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THE ECONOMIC RESTORATION OF GERMANY.

The conclusion of the Armistice was followed by a scramble for national advantages which was more consistent with the parochial outlook of post-war nationalism than with the zeal for civilisation vociferously proclaimed by certain sections of the belligerents. Nor was Britain herself untinged with strange fancies ; could she be said to have partaken of victory if her dyestuffs did not forthwith banish the German from the world market ? Had not her sons fallen in vain if the traces of German competition were still to be found within the borders of China or Brazil ? Slowly, but surely, we are learning the fallacy of those fancies ; the bitterness of unemployment has inspired us with a healthy respect for causes and with a still healthier disregard for the effusions of sentiment. We have found to our cost that parochialism is no less vicious in economics than in politics. The London Agreement is a milestone on the road to sanity ; yet even now there are voices that hark back to the discredited chimaeras.

Certain criticisms have been levelled at various details of the Agreement, particularly in respect to the loan, with which we are not concerned here ; our object is rather to enquire whether the payment of reparations by Germany and the economic restoration of that country are so detrimental to vital British interests as is sometimes supposed. A great deal has been written about the effects of reparation payments upon our trade. Manufacturers for the home and the export markets are equally apprehensive, the former that a flood of cheap German imports will restrict the demand for their products, the latter that the export trade balance which Germany must achieve in order to pay will react unfavourably on the foreign demand for British commodities. Both of these fears are no doubt to some extent well-founded, but they ought to be mitigated by certain compensatory considerations. For the reparation payments will go to diminish the burden of taxation, which will in turn reduce the cost of living and thereby increase the demand in the home market. The influx of German goods will therefore be to some extent balanced by an increase in home consumption. The exporter will also be comforted by analogous advantages. German competition will certainly be keener, and

may succeed in capturing some of our foreign markets. But, on the other hand, these markets will themselves expand on account of the improved purchasing power of the countries receiving reparations, notably France. Moreover, to the extent that these countries are enabled to balance their budgets their exchanges will rise in relation to gold ; they will therefore be in a less favourable position to compete with our producers in the home market and in a more favourable position to purchase our exportable commodities. It is difficult to say with any precision how far these considerations affecting British producers for both the home and the export trade will counterbalance the dislocation due to Germany's artificial excess of exports over imports, but it is certain that the situation is not so gloomy as it is pictured in some quarters.

The primary object of the loan is to enable Germany to pay reparations ; but the corollary of a capacity to pay is an increased capacity to produce. Normal economic conditions in Germany will gradually be restored. The first necessary step in this direction has already been achieved through the stabilisation of the currency, but this itself would be endangered if the London Agreement failed. The immediate effect of the stabilisation has been to create a severe shortage of credit and a consequent industrial depression, which can only be relieved as the expansion of credit becomes possible without recourse to fresh inflation. The recovery of Germany's capacity to compete in the foreign market, quite apart from the considerations relating to the payment of reparations, is viewed with dismay in certain circles. What is overlooked is the corresponding advantages due to her increasing capacity to buy in that market. We record elsewhere the surprising effect which the stabilisation of her currency has already had upon her trade with Switzerland, the country with the largest foreign trade in the world per head of the population. In the first half of this year German exports to Switzerland remained more or less stationary, whilst her imports from Switzerland were no less than three times as great as in the corresponding period of last year. It is certainly true that the access of Germany to the foreign market will be materially favoured by the mere necessity of paying reparations ; for she

can only do this by reducing her standard of living below that of her competitors and thereby lowering her prices below theirs. On the other hand, there will be an increase in her aggregate imports which will afford a certain stimulus to world trade, and will not be without its beneficial effects upon British exports. This must be added to the other advantages which we have already noted as counterbalancing the disadvantages which must accompany the payment of reparations by Germany. The whole problem is highly complicated and the outlook uncertain; but we are confident that the gradual restoration of budgetary and currency stability, and the general expansion of production and purchasing power which will in due course follow the execution of the London Agreement, will on the whole and in the long run be favourable to British industry. We cannot both have our cake and eat it.

The industries which are mainly responsible for our present burden of unemployment are the exporting industries, like the cotton, iron and steel, engineering and shipbuilding industries. They can hope for little improvement without the restoration of foreign purchasing power to something like its normal capacity. But the failure of foreign purchasing power has hitherto been due to political and economic chaos in countries like Germany and Russia, and to budgetary insolvency in countries like France and Italy. For several years the world has been revolving in the vicious circle created by these conditions, from which the London Agreement offers by far the most promising avenue of escape which has yet been propounded. If the solution is not an ideal one, it is at any rate the most hopeful security we are likely to find against the aggravation and protraction of our present ills.

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.)

AUSTRIA

FINANCE

The General Financial Situation.—The zenith of financial prosperity was reached about August 1923, at the moment when the economic situation in Germany, Hungary and Poland was in a state of collapse, which caused the maximum of interest to be taken in the stable Austrian securities and the normally working Austrian industry. In October 1923 an aftermath of this prosperity was discernible, and in January and February a new advance was expected, which however did not materialise owing to the bank officials' strike which broke out on February 18, immediately followed by the sudden recovery of the franc, which caused a collapse of the favourable financial situation not only in Austria but throughout Central Europe. Much harm was caused to business in Austria by the catchword of unlucky speculation in the franc. Although the sudden rise of the French currency no doubt had its effect on speculators, the main cause of the crisis, which endured more or less violently from March to June, was excessive speculation in securities and the consequent slump brought about by the quotations of the Paris exchange.

The share index numbers of securities quoted on the Vienna Bourse gives a clear indication of the changes in the financial situation. In this connection it is useful to quote the index numbers of stock exchange securities compiled by the Federal Statistical Department in *Statistischen Nachrichten*, which coincide with those published by *Wirtschaftliche Nachrichten*, the organ of the Vienna Bankers' Association.

These index numbers, (a) of all securities quoted on the Vienna Bourse, (b) of Austrian securities alone, are as follows (May 1914=1):—1922: Sept. 1, (a) 1,408, (b) 502; Dec. 1, (a) 1,252, (b) 719; 1923, March 1, (a) 1,298, (b) 822; June 1, (a) 1,524, (b) 1,479; Aug. 1, (a) 2,285, (b) 2,294; Oct. 1, (a) 2,361, (b) 2,584; 1924, Jan. 1, (a) 2,165, (b) 2,680; March 1, (a) 1,771, (b) 2,367; June 1, (a) 1,315, (b) 1,376; July 1, (a) 1,188, (b) 1,141; Aug. 1, (a) 1,246, (b) 1,273; Sept. 1, (a) 1,282, (b) not quoted.

The favourable turn given to business on the Vienna Bourse in July owing to the successful results of the London conference marks the termination of the Bourse crisis, whereas the economic crisis, the outcome of the Bourse crisis, can be less affected by the London conference than by the enquiry opened by the League of Nations delegates in Vienna and the general League of Nations Conference in Geneva. Capital issues are naturally greatly influenced by the tendencies of the Bourse. During the period immediately following the

stabilisation of the krone terminating in April 1924 company promotion flourished, the average number of new companies founded each month being 21, and the nominal increases of capital averaging 12 milliard kronen a month. In May and June occurred a sharp set-back in capital raising.

The stabilisation of the currency, the disappearance of unauthorised speculators from the market, and the recently increased interest on savings deposits brought about an unexpected and extraordinary increase of such deposits. In the four months of crisis they increased by over 100 milliards a month, the increase between the end of June and the end of July amounting to 156 milliards. Savings deposits rose from 20 milliards at the beginning of the operation of the financial reform scheme (autumn of 1922) to 110 milliards in January 1923, 624 milliards in January 1924, and 1,400 milliards at the beginning of August.

The number of bankruptcies grew from month to month during the first half of 1924, reaching its maximum of 43 in June, whereas the highest number of judicial compositions with creditors (383) was reached in July, from which date a slow but steady decline in bankruptcies and compositions has been recorded.

For the last two months failures of the smaller banks have come to an end, as apparently in this department also the process of reform has been carried through and the crisis overcome.

Let it once more be put on record that the alleged speculation in francs in Austria has been grossly exaggerated (Austrian financial writers appear to be very sensitive on this subject). Apart from the fact that numerous speculators resident in the Succession States carried on their operations against the franc through Vienna and the agency of Vienna firms, orders for the settlement of business in French francs were given from the Vienna Bourse on cabled payments in francs from New York, to the extent of 12 million francs in April, 30 million in May, 20 in June and 1 in July.

Now that the crisis has been overcome the problem of credit is the most important one which Austrian business circles will be called upon to solve. Various business firms have entered into direct negotiations with American and other foreign capitalists for the easing of the money stringency. The 3 million dollar loan obtained by the *Niederösterreichische Elektrizitätswirtschaft A.G.* is referred to below. American surplus capital will perhaps be induced to finance other Austrian enterprises. Anyhow, efforts in this direction are being made by Austria. (*Wirtschaftliche Nachrichten.*)

The League of Nations Delegates in Vienna.—The financial experts commissioned by the League of Nations to investigate Austria's finances in consequence of the differences which have arisen between the Austrian Government and the General Commissioner of the League (*cf.* article headed "The Control of Austria by the League of Nations" in *THE ECONOMIC REVIEW*, Aug. 29, p. 191) arrived in Vienna early in the month, and are consulting not only representatives of the banks, industry and commerce, but also those of the clerk and working classes. Attention is drawn to the fact that the optimism recently expressed by the Minister of Finance is based on revenue returns which do not take into account this year's crisis.

The Vienna journal *Morgen* has stated that the delegates will, in the first place, aim at securing a further reduction in the Austrian civil service, and secondly at a reduction of those taxes which make it impossible to apply foreign capital to Austria. These taxes are mainly the charges on foreign bills and securities, the bank tax and the income tax. The Government can only expect, it is said, concessions from the financial delegates when a Budget for 1925 is submitted showing no deficit.

