 37,301
Raw material and semi-manufactured goods ...	2,203,963	2,178,120	+ 25,843
Manufactured goods ...	305,408	395,505	— 90,097
Postal parcels	3,613	2,775	+ 838
Total	2,682,683	2,708,798	— 26,115

The above statement shows a slight falling off in the volume of trade as compared with a large increase in value, as previously indicated. This decrease on the import side affects only raw material and semi-manufactured goods, but on the export side there is a falling off only, though a serious one, in respect of manufactured goods. But comparing the October figures with those for the corresponding month of last year, imports show an increase of 276,693 tons, mostly in raw material and semi-manufactured goods, while foodstuffs are down to the extent of about 35,000 tons; exports, on the other hand, show an increase of 512,512 tons, to which food-

stuffs contributed 63,372 tons, raw material and semi-manufactured goods 421,260 tons, manufactured goods 27,572 tons and postal parcels 308 tons.

For the first ten months of the year there is a favourable trade balance of Fr.1,380,234,000 as against an adverse one for the corresponding period of last year of Fr.1,241,711,000. The following table shows at a glance how the position was reversed:—

	Imports.		
	1924.	1923.	Increase.
	(In thousands of francs.)		
Foodstuffs	7,377,040	5,942,539	1,434,501
Raw material and semi-manufactured goods	21,117,176	16,150,674	4,966,502
Manufactured goods ...	4,104,937	3,488,163	616,774
Total	32,599,153	25,581,376	7,017,777
	Exports.		
	1924.	1923.	Increase.
	(In thousands of francs.)		
Foodstuffs	3,187,560	2,531,382	656,178
Raw material and semi-manufactured goods	8,635,690	7,372,470	1,163,220
Manufactured goods ...	20,662,060	13,112,612	7,549,448
Postal parcels	1,594,077	1,323,201	270,876
Total	33,979,387	24,339,665	9,639,722

As shown, there is a considerable increase in every class of goods both on the import and export side, amounting in the aggregate on the import side to 27 per cent. and to about 40 per cent. on the export side. Particularly interesting are the exports of manufactured goods, which show an increase of 57½ per cent. All these increases are only partly due to the rise in prices from one year to the other, and the figures point to a remarkable expansion of the trade of France with foreign countries and her colonies. Taking one year with the other, the improvement in 1924 is equal to Fr.2,621,945,000.

Finally, the following tabular statement shows the volume of the import and export trade for the first ten months of the year (in tons):—

	Imports.		
	1924.	1923.	Difference.
Foodstuffs	4,765,770	4,581,501	+ 184,269
Raw material and semi-manufactured goods	41,444,540	38,971,457	+ 2,473,083
Manufactured goods ...	1,190,289	1,229,159	— 38,870
Total	47,400,599	44,782,117	+ 2,618,482
	Exports.		
	1924.	1923.	Difference.
Foodstuffs	1,272,929	1,056,757	+ 216,173
Raw material and semi-manufactured goods	19,606,262	16,275,027	+ 3,331,235
Manufactured goods ...	3,016,193	2,427,369	+ 588,824
Postal parcels	29,081	25,568	+ 3,513
Total	23,924,465	19,784,721	+ 4,139,744

From the above it will appear that on the import side the increase in foodstuffs amounted to 4 per cent. and in raw material and semi-manufactured goods to about 6 per cent. On the export side, however, there was an increase in foodstuffs, as also in raw material and semi-manufactured goods, of 20 per cent., and in manufactured goods of 24 per cent. So that the great expansion of France's foreign trade is not only due to the rise in prices, but likewise to a large increase in the volume recorded.

As compared with 1913, the total imports for the first ten months of the year show an increase of Fr.25,766,849,000 and 10,974,165 tons, or of 377 per cent. in respect of value and 30 per cent. in respect of volume. Exports, on the other hand, show an increase of Fr.28,340,437,000 and 6,078,190 tons, or of 500 per cent. in respect of value and 33½ per cent. in respect of volume. This increase is general with one exception, the imports of manufactured goods show a decrease of 81,730 tons. It is a remarkable fact that the exports of manufactured goods exceed in volume those for the first ten months of 1913 to the extent of 1,132,462 tons, or 60 per cent. (*Le Temps*, Nov. 16.)

GERMANY

POLITICAL AND GENERAL

General Economic Conditions.—The perusal of the Press this week presents a strangely contradictory picture of conditions in Germany. Official accounts are, as will be seen in the summary of the reports of the Prussian Chambers of Commerce, only a whit less pessimistic than usual. These high authorities apparently do not believe they can do any good by relaxing their stern brows and looking for a rift in the clouds. Their reports cover the whole of October. Yet they do not refer to the surprising drop in unemployment already so marked on the fifteenth of that month. There must surely be, to account for this phenomenon, some increase in industrial activity, some spirit of optimism in other than official circles. That this is the case will be seen from the accounts of conditions in the textile industry in particular. In how far the improvement will be maintained and spread to other industries needing it, the mining industry for instance, will probably depend on how the State finances prosper now that cuts in taxation are taking place, and on the results of the General Election in December.

According to the reports of the Prussian Chambers of Commerce, conditions did not improve materially in October notwithstanding the success of the German Gold Loan. The chief reasons for the continued depression were the heavy burden of taxation and the impending elections, which latter naturally create a state of unrest in the country. Costs of living rose and led to new wage movements and strikes. The balance of foreign trade, too, was unfavourable again in September, after two consecutive favourable months. All hopes now are centred on the various new trade agreements in process of negotiation or preparation.

As regards conditions in individual industries, the sales of the potash industry, although smaller than in September, were quite good; foreign business in particular showed an improvement, by reason of the agreement reached with the Alsatian potash works. The waggon supply was a source of complaint. The natural oil industry reported satisfactory progress. This year's peat season was so bad that a falling off in the supply of dry peat by 60 or 70 per cent. is estimated and a number of peat utilisation works have been obliged to stop work partially, probably until next spring. The position in the building trade has improved slightly in a few districts, but in those districts a shortage of skilled workers is complained of. The increased activity noted in September in the timber and sawmill industry was maintained, though the general shortage of money prevented the conclusion of any large contracts.

According to *Wirtschaftsdienst* the position on the labour market, which was somewhat better in September, continued to improve. From 576,000 unemployed receiving State aid on September 1 (of whom 187,000 were in the occupied areas), the figure fell to 558,000 on September 15, to 513,365 on October 1, and to 473,000 on October 15; that is to say, by nearly 18 per cent. in one and a half months. This state of affairs is all the more surprising since at the end of the period in question seasonal agricultural work on the one hand, i.e. the bringing in of the vegetable crops, was not employing any great number of temporary workers, and on the other the labour situation in the West German mining industry left much to be desired.

If coal consumption be taken as a gauge to economic prosperity and the state of employment, says a writer in *Wirtschaftsdienst*, it will be seen that in 1913 the average monthly quantity of hard coal (including lignite converted into terms of hard coal) available for home consumption was 15.8 mill. t., or, taking the present area of Germany only, 13.4 mill. t. In September of this year 13.8 mill. t. was available, to which must be added an import surplus of about 0.88 mill. t. The lower quality of coal now as compared with 1913, and the smaller demand by reason of the increased use of

electricity, can be approximately set off against each other. The result is that, notwithstanding the far worse position of industry and of the labour market, the energy consumption of Germany is as great as in 1913 when the state of industry was comparatively good.

The question remains, then, as to which special branches of industry show an improvement at present, and particularly during the course of the last few months. Coal mining and the big iron industry on the one hand, agriculture on the other, are practically unconcerned with the improvement on the labour market. The reply is: in mining, the potash industry alone showed signs of improvement. Certain insignificant branches of the iron and metal industry were more active but the engineering industry has been working under most unfavourable conditions; this does not apply to the waggon building industry. In the electrical industry there is but a slight tendency to improve. In the chemical industry better conditions applied only to nitrate manufacture. Improvement was registered in the food and luxury food trades, the building trade, the cellulose, paper and leather industries. A state of stagnation still exists in the glass, ceramic and timber industries.

The industries where improvement was most noticeable are the textile and clothing industries. Since the beginning of August business in these branches has been excellent, the chief demand being for cheap mass production goods. This is undoubtedly due to the fact that most of the population are now restoring their badly depleted stocks of underwear and clothing generally. Every rise in wage which leaves to the worker some margin over and above what is required for the minimum cost of living goes to the purchase of additional food and clothing. This is the cause of the activity enjoyed at present in the food and textile industries, while the luxury trades, among which the automobile industry must be reckoned, report bad business.

A message from Siegen to the *Frankfurter Zeitung* on November 11 states that conditions in the Siegerland mining industry have sunk to an unprecedented level. Numbers of the mines have stopped work entirely and there is such a shortage of work in the foundries, rolling mills and steel works that many of these are also entirely or partially idle now. The plight of the unemployed workers becomes daily more pitiable and the mines are suffering great damage and will probably soon have to be left unpumped. A memorial is being laid before the Government drawing their attention once more to the serious state of affairs in these areas.

According to official figures supplied in *Wirtschaft und Statistik*, the nominal hourly wage scarcely altered in September, the real wage showed a decrease in value. Short time working diminished from 29.7 per cent. of the membership of the trade unions sending in reports in August to 19.3 per cent. in September. Among the metal workers short time applied to 33 per cent., among the textile workers to 30 per cent. in September. Wages were raised in the last half of September in a number of industries, notably the building trade and the metal and textile industries.

The official cost of living index number stood at 1.23 bill. on October 22, as against 1.16 bill. on September 17. Food costs rose from 1.26 bill. to 1.36 bill., clothing costs from 1.45 bill. to 1.46 bill., heating and lighting fell from 1.40 bill. to 1.36 bill. and rent rose from 0.70 bill. to 0.74 bill. times the pre-war. On October 14 the official wholesale trade index number, expressed in gold values (1913 = 100) stood at 132.2, as against 131.5 on September 30, and an average for September of 126.9. The *Frankfurter Zeitung* index number of wholesale prices shows a fall from 139.33 on October 16 to 138.45 on October 30.

FINANCE

Reductions in Taxation.—The Conference between the Reich Minister of Finance and the Provincial finance ministers reached an agreement on November 8

regarding reduced taxation. The tax on business turnovers will be reduced as from January 1, 1925 from 2 to 1.5 per cent.; eventually it is hoped to bring the rate down to 1 per cent. The increased tax on turnovers, the so-called luxury tax, will be reduced from 15 to 10 per cent. As regards income tax, assessed income tax on profitable businesses, higher salaries, etc., will remain unaltered, but the tax on wages will be reduced as from December 1, 1924. The limit of tax-free income is raised from Mk.600 to 720 per annum, and quite small taxes, amounting to not more than 80 pf. monthly, will be dropped entirely. The combination of these two modifications results in a worker with eight children and an income of from Mk.875 to 2,000 a year remaining tax-free. Pre-payments on income and corporation profits taxes for incomes derived from trade, handicrafts and industry will be reduced by 25 per cent. as from December 1. (*Frankfurter Zeitung*.)

The banks having reduced their brokerage rates on security dealings to their private and banking clients, the Reich Minister for Finance has at last responded to the unceasing clamour for a reduction of the stamp duty on Bourse transactions by reducing this tax in respect of shares from 1.5 to 0.6 per cent. (by 60 per cent.) for private dealings and from 0.4 to 0.2 (by 50 per cent.) for dealers. The reduction of bank brokerage rates is from 1 to 0.6 per cent. for private customers and from 0.50 to 0.30 per cent. for other banks.

It is very doubtful, says the *Vossische Zeitung*, whether these tax modifications will bring about the desired revival of business activity. The banking and stock exchange world was aiming at obtaining a reduction of the stamp duty to 0.3 per cent. for private dealings and to 0.025 for brokers. The private rate of stamp duty obtaining now is still twenty times as high as before the war, when it was 0.03 per cent., and this duty is now equal to the bank brokerage rate, whereas before the war it was but half as great. The bankers' work and risks are still valued much too low, then, in relation to the tax on security transactions, and they are far from satisfied with the concessions.

Modification of Currency Control.—A decree issued on November 3 abolishes a number of restrictions on traffic in foreign currency. Only three regulations are maintained: the so-called Bills of Exchange Regulations (compulsory bank agency, prohibition of forward dealings in foreign currency, an enforced uniform rate), the Exchange Office Regulations, and the Bills of Exchange Brokerage Regulations.

The regulations regarding compulsory bank agency state that foreign currency may only be acquired in exchange for home currency through the agency of a foreign bills bank. Forward dealings in foreign currency are still prohibited. Foreign currency for which an official quotation exists in Berlin may only be acquired at a price not exceeding the latest official Berlin quotation. Where such quotation does not exist, the regulations already in force for determining a price still hold good. Notification of business transacted in foreign currency may still be demanded by the Reich Minister for Economic Affairs or the Provincial authorities, and books must still be kept in regard to such business. The foreign currency bureaux are no longer obliged to surrender all foreign currency acquired by them, but may deal freely in them—a very great relief to travellers in particular.

The following Orders are rescinded: (a) The Order altering the Order dealing with speculation in foreign currency and the law concerning the flight of capital of June 29 and November 2, 1923, in so far as they affect the law concerning the flight of capital; (b) the terms of the Orders concerning the prohibition of the sale of Reich marks abroad of August 17, September 17 and November 2, 1923; (c) the terms of the Orders concerning Bills of Exchange of September 7 and November 2, 1923; (d) the Order concerning foreign bills banks of September 11 and 27, 1923; (e) the Order concerning the admission of former foreign bills banks as Exchange

Offices and the conversion of foreign currency of September 17, 1923; (f) the Order concerning the export of foreign currency of November 2, 1923, and February 26, 1924; (g) the Order concerning the amount of foreign currency exportable of December 29, 1923, and February 26, 1924; (h) the Order concerning dealings in Reich Stable Value Loan (Gold Loan) of November 2, 1923; (i) the Order concerning the external rate of the mark of November 5, 1923; (j) the Order concerning the compulsory acceptance of marks in home trading of November 7, 1923; and (k) the Order extending the bills of exchange regulations to the rentenmark, the Gold Loan and stable value emergency money of November 16, 1923.

In addition, the Order prohibiting the sale of marks abroad of August 9, 1923, and the Order concerning bills of exchange of September 7, 1923, are rescinded. (*Frankfurter Zeitung*.) Reference to these Orders will be found in THE ECONOMIC REVIEW.

Increased Activity in the Capital Market.—According to the figures supplied by the *Frankfurter Zeitung*, far greater activity was displayed in October in the capital market, and this month witnessed an unprecedented number of requests to raise capital on the part of the joint-stock companies. The total number of such requests in October was 73, as against 44 in September; the total value of the increased capital for which permission was demanded was 41.97 mill. gold marks (20.12 mill. in September).

The following increases are noteworthy: New shares to the value of 7 mill. by the Essen Creditanstalt, and of 10 mill. by the Hugo Stinnes-Riebeck Mining and Oil Works.

The number of new company formations was 31, with capital totalling 14.78 mill. gold marks, among which may be noted the Bank for Industrial Debentures with a capital of 10 mill. New loans floated were three in number with a capital value totalling 3.75 mill. The individual figures are as follows:—

Industry.	Number increasing capital.		Number of new foundations.	
	Oct.	Sept.	Oct.	Sept.
Banks ...	5	4	3	6
Insurance ...	17	9	1	4
Metal & machinery	9	7	4	4
Mining & foundry	1	1	1	—
Chemical ...	5	3	3	—
Electrical, gas	1	2	1	—
Textile ...	3	2	1	2
Food ...	8	3	2	—
Quarry products	1	1	—	2
Paper ...	1	2	—	—
Building ...	2	4	3	4
Transport ...	2	—	3	4
Leather & rubber	1	1	2	—
Various ...	17	5	7	3
Total ...	73	44	31	29

The average number of requests to increase capital before the war was 20 a month. In the first nine months of 1924 the requests numbered 18, 23, 19, 27, 47, 39, 36, 34, 44 and 73 respectively. The number of company foundations applied for averaged between 10 and 20 a month before the war. From January to October 1924 they numbered 558, 209, 179, 99, 87, 53, 48, 32, 29 and 31 respectively.

SOUTH AMERICA ARGENTINA

A Wasted Parliamentary Session.—On the occasion of the conclusion of the last session of the Argentine parliament *La Nacion*, in a leading article, characterised it as ineffectual and wasteful. It simply demonstrated a progressive aggravation of the deficiencies and errors of the past. The same manoeuvred obstructions that had formerly impeded the work of the Senate were now manifest in the proceedings of the Chamber of Deputies. Three and a half of the five months of the session were sterilised by these tactics and even the remaining one

and a half months produced but little result. It is obvious that effective legislation and administration cannot be carried on under these conditions. It is suggested that it may prove necessary to reconstruct the legislative organisation of the country.

A Loan to France.—*El Dia* learns from Buenos Aires that an agreement is being reached in respect to the proposed loan of 100 mill. gold pesetas to the French Government. This new loan, which will receive a permanent character, will be employed for the purpose of purchasing Argentine grain and meat. The operation will be entrusted to the Banco de la Nación. In addition to paying the interest, the French Government will each year pay the amount of capital turned over.

The Budget for 1925.—The estimates for the financial year 1925 provide ordinary revenue to cover the ordinary expenses. The figures are as follows:—

Ordinary Revenue.				Pesos.
Customs ...	...	...	...	235,250,000
Indirect taxes ...	...	...	...	119,188,566
Direct taxes ...	...	...	...	99,670,000
Taxes for public services ...	...	...	...	55,120,000
Industrial sources ...	...	...	...	57,377,893
Other sources ...	...	...	...	850,000
Provincial contributions ...	...	...	...	9,384,608
Various ...	...	...	...	11,800,000
Total ...	...	...	...	588,641,067

Ordinary Expenditure.				Pesos.
National Congress ...	...	...	...	5,962,800
Interior ...	...	...	...	105,725,613
Foreign affairs and public services ...	...	...	...	7,161,859
Finance ...	...	...	...	26,213,398
Public debt ...	...	...	...	149,063,250
Justice and Education ...	...	...	...	121,010,672
Army ...	...	...	...	63,937,225
Navy ...	...	...	...	45,690,647
Agriculture ...	...	...	...	17,482,800
Public works ...	...	...	...	22,855,750
Annuities and pensions ...	...	...	...	23,537,052
Total ...	...	...	...	588,641,067

In presenting the Budget the Government announced that in order to effect an equilibrium it had been obliged to reduce expenditure, especially in regard to public works. The executive body will also endeavour to reduce the floating debt. The utilisation of the capital is left entirely to private enterprise; the Government will confine itself strictly to carrying out the most urgent public works. The Government will also apply to Congress for permission to sell by private contract all the petroleum and its by-products in the Comodoro Rivadavia basin, and to utilise 80 per cent. of the selling price for additional investigations, development and improvement of State properties. (*Moniteur des Intérêts Matériels*.)

For the following information as to the present state of the export trade in Argentina we are indebted to the cabled reports of the Anglo-South American Bank:—

Statistics which have been published with regard to the volume of Argentine exports and imports of merchandise during the first nine months of 1924 go far towards indicating that, at the end of the current year, the Republic will have established an important export surplus in its favour, as compared with an unfavourable balance of trade during each of the years 1921–23, especially in view of the fact that values of the principal products registered in 1924 will certainly not average less than those ruling last year. Although no actual figures of imports during the current year are yet available, judging by the estimates based on Customs receipts for the current year there can be little doubt that imports since January last have been on a much more restricted scale than in 1923, and, indeed, are possibly almost down to the 1922 level. On the other hand, however, shipments of the principal products of Argentina have, generally speaking, been on a decidedly heavier scale during the first nine months of this year than in the

corresponding period of 1923, as will be seen from the following comparative table:—

	January to September, 1924.	January to September, 1923.	Percentage Increase or Decrease in 1924.
	(1,000 metric tons).		
Wheat	4,039	3,391	} + 32%
Maize	3,498	2,339	
Linseed	1,177	1,003	
Oats	606	368	
Barley	181	49	
Flour	127	42	} + 85%
Wheat Products	199	134	
Quebracho Logs	74	100	- 26%
Quebracho Extract	146	145	+ 1%
	(Thousands.)		
Butter (cases of about 56 lbs. each)	841	732	+ 15%
Dry Ox Hides (number of Hides)	1,797	1,667	} + 21%
Salt Ox Hides (ditto)	4,864	3,851	
Wool (bales of about 924 lbs. each)	235	275	- 15%
Frozen beef (quarters)	3,728	1,800	} + 55%
Chilled beef (ditto)	3,707	3,000	
Frozen Mutton (carcases)	1,474	1,465	} + 3%
Frozen Lamb (ditto)	1,201	1,130	

The total tonnage of wheat, maize, linseed, and oats shipped in the first nine months of 1924 was 9,320,000 t. which averages over 1,000,000 t. per month, and even exceeds that for the previous "record" year of 1920, in the first nine months of which there were shipped 8,984,000 t. of these cereals. An outstanding feature in the grain trade of Argentina during the present year has been the extraordinary increase in the shipments of barley, the tonnage of which is now for the first time an important item in the export list. Exports of frozen and chilled beef during the first nine months of this year were no less than 55 per cent. greater than those in the corresponding period of 1923, and, indeed, mainly owing to the development of European markets, are in excess of any previous record.