The accounts of the municipalities, notably that of Vienna, which are not subject to the League's control, offer opportunities for extensive savings. A possibility exists of the establishment of a stricter control accompanied by a fresh Government loan abroad. The American financiers who have successfully placed the \$3,000,000 loan of the Water Power Company of Lower Austria (see below) have made encouraging statements on the subject. (*Agence Economique et Financière, Central European Observer.*)

The second Commission of the General Assembly of the League of Nations sitting at Geneva, presided over by the Panama delegate, Señor Garay, which is dealing with Hungary's financial reform scheme, has also decided to deal with that of Austria, in order to report upon it to the general assembly. The French financial expert of the League, M. Bonnet, has been appointed reporter to the Commission. The Austrian Chancellor, Dr. Scipel, and the Austrian Finance Minister have arrived in Geneva. (*Neue Freie Presse.*)

Loans to the Government and Industry.—The receipts of the Austrian customs and the tobacco monopoly are, it will be remembered, the security for the League of Nations loan. For July last these receipts amounted to 328 milliard paper kronen—226 milliards from the tobacco monopoly and 102 from the customs—the equivalent of 22.7 million gold kronen. The corresponding figure for June was 295 milliard paper kronen, or 20.4 million gold kronen. The service of the League of Nations loan requires no more than 84 milliard paper kronen, or 5 million gold kronen.

The first American loan granted since the war to a branch of Austrian industry has just been made by a New York financial syndicate including Lisman & Co., and Morgan and Livermore & Co. The loan is for 3,000,000 dollars at 6½ per cent., and is issued at the price of 85. The security is a first mortgage on all the electrical supply undertakings in Lower Austria. (*Central European Observer.*)

The National Finances.—As in the first and second half of 1923, so in the first half of 1924, the deficit will be considerably less than was estimated in the Financial Reform Scheme drawn up by the Government in conjunction with the League of Nations. The actual deficit for the first half of 1923 was 1,283 milliard Austrian kronen, as against the League of Nations scheme's estimate of 2,300 milliards (a saving of some 750 milliards), and for the second half 420 milliards, as against the estimate of 1,140 milliards, making a total deficit for the year of 1,703 milliards instead of the 373 milliards as estimated. In the first half of 1924 the figures were approximately: actual 105 milliards, estimated 307 milliards, so that the reduction for the

half-year, that is to say when the financial crisis was at its height, was some 202 milliards. It is true that this reduced deficit was obtained, not by curtailment of expenditure, which indeed rose 30 per cent., but by a still higher increase of revenue. The following figures show the main items of national revenue and expenditure for the first half of 1924 (in milliards of paper kronen):—

		<i>Expenditure.</i>				
Interest on National Debt—						Total.
(a)	League of Nations loan ... ..	...	...	...	...	625.2
(b)	Other loans (net) ... ..	...	...	...	...	350.8
(c)	Pensions and bonuses ... ..	...	...	...	...	642.9
(d)	Sudbahn pensions... ..	...	...	...	...	225.1
	National Defence ... ..	...	...	...	...	301.2
	Social Welfare ... ..	...	...	...	...	299.4
	Other Government Departments ... ..	...	...	...	...	1,164.9
Contributions to local administrations—						
(a)	Allowances to staff ... ..	...	...	...	...	147.5
(b)	Other supplementary payments ... ..	...	...	...	...	18.6
Railways—						
(a)	Federal railways ... ..	...	...	...	...	321.1
	Settlement of balance with Czecho-Slovakia ... ..	...	...	...	...	51.5
(b)	Sudbahn ... ..	...	...	...	...	18.0
(c)	Payments due under Sudbahn agreement ... ..	...	...	...	...	92.0
(d)	Redemption of Sudbahn, 1923 ... ..	...	...	...	...	75.8
(e)	Other railways ... ..	...	...	...	...	41.8
	Loss on other undertakings ... ..	...	...	...	...	256.8
	Monopolies ... ..	...	...	...	...	9.3
	Total ... ..	...	...	...	...	4,641.9
		<i>Revenue.</i>				
	Customs ... ..	...	...	...	...	724.3
	Import and export duties ... ..	...	...	...	...	43.9
	Excise ... ..	...	...	...	...	471.2
	Direct taxes ... ..	...	...	...	...	1,543.1
	Railway transport taxes ... ..	...	...	...	...	17.7
	Local duties ... ..	...	...	...	...	1,646.9
	Total ... ..	...	...	...	...	4,447.1
	Contributions to Federal States and municipalities ... ..	...	...	...	...	658.0
	Balance ... ..	...	...	...	...	3,789.1
	Other departmental revenue ... ..	...	...	...	...	226.8
	Tobacco ... ..	...	...	...	...	428.5
	Salt ... ..	...	...	...	...	46.7
	Other monopolies ... ..	...	...	...	...	25.3
	Profits on undertakings ... ..	...	...	...	...	20.6
	Total Revenue ... ..	...	...	...	...	4,537.0
	Total Expenditure ... ..	...	...	...	...	4,641.9
	Deficit ... ..	...	...	...	...	104.9

A particularly satisfactory feature of the above figures is the rapid reduction of the State contributions to the railways to meet their losses. The actual cash contributions during the early months of 1923 amounted to 180 to 190 milliards a month, but now they have declined to about 45 milliards. If the individual months January, March, April and June showed deficits, February and May showed surpluses. The yield from the turnover tax, which after the direct taxes forms the chief contribution to revenue, is included under local duties.

The estimates for August have just been submitted to the Commission sitting at Geneva by the General Commissioner for Austria. The figures are based on the estimates of the Finance Minister in paper kronen calculated at 14.400 to the gold krone. The estimates are as follows (in milliards of paper kronen):—

<i>Monthly Estimates.</i>	Aug.	July.	<i>Monthly average.</i>		
			1st half 1924.	1st half 1923.	2nd half 1923.
Expenditure ...	760.4	758.4	640.4	630.2	674.3
Revenue ...	680.7	657.4	598.9	440.3	341.4
Deficit ...	79.7	101	41.5	189.9	332.9
<i>Actual Results.</i>					
Expenditure ...	—	743.4	804	630	649.1
Revenue ...	—	767.9	756	560	435.3
Balance ...	—	+ 24.5	— 48	— 70	— 213.8

The 1924 Budget, as at present estimated, shows revenue 8,679 milliard kronen, expenditure 9,845 milliard kronen, and a deficit of 1,166 milliard kronen. According to the statements made by the Finance Minister to the Press, the estimates for 1925 will show

revenue 7,728.4 milliards, expenditure 8,310 milliards, and a deficit of 582 milliards, the expenditure estimates, including, as in 1924, expenditure on public works. As the Minister has estimated expenditure without public works at 7,430 milliards, the public works in contemplation will absorb 880 milliards. As compared with the 1924 Budget, the new estimates show a decline of revenue of 951 milliards and a reduction of expenditure of 1,535 milliards. (*Wirtschaftliche Nachrichten, Neue Freie Presse.*)

CZECHO-SLOVAKIA

FINANCE

Czecho-Slovak Loan Service.—The London *Times* writes in its financial columns: Figures which have just been supplied to Messrs. Baring Bros. and Co. of the yield from the revenues that were assigned as security to the service of the Czecho-Slovak Eight per Cent. State Loan of 1922 will be studied with satisfaction by the bondholders. Customs receipts for the first quarter of the current year amounted to Kr.203,586,154, as against Kr.198,975,217 for the corresponding period of 1923, and the net revenue from the Tobacco Monopoly was Kr.242,031,529, in comparison with Kr.229,180,906. The combined receipts for the first quarter of 1924, at the current rate of exchange, are equivalent to £2,893,000, and as the quarterly requirements for the service of the loan are approximately £236,000, it will be seen that the margin of income available is a liberal one. The price of the bonds rose 1½ points on the publication of these figures. (*Central European Observer.*)

Company Promotion in 1923.—In the course of last year 72 new joint-stock companies were registered in Czecho-Slovakia, compared with 113 in 1922. The total capital of the companies was 253 million kronen, compared with 902 millions in 1922. Since the establishment of the Republic in 1918 new joint-stock companies have been promoted to the number of 442 with an aggregate capital of 2,940 million kronen.

Increases of capital were voted in 1923 by 76 joint-stock companies to the amount of 477 million kronen, but were actually carried out only to the extent of 94 millions. In 1922 such increases were voted by 80 companies to the amount of 555 millions, and carried out to the extent of 270 millions.

Reductions of capital and unfavourable balances in 1923 represented a total of over 200 million kronen. (*Ibid.*)

TRADE

Foreign Trade Returns.—The official foreign trade returns for June and the first six months of the year as against the corresponding period of 1923 (in brackets) show (in millions of kronen): Exports, June 1,327 (1,009.5), six months 7,831.6 (5,619.1); imports, June 1,230.1, six months 7,263.3 (4,027.9). Trade balance in favour of Czecho-Slovakia: June 96, six months 568.3.

For the corresponding period of last year the credit balance was 1,540 mill., the difference being due to increased imports. At the same time the general volume of trade is very satisfactory, having increased by 50 per cent. as compared with 1923. The figures for each of the six months of the year are as follows (in millions of kronen):—

	Exports.	Imports.	Balance.
January	800.2	809.7	— 8
February	1,254.1	1,245.4	+ 9
March	1,341.9	1,124.1	+ 217
April	1,508.0	1,274.1	+ 234
May	1,600.1	1,575.6	+ 24
June	1,327.0	1,230.1	+ 96
Total	7,831.6	7,263.3	+ 568.3

The value of the main items of foreign trade for (a) June, (b) the six months, was as follows (in millions of kronen):—*Exports*: Coal and timber (a) 240, (b) 1,177;

cotton yarns and fabrics (a) 196, (b) 1,217; sugar (a) 158, (b) 1,168; woollen yarns and fabrics (a) 138, (b) 783; iron and hardware (a) 101, (b) 562; glass and glass ware (a) 97, (b) 957; flax, hemp and jute goods (a) 43, (b) 284; machinery (a) 136, (b) 182.