The expansion in the production of cane sugar in Argentina is demonstrated by a Report on the industry recently issued by the Argentine Ministry of Agriculture, in which it is stated that production during the 1923-24 season amounted to 256,257 t., as compared with 216,459 t. in the preceding season, and 191,299 t. in the year 1921-22. The Province of Tucuman is the most important sugar-producing area, last year's crop there totalling 200,506 t., whilst second in importance came the Province of Jujuy, with a production of 40,256 t.

BRAZIL

Foreign Trade Returns.—Owing to the political disturbances the publication of the foreign trade figures for the first half year, issued by the Bureau for Trade Statistics, was somewhat belated. The active balance has been maintained; not only do the import and export figures both show an increase in value on the corresponding period last year, but the balance of exports over imports this half year is about one million pounds sterling more than the active balance for the first six months last year, actually approaching the record active balance of 1922. The figures for the first half year of 1922, 1923 and 1924 respectively are:—

	1922. (1st ½-year).	1923. (1st ½-year). (In £1,000).	1924. (1st ½-year).
Imports... ..	22,291	24,996	30,333
Exports... ..	31,733	33,380	39,785
Export balance	9,462	8,384	9,452

The general fall in world prices and the repression of the importation of manufactured by half-manufactured articles and raw materials caused the average rate per ton to decline to £14 12s. 0d., as compared with £15 per ton last year. The pre-war value per ton of exports was £52 16s.; in 1921, £29 10s.; in 1923, £30 14s.; and in the present year, £45 4s. (i.e. taking in each case the first six months of the respective years for comparative purposes). The increase in the gold value of the

exports this year tends to conceal the fact that in weight there has actually been a decline of about 200,000 t., as compared with the first half of last year. In regard to the export of coffee it is noted, from the statistics that have so far come to hand, that although there is a rise, as against the same period last year, in the number of sacks shipped to most European countries, there is a fall in the consignments to the two best customers, viz. the United States, which takes well over the half of the total coffee exported by Brazil, and France, which takes about one-seventh. It is admitted that Brazil is feeling the rising competition of Columbia very severely especially in respect to exports to the United States. (*Wirtschaftsdienst.*)

Commenting on the returns of foreign trade for the first half of this year, the Anglo-South American Bank, in its cabled reports, indicates that the export surplus, when expressed in Brazilian paper currency, was lower than in the first half of 1923, but higher when converted into sterling. This was due to the exchange value of the milreis, the average 90 days' sight rate in London during the first half of 1924 being 6½d. as compared with 5½d. in the corresponding period of 1923.

Cotton Production.—In a communication to the *Bulletin Commercial* the Belgian Ambassador at Rio de Janeiro gives the following comparative figures, issued by the Brazilian Ministry of Agriculture, relating to the production and export of cotton in the period 1918-1923:—

	Production 1,000 kg.	Tons.	Value in milreis. \$.
1918	88,128	2,595	9,700,594
1919	99,848	12,153	36,708,153
1920	103,263	24,696	80,697,696
1921	109,294	19,697	45,944,607
1922	119,899	33,948	103,663,947
1923	124,875	19,170	119,139,170

Thus about one-sixth only has been exported. The Ministry of Agriculture anticipates that the production will be considerably augmented within a short period, especially as a powerful British syndicate will be capitalising the cotton-growing industry in Brazil. It is estimated that the yield for 1924 will be about 49 per cent. higher than last year, although 1923 already marked a record in production.

The *España Económica y Financiera* states that according to information received from San Paulo, the Brazilian Government intends to increase the export duty on coffee and will soon submit the proposal to Congress for its approval.

PATAGONIA

The Wool Industry.—Within a few decades Patagonia has become a prominent factor in the world market states the *South Pacific Mail*. The country is excellently adapted for the breeding of sheep and the following figures, based on official statistics and relative to the year 1923, will indicate the important position now claimed by Patagonia in the production of wool and mutton:—

	Thousand head of sheep.	Total weight of wool in 1,000 lbs.
Argentina	43,000	237,000
Uruguay	11,473	80,000
Brazil	7,933	27,000
Peru	6,357	9,000
Chile	4,500	—
Bolivia	1,750	—

The yield from other South American countries was considerably lower than those given above. Of Argentine sheep it must be noted that the bulk was from Patagonia. During the war the production of coarse wool was preferred in Patagonia; but for some years sheep-breeders have been energetically refining their stock and a vast improvement has resulted. The bulk of the wool now goes directly to England, which country also receives the greater portion of the frozen and preserved meat. Sheepskins are shipped to England and the United States, the latter country being nearly exclusive importers of casings and mutton tallow.

SPAIN

FINANCE

The Floating Debt.—A Government decree authorises the issue of four-year Treasury Bonds at 5 per cent. with a redemption premium of 1 per cent. payable on the date of maturity, viz. November 4, 1928. The total issue amounts to 1,275 million pesetas and covers the extension for the same period of the bonds to the amount of 978.17 million pesetas, which were issued on November 4, 1923, and were redeemable on November 4 last, leaving a disposable balance of 296.8 million. This sum, added to the 3.7 million for solicited reimbursements, brings this figure to the round sum of 300.6 million pesetas. To cover this sum voluntary loans to the extent of 2,671.97 million pesetas were sought, which covered the issue 8.88 times. The chief subscriptions were as follows: from Bilbao, 893.81 million; Pamplona, 598.5 mill.; Madrid, 391 mill.; La Coruña, 173.5 mill.; San Sebastian, 190 mill.; Santander, 136 mill.; Vittoria, 94 mill.; Barcelona, 44 mill.; Burgos, 16 mill.; Santiago, 15 mill.; and Sevilla, 10 mill. It will be noted that the Vascongada district and Madrid again subscribed much higher than Barcelona. The chief home subscriptions were: Banco de Urquijo, 145.3 million pesetas; Banco Español de Crédito, 120 mill.; Banco de Vizcaya, 90 mill.; Hispano Americano, 50 mill.; Rió de la Plata, 48 mill.; Banco de Bilbao, 41 mill.; and the Banco Central, 40 mill. The whole of the remaining banks appear to have subscribed notoriously little. On the whole the operation took place without the difficulties that many expected.

A National Telephone Company.—We are indebted to the Report of the Anglo-South American Bank for the following information, furnished by its Madrid correspondent, concerning the transfer of the national telephone system to a private company.

A Royal Decree recently published authorised the establishment of the Compañía Telefónica Nacional de España. The objects of this new company are to take over and develop the telephone system throughout the country. The Order stipulates that the company shall take over all the properties and installations owned by the State as from August 28 last. A Royalty of 10 per cent. of the net profits of the company is to be paid to the Government, but this amount may in no instance be less than 4 per cent. of the gross receipts of the company. The Government will have an additional participation in the net profits equivalent to half the difference, if any, between the net income of the company and the amount required to provide a return of 8 per cent. upon the net amount invested, plus 2 per cent. of the latter, which will be invested to establish a Reserve Fund for the company.

Among other stipulations, it is laid down that, within five years of the signature of the Decree, the company shall establish auxiliary lines in the principal centres, and also trunk lines connecting Madrid with the more important provincial towns.

España Económica y Financiera adds the following information as to the constitution of the company. The company has now been formed and its board consists of the following gentlemen: Chairman, the Marquis de Urquijo (of the Urquijo Bank of Bilbao); directors, Don Valentin Ruiz Senen, Don Julian Cifuentes, Mr. Sasthenes Behn, Mr. Hernand Behn, Mr. Lewis J. Proctor, the Marquis de Perijan and Don Amadeo Alvarez Garcia; Secretary, Don Gumersindo Rico González. The capital of the company consists of 100 million pesetas in 7 per cent. preference shares and 15 million pesetas in ordinary shares. The company has power to increase its capital up to 480 million pesetas. All the capital will be issued in shares, although the terms of the concession provide for the issue of debentures. The remaining information which the Madrid review is prepared to give is apparently not considered fit for

publication, as the end of the paragraph is deleted by the military censor.

With reference to this enterprise the *Agence Economique et Financière* learns that the present issue of the 7 per cent. cumulative preference shares amounts to 47,400, the issue being guaranteed by the Banco Hispano Americano, the Banco de Urquijo of Madrid, the Hispano-Colonial and the Marsans and Arnus Gari banks at Barcelona. The Compañía Telefónica Nacional has invited the shareholders of the Peninsula Telephone Company to exchange each of their shares of the denomination of 250 pesetas for two of the new preference shares, and shareholders of the other existing company to exchange theirs, title for title, for the new 7 per cent. cumulative preference shares, as from November 1, 1924.

TRADE

Revenue Returns.—The revenue returns recently published for September 1924, the third month of the financial year, amount in all to 228,094.2 thousand pesetas, as against 206,536.71 thousand pesetas in the corresponding month last year, thus showing a rise of 32,157.5 thousand pesetas. As the returns for August were very low, the actual advance during the first quarter of the fiscal year was 24,444.5 thousand pesetas.

The most important increases for September were: territorial taxes, 7.3 million pesetas; direct taxes, 2.2 mill.; industrial taxes, 7.7 mill.; Customs duties, 6.7 mill.; tobacco, 6.6 mill.; stamp duties, 5.4 mill.; and lotteries, 1.3 mill. On the other hand the following branches showed a decrease: profits tax, by 1.6 mill. pesetas; sugar tax, 4.6 mill.; and mines, matches and consumption taxes by small amounts. The increases in territorial, industrial and tobacco taxes are especially pleasing, considering the poor returns of the preceding month. The increase in Customs, however, was at barely half of the previous rate.

Export of Phosphates.—The *España Económica y Financiera* announces that the export of phosphates from Morocco during the first quarter amounted to 175 thousand tons, as against 84 thousand tons in the corresponding period of last year and 82 thousand tons in 1922. According to local information this progression is not likely to be held up, seeing that improvements are now being made in the technical management.

Commercial Treaties.—Negotiations are being conducted towards the conclusion of a new commercial treaty between Spain and Belgium. On the one hand Belgium requests more favourable consideration for iron and glass wares and Spain, on the other hand, desires similar consideration for exported olive oil, wines, fruit and some other commodities.

The Spanish Note is now in possession of the Belgian Government and there is reason to believe that a complete agreement will soon be reached, for it is evident that as Belgium, whose new tariffs are now in force, has conceded to Spain certain advantages, these will be reciprocated by Spain.

BARCLAYS BANK LIMITED.

Head Office—54, LOMBARD ST., LONDON, E.C. 3,
and over 1,750 Branches in England and Wales.

Authorised Capital	- - - - -	£20,000,000
Issued and Paid-up Capital	- - - - -	£15,592,372
Reserve Fund	- - - - -	£8,250,000
Deposits (30th June, 1924)	- - - - -	£295,698,105

The Bank has agents and correspondents in all the principal towns throughout the World, and transacts every description of British and Foreign Banking business.

EXECUTORSHIPS and TRUSTEESHIPS UNDERTAKEN.

The *Gaceta* publishes an official announcement by the Ministry of State to the effect that the Greek Government has renounced the treaty for commerce and navigation concluded by Spain and Greece in September 1903. Though the treaty was first renounced in the early part of 1919, it has been maintained as a *modus vivendi*. The Greek Government now announces that the renunciation must be regarded as taking effect under date September 20 last and the existing treaty will cease to be in force from the night of next December 9. (*España Económica y Financiera*.)

INDUSTRY

The Coal Output.—The Council for Mines has published statistics relative to the production of coal in Spain, from which it is seen that the total output in 1923 was 6,288,784 tons; 299,069 tons of anthracite, 359,503 tons of lignite and 5,630,133 tons of stone coal. During the past few years the output was as follows: in 1916, 5,588.7 thousand tons; 1917, 5,972.5; 1918, 7,163.4; 1919, 5,920.5; 1920, 5,973; 1921, 5,373; 1922, 4,765.57; and 1923 as given above. It will be seen that the yield for 1923 constitutes the record since 1918. (*España Económica y Financiera*.)

General Industrial Items.—The Spanish Government has invited applications for participating in the proposed experimental cultivation of tobacco in Spain during the coming year. The Central Commission will supply the seeds at 10 centimos per gramme. It is estimated that about 12 million plants will be raised and that the dried leaf will fetch from 1 peseta to 2.5 pesetas, according to the quality.

In industrial circles the forming of an important combine, composed of the chief existing mining concerns, is being considered with a view to cheapening production and providing means of effectually combating foreign competition. (*Agence Economique et Financière*.)

COMMUNICATIONS

Air-ship Service with South America.—The Chief of the Spanish Air Service has announced, according to a telegram from the Madrid correspondent of the *Neue Freie Presse*, that the negotiations which have been carried on for two years between the Zeppelin works and the State-aided *Compañía Transaera Española* have now been satisfactorily concluded. The building of the sheds and workshops is to be begun forthwith, but will take about two years before completion. The construction of the giant Zeppelins will be in the hands of German engineers and airship officers. Commandant Herrera, the head of the Air Service, states that the initial work will consist of the construction of four airships with a gas capacity of about 130 thousand cubic metres. The first of these airships should be ready for service in 1927.

Before his flight to America Dr. Eckener, the commander of "Z.R. III," explained to a representative of the *Berliner Tageblatt* that the Spanish company in Madrid was floated with a capital of 90 million pesetas, to be applied solely for the purpose of establishing the air service between Spain and South America. The flight of "Z.R. III" was to be regarded as a trial trip to this end. The new ships will carry about 50 passengers and the fare to Argentina will, it is estimated, be about 5,000 pesetas. It is probable that a trial course will first be established between Spain and the Canary Islands, with the object of training the Spanish officers and crew. Dr. Eckener maintains that the trip from Sevilla to Buenos Aires can be accomplished in about 90 hours. It is estimated that the cost of construction of one of these trans-Atlantic airships will be something like one and a half million dollars. With three airships there could be a regular weekly service from Sevilla to Buenos Aires.

Railway Control.—The Directory has issued an order to the effect that railway companies that do not place themselves under the new régime must, within the stipulated period, apply for permission to maintain

the supertax of 15 per cent. on certain kinds of merchandise. In default of the application being made in time, the supertax will cease to be valid.

At an extraordinary meeting of the *Sur de España Railway Company* it was unanimously decided to join the new régime, since this would be the most practical means of obtaining the support necessary for maintaining the enterprise. The *Andaluzes Railway Company* has conditionally agreed to join.

The concession of the *Santander-Burgos-Calatayud* line, held by the general councils of the provinces served by this railway, has just been transferred to a Spanish company with a capital of 87.5 million pesetas, divided into 175,000 shares of 500 pesetas each, of which 105,000 ordinary shares have been taken up. (*Agence Economique et Financière*.)

SWITZERLAND

POLITICAL AND GENERAL

The Corn Monopoly.—The Department of Public Economy is considering the question of abolishing the State monopoly of corn imports, which was introduced at the beginning of the war under the extraordinary powers granted to the Federal Council (see *THE ECONOMIC REVIEW*, June 20, 1924, p. 534). It is anticipated the abolition of the monopoly will be proposed in the December session of the Federal Assembly, and it is hoped that private trading in corn will be conducive to lower prices. Prices have recently risen sharply and a further rise is expected. In view of this abnormal price situation private traders may have considerable difficulties to contend with at first, so that care will have to be exercised as to the way in which the monopoly is handed over. Agricultural interests will be protected by the resolutions of July 1, 1922, and of June 20, 1924, regulating the market for home-grown corn, in virtue of which the State has to accept good home-grown corn at a fixed price. This regulation covers the harvest of 1925, and will probably be extended to include that of 1926 also. Under the bill for the abolition of the monopoly importers will be obliged to accept at current prices home-grown corn in a fixed proportion to the amount imported. A 5 per cent. bounty is payable to growers on the corn which they retain for consumption in their own households; the surplus will be placed to the account of the Federal Corn Administration, which will pay Fr. 8 per 100 kg. more than the average prices of foreign corn of like quality at the Swiss frontier, these average prices to be determined at the latest by September 1925. The costs of storage (a permanent store of 50,000 tons is to be maintained) and of promoting home production are put at Fr. 10 to 11 mill., and are to be met by a special import duty of Fr. 1.40 per 100 kg., which is estimated to yield Fr. 9 mill.; the surplus will be borne by the Treasury. The Swiss Chambers of Commerce have signified their emphatic approval of the proposal for the abolition of the import monopoly. (*Neue Zürcher Zeitung*.)

The strike for higher wages at *Escher Wyss and Co.*'s machine factory ended on Oct. 23 after 8 weeks' duration. The men agreed to accept with small modifications the proposals of the conciliation bureau, which had been originally agreed to by the firm, but rejected by the men, and the main effect of which was to provide for a rise of wages for a part of the men according to individual circumstances.

FINANCE

Dearness of Money.—A good deal of public attention has recently been aroused by the rise in the rates for money. A motion was introduced into the National Council calling upon the Federal Council to take counter-measures. It was, however, pointed out that the Federal Council has no power to intervene in the money market in any way, and that in any case no measures in its power could have the desired effect. The Council

was, moreover, of opinion that the monetary stringency was due to conditions on the world market, and that to hinder the export of capital would merely reduce the market for Swiss goods abroad; further that exporters, bankers and private lenders are better judges than State officials of individual transactions carried out with foreign countries as it is they who bear the risk. The October Monthly Review of the Basler Handelsbank stated that whilst numerous losses, the reduced purchasing-power of money and the diminution of income owing to the slow recovery of capital values, seemed to justify higher rates, the view that the present rise is due to the excessive investment of capital abroad must not be accepted uncritically. It is true that many foreign States and also private undertakings in countries suffering from monetary stringency offer rates higher than those current in Switzerland. This, however, is due to the risk involved, and, owing to the comparative immunity of Swiss securities from exchange and other fluctuations, cannot directly affect home rates. It is probable that the volume of capital export is overestimated, and it is certain that much greater damage was caused by the flight of capital through the capital levy "initiative," which, in many cases, made foreign investment appear safer than home. It has further to be taken into account that at the moment industry is absorbing an unusually small volume of capital, so that even a very considerable export of capital would only withdraw from Swiss industry but a portion of the volume which would have flowed to it in normal times.

The *Neue Zürcher Zeitung*, in a leading article, states that the high rates undoubtedly constitute a burden on industrial production and on agriculture. The process has been going on for over a year, and the 5 per cent. loan at 96 at the beginning of September was especially significant of the rise in the rates for long-term money. (See THE ECONOMIC REVIEW, Sept. 19, 1924, p. 252.) It agrees with the Basler Handelsbank in rejecting the view that the cause lies in the excessive export of capital. Less is being exported than a year ago, more particularly as there is not a lack of home investments bearing good interest, and certain experiences which have been made, especially in Vienna, have induced greater caution in the selection of foreign investments, which, in view of the risks involved, often bring in less than Swiss investments. The Banks are guided by the resolution approved at a conference with the Federal Finance Department in June 1922 that, as a general rule, capital is only to be invested abroad when the interests of Swiss industry so require. Any excessive tendency that there may be at present to accede to foreign, especially German, demands for capital is due to the private investor, and not to the banks, and should be restrained by proper instruction of the public. No good is to be achieved by Government intervention, which would probably produce the opposite result to that desired. The acceptance of the Dawes report is likely to result in a continuance of the high rates; experiences made at home and abroad support the view that the market for money and capital is probably best regulated by the free play of forces. The article concludes with an emphatic assertion of the advantages to Switzerland of participating in the Austrian and Hungarian international loans, owing to the paramount interest which she has in the economic recovery of those countries.

Another article in the *Neue Zürcher Zeitung*, after recounting the unsatisfactory outcome of attempts on the part of the German Government to interfere in the money market, prophesies that the dearness of money is likely to be only temporary, and emphasises the important part played by the heavy demands of the public administrative departments and the Cantons and by volume of mortgage business in bringing about the rise in rates. The pendulum will swing in the opposite direction when building activity falls off, the electrification of the railways is completed, and the State

makes smaller demands on the public credit. The downward movement would be accelerated if only America would place her large resources at the disposal of Europe.