Other items (for June) included: Silk goods (31), porcelain (31), corn and flour (25), ready-made clothing (23), matches (22), paper and paper goods (19), common metals (16), manufactures of wood (14), minerals (14), chemicals (13), cattle (10), animal products (10), cars and vehicles (8) and fruit and vegetables (8).

Compared with 1923 there was an increase in the first six months of the current year in textile exports to the extent of 931 million kronen; in sugar, 356 millions; in glass, 171 millions and in iron and hardware, 153 millions.

Imports. Raw cotton and cotton yarns (a) 236, (b) 1,524; corn, flour and pulse (a) 235, (b) 893; wool and woollen yarns (a) 153, (b) 937; fat (a) 61, (b) 401; cattle (a) 42, (b) 332; fruit and vegetables (a) 40, (b) 204; silk and silk goods (a) 38, (b) 234; minerals (a) 36, (b) 137.

Other imports in June included: iron and hardware (for 33), animal products (32), timber and coal (30), flax, hemp and jute (29), common metals (29), tobacco (22), chemicals (21), waste (17), mineral oils (17), leather (16), Italian wares (13), paints, colours, perfumery (11), rubber and caoutchouc (11), instruments, clocks and watches (10).

Practically all imports show an increase compared with last year, only the item of fats having declined considerably.

The trade with the chief foreign countries for the two periods was (in millions of kronen):—*Exports to*: Germany (a) 283, (b) 1,508; Austria (a) 266, (b) 1,656; Great Britain (a) 121, (b) 727; Hungary (a) 102, (b) 509. *Imports from*: Germany (a) 433, (b) 2,513; Austria (a) 101, (b) 570; Italy (a) 92, (b) 591; Hungary (a) 77, (b) 324; United States (a) 62, (b) 420; Great Britain (a) 49, (b) 210.

Exports to England in June maintained this year's monthly average, those to the United States declined slightly. Compared with last year the only decline is in exports to Switzerland.

Imports in June from the United States declined as compared with the figure of 111 million kronen in May. Imports from England, on the other hand, improved from 44 millions in May to 49 in June, the latter figure being well over the monthly average. Last year America was third on the list of countries from which Czecho-Slovakia gets her imports; this year she is fourth. England who early this year dropped low on the list has risen to seventh.

The official returns for July, which have just been published, show that Czecho-Slovakia's July exports maintained approximately the level of the preceding month, while they were in excess of those of July 1923 by some 304 million kronen. In weight there was a decline of 149,000 tons on the previous month's figure, 1,043,138 tons having been exported, in comparison with 1,192,454 tons in June last. This decline in weight was due, however, almost exclusively to reduced exports of heavier commodities, coal, timber, iron, etc.

The value of imports amounted to Kr.1,229.5 mill., a figure just slightly under that for June. Exports were some 15 millions under the June figure, with the result that the favourable trade balance of 96 million kronen in June has been reduced to one of 82 millions for July.

The main items of trade during July were as follows (in millions of kronen):—

Exports. Coal and timber, 203; cotton yarns and goods, 197; woollen yarns and goods, 155; sugar, 117; glass and glassware, 108; iron and hardware, 88; machinery, 48; wearing apparel, 40.

Other exports included: Flax, hemp and jute goods (39), silk and silk goods (37), leather and leather goods

(32), paper and paper goods (32), manufactures of wood (23), porcelain (23), grain, flour and pulse (21), vehicles (18), common metals (17), minerals (14), cattle (13), chemicals (10).

There was a decline in the export of sugar by 41 million kronen worth, of timber and coal by 37½ millions, of iron and hardware by 13 millions, of flax, etc., by 4 millions, of porcelain by 7 millions and of chemicals by 2 millions, compared with June. Increases were recorded in woollen goods (16), wearing apparel (17), paper and paper goods (12), glass (11), machinery (12), vehicles (9), silk and silk goods (7), leather (7), cattle (3).

Imports. Raw cotton and yarns, 227; grain, flour, pulse, 209; wool, woollen yarns, 133; cattle, 65; fat, 57; silk and silk goods, 53; animal products, 44.

Other considerable imports included: iron and hardware, timber and coal, flax, hemp and jute, common metals (36), tobacco, chemicals, waste, mineral oils, leather, paints, dyes, perfumery, rubber and caoutchouc, instruments, clocks and watches.

Most of the items again show a very considerable increase on last year's figures. (*Central European Observer.*)

Bankruptcy Returns.—There were 41 bankruptcies adjudicated in Czecho-Slovakia in July, compared with 47 in the previous month and with 53 in May. Of these, 21 were in Bohemia, 14 in Moravia and Silesia, 6 in Slovakia and none in Carpathian Ruthenia. Arrangements with creditors numbered 138 compared with 147 in June and 181 in May.

Bankruptcies in the first seven months of the current year numbered 331 compared with 516 in the corresponding period last year: the arrangements with creditors, 1,181 in comparison with 2,099 last year. (*Ibid.*)

Exhibitions and Fairs.—General satisfaction is expressed at the results of the fifth Trade Fair at Liberec (Reichenberg) which was held from the 9th to the 15th of this month. About 90 per cent. of the exhibits were Czecho-Slovak and the other 10 per cent. from abroad—from Germany, Austria, Switzerland, France, England, Denmark, and other countries. Among the buyers who attended the Fair were 1,800 from Germany, 400 from Austria, and 250 from Hungary. From Denmark came 35, from Holland 22, while overseas countries—United States, Brazil, the Argentine and others were represented. The textile and glass branches were specially strong in exhibits and in these and the other 20 sections very satisfactory sales were made.

The fourth international Danubian Fair held at Bratislava which has just concluded, was better attended than any of its predecessors—the number of visitors amounting to 200,000. The exhibits were arranged in 18 sections and among foreign exhibitors were numbers from England, Holland, France, Austria, Germany, Hungary and Rumania.

Among the exhibits in the Machinery Section at the forthcoming Prague Samples Fair (Sept. 21—28) will be several branches which have not been represented at previous fairs. Textile machines, for example, of Czecho-Slovak make will occupy some 250 sq. metres of space. There will also be exhibits of American, Austrian and German machinery for the leather and boot and shoe trades. (*Ibid.*)

AGRICULTURE

The Harvests.—According to the official returns for August the harvest is very unequal, so that the ultimate results cannot be estimated with any precision. On the Bohemian plain and the western hill-country the abnormally bad weather has seriously interfered with the carrying of the often over-ripe crops. The wet weather has, however, been favourable to the root and pulse crops. In the eastern districts the beets have to some extent suffered from rot. In the Bohemian mountains the continual storms have delayed the harvests. Rye is poor and will give a yield per hectare of

from 14 to 17 quintals. Early potatoes show a good yield of about 130 quintals to the hectare.

In the spurs of the Sudete mountains the rye crop is on the whole below the average. In the Rakonitz district harvest prospects are unsatisfactory and around Pilsen the seed wheat yield will be barely half the normal. In Southern Bohemia all the crops are infested with tares. In the uplands of Bohemia and Moravia summer wheat and rye have ripened and the harvest is satisfactory; on the Bohemian Moravian plateau, however, the rye crop will be a third less than last year, but other cereals are good. In North Moravia good progress was made with the harvest, which has now terminated; results are, however, disappointing; in the Thaya-Swarza plain similar conditions prevail. On the slopes of the Bohemian-Moravian plateau the harvest was very satisfactory. In the Sudeten foothills the harvest has been delayed and wheat is poor. In the Teschen-Ostrau district rye will yield from 12 to 14 quintals to the hectare; the wheat yield is poor. In Slovakia the harvest is very uneven; some farms have produced 20 to 25 quintals of wheat, 18 to 22 of rye, and 18 to 20 of barley to the hectare, and others only 8 to 10 quintals of any kind of crop. The cause of the poor harvest was insufficient land improvement. (*Wirtschaftliche Nachrichten.*)

Sugar Production and Export.—Up to the end of July 6,437,000 quintals of raw sugar have been exported as against 3,705,240 during the corresponding period of last season. The quantity still remaining free for export is estimated at some 125,000 quintals, but has all been purchased abroad in anticipation. Since the beginning of the sugar season, that is during the past 10 months, 3,076,940 quintals of sugar as against 2,998,480 last season were consumed in the country. Even in August the home sugar sales were satisfactory, so that it is unlikely that the refineries will carry over any large stocks of sugar to the next season. (*Wirtschaftliche Nachrichten.*)

FRANCE

POLITICAL AND GENERAL

The Minister of Commerce on the Situation.—Speaking at a Republican banquet at Mur-de-Barrez, M. Raynaldy, Minister of Commerce, declared that France must first of all and as speedily as possible liquidate the war and re-establish peace in every sphere; in the second place, she must restore her finances by means of a budget truly and securely balanced; and thirdly, as soon as the devastated regions have been restored she must produce and realise a vast programme of public works. The Government, he hoped, would not fail to carry out this policy. In London M. Herriot had obtained more than the Experts' Plan gave them, without sacrificing any of their rights or interests or endangering the security of the country; he had re-established a good understanding between the Allies and created again an atmosphere of peace in the world. He had pursued this good work at Geneva, where he propounded a programme of mutual assistance in case of aggression which, if wisely and practically carried out, would prove the most useful safeguard against another outbreak of war. The task of restoring peace had not yet been accomplished: the moral victory achieved in London and confirmed at Geneva must be made really effective, and rounded off by the conclusion of fair commercial treaties and by a just solution of the problem of interallied indebtedness. The second part of the Government programme, the restoration of the national finances, would require a great effort; but the country, which would now be fully informed and thus enabled to judge for itself, would not refuse its co-operation. This was not a time for over-optimistic speeches or for procrastination: strong and well thought out remedies must be devised for a situation which had been allowed to become much too critical and em-

bittered, and once these remedies had been decided on they must be thoroughly applied. Such was the price of success, but subject to that condition success would certainly be achieved. As for the third part of the Government programme, it would be their bounden duty to develop the immense natural wealth of France and her colonies. Neglect of these resources would not only deny France the returns from reproductive expenditure, but would mean a loss of money spent abroad in obtaining goods which nature had placed within their own reach, often in abundance, and would enable other countries to outvie them, countries which, while they hesitated, were equipping or arming themselves for the economic war which loomed before them.