The Directorate of the Union des Banques Suisses at their meeting early this month expressed the view that the rise in the rates was the natural reaction from the too rapid measures which had previously been taken in the opposite direction, and was to be ascribed less to the export of capital than to circumstances peculiar to Switzerland. These include such unproductive expenditure as the heavy costs of mobilisation, unemployment relief and the deficits of public undertakings and administrative departments on the one hand, and the electrification of the Federal Railways on the other, all of which have to be met out of Swiss savings. The recent requirements of industry and building, moreover, have absorbed a considerable volume. It is also probable that a good deal of legal currency has been hoarded which, if paid into the banks, might have formed the basis for the creation of credit. The demands of the State are now, however, mainly satisfied and building activity is likely to decline in the near future. More frequent discussion between the banks themselves on the subject of interest rates would be desirable, though it is recognised that the general tendency cannot be controlled thereby. Anything tending to disturb the home money market should be avoided. It is pointed out that the rates for money are cheaper in Switzerland than anywhere else except America and Great Britain. Money should not be made available by the banks for speculative purposes and investors should be recommended not to withdraw their funds from home industries. The banks will do all they can to prevent the rise in rates for mortgages, though, particularly as far as agriculture is concerned, the interest on mortgage loans constitutes a much lower percentage of the total burden than before the war.

Budget Estimates for 1925.—The following are the estimates of revenue and expenditure for 1925:—

Revenue.	1925 Estimates.	Inc. or dec. on	
		1924 Estimates	
	Francs.	Francs.	
1. Income from capital ...	22,812,536	+ 2,105,096	
2. General federal administration	274,300	— 3,500	
3. Departments:			
Political ...	669,500	+ 153,900	
Interior ...	1,047,700	— 7,700	
Justice and Police ...	2,325,500	+ 9,000	
War ...	1,804,045	— 87,123	
Finance and Customs ...	252,278,689	+ 27,613,120	
Public economy ...	3,294,550	— 685,500	
Posts and Railways ...	3,626,350	+ 3,143,900	
4. Miscellaneous ...	526,830	— 503,193	
Total ...	288,660,000	+ 31,738,900	
Expenditure.			
1. Interest and debt redemption	117,019,025	+ 3,256,371	
2. General administration ...	3,296,904	— 77,186	
3. Departments:			
Political ...	7,483,716	+ 713,084	
Interior ...	26,338,049	+ 2,706,134	
Justice and Police ...	7,177,602	+ 663,157	
War ...	84,904,153	+ 3,804,352	
Finance and Customs ...	21,643,013	— 584,544	
Public economy ...	31,877,319	— 757,576	
Posts and Railways ...	814,434	— 15,335	
4. Miscellaneous ...	4,312,240	+ 171,744	
5. Emergency ...	303,543	+ 110,839	
Total ...	305,170,000	+ 9,991,004	

The estimated excess of expenditure over revenue is thus Fr.16,510,000. The estimated revenue from customs is Fr.211,555,000, made up as follows:—

	1925	1924	1923
	Estimates.	Estimates.	Receipts.
	Francs.	Francs.	Francs.
Import duties ...	194,000,000	171,000,000	165,980,803
Export duties ...	500,000	350,000	406,745
Tobacco duties ...	14,000,000	15,000,000	12,588,372
Miscellaneous receipts	3,055,000	1,000,000	1,113,272
Total ...	211,555,000	187,350,000	180,089,192

About Fr.10 mill. of the expenditure is of an exceptional and temporary nature, and includes amongst others the following items:—Subsidy to Swiss holders of German life insurance policies Fr.1.5 mill., the Rhine harbour at Basle Fr.1.5 mill., combatting tuberculosis Fr.1.2 mill., supplementary grant to the insurance fund for State personnel Fr.1 mill., contribution towards the Swiss agricultural exhibition Fr.0.5 mill.

Next year the Confederation will be in a position to defray ordinary and extraordinary expenditure out of its own resources, without having to raise a fresh loan. From 1926 onwards it will gradually become possible to restore to the market the funds which have been withdrawn from it by the State since 1914. That year will be the first year of the second war tax period and will bring in to the Treasury between Fr.60 and 70 mill., which will be mainly used to redeem Federal loans. For the first time since 1914 the Confederation will have, in 1926, an excess of ordinary and extraordinary revenue over aggregate expenditure, an excess which will reach between Fr.40 and 50 mill. The war tax will thus be at length available for the redemption of the surplus debt. When the budget is balanced, and adequate arrangement has been made for the cancellation of debt, the Federal Council proposes to concentrate every means on the furtherance of social policy, and to provide liberal funds for old age and death insurance and the struggle against tuberculosis. The necessary means will have to be obtained by duties on alcohol, and the Federal Council will shortly introduce a new measure for the purpose. The Federal Council lays great stress on the necessity of maintaining the franc at gold parity, which has enabled the estimates to show a reduction of Fr.2 mill. in the debt service, and diminishes the Swiss indebtedness to America by Fr.35 mill. (*Neue Zürcher Zeitung*.)

TRADE

Foreign Trade Returns.—The value of the goods imported in September was Fr.211 mill. and of those exported Fr.176 mill., making an import balance of Fr.35 mill. The August figures were: Imports Fr.193 mill., exports Fr.157 mill.; while those for September 1923 were: Imports, Fr.176 mill.; exports, Fr.159 mill. The September import figures are higher than for any month this year except July (Fr.215 mill.), and the export figures than for any month except March (Fr.186 mill.). As compared with September of last year there was a much larger import of raw materials (especially raw silk and iron), and a slightly larger import of foodstuffs. Agricultural raw materials show a considerable rise, and of the manufactured goods cotton yarn for embroidery, woollen winter stuffs, machinery and automobiles show an increase worthy of note. As compared with the previous month there was a heavy reduction in the import of wheat, which was in some measure compensated by a larger import of wine. Raw materials declined, but agricultural raw materials further increased. Manufactured goods remained unchanged. As regards exports the most notable item was cheese, which more than doubled the figure of the previous month. The export of watches remained large, though rather below the exceptional August figures. Germany was again a good customer.

The import and export figures for the third quarter of this year compare with those of the corresponding quarters of previous years and of the first and second quarters of this year as follows:—

Quarter.	Imports. Exports.		Excess of Imports.	
	(In mill. francs.)		Mill. Fr.	Per cent.
1913 third	...	472 347	125	26.5
1922 "	...	502 428	74	14.8
1923 "	...	514 440	74	14.6
1924 "	...	619 490	129	20.9
1924 first	588 497*	91	13.8
1924 second	...	594 481	113	19.0

* Including Fr.12.2 mill. in silver bullion.

Whilst at this period last year imports had reached 74 per cent. of the pre-war level, rising to 80 per cent. at

the end of the year, the percentage for the third quarter of this year is 86. This is due particularly to raw materials, as well as to foodstuffs and manufactured goods. As may be gauged from the improved trade balance, these raw materials are destined for production not only for the home market, but also for the export market. (*Neue Zürcher Zeitung*.)

Trade Negotiations with Germany.—The Swiss and German Delegations who are negotiating a trade agreement have issued to the Press a communiqué which states that the long drawn out negotiations for the mutual removal of import restrictions are approaching a conclusion. Agreement has been reached as to the principles to be followed, and the removal of restrictions is to be complete by September 1925, whilst the number of commodities on which restriction is to be maintained during the transition period has been substantially reduced.

Exports to the United States.—The aggregate value of the exports in August amounted to Fr.14.02 mill., as compared with Fr.14.80 mill. in July and Fr.16.64 mill. in June. The total for the first eight months was Fr.121.75 mill., of which Fr.42.18 mill. was for watches and accessories, Fr.16.20 mill. for cheese, Fr.14.18 mill. for silk and silk goods, Fr.12.68 for embroidery, Fr.6.75 mill. for aluminium and Fr.6.54 for cotton fabrics. (*Ibid.*)

COMMUNICATIONS

Federal Railways.—*Estimates for 1925.* The estimated revenue of the State Railways for 1925 is Fr.394,835,570 (actual revenue in 1923 Fr.367,259,540), and the expenditure Fr.276,080,160 (actual expenditure in 1923 Fr.260,246,837). The estimated surplus is thus Fr.118,755,410 as compared with an actual surplus of Fr.107,447,349 in 1923. The estimated expenditure for construction purposes is Fr.106,117,640 as compared with the estimate of Fr.119,670,640 for the current year. The accelerated electrification programme is to be maintained, but the estimated expenditure on this work is Fr.15,052,000 less than for 1924, the reduction being due to the completion of work on two power stations. The total length of electrified line on August 1 was 611 km.; the sections being electrified are Zürich–Olten 64 km., which is expected to be completed this winter, Zürich–Winterthur 41 km. (to be completed next summer), Olten–Bern 60 km. (to be completed winter 1925–1926), Zürich–Rapperswil 36 km. (to be completed summer 1926), Lausanne–Vallorbe to Yverdon 65 km. (to be completed this winter), and finally Palézieux–Lausanne to Renens–Geneva 75 km. (to be completed spring 1926). Of the Federal contribution of Fr.60 mill. towards the electrification the first quota of Fr.10 mill. was spent in July this year, and a similar amount is reckoned as revenue in the estimates for 1925. The expenditure on rolling stock is placed at Fr.30,663,000, which is Fr.1,398,000 less than for 1924. The outlay on electric locomotives is placed at Fr.25,060,000 as compared with Fr.21,900,000 for 1924, and Fr.2 mill. is required for the installation of electric heating in the carriages. In the profit and loss account there is a revenue surplus of Fr.7,040,000, which is shown in the expenditure as a further writing off of the war deficit. This surplus is Fr.3,349,012, or 90.73 per cent. larger than was realised in 1923, whilst in the estimate for 1924 there was a deficit of Fr.3,080,000, though a surplus will actually be realised. The improvement is due mainly to the large increase in the traffic income, but partly also to an increase in miscellaneous revenues; the estimated traffic receipts are over 7 per cent. higher than were realised in 1923 and about 5 per cent. higher than the estimate for 1924. Expenditure, on the other hand, is 6 per cent. higher than in 1923, but 1 per cent. lower than in the estimate for 1924, which is to be ascribed to a further reduction in the cost of fuel. Despite the improved balance-sheets, however, the railways should relax nothing from their policy of rigid

economy both in administration and in running, and should keep the installation of new plant down to a minimum, though an increase in the outlay on renewals and on the pension and provident funds cannot be further delayed. The capital expenditure for 1925 is estimated at Fr.169 mill., and is to be partly covered by the discounting of Treasury Bills at the National Bank.