A Decree regarding the tax on flour issued on Sept. 3 has aroused some criticism on the part of the General Association of Wheat Growers. The Decree states that the duty of fixing the price of wheat is left to the prefects, after consultation with a special commission composed of the Director of Agricultural Services, the mayor of the chief town of the department, the mayor of a rural commune, a member of the Chamber of Commerce, a delegate from the Health Council, a representative of the consumers, a miller, a farmer and a baker. The farmers fear that the effect of the taxation of flour may be to act as an indirect tax on wheat itself; and further, that as a result the growing of wheat may no longer prove sufficiently remunerative to induce farmers to put more land under wheat. M. Queuille, Minister of Agriculture, however, contends that the Decree will not in any way injure the wheat-grower. The Government really wished to study him quite as much as the general public. The object of taxing flour was to suppress certain abuses, and the market price of wheat would naturally be in keeping with the cost of production, as it always had been. Moreover, the Government meant to bring down the price of wheat in the usual way, by bringing down the price of the various factors that govern the cost of production, such as fertilisers, oilcake and agricultural implements. As the *Journal des Débats* points out, the question of the wheat supply is a source of considerable anxiety to the Government. Weather conditions have seriously hampered the getting in of the harvest, and recent measures taken by the Minister of Agriculture are taken exception to by even the closest friends of the Government in the Press; such are the taxation of flour and the raising of the bolting standard to 78 per cent., which, they contend, far from relieving the crisis are bound to intensify it. The District Council of Moulins, again, has requested the Government to secure a monopoly of the purchase of all stocks of wheat held by farmers for bread-making, with a view to its distribution; but the Minister of Agriculture replied that the Government, having flatly pronounced in favour of the return to freedom of trade as from the cessation of hostilities, could not possibly revert to a system of control which the war made necessary, and which, were it to be reintroduced, would necessitate the re-establishment of a vast State service. "The problem that has to be faced," concludes our contemporary, "is that France will not have sufficient wheat for her requirements. It will be necessary therefore to cut down these requirements as much as possible, and to meet such as remain by obtaining the shortage at as low a cost as possible. To do this the import duty will have to be abolished: the Government, however, dare not take this step."

FINANCE

The Budget for 1925.—M. Henry Bérenger in the *Agence Economique et Financière* of Sept. 10 states that the Minister of Finance in consultation with the President of the Council is now proceeding with the verification of irreducible expenditure. All other expenses will either be reduced or cancelled. M. Herriot and M. Clémentel have already approached their colleagues with a view to obtaining their co-operation

in making all necessary sacrifices in order to cut down the Budget. In the Departments of the Interior, of Finance, of Foreign Affairs, of the Colonies and of Technical Education alone the estimates for 1925 have undergone reductions amounting to over a milliard. It will still be necessary, however, to see that expenditure is covered by revenue from purely ordinary sources, from taxation or out of monopolies, and without recourse to a loan. And here is where the Government will find itself confronted with a serious difficulty. If it incorporates a new fiscal policy in its Budget, the measure will provoke heated and prolonged discussion in both the Chamber and the Senate, and will certainly not be passed by the former before February or March, or the latter before April or May. Already there are at least four, if not five or six, twelfths of the expenditure to be provided for, so that the legislature, which was specifically elected to restore order in the national finances, finds them in a state of utter disorder at the very beginning of its work. The Government, however, has not only the responsibility for the Budget, but it has also to safeguard the Treasury, which in its turn governs the exchange. It is therefore incumbent on it to proceed with the Budget in an orderly manner, or else public confidence in the Treasury, as expressed through the National Defence bonds, will be undermined. But should the Government fail to embody in the Budget of 1925 the financial programme which received the approval of the country at the general election of last May, how will it keep the pledges of the Left, which it represents? Or how will it be able to prevent the Finance Committee of the Chamber incorporating that programme in the Budget? If the Budget of 1925 is only a repetition of the 1924 Budget, it will look very like a miscarriage of the financial promises of the Left Bloc.

Renewal of the United States Credit to the Bank of France.—Messrs. J. P. Morgan and Co., of New York, have decided in their own name and in the name of the banks associated with them to maintain at the disposal of the Bank of France the credit of \$100,000,000 which expires on Sept. 12, and the portion of which availed of was wholly repaid by the Bank of France some months ago. This statement, issued by the Bank of France, synchronises with an announcement to the effect that the £3,000,000 credit placed at the disposal of the Bank of France at the same time as the Morgan credit, and which expires at the same date, will not be renewed. The *Information Financière* of Sept. 12 adds that the conditions attached to the sterling credit were somewhat onerous, but even so they have not been again discussed. It is perhaps to be regretted, adds our contemporary, that any difference should have been made between the dollar and the £ sterling to the detriment of the latter, which has most weight at present in the banking world in France.

The Proposed Loan to Germany.—In the course of conversations with M. Mellon, United States Secretary of the Treasury, the French Government has, it appears, recognised the importance of France participating in the Dawes Loan in order to ensure the success of the loan in America. The French objection to subscribe to a mark loan has suggested the idea of having the bonds expressed in dollars, so that theoretically France would be lending to the United States and not to Germany. Nothing, however, has been finally settled, says the *Agence Economique et Financière* (Sept. 11), but the French share is likely to be five per cent. of the whole amount, or Mk.40,000,000 gold, or rather \$10,000,000. According to the *Matin* it is not yet known whether the banks will keep the bonds in their safes, and so have at their disposal a large stock of foreign securities, or whether the French slice will be placed on the market. The *Journal*, on the other hand, says that the issue in Paris of the French share of the loan, which is expected to be floated about the middle of October, is not viewed with favour in financial

circles. But according to M. Mellon the United States are loath to take part in the German Loan unless France over-persuaded her by her example. His line of argument, as reproduced by the *Matin*, is to the following effect: "You must not forget that this loan is far from being popular in the United States. Anti-German feeling is still very strong there among the masses, and when it is a question of lending money the public does not come to a decision on purely financial grounds. . . . Only one thing could overcome the opposition which we foresee, and that is that France should subscribe a part, however small, of the loan. Our bankers then would be in a position to say to American subscribers: 'You see that even France does not hesitate to take part in this financial operation, which is much less calculated to put Germany on her feet again than the whole of Europe, and the object of which is to begin to finance the whole scheme of reparations.'" MM. Herriot, Clémentel and Robineau raised objections on the ground of French repugnance to subscribe to a gold mark loan when all German stocks have since 1871 been rigorously excluded from the French market. It was further pointed out by Mr. Mellon that it would be to the greatest interest of France to be associated in the material and moral control of Germany which the lenders will naturally exercise. Another French objection is to the hoarding of foreign bonds for an indefinite time, which is contrary to bank practice, the rule being to issue direct to the public; but in this case it would be necessary to know whether the Government will take on itself the responsibility of recommending the loan to the public. The *Information Financière*, however, points out that unless France has been deprived of her rights under the Treaty of Versailles she is already perfectly qualified to exercise the material and moral controls suggested; but when Mr. Mellon recommends the loan as a good investment, it must be remembered that France has some reason to be sceptical as to the value of German liabilities. But the matter would assume another aspect were the United States to guarantee the loan.

The Ruhr Balance-sheet.—The Ministry of Foreign Affairs, says the *Journée Industrielle* (Sept. 11), has just issued a statement of the receipts and expenditure arising out of the occupation of the Ruhr from Jan. 11, 1923, to June 30, 1924. The receipts are under five heads: (a) Receipts in cash obtained through the M.I.C.U.M. (licences, exemptions and Kohlensteuer), from Customs duties, for licences issued by the various services on the left bank of the Rhine, from the forestry department, from passengers' tax and passes, from confiscations, interest, etc.; (b) Payments in kind including supplies of coal, coke, lignite and by-products handed over by the M.I.C.U.M. to France, Luxemburg, Belgium and Italy, less costs of removal and of direct exploitation of the coal mines, coke works and lignite, and payments to France and Belgium by way of restitution; (c) Receipts from the Franco-Belgian railway régime; (d) Receipts from the sale of goods on the Rhine railways; (e) Receipts of the armies of occupation. The following table shows the full returns (in French francs):—

	1923.	1924.	Total.
(a) ...	290,314,252	1,240,831,764	1,540,146,016
(b) ...	665,535,691	749,396,235	1,414,931,926
(c) ...	62,296,622	260,280,458	322,577,080
(d) ...	6,438,148	8,480,968	14,919,116
(e) ...	84,280,584	122,423,135	206,703,719
Total	1,117,865,297	2,381,412,560	3,499,277,857

Further amounts under these various heads still to be recovered will bring the total up to Fr.3,519,340,319, or about Mk.750 mill. gold. From this, however, has to be deducted the cost of the French and Belgian armies of occupation, which amount to Fr.739,500,000 for France and Fr.130,050,000 for Belgium.

GERMANY

TRADE

The Leipzig Fair.—This year's autumn fair at Leipzig has apparently not been a success, moderate being the only term applicable to its results by the exhibitors. There has been a marked lack of sales abroad. The Scandinavian countries, usually good customers, have this year not purchased much, and the demands of Holland and Switzerland have been moderate. Spain and Poland, however, have been disposed to buy. Home purchases were affected by the prevailing decline in consumption, and in most sections of the community the will and power to purchase counterbalanced one another. Even the wholesale houses showed themselves cautious purchasers. The question of price appreciably influenced business, and prices failed to satisfy purchasers. There was no general reduction of prices owing to cost of production and the high price of raw material.

The course of business in the various departments may be summarised as follows:—

Pottery dull, common articles sold fairly well, but luxury articles hung fire, the 15 per cent. luxury tax practically killing porcelain sales. Results in the stoneware department were fairly satisfactory, but business in glass was below normal. In the technical branch of the fair demands by foreigners were active, and new inventions and technical improvements aroused the interest of experts. Large contracts were concluded for heavy machinery and plant, and negotiations were opened in that connection. The collective exhibition of iron and steel goods, introduced for the first time into the fair, showed a uniform character, and included numerous products of the iron and steel industry ranging from heavy foundry products to the finest Solingen cutlery. The electric exhibition afforded a good idea of the excellence of this industry. It offered many novelties which attracted attention. Little business was done in office furniture, as the anticipated reduction of prices was not realised, sales of typewriters being especially bad. During the period of inflation these articles formed an object of speculation and investment, so that there was a glut of them. In the tobacco department cigarettes found a good sale, but on the other hand cigars and smoking appliances were dull. A fair amount of business was done in jewelry and ornaments. Foreign demand was moderate, and the sale to the East Indies weak, owing to the accumulation of stocks in Amsterdam and Rotterdam purchased during the period of inflation which will have to be got rid of before there is any demand for new goods. There was little doing in woodwork and basket work, the demand being chiefly in the direction of wicker furniture. Business in textiles after the long period of stagnation showed unmistakable signs of revival. Autumn requirements long kept in abeyance began to make themselves felt and had to be met. (*Frankfurter Zeitung*.)

AGRICULTURE

Harvest Conditions.—The following figures giving the area sown with the various kinds of crops at the end of May of this year (a) in Prussia, (b) in the whole of Germany (exclusive of the Saar) are extracted by the *Frankfurter Zeitung* from the returns published by the National Statistical Office (the figures represent hectares): Wheat, winter (a) 724,860, (b) 1,272,347, summer (a) 117,761, (b) 194,499; rye, winter (a) 3,118,799, (b) 4,123,890; summer (a) 88,146, (b) 136,219; barley, winter (a) 72,001, (b) 107,511, summer (a) 685,067, (b) 1,339,010; oats (a) 2,381,943, (b) 3,526,049; legumens (a) 325,880, (b) 425,407; lupines (a) 161,444, (b) 180,551; potatoes (a) 1,838,608, (b) 2,761,850; sugar beets (a) 304,181, (b) 394,387; fodder beets (a) 353,849, (b) 733,186; clover (a) 1,117,581, (b) 1,876,090; lucerne (a) 111,183, (b) 271,976; other fodder plants, (a) 177,190, (b) 303,284.

The number of hectares sown in the whole of Germany in the last four years as compared with 1913 was as follows:—

	1923.	1922.	1921.	1920.	1913.
(a)	1,263,957	1,186,028	1,274,165	1,159,135	1,491,073
(b)	214,614	187,908	166,793	216,599	214,708
(c)	4,281,202	4,076,105	4,183,093	4,175,391	5,223,503
(d)	86,067	66,217	80,506	109,500	106,335
(e)	108,206	103,890	124,347	124,366	47,022
(f)	1,192,416	1,151,677	1,135,698	1,192,952	1,385,698
(g)	3,344,174	3,201,620	3,162,832	3,213,276	3,928,480
(h)	415,173	489,422	699	664	374,619
(i)	174,413	207,614	692	278	131,688
(j)	2,726,824	2,721,284	2,647,779	2,423,839	2,841,924
(k)	383,891	417,147	389,461	326,728	458,006
(l)	756,323	784,552	728,719	1,045,686	549,045
(m)	1,948,920	1,892,601	2,000,306	1,967,122	1,746,129
(n)	277,433	267,796	251,716	237,900	208,648
(o)	307,239	333,199	329,331	372,251	345,193

(a) Winter wheat, (b) Summer wheat, (c) Winter rye, (d) Summer rye, (e) Winter barley, (f) Summer barley, (g) Oats, (h) Legumens, (i) Lupines, (j) Potatoes, (k) Sugar Beet, (l) Fodder beet, (m) Clover, (n) Lucerne, (o) Other fodder plants.

INDUSTRY

Sugar Production.—In 1924 the sugar beet growing area was 351,371 hectares as against 335,642 hectares in 1923. In the 1923-24 season the number of sugar refineries throughout the country was 268 against an estimated number for the coming season of 265. The chief centres of sugar beet growing lie in Southern Hanover, the districts round Brunswick and Magdeburg and Central Silesia, where the soil is particularly adapted to this class of cultivation.

The total output of raw sugar produced in the country from Sept. 1, 1923, to June 20, 1924, amounted to 11,325,071 double centner (approximately 1 million tons). In addition 315,676 centner of potato starch, 7,500 centner of maize starch, and about 5,000 centner of sago and tapioca flour were treated, and 25,635 centner of solid sugar and 186,450 centners of syrup were produced. The quantity of sugar delivered to commerce for consumption in June was about the same as in July, but was less by 515,859 centner less than in June 1923. During the period Sept. 4, 1923, to June 30, 1924, duty was paid on 3,736,473 double centner less than in the corresponding period of the previous sugar season, a decline of 36.4 per cent. During both seasons no figures are available for the districts occupied by the French and Belgians. (*Wirtschaft und Statistik*.)

Vintage Prospects.—So far the vines give good promise. Diseases of various kinds, however, have made their appearance and some damage has been caused by hailstorms. In the most important wine-growing districts the estimate of the vintage in the beginning of August as compared with the preceding month (in brackets) is as follows:—The Rheingau, 2.7 (2.9); other districts of Prussia, 2.9 (2.4); the Nahe, 2.2 (2.4); Mosel, Saar and Ruwer, 2.3 (2.1); Baden wine district, 3.4 (2.7); Rhenish Hesse, 2.6 (2.7); the Palatinate, 2.4 (2.1); Lower Franconia, 3.1 (3.1); the Neckar valley, 3.7 (3.1); the Jagst district, 3.8 (3.1). (*Wirtschaft und Statistik*.)

The Commercial Treaty with Spain and Wine-growing.—Violent protests have been raised in wine-growing circles against the recently-concluded commercial treaty with Spain, which largely favours the import of Spanish wine. It has even been asserted that the treaty will ruin the German wine industry, a contention which the *Frankfurter Zeitung* deals with in the following terms:—

When the Winegrowers' Association complains that it is on the brink of ruin, the assertion can only be justified by adding the rider that before the introduction of the new customs tariffs the situation of wine-growing was already very precarious. This situation, however, has no connection with the tariff, since the unfavourable conditions began to appear in the spring of this year as a factor in the general trade depression. The lack of selling capacity by producers in general, the chief cause of the depression in the wine trade, will scarcely

be removed by increasing duties on foreign wine, with the consequent yearned-for rise in the price of German wine. Rather, the sale of wine would be still further hampered thereby since the dearer the Rhine wine the less its consumption. Wine is to-day a luxury, and if foreign wines are kept out by a tariff wall the number of wine drinkers will decrease, and only a very small fraction of the population can now afford to drink wine. Experience teaches that there is only one method of helping the wine growers, namely by increasing sales and this can only be achieved by offering a cheap article to the consumer. Since, on the one hand, the vintners claim that they cannot make a living out of the present prices and since on the other they fail to satisfy the retail consumer, an improvement can only be obtained by reducing the intermediate costs between producer and consumer. State and local liquor duties and the turnover tax are responsible for 30 per cent. of the retail price of liquor. If the cost of production be taken as the basis then the proportion is 100 per cent. If relief is to be afforded to wine production it can only be accomplished by a reduction of these burdens. It would be opportune if, in the coming debate on the ratification of the commercial treaty with Spain in the Reichstag, the Government would think of this form of relief for the wine growers.

The *Deutsche Wein Zeitung* suggests the following remedies for the present situation of the wine trade: reduction of taxes on a large scale; the grant of allowances at moderate rates of interest; amendment of the wine law in respect of sugaring; no extension of the import of duty free wines from Alsace and Lorraine; immediate extension of time for payment of the wine tax leading to its ultimate suppression; abolition of all local duties on the sale of liquor; reduction of transport rates for wine.

SOCIAL AND LABOUR CONDITIONS

Cost of Living.—The steadiness of the official index numbers for the first week of August seem at first sight to point to a check in the advance of prices, but as a matter of fact the opposing tendencies of the prices of meat, fat and sugar on the one hand, and of green vegetables and potatoes on the other, which had been observed since the beginning of July, continued to take their course during August. The sharp downward tendency of vegetables and potatoes may be explained by the large supply which glutted the markets during July and August. The causes for the tightening of meat, fat and sugar prices and in a minor degree of other foodstuffs (milk, eggs, flour, bread, etc.) are less apparent. Possibly the contemplated protective duties for agricultural produce may have contributed, also the absorption by the harvest of agricultural labour and the consequent diminution of the supply of the above articles. The cost of living prices for the necessaries of existence in the months given below are as follows (1913-14=100):—*Food*: March 1924, 120 billion; April 123 billion; May 126 billion; June, 120 billion; July, 126 billion. *Food, heating, lighting, dwelling and clothing*: March, 107 billion; April, 112 billion; May, 115 billion; June, 112 billion; July, 116 billion.