The profit and loss account of the Federal Railways for the first half of this year shows a deficit of Fr.4.16 mill. (revenue Fr.58.04 mill., expenditure Fr.62.20 mill.). The service of the fixed loans required Fr.47.18 mill., and of the floating debts Fr.4.32 mill. Fr.3.6 mill. were expended on redemption and writing off, and Fr.6 mill. were placed in the special fund. Out of the income from the electrification loan Treasury Bills to the amount of Fr.72.37 mill., which were still in circulation at the end of March, have been redeemed. (*Neue Zürcher Zeitung, Vossische Zeitung.*)

Returns. The following table compares the Federal Railway returns for September and for the first nine months of this year with the corresponding periods of last year:—

	September.	
	1923.	1924.
	(in millions.)	
Passengers	7.54	8.57
Goods (tons)	1.26	1.51
Passenger receipts (francs) ...	12.33	12.86
Goods receipts (francs) ...	19.54	22.87
Miscellaneous receipts (francs)	2.01	1.85
Total receipts (francs) ...	33.89	37.58
Working expenditure (francs)	20.69	22.06
Revenue surplus (francs) ...	13.20	15.52
	January to September.	
	1923.	1924.
	(In millions of francs.)	
Total receipts	273.46	301.78
Total expenditure	190.66	196.91
Surplus	82.80	104.87

(Neue Zürcher Zeitung.)

Tariffs. Now that the Federal Railways have some prospect of overcoming their chronic deficit they want to reduce their freight rates, which are very high as compared with those obtaining abroad and have been the subject of general complaint. It is understood that on July 1 next there will be a reduction of 10 per cent., and that on January 1, 1926, the extra mountain, tunnel and distance charges will be abolished. A Swiss economist has recently calculated that the Belgian rates for hard coal, bar iron, agricultural machinery, cement, corn, raw hides and cotton, are a little over a fifth of the Swiss. The French and Italian are under one-third, whilst the Austrian, Czechoslovakian, Polish, Hungarian and Dutch are less than one-half. The German rates are two-thirds and the Swedish under three-quarters of the Swiss. The high Swiss rates, which in some instances are 200 per cent. above their pre-war level, are a considerable hindrance to the export of manufactured goods. (*Vossische Zeitung, Neue Zürcher Zeitung.*)

Inland Waterways.—The Italo-Swiss Committee for Inland Waterways recently met at Lugano to examine the reports of the technical and financial commissions and to discuss the general situation with respect to connection by water between Switzerland and Italy. The following resolution was carried:—"The Committee reaffirms its conviction that it is of great importance both for Switzerland and for Italy that a great international traffic route should be created, partly by water and partly by rail, from the Rhine to Lake Lucerne and from Langensee via Milan and Turin respectively to the Adriatic and the Tyrrhenian Sea. It is determined actively to proceed with study and propaganda, so as to achieve the early execution of the programme put forward in September 1923." (*Neue Zürcher Zeitung.*)

SOCIAL AND LABOUR CONDITIONS

Cost of Living.—The cost of living fell slightly in August, almost entirely on account of the fall in the price of potatoes. The index number, which stood at 168 in June and July, fell to 166. This is 4 points higher than in August 1923. It is announced that the price of corn, which has long remained stable, will be raised to the level of world prices, so that an early rise in the index number is to be expected. (*Ibid.*)

FOREIGN BANK RATES.

Per cent.	Per cent.	Per cent.
Amsterdam 5	Danzig 10	Prague 6
Athens 7½	Dublin 5	Reval 9
Belfast 5	Geneva 4	Riga 8
Belgrade ... 6	Helsingfors 9	Rome 5½
Berlin 10	Kovno 8½	Sofia 7
Brussels 5½	Lisbon 9	Stockholm ... 5½
Bucharest ... 6	Madrid ... 5	Vienna 13
Budapest ... 12½	Moscow ... 6	Warsaw 12
Christiania ... 7	New York... 3	
Copenhagen... 7	Paris 6	

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SPECIAL ARTICLES

INTERNATIONAL METAL STATISTICS.

In 1923 the world output of metal exceeded for the first time since the war its pre-war dimensions. According to the twenty-fifth joint report of those reliable authorities on the subject, the Metallgesellschaft, the Metallbank and Metallurgische Gesellschaft, in Frankfurt-on-Main, reproduced in the *Frankfurter Zeitung*, the yearly average of mining and foundry output and of raw metal consumption rose from 2.91 mill. metric tons in 1922 to 3.66 mill. in 1923. The average for the period 1909 to 1913 was 3.18 mill. metric tons, that for 1914 to 1918 was 3.58 mill. During the first quarter of 1923 business activity reached its zenith; after that it declined, owing to the depression in America and to the political difficulties in Europe. Individual results were as follows:—

Mining Output.

Yearly average.	1912-13.		Europe.		1919-23.		Europe.		1923.		Europe.	
	Mill. kg.	Per cent.	Mill. kg.	Per cent.	Mill. kg.	Per cent.	Mill. kg.	Per cent.	Mill. kg.	Per cent.	Mill. kg.	Per cent.
Lead ...	1,217	29	958	21	1,175	18						
Copper ...	1,000	15	935	8	1,235	7						
Zinc ...	954	42	726	27	1,026	21						
Tin ...	132	4	121	2	123	1						
Aluminium ...	65	57	136	40	165	38						
Total ...	3,368	28	2,876	19	3,724	16						

Foundry Output.

Yearly average.	1912-13.		Europe.		1919-23.		Europe.		1923.		Europe.	
	Mill. kg.	Per cent.	Mill. kg.	Per cent.	Mill. kg.	Per cent.	Mill. kg.	Per cent.	Mill. kg.	Per cent.	Mill. kg.	Per cent.
Lead ...	1,202	48	981	28	1,185	24						
Copper ...	1,019	19	914	9	1,221	8						
Zinc ...	988	68	690	41	955	43						
Tin ...	129	26	118	21	118	28						
Aluminium ...	65	57	136	40	165	38						
Total ...	3,403	44	2,839	25	3,644	25						

Industrial Consumption of Raw Metal.

Yearly average.	1912-13.		Europe.		1919-23.		Europe.		1923.		Europe.	
	Mill. kg.	Per cent.	Mill. kg.	Per cent.	Mill. kg.	Per cent.	Mill. kg.	Per cent.	Mill. kg.	Per cent.	Mill. kg.	Per cent.
Lead ...	1,207	60	981	43	1,148	42						
Copper ...	1,067	59	909	37	1,209	36						
Zinc ...	1,009	68	702	50	940	50						
Tin ...	129	53	117	38	133	35						
Aluminium ...	65	51	139	38	169	33						
Total ...	3,477	62	2,848	43	3,599	42						

In Europe, too, then, recovery ensued in 1923 and the output and consumption of nearly all these metals increased. The increase did not keep pace, however, with the average increase in other parts of the world, and the percentage share of Europe in the world output and supply diminished slightly. The table above shows this clearly. According to the report this phenomenon is not due entirely to the results of the war. The movement was to be expected, though it certainly received great impetus through the war. The discovery of new and productive sources of ore in other less explored parts of the world, for one thing, sank the scale in regard to mining output to the disadvantage of Europe, whose ore deposits are not only almost all known but are already showing distinct signs of exhaustion. For instance, new production activities in regard to copper in South America and Africa (Katanga) and to lead in Mexico and Asia (Burma) are already included in the world's statistics. And aided by technical developments foundries in lands beyond Europe are being set up in closer proximity to the source of supply of the ore. The Australian mines, for instance, have been enabled, by reason of the electrolytic smelting process almost unknown until the war, to undertake the smelting of their large zinc ore deposits themselves.

The following table shows in percentages of the world consumption the consumptions of the chief European countries in lead, copper, zinc and tin:—

	Raw Metal Consumption.			Own Consumption of Metal Goods.		
	1913.	1922.	1923.	1913.	1922.	1923.
	Per cent.	Per cent.	Per cent.	Per cent.	Per cent.	Per cent.
Germany ...	22	13	6	17	13	6
Great Britain ...	16	11	14	15	9	13
France ...	9	14	8	9	8	8

Whereas in 1923 the share of Great Britain increased both relatively and absolutely, that of Germany was relatively and absolutely smaller than in the already bad year 1922. Nothing can better illustrate the production crisis proceeding in the midst of inflation than this fact of decreased metal consumption, for this consumption is indicative of the general state of industry and commerce in a country. We reproduce the table below to show in what degree the various important metals shared in the general depression in Germany (*a* = mining output, *b* = foundry output, *c* = consumption):—

Mill. kg.	Germany.			
	1913.	1922.	1923.	
Aluminium	<i>a, b</i> ...	12.0	30.0	32.6
	<i>c</i> ...	20.7	27.0	27.0
Lead	<i>a</i> ...	79.0	40.0	28.0
	<i>b</i> ...	188.0	65.0	35.0
	<i>c</i> ...	230.4	143.0	59.5
Copper	<i>a</i> ...	26.9	17.0	17.0
	<i>b</i> ...	41.5	32.0	25.0
	<i>c</i> ...	259.7	148.1	96.1
Zinc	<i>a</i> ...	230.3	75.0	35.0
	<i>b</i> ...	281.1	72.0	40.0
	<i>c</i> ...	232.0	75.7	66.1
Tin	<i>b</i> ...	12.0	5.5	3.8
	<i>c</i> ...	19.9	12.2	7.9

The lively demand for metals in 1923 was naturally not without influence on the course of prices. The average price for the year showed in almost every case a rise, as the following table shows:—

Yearly average price in New York, \$ per 1,000 kg.