When corn prices had ceased to fluctuate, wholesale prices also became steadier. The following table gives the average index numbers in gold for the whole country, of various classes of commodities (1913=100):

Class of Commodity.	July (end.)	Aug. 5.	Aug. 12.	Aug. 19.
1. Cereals and potatoes ...	90.1	98.7	97.8	99.5
2. Fat, sugar, meat, fish...	117.2	126.7	131.8	133.0
3. Groceries ...	172.8	165.0	165.0	165.5
4. Hides and leather ...	106.1	105.7	107.6	110.5
5. Textiles ...	193.7	194.7	195.7	193.7
6. Metals and mineral oil	114.1	116.2	117.8	119.2
7. Coal and iron...	131.7	129.4	129.5	129.5
Foodstuffs ...	102.2	109.9	110.4	111.9
Raw material ...	139.1	138.0	138.6	138.5
Home produced goods ...	106.4	112.2	112.7	113.8
Imported goods ...	158.3	157.1	158.1	158.1
General index ...	115.0	119.7	120.2	121.2

The prices of cereals throughout the country were the following:—

Cereal.	West.	Centre.		East.	Average.	
		July 1924.	1913.		June 1924.	July 1924.
Rye ...	7.87	7.62	6.64	8.25	6.66	7.38
Wheat ...	9.25	8.56	7.75	9.81	7.45	8.52
Barley ...	8.57	8.15	6.75	8.16	7.36	7.82
Oats ...	8.31	7.35	6.67	8.18	6.76	7.44

(*Wirtschaft und Statistik.*)

SPAIN FINANCE

Revenue Returns.—The revenue returns for July (given only in a summarised form in the Spanish Press) show revenue collected during the month to have been Ptas.181.9 mill. as against Ptas.178.9 mill. for July 1923, an increase of 33 millions. (This total would seem to show a considerable decline as compared with the figure for June of Ptas.280.5 mill., cf. THE ECONOMIC REVIEW, Aug. 22, p. 166.) As compared with July 1923 increases are shown by the land, industrial and profits taxes, royal dues, mines, customs, sugar, transport, lighting and stamp duties, and decreases by identity certificates, spirit, beer and excise duties, State property, the tobacco monopoly and miscellaneous.

The amended official returns of revenue and expenditure for June and for the first quarter of the financial year (April 1 to June 30) have just been published and show: June—Revenue, Ptas.283.7 mill.; expenditure, Ptas.606.2 mill. First quarter—revenue, Ptas.965.8 mill.; expenditure, Ptas.846.4 mill. (*España Económica y Financiera.*)

Banking and Company News.—In Barcelona commercial circles it is rumoured that a new bank is about to be opened in that city under the style of the Banco Comercial de Barcelona, which will largely inherit the business of the Banco de Barcelona, the failure of which at the end of 1920 caused so great a sensation throughout the country.

The Banco Hipotecaria de Guipúzcoa (the Guipúzcoa Mortgage Bank) has been founded at San Sebastian with a capital of 20 million pesetas. It will devote itself largely to financing building operations.

The Supreme Banking Council has drawn up a report opposing the idea of instituting a supervision of joint stock companies.

The Compañía Española de Minas del Rif Morocco, (Spanish Rif Mines), has published its balance-sheet for 1923, which shows net profits of Ptas.3,381,556, making together with Ptas.118,548 brought forward Ptas.3,500,105 available for distribution, of which 169,077 has been carried to reserve, 2,125,500 distributed in dividends (for the year) and 73,527 carried forward.

The following are among the most important companies of recent foundation:—

Nacional Pirelli for the manufacture of pneumatic tyres, with a capital of 4 million pesetas, Barcelona.

Gallard works, chemicals, with a capital of 2½ million pesetas, Barcelona.

Pujana y Compañía (en commandite), finance, 1 million, Bilbao. (*España Económica y Financiera.*)

TRADE

Trade with Foreign Countries.—Spain's trade with the United States in June (taken from the United States foreign trade returns) shows the following results (in millions of dollars): imports from the United States, 4.4; exports to the United States, 1.6; debit balance, 2.8.

According to the French foreign trade returns for 1923, France's exports to Spain amounted in value to 907.3 mill. francs (518 mill. in 1922), and Spain's exports to France to 607.9 mill. (349.7), leaving a debit balance of Fr.299.4 mill. The value of the chief articles imported by Spain from France was (in millions of French francs):

carriages, motors, spare parts, etc., 100 (39.5); machinery, 58.1 (35.5); textile fabrics, 50.6 (18.6); rubber goods, 49.9 (24); common wood, 48.6 (27); tools and metal goods, 34.3 (20); chemicals, 19.9 (12.2); skins, raw and dressed, 18.1 (11.1); iron and steel, 16 (8.5); paper, cardboard, books and prints, 14.5 (10.7); yarns of all kinds, 14.4; wool and wool waste, 13.8 (3.4); silk and flock silk, 12.8 (15.6). Spain's chief exports to France during the year consisted of fruit, 123.9 (59.9), including 72.2 mill. kg. of oranges and lemons and 9.8 mill. kg. of tangerines, being an increase of 51.1 mill. kg. of the former and 4.9 mill. kg. of the latter; wine, 121.7 (127.1); wool and wool waste, 55.7 (29.5); silk and flock, 55.5 (7.4); lead, 57.4 (13.6); sulphur and pyrites, 40.7 (26.7); other minerals, 24.7 (9); fish, fresh and preserved, 14.2 (9.6); potatoes, 12 (11.7); cork, 12 (5.2); dressed skins, 10.6 (2); rice, 9 (3.1)—7.1 mill. kg. as against 1.5 mill. kg. in 1922.

The wine growers' institute of Cette has published the following figures relating to the import of Spanish wine into France during the past 10 years (in millions of hectolitres): 1914, 1.7; 1915, 6.8; 1916, 3.8; 1917, 4.5; 1918, 1.1; 1919, 2.7; 1920, 3.7; 1921, 1.7; 1922, 2.2; 1923, 2.2. (*España Económica y Financiera.*)

Food Imports and Exports.—With reference to the Royal Order of May 27 last, writes the Madrid correspondent of the Anglo-South American Bank, authorising the import of 15,000 tons of sugar at a reduced rate of duty, the *Junta Central de Abastos* reports that the whole of this quantity has been imported into Spain. As this amount is insufficient to meet the national consumption until the next Spanish crop is available, a further Royal Order has now been issued, dated Aug. 16, authorising the importation of an additional 20,000 metric tons of sugar subject to a reduced duty of Ptas.45 per 100 kg., conditional upon certain stipulations similar to those contained in the above-mentioned Royal Order of May 27 last. The price is not to exceed Ptas.160 net per 100 kg., in warehouse at the port of discharge, and import has to be effected not later than Sept. 30, 1924. No quantity less than 500 kg. or more than 3,000 kg. can be admitted.

During July 22,214,365 kg. of maize were imported, but no other cereals of any kind.

The duty on the export of olive oil in September has been fixed at Ptas.20 per metric quintal. (*Ibid.*)

AGRICULTURE

The New Ordnance Survey.—The Military Directorate having come to the conclusion that the cadastral survey of rural land, which has been in hand since 1903 and has only dealt with one-third of the area of the country, requires speeding up, appointed a commission to draw up a Bill for such survey, which is now before the Directorate. The Bill, which contains 100 clauses, offers to the Government, according to the Press, suggestions of supreme importance. It provides a scheme whereby within the space of one year every rural property shall be compelled to pay its taxes. The Geographical and Statistical Institute has completed its general and local maps of the country, which are stated to be very detailed. These maps will serve for the valuation of land in the two-thirds of the area not yet surveyed, while use will be made of that section of the survey which has already been completed. The maps will be delivered to the Parish Councils, which will mark out the boundaries, and these apportionments must correspond exactly to the number of hectares marked on the maps of the Institute. At the same time a central technical organisation will check the work of the Councils.

The scheme is not final, and merely serves to render assessment and taxation effective as soon as possible. Subsequently a survey will be taken of individual properties showing the various kinds of cultivation, the value of the land and other details.

The scheme introduces a new and remarkable feature in that it aims at converting the plan of each property

into a regular negotiable title deed. This arrangement suppresses the middleman's commission and that of the agents conducting mortgages, sales, transfers, etc. Thus the small proprietor will rid himself of the burden of usurious interest and will be able to overcome many of his present difficulties on his own account. This reform is expected to benefit enormously the national finances. (*España Económica y Financiera.*)

Olive Oil Output.—According to the returns of the Board of Agriculture, the olive harvest for the season of 1923-24 yielded 2,844,089 metric quintals of oil, equal to the average of recent years, but below the exceptional yield of 4,278,376 quintals of 1917. Olive-growing is common to all the provinces of the country except those on the north coast and the Canary Islands, but the greatest production comes from Andalusia. Foremost among the countries purchasing Spanish olive oil comes Italy, with about 6½ million kg. each year, occasionally reaching, as in 1921, 14½ million, followed by France, the Argentine, United States, Cuba, Great Britain, Norway, Belgium, Mexico and Uruguay. Italy and France make use of Spanish olive oil to supplement the sale of their own on the world's markets, selling it under their own brands, thus offering keen competition to the oil exported direct from Spain to America. (*España Económica y Financiera.*)

SWITZERLAND

POLITICAL AND GENERAL

The Export of Electricity.—On Sept. 4 the Federal Council issued a decree regulating the export of electrical power. In accordance with this decree applications for the export of electricity produced by Swiss water power must first of all receive the sanction of the Federal Council, and the export of all electrical power whatsoever is subject to the control of the Federal authorities. The order also covers the export of water power in any other form, as, for instance, by conduits or mechanical transmission. A Commission of five, on which producers and consumers will be equally represented, is to be appointed for three years by the Federal Council to deal with the applications and with general questions related thereto. Applications are only to be sanctioned if they do not interfere with the public interest, and if it is unlikely that either the water or the power would be required for inland purposes during the period of the concession. Concessions will contain provisos limiting the amount and duration of export; the latter, as a rule, is not to exceed twenty years. A concession may be withdrawn on grounds of public interest and subject to the payment of compensation. It automatically falls into abeyance if advantage is not taken of it within two years of its coming into force or if export stops for two consecutive years. In cases of urgency temporary concessions may be granted. Before a concession can be granted the applicant must formally offer the power to possible home consumers, and he must offer them terms at least as favourable as to his foreign consignees, in so far as the conditions are similar. The home consumer is further protected by other regulations of a similar character. (*Neue Zürcher Zeitung.*)