	1913.	1922.	1923.
Lead ...	96	126	100
Copper ...	337	295	318
Zinc ...	125	126	146
Tin ...	976	702	922
Aluminium ...	521	412	560

The mutual significance of these five metals also changed in 1923. Quantitatively, aluminium, copper and zinc continued to increase at the cost of lead and tin, but lead maintained its value best. In the following table illustrating this *a* represents the quantitative percentage of the total yearly average of mining and foundry output and raw metal consumption, *b* represents the percentage value of the total value of foundry production in regard to all five metals:—

	Aluminium.		Lead.		Copper.		Zinc.		Tin.	
	<i>a</i>	<i>b</i>	<i>a</i>	<i>b</i>	<i>a</i>	<i>b</i>	<i>a</i>	<i>b</i>	<i>a</i>	<i>b</i>
1909-13...	1	4	36	14	30	48	29	17	4	17
1922 ...	4	8	36	22	31	42	25	14	4	14
1923 ...	5	10	32	21	33	42	27	15	3	12

Although in respect of value lead developed so favourably, the best quantitative figures in 1923 are in respect of aluminium, the output of which rose from 112.7 mill. kg. in 1922 to 170 mill. in 1923, the consumption from 118 mill. to 173.5 mill. kg., i.e. by practically 46 per cent. The importance to which aluminium has attained as a material of general use is still further emphasised by the fact that in 1923 production and consumption of this metal were more than three times as great as the average for the period 1909 to 1913.

THE CURRENT REPORT OF THE GENERAL COMMISSIONER FOR AUSTRIA.

In his 22nd Report the General Commissioner of the League of Nations for Austria points out that the amount for current expenses in the Budget (494.8 million gold kronen) does not reach the figure of 495 gold kronen provided for at Geneva, and that the deficiency of the total Budget is lower than the sum advanced for capital expenditure. But it must not be overlooked that the total capital expenditure amounts to 94.2 million gold kronen and thus exceeds

the determined figure of 50 million. The General Commissioner lays stress on the point that he can in no case release more than 50 million gold kronen, and even then only for meeting the total requirements to the extent to which they are not covered by current income. The Budget, he says, shows no economics; by certain formal alterations the solution of the difficulties in the Budget is but postponed to a later date.

After discussing the heavy decline in railway traffic and the problems arising therefrom, and the necessity for increasing the postal rates, the Commissioner states that, taking it on the whole, the Austrian Budget for 1925 satisfies the conditions of the Geneva agreement, though more formally than materially, and that the principles relating to the management of the State have been followed. He had previously requested the adviser to the National Bank to work out suggestions on the possibility of a reorganisation of the financial administration of the Austrian Government and the draft has now been submitted to the Commissioner, who has also laid it before the Minister of Finance.

In the period from August 31 to October 4, 1924, a reduction of 896 was made in the staffing of the civil service department, the total reduction since the commencement of the operations of the financial restoration to October 4, 1924, now amounting to 70,572. It is pointed out that the engagement entered into by the Government to effect a total reduction of 100,000 in the staff is in no way modified by the new agreement at Geneva. As long as the Council of the League of Nations does not modify this obligation it must be strictly observed by the Government.

During the course of November there is to be no release from the remainder of the loan. The liquid assets of the Treasury have, however, considerably diminished, which suggests a fall in the revenue returns. The total balance of Account B (loans) standing under the control of the Commissioner of Finance amounted to 43,447,000 dollars on September 30, 1924, of which sum 10,852,000 dollars were in paper kronen (770.5 milliard). The Ministry of Finance has considered the question of utilising the amount of paper kronen for the purpose of producing interest. The Commissioner thereupon sanctioned an agreement with the Post Office Savings Bank, whereby at the end of each month 300 milliard paper kronen will be placed at its disposal with a view to increasing the liquidity of this department. This sum of 300 milliard is to be refunded to the National Bank at the beginning of the following month.

The preliminary estimates for October fixed the expenditure at 805 milliard and revenue at 741 milliard; the deficit is therefore 64 milliard paper kronen. The General Commissioner indicates that the expenditure of 805 milliard paper kronen per month represents a yearly expenditure of 671 million gold kronen. From this it will be seen how strenuous the endeavours must be to confine the year's expenditure within the prescribed limits of 545 million gold kronen. The actual deficiency for the month of August has proved to be 83 milliard paper kronen. This was covered by the Government's free reserves from last year. Relative to this the Commissioner observes that the liquid portion of these reserves now appears to be almost entirely accounted for.

After stopping the issue of silver shillings since July last only bronze and nickel coins have been stamped. On account of the rise in the price of silver the inland value of the shilling has improved to 9,100 kronen and this has necessitated a recent conference on the question of issuing the shilling denomination. As a gold krone is equivalent to 14,400 paper kronen the Austrian shilling of 10,000 kronen corresponds to 0.693 gold kronen or 0.728 gold francs.

In conclusion the General Commissioner attributes

the increase in unemployment to the finishing of the season's business.

MINERAL RESOURCES OF CANADA.

Plumbago.—Mr. Hugh S. Spence, Mining Engineer of the Dominion Department of Mines at Ottawa, reports that Canada possesses one of the largest known deposits of graphite, or plumbago (black lead). This deposit is situated near the village of Calabogie, in Eastern Ontario, about seventy-five miles from Ottawa, and is owned and operated by the Black Donald Graphite Company. It was discovered in 1896, and has been worked more or less steadily since that year. In January 1924 it was the only graphite mine in operation in Canada. The Black Donald deposit, he says, presents several features that single it out from the general run of graphite deposits. Chief of these are its size and the richness of the ore. Most of the known deposits of flake graphite are either graphite schists or gneisses, or graphitic crystalline limestones. In such deposits the graphite occurs as individual flakes disseminated throughout the rock, the actual content of graphite usually ranging from 3 to 15 per cent. The flake graphite bodies of Alabama are probably the lowest in graphitic carbon content of any deposits that it has proved profitable to work, the average graphite content being 3 per cent. The Pennsylvania and New York deposits run about 5 per cent., while the Canadian deposits commonly range from 8 to 15 per cent. The ore from the Black Donald mine, however, averages 65 per cent. graphite, and in the richer zones may go as high as 80 per cent. It is a dense, compact aggregate of fine graphite flakes containing subordinate amounts of mica, chlorite and calcite, as the principal impurities. The ore body is a vertical, vein-like mass of graphite, with a maximum width of 70 feet, lying between white crystalline limestone walls; it has been traced for more than 800 feet, but the vein and most of the underground workings lie under a lake and the full extent of the deposit is unknown. Some of the rich ore is shipped in the crude state, but the bulk of it undergoes a milling and refining process at the mine. The ore consists of a mass of fine graphite flakes, too small for the requirements of the crucible trade—the largest graphite-consuming industry. With this flake occurs a small amount of very fine, dense graphite, with little lustre, that is commonly referred to as amorphous graphite. The amorphous material is separated in the refining process and utilised for products requiring only a low grade of graphite. The flake, owing to its freedom from gritty impurities which commonly contaminate the schist or gneiss graphites and are difficult to remove entirely even by the most careful milling, is greatly in demand for high class lubricants. By modern methods of oil flotation, the Black Donald Company makes refined flake graphite running as high as 98 per cent. graphitic carbon—without question the purest natural graphite on the market. The company's market is confined almost entirely to the lubricating and foundry facing trades, and is mainly in the United States; but, since the highly successful policy of putting up high-carbon dry flake in package form was adopted, an increasing domestic business is being done, the graphite being employed extensively for automobile lubrication. The company has also of late established agencies for their products in Great Britain, where Black Donald graphite is already meeting with a very favourable reception. While the Canadian graphite-mining industry as a whole is in a very depressed state at the present time, owing to conditions in the crucible trade and competition from the cheaply won Madagascar graphite, it is well to keep in mind that Canada has very important graphite resources and can furnish large amounts of excellent flake graphite for crucible or other purposes. Moreover, recent improvements in methods of concentrating and refining enable the ore to be treated at a much lower cost than heretofore and, in addition, give products of much higher grade.

(To be continued.)

THE ECONOMIST'S BOOKSHELF.

HOUSING.

A Handbook of Housing: How to Meet the Problem.

By B. S. TOWNROE, B.A. With contributions by four ex-Ministers of Health, the Director-General of Housing, and the former Director of the Building Research Board. (London: Methuen and Co. Ltd. Price, 6s. net.)

The composition of this hand-book is the work of many masters. The result is, as one might anticipate, an excellent summary of the principal aspects of an insoluble problem. If one is prepared to admit that there are no short cuts to a solution of housing difficulties, but that it will remain a conspicuous domestic problem with us for the next quarter of a century, then the volume prepared by Mr. Townroe increases in value. It is a record of experiment, suggestion and warning for future guidance. In design the book concentrates upon the question of housing the working classes and, to its credit, it seeks the acceptance of vastly improved ideas in that direction. The latter, moreover, is no easy task amid a crop of insuperable housing difficulties. At the present moment it is so much easier to believe that anything is better than nothing and to act accordingly. This temptation is avoided by Mr. Townroe even though it may prove, in the long run, to have been the result of the labours of some of his more eminent political collaborators. In the section of the volume entitled "Attacking the Problem To-day," Mr. Townroe surveys most thoroughly every conceivable method of reducing house shortage. His range covers State and Municipal schemes, the work of public utility societies and housing trusts as well as rural housing schemes, garden cities, and industrial and community efforts. If the weakness of State and Municipal schemes are particularly emphasised the efforts of private enterprise are regarded in no attractive light. The latter is only considered a possible device when reinforced by "financial assistance." The incentive to private building in the pre-war years was largely the profit to be derived from developing land on the outskirts of towns. While we would not agree with Mr. Townroe in so limiting the pre-war "incentive" we can agree that none of the pre-war incentives remain with us to-day to attract either the speculative builder or the investor in cottage securities. Capital can be, and is, employed more profitably elsewhere, and that is the crux of the housing problem. What Mr. Townroe considers one of the most encouraging signs in housing to-day is the increasing part played by the captains of industry in providing homes for their workers. A chapter on "Industrial Housing" is devoted to the idea in the belief that "good houses mean more contented, more stable, and more loyal labour," and, in another chapter, "Community Housing" affinity with the same idea is displayed. At best this can only spell a partial diminution of the shortage. It is a capital outlay in house building which looks elsewhere than to rent for the provision of its interest.

In another section entitled the "Practical Aspects of the Problem," Mr. Townroe gathers together a mass of equally suggestive and helpful information, particularly upon the all-important questions which arise under such headings as the "supply of skilled labour, materials and money," respectively. The supply of labour in the building trades is the most important aspect of the housing problem. Since 1918 there has been a conspicuous shortage and few steps have been taken to muster reinforcements. It is undoubtedly true, as Mr. Townroe affirms, that trade union restrictions, consciously or unconsciously, are delaying the building of working-class houses. The whole question of recruits, apprenticeship, needs a thorough reconsideration and we would incline to the view expressed recently by Mr. E. D. Simon that this is a matter which should be the subject of an inquiry. Existing labour facilities cannot supply half of the minimum demand house shortage makes upon its resources. The unanswerable question at the present

moment is, how to get more men? Until an answer is found the present Minister of Health will be no more successful than his four predecessors in office who have, each of them, been bold enough to contribute to this volume. Of them, Dr. Addison would "adopt the same methods as we found to be necessary in the war to supply our armies with munitions." He may be right, but we are not at all attracted to the economics of the method.

Mr. Townroe concludes his book with a concise summary of the Housing Act, 1924, and regarded as a whole, the volume should prove of considerable use to all those whose connection with local politics draws them into the vortex of this tremendous problem. A selected bibliography of the problem is appended and we would express the hope that subsequent editions will find the opportunity to include in it the excellent Report on Housing, European difficulties, etc., published some time since by the International Labour Office at Geneva.

H.J.H.

A COMPENDIUM OF CHINA.

The China Year Book, 1924-1925. Edited by H. W. G. WOODHEAD, C.B.E. (Tientsin: The Tientsin Press Ltd. London: Simpkin, Marshall, Hamilton, Kent & Co., Ltd. Price, 42s. net.)

Mr. Woodhead's China Year Book, of which this is the eighth issue, is undoubtedly a stupendous production. It is stupendous, not only because its 1,200 closely printed pages are produced single-handed by one man in such leisure as is afforded to the editor of a newspaper, but because of the immense difficulties inherent in this particular task. The statistics, economic, political, social, religious, of which the book is full are not ready to hand merely waiting to be assembled; except those which are published regularly by the Customs, the Post Office and the Railway Department, they have to be specially and laboriously compiled with the aid of innumerable collaborators. The work could not, of course, be undertaken at all except by one who has used a long residence in the country to make himself thoroughly acquainted with the manifold and unfamiliar phases of its life; and the difficulties are further aggravated by the existing political chaos. The book, which is monumental in its completeness, is one which is equally indispensable to those who already know China and to those who would begin their acquaintanceship, and it will afford valuable introductory assistance to the most varied fields of enquiry. It is to the economist, however, that it will mainly appeal; whatever he desires to know about China he cannot remain ill-informed if he consults the relevant portions of this Year Book. The present issue, which is slightly larger than its predecessors, contains a vast amount of new material, whilst some chapters of permanent interest which appeared in earlier issues have had to be omitted; a special index, however, is included which refers back to these. All those chapters which have not been entirely re-written have been revised up to date. Amongst the new material is included: a complete translation of the new regulations relating to criminal procedure; an entirely new chapter on river improvement and harbour works; a greatly expanded chapter on railways; a chapter on labour; documented information regarding the gold franc controversy, the Sino-Russian negotiations, the new trade mark law and the Canton customs; the latest information available on China's finances; a survey of recent politics and the civil wars; and the full text of the new constitutions.

PUBLICATIONS RECEIVED.

Justice in Dealings on Aristotle's Plan. By Henry Lowenfeld. (London: John Murray, Price, 3s. 6d. net.)

La Riforma Sociale: Rivista critica di Economia e di Finanza. Sept.-Oct. 1924. (Turin (10): Via Lamarmora, 60. Price, L.60 per annum.)

STATISTICAL SECTION

THE TRADE BAROMETER

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

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

Table I. shows the movements of our ten commodities in the aggregate, and Table II. the movements of each of them in relation to the others. 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). For a full explanation of our index number see THE ECONOMIC REVIEW, Aug. 29, 1924, page 194.

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	May 12	204.3	201.7	Aug. 18	164.0	156.3	Dec. 14	177.0	163.4
Feb. 13	367.6	310.3	June 17	201.8	197.7	Sept. 15	161.2	154.3	1924		
Mar. 19	396.9	319.0	July 15	194.4	194.1	Oct. 13	161.2	155.2	Jan. 18	178.6	165.4
Apr. 16	384.6	325.2	Aug. 19	178.1	190.0	Nov. 17	169.3	157.6	Feb. 15	187.9	167.0
May 14	391.2	325.5	Sept. 16	183.4	187.0	Dec. 15	161.2	155.8	Mar. 14	182.1	165.4
June 18	417.7	322.4	Oct. 14	170.2	180.7	1923			Apr. 18	177.5	164.7
July 16	418.8	316.9	Nov. 18	154.5	172.8	Jan. 12	162.8	157.0	May 16	171.2	163.7
Aug. 18	386.8	313.1	Dec. 16	153.2	167.9	Feb. 16	177.2	157.5	June 20	167.8	162.6
Sept. 17	379.4	311.4	Dec. 30	150.0		Mar. 16	192.4	160.3	July 18	167.1	162.6
Oct. 15	328.6	302.3	1922			Apr. 20	198.5	162.0	Aug. 15	175.3	165.2
Nov. 19	293.0	286.9	Jan. 20	144.0	164.0	May 18	198.1	159.8	Sept. 19	167.9	166.9
Dec. 17	257.0	263.8	Feb. 17	149.2	161.8	June 15	190.0	159.3	Oct. 17	172.5	170.2
1921			Mar. 17	149.8	160.0	July 20	177.3	156.5	" 24	174.8	
Jan. 14	244.2	245.9	Apr. 14	151.7	160.1	Aug. 17	174.6	154.5	" 31	175.0	
Feb. 18	219.1	225.2	May 19	162.1	160.6	Sept. 14	173.2	157.8	Nov. 7	173.5	
Mar. 18	199.0	210.8	June 16	163.6	159.9	Oct. 19	166.0	158.1	" 14	173.3	
Apr. 15	202.8	204.8	July 14	165.1	160.3	Nov. 16	171.7	160.8			

CHART ILLUSTRATING TABLE I.

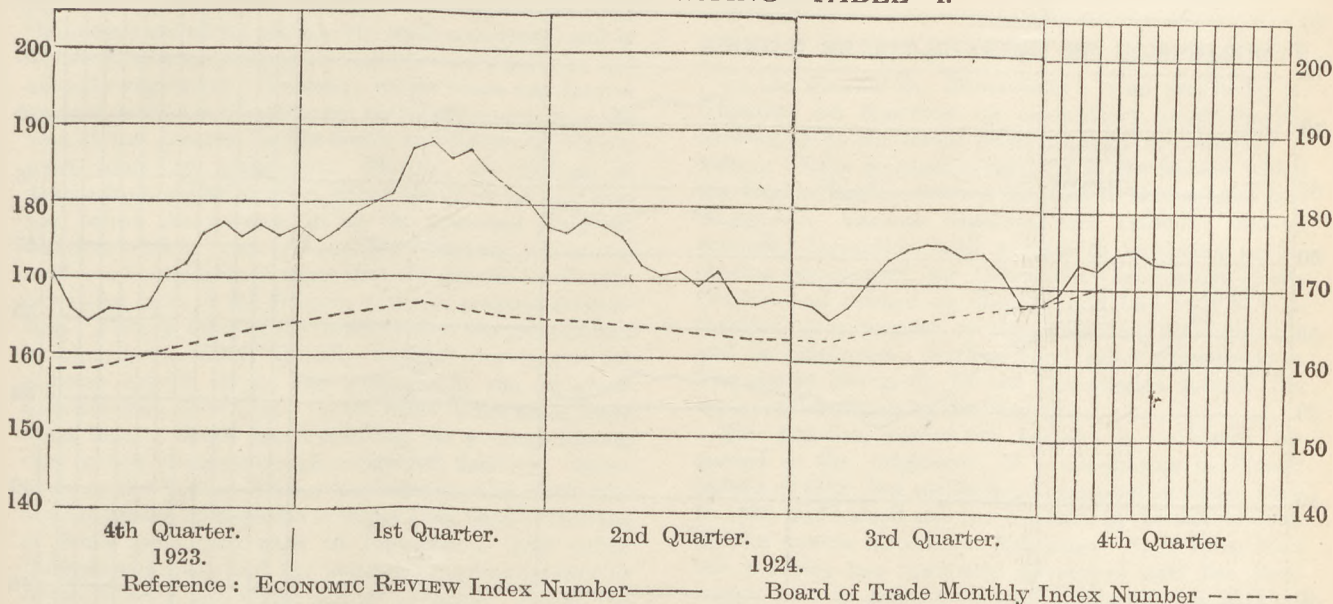


TABLE II.

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	111.15	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.
May 18 ...	110.8	117.9	128.3	166.7	120.2	137.8	102.9	102.7	91.2	242.3	132.08	May 18
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
1924.												1924.
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
July 11 ...	89.6	128.9	74.5	140.4	140.6	142.2	92.8	111.5	80.9	101.4	110.28	July 11
Aug. 15 ...	87.7	148.0	78.3	145.6	158.8	151.1	94.2	124.1	84.6	96.6	116.90	Aug. 15
Sept. 26 ...	85.8	136.6	72.6	151.8	120.6	151.1	97.1	113.8	81.6	108.1	111.91	Sept. 26
Oct. 10 ...	84.9	140.8	67.9	158.2	128.0	175.6	95.7	114.6	84.2	104.1	115.40	Oct. 10
" 17 ...	84.9	141.7	67.9	161.4	113.3	175.6	97.1	116.2	87.5	104.1	114.97	" 17
" 24 ...	84.9	148.2	68.9	162.3	112.4	175.6	98.6	120.2	90.1	104.1	116.53	" 24
" 31 ...	84.9	150.7	67.0	160.5	115.0	175.6	98.6	123.3	90.1	101.2	116.69	" 31
Nov. 7 ...	84.9	150.4	67.0	158.2	112.6	173.3	100.0	123.3	90.1	97.0	115.68	Nov. 7
" 14 ...	84.9	149.9	68.9	164.0	115.2	173.3	100.0	120.9	83.5	94.6	115.52	" 14

*Revised Quotation.

Statistical Section

THE EUROPEAN EXCHANGES

WEEKLY PERCENTAGE OF DOLLAR PARITY

(To Week ending November 15.)

	Week ending			Week ending	
	Nov. 15.	Nov. 8.		Nov. 15.	Nov. 8.
Sweden ...	100.23	99.77	Denmark ...	65.77	65.01
Switzerland ...	100.00	100.00	Norway ...	55.21	53.95
Holland ...	99.54	98.86	France ...	27.42	27.16
Sterling ...	95.06	93.76	Italy ...	22.44	22.49
Spain ...	70.47	69.98			

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.