FINANCE

Swiss Federal Loan.—From Sept. 12 onwards a 5 per cent. Federal loan is being offered for public subscription to provide for the conversion or redemption of the ninth mobilisation loan, which falls due on Sept. 30, at its original total of Fr.100 mill. As the new loan is only for Fr.80 mill. the amortisation of the Federal debt is proposed to the extent of Fr.20 mill. The favourable development of the Federal finances has recently led some people to suppose that there will be no conversion of any portion of the loan falling due, but that the Confederation will be in a position to redeem it out of its own resources, particularly in view of the new American loan last

spring. The object of the latter was to consolidate the Swiss floating debt, and to provide dollar funds for the purchase of corn in America and for the service to the end of 1924 of previous American loans, and it should be remarked that the Confederation at present possesses considerable stocks of corn already paid for without the necessity of contracting any new floating debt with the National Bank. The repayment of the Fr.20 mill. above mentioned does not represent the whole amount amortised in the last year or two. Advantage has been taken of favourable exchange rates to redeem on the American market a considerable amount of the loans taken up in America at higher rates of interest. The 5½ per cent. loan of 1919 and the 8 per cent. loan of 1920 have been redeemed to the extent of about \$14 mill., or roughly Fr.70 mill., partly under the terms of the loans and partly voluntarily. This fact, together with the right of paying war taxes in certificates of the 5 per cent. 1924 loan at par of issue, should ensure a good reception for the new conversion loan, especially as the yield at 96 is about 5½ per cent. over a period of ten years. (*Neue Zürcher Zeitung.*)

Rise in Rates of Interest.—Within a short period of time the money market experienced a sharp rise in rates, mainly on account of increased demand, but partly also on account of autumn requirements. The banks are endeavouring to attract money at higher rates, the big banks paying 5½ per cent. for ready money and the Cantonal banks offering 5 to 5¼ per cent. An inevitable consequence must be a rise in the rates for loans, and agriculture, which was particularly insistent upon the reduction a few years back, cannot fail to feel the change. It should, however, be noted that the transition to higher rates really took place a year ago, after what may possibly have been an excessive fall in 1922.

The upward trend of the market rate of discount last month made it not unlikely that there would be a rise in the rates for money, and the change in the situation to-day is evidenced by the 5 per cent. Federal Loan issuable at 96, which was decided upon by the Federal Council at the beginning of this month. In this connection the desire of the banks for a 5 per cent. loan, instead of one at 5½ per cent. should not escape due recognition, as the Finance Department showed a disposition to accept tenders at 5½ per cent. This loan clearly indicates that the advance in rates for long term money must be taken as an accepted fact. Rapid changes in the market are a peculiarity of the post-war period, but with the restoration of normal world conditions, which Switzerland is anxious to see, this tendency should gradually disappear, though its elimination cannot be expected in the immediate future. If the present rise in interest rates is the signal for a general improvement it will be the less unwelcome, as in the first half-year capital issues were confined to modest limits in so far as the Swiss money market was concerned (*Neue Zürcher Zeitung.*)

TRADE

Foreign Trade in July.—The imports in July amounted to Fr.211 mill., and the exports to Fr.159 mill. as compared with Fr.144 mill. and Fr.146 mill. respectively in July 1923. The passive balance for the month was therefore Fr.52 mill. as compared with an active balance of Fr.2 mill. in July last year. This is the largest passive balance in any month of this year, the next largest being Fr.44 mill. in January and the monthly average for the first six months approximately Fr.34 mill. It is noteworthy that, whereas in July 1923 the franc required support, in this July, notwithstanding the import balance, it rose considerably. Of the Fr.67 mill. rise in imports as compared with the previous July two-thirds were due to foodstuffs, mainly wheat, sugar, butter and slaughter cattle. There was also an increase in manufactured and semi-manufactured goods, chiefly cotton yarn, worsted, machines and automobiles. As compared with June 1924 there was a considerable increase in foodstuffs,

fully unemployed had fallen to 10,938, which was 20 per cent. less than in May and 57 per cent. less than in June last year, whilst the number of short time workers had fallen to 2,943, representing a decrease of 41 per cent. and 78 per cent. respectively. This brought the level of unemployment down to that of the beginning of 1914, so that it has ceased to be abnormal.

Actual unemployment figures are now no longer published, but the number of men applicants in July exceeded the available vacancies by 45 per cent. as compared with 43 per cent. in June and 114 per cent. during last year, whilst the demand for feminine labour continued to be nearly twice as great as the supply. It is only with regard to unskilled labour that the situation remains definitely unfavourable. In some occupations, on the other hand, especially in the building, timber, glass, textile, metal and machine, and hotel industries, and in agriculture, the shortage of skilled labour was so great that the deficiency had to be made up from abroad. Direct statistics relating to the degree of employment in industrial undertakings are now published by the Labour Office. They cover 420 large factories employing 51,500 persons, or 16 per cent. of all the factory workers in Switzerland, and 59 building firms with about 6,000 employees. Of the 479 concerns, 49.9 per cent. in the second quarter of this year recorded a working week of 48 hours, 44.5 per cent. a week of over 48 hours, and only 5.6 per cent. a week of less than 48 hours. This affords striking evidence of the reduction of short time. 93.1 per cent. of all the firms included in the survey reported their degree of employment as satisfactory to good, whilst only 6.9 per cent. reported it as bad. Nearly one-half reported a labour shortage, which clearly indicates that the unemployment crisis is practically over.

The special reports from the different industries, which are collected by the central association of employers' organisations, show that in the metal and machine industries the state of business was generally satisfactory, except perhaps among producers of sheet iron and metal goods. Favourable reports also come from the silk industry, but manufacturers of embroidery complain of the Japanese luxury tariffs, which raise the duty on embroidery from 40 to 100 per cent. (*Neue Zürcher Zeitung*.)

SOCIAL AND LABOUR CONDITIONS

Accident Insurance.—The number of firms insured against accidents was 36,112 on Dec. 31, 1923, as compared with 35,344 at the end of 1922. The number of accidents reported during 1923 was 110,435, 85,940 being industrial, and 24,495 non-industrial accidents, or respectively 14 and 11 per cent. more than in the previous year. Of the former 317 resulted in death, and of the latter 213, making a total of 530, in respect of which 339 dependents' annuities had been granted by the end of the year. During the year 1,523 annuities were granted for disablement due to accidents in 1923 and 1,660 for accidents which had occurred in previous years, making an aggregate of 3,183. The total number of annuities granted since the inauguration of the scheme up to Dec. 31, 1923, was 2,474 for death and 14,300 for disablement. The gross surplus for the year on the non-industrial accident account enabled the deficit in the reserve fund from previous years to be reduced by Fr.600,000, or more than half. In the industrial accident account there was a gross surplus of Fr.2,553,402, which includes Fr.1,400,000 placed in the premium reserve fund and Fr.1,054,449 placed in the ordinary reserve fund. The net surplus amounted to Fr.98,953. As regards premium revenue there had been a decline of Fr.8,041,000 in 1921 and a further decline of Fr.4,777,000 in 1922, but 1923 showed an increase of Fr.2,046,000, due solely to the improvement in business. This increase was accompanied by a reduction of Fr.167,248 in the cost of administration as compared with 1922, and Fr.632,895 as compared with 1921. The percentage of costs to revenue fell from 13.44 per cent. in 1922 to 12.48 per cent. in 1923. (*Neue Zürcher Zeitung*.)

UNITED STATES

POLITICAL AND GENERAL

The Economy Issue.—"I am for economy," says the President, adding, "after that I am for more economy. At this time and under present conditions that is my conception of serving all the people." He declares that "a government which lays taxes on the people not required by urgent public necessity and sound public policy is not a protector of liberty, but an instrument of tyranny." Indeed, "one of the first signs of the breaking down of free government is a disregard by the taxing power of the right of the people to their own property," he contends, believing that, "unless the people can enjoy that reasonable security in the possession of their property, which is guaranteed by the Constitution, against unreasonable taxation, freedom is at an end." This statement of policy, according to the *New York Literary Digest*, has been well received by the whole of the Press—Republican, Independent and Democratic alike—with one significant exception, the *Brooklyn Citizen*, a Democratic paper, which objects strongly to the President's plea for economy in the following terms: "It is now said that the surplus at the end of this fiscal year will be over \$500,000,000, and the President talks economy. He admitted that this is the richest country in the world. He admitted that it is the most prosperous and still he talks 'economy.' There are times and places when economy is in order, but it was not in order when the President of this rich country, with its surplus of \$500,000,000, vetoed the Bill increasing the pay of the overworked and underpaid postal employees. It was not in order when the President of this rich country, with a surplus of \$500,000,000, vetoed the Soldiers' Bonus Bill, on the ground that the country could not afford it. This country can well afford to pay the Soldiers' Bonus and the increase in the pay of postal employees without turning a hair. It can well afford to readjust salaries of Federal employees in every branch of the Federal Government, for it is notorious that the richest country in the world pays its servants the lowest wages. This applies from the President of the United States down. The \$75,000 a year which we pay to the President is \$125,000 a year less than France pays its President and France has a deficit instead of a surplus. We pay our Ambassadors \$17,500 a year, where England and France pay them \$50,000 a year, and so all along the line. There has been a great deal of talk about the burden of taxation due to the war, but all the same the great majority of the banks and corporations are able to pay extra dividends. It will be time enough for the President to talk 'Economy, more economy,' when justice has been done to the overworked and underpaid servants of Uncle Sam." Nevertheless, *The Wall Street Journal* is confident that the President need address to the taxpayers—those who live by toil—no other campaign document in 1924."

The Financial Situation.—In the current fiscal year, which opened on July 1, the revenue will be smaller by reason of the lessening of the burden of the taxpayer under the new tax law, while on the other hand there will be an increase in the fixed charges. "The World War Adjusted Compensation Act alone," says President Coolidge in his address, "adds approximately \$132,000,000 to our fixed charges in 1925. A real battle faces us, but we are organised for the fight. The best estimate to-day indicates a surplus of approximately \$25,000,000 for the next fiscal year. This estimate is predicated on an expenditure programme which, exclusive of the redemption of the public debt, amounts to \$3,083,000,000. I desire that this expenditure programme be reduced by \$83,000,000. I do not contemplate total expenditures for the next fiscal year which will exceed \$3,000,000,000 exclusive of the redemption of the public debt. This will give us a surplus at the end of 1925 of \$108,000,000." Admonish-

ing the Business Organisation of the Government, he proceeds to say: "You are now preparing your preliminary estimates for the fiscal year 1926. For that fiscal year it will be my purpose to transmit to Congress estimates of appropriations which, excluding the interest on and reduction in the public debt, and the postal service, will not exceed a total of \$1,800,000,000. Let me say here that under the Budget and Accounting Act the only lawful estimates are those which the Chief Executive transmits to the Congress. This law must be observed not only in its letter but in its spirit. I herewith serve notice again as Chief Executive, that I propose to protect the integrity of my budget." The President then points to economies already achieved, and shows that whereas for the fiscal year ending June 30, 1921, the expenditure was \$5,538,000,000 and the receipts \$5,624,000,000, for the succeeding three years the expenditure amounted to \$3,795,000,000, \$3,697,000,000 and \$3,497,000,000 respectively, showing a progressive and consistent reduction. On the other side of the ledger the receipts for 1922 were \$4,109,000,000, for 1923 \$4,007,000,000 and for 1924 \$3,995,000,000, showing that in the face of a progressive reduction in receipts a substantial surplus was realised at the end of each of the fiscal years, viz. \$314,000,000 for 1922, \$310,000,000 for 1923, and \$498,000,000 for 1924. "The surplus accumulated at the end of each of the last three fiscal years," the address continues, "has been applied to the reduction of the public debt in addition to the reductions required by law under the Sinking Fund and other Acts. Without the aid of this recurring surplus the public debt would be \$1,100,000,000 more than it now stands, and the interest charges would be some \$45,000,000 greater next year than we shall now have to pay. Along with this reduction in expenditures has gone a progressive reduction of the public debt with its attendant relief from the burden of interest. On June 30, 1921, the public debt was \$23,976,000,000. In 1922 it had been reduced more than \$1,000,000,000 to \$22,964,000,000. In 1923 it had been reduced more than \$600,000,000 to \$22,349,000,000. In 1924 it has been reduced again by more than \$1,000,000,000, and stands at an estimated amount of \$21,254,000,000, which is a reduction in three years of \$2,722,000,000, and means a saving of interest of more than \$120,000,000 each year. This shows that the intensive campaign which was commenced three years ago has been waged unrelentingly. In this campaign we have had the active co-operation and support of the Congress. The three budgets presented by the Chief Executive to the Congress have carried drastic, progressive reductions in their estimates for funds. Congress has adhered to budget procedure in passing upon these estimates. The appropriations granted have been in harmony with the financial programme of the Chief Executive. Taxes have now been reduced. While our immediate need is for tax reform, as distinguished from tax-reduction, we must continue this campaign for economy so as to make possible further tax-reduction. We owe this to the people of our nation, to the people who must pay with their toil. The relief which has recently been afforded must be only the beginning."

INDUSTRY

Rubber Pavement.—The New York *India Rubber World* anticipates that rubber will now take its proper place among paving materials in the United States, incidentally developing a market for scrap automobile tyres, which are now almost unsaleable. Boston, it says, was the first large American city to try out rubber pavements, when in May the first one of its kind for street purposes was laid on a bridge in the commercial district, paving blocks of American invention and manufacture being used. The site selected for the experiment was the draw of the North Avenue bridge, which carries a tremendous traffic of heavy vehicles of horse-drawn and motor-driven types to and from

steamship docks, railway freight-yards, storage warehouses and manufacturing plants. Approximately 1,000 vehicles per hour cross this bridge in each direction. The planking of this bridge has to be renewed frequently, and it is believed that rubber pavement will have as hard a test there as anywhere in the city.


Two sections, each 18 ft. square, were laid, one on May 7 in the roadway devoted to horse-drawn vans and the other on May 14 in the motor roadway in the centre of the bridge, a total of nearly 650 sq. ft. The paving is in blocks 6 by 12 in. and 1 in. thick. It is specially compounded of about one-third new rubber and two-thirds reclaim, and in vulcanising the blocks are subjected to 333 degrees heat and 2,500 lb. pressure.

The great difficulty in the way of success of rubber block pavement abroad, remarks our contemporary, has been the inability to keep the blocks down and to prevent them from creeping. Cementing to the foundation would not accomplish the result. The Wright paving blocks are constructed with two semi-circular flaps on one side and one flap on one end of the base of the block, which fit into corresponding recesses in the base of the adjoining block. This is a development of the patented interlocking feature of Wright rubber floor tile. Special spikes are driven through holes in the flaps into the smooth, new bridge planking, or the special device used for concrete road foundations. The blocks are laid one block plain and the next corrugated in hot rubberised cement, uniting the blocks together and to the foundation, making a water-tight roadway over the street or bridge foundation. The speed and accuracy with which this rubber pavement can be laid was exemplified by a crew of four bridge mechanics, a cement pourer, cement layer, paving-block placer and a spiker, who laid the first few hundred at the rate of sixty square feet per hour.

After the first section had been in constant use for nearly a week, the sharpest horseshoe calks and heavy steel tyres had left no scratch, indentation, or other mark on the pavement. The absolute lack of noise is a further recommendation. Although rubber pavement costs about three times as much as wood block, it is claimed by those who have studied its qualities that it will last many times as long, probably twenty years or more, and in the long run prove a saving to the taxpayers. In addition to being quiet it is claimed that rubber pavement is not slippery either for horses or motor vehicles. Its peculiar ability to absorb shocks and diminish vibration will not only save wear and tear upon all vehicles passing over it, but as applied to bridge work will greatly extend the life of costly steel structures.

FOREIGN BANK RATES.

	Per cent.		Per cent.		Per cent.
Amsterdam	5	Danzig	10	Prague	6
Athens	7½	Dublin	5	Reval	8
Belfast	5	Geneva	4	Riga	8
Belgrade ...	6	Helsingfors	9	Rome	5½
Berlin	90	Kovno	8	Sofia	7
Brussels	5½	Lisbon	9	Stockholm ...	5½
Bucharest ...	6	Madrid ...	5	Vienna	15
Budapest ...	10	Moscow ...	6	Warsaw	12
Christiania ...	7	New York ...	3		
Copenhagen	7	Paris	6		

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

The *Eco Della Stampa*, Corso Porta Nuova 24, Milan, Italy reads all the daily and periodical papers of Italy through its agency. It was founded in 1901, and since that year has enjoyed the ever-increasing esteem of the public, which is able to appreciate its very valuable work. Its service of press cuttings will be of assistance to the diplomat, politician, business man, artist, or writer in his studies and work, since he is kept, without worry or exertion, in touch with the intellectual, artistic, literary, scientific, industrial, commercial and financial movements throughout the world at very small cost and in the fullest manner. Terms of subscription will be sent on receipt of your card.—*Advt.*

SPECIAL ARTICLES

AMERICAN OPINION ON THE IMMIGRATION ACT.

M. Maurice Muret, an honorary member of the Institut de France, writing from Colorado Springs in July to the *Gazette de Prague* (Aug. 2), represents as far as he is able to judge it the opinion of the United States public on the Immigration Act which came into operation on July 1.

The Act, which enormously restricts foreign immigration into the United States, was passed by Congress by a big majority. President Coolidge personally regrets the drastic provisions of the Act, but has especially censured it for its unjust hostility to the Japanese. He was in agreement with Parliament in not opening to foreigners quite so widely as in the past the entrance gates of the United States. There is no doubt that the Act represents a feeling widely current in the country. That this feeling is but moderately fraternal towards the inhabitants of the Old World and that it shows a particular animus against the various races composing the Czecho-Slovak Republic is not to be denied, but this is exactly what appears to be worth consideration. During two months' travel in the country the writer has frequently heard the problem of immigration discussed, and has also read numerous essays and newspaper articles crammed with conflicting statistics, but all leading to the same conclusion. It would be well to summarise briefly the Americans' views and then to consider whether any practical conclusion is to be drawn from their new attitude towards immigration.

ANTI-FOREIGN FEELING.

The nationalist and anti-foreign movement, which is by no means new in the United States, has been strengthened by the Great War, but it had already been apparent before 1914 and 1917. Treaties on immigration from the pen of writers of twenty and five and twenty years ago were full of apprehension as to the future effects on the country of the inrush of aliens more or less desirable. "We are making," exclaimed these prophets of evil, "a political and social experiment never before tried by any nation on so extensive a scale. Are we going to absorb this horde of pacific invaders? Shall we succeed in preserving in spite of them that American unity which we have been at so much pains to create?"

This unity has no doubt been strengthened by the comradeship of arms during the war; but the exploits of the battle-field were immediately followed by revolutionary incidents in the United States which have left in that country a feeling of deep resentment and which are the source of the defensive measures voted by Congress. In Europe people have completely forgotten those labour troubles, riots and acts of violence which broke out in the United States on the very morrow of victory, for the reason that Europe has experienced others of a like nature still more violent. In the United States, so attached to law and order because order is the condition essential to its prosperity, the revolutionary troubles of 1919 caused a profound impression and gave rise to serious anxiety. It was discovered, or it was believed to have been discovered, that these riots and the consequent excesses had been provoked by immigrants of recent date. Those who most fiercely attacked American institutions were believed to have been—and great stress is laid on that belief—Italians and Slavs, in fact people from Central, Southern and Eastern Europe. These facts, which all Americans regard as certified, afforded sound arguments to the nationalists and anti-foreigners, who go about advocating the necessity for maintaining the Anglo-Saxon, or at least the Northern character of the North American race and civilisation.

The American people is too sensible and too matter-of-fact to have let itself be dazzled by the notorious theories of Stewart Houston Chamberlain and his school. Moreover the airy way in which that pinchbeck scientist gave precedence to the Germans over the Anglo-Saxons in the racial scale was not calculated to please the Americans; nevertheless they felt, unconsciously perhaps, the influence of the Germanising sociologists, who glorified the Germanic race with all its appurtenances, to the detriment of the Mediterranean and Slavonic peoples. Significant remarks on this subject may be daily heard in conversation.

North America feels the need of revising and sorting out its human material, to use that humanitarian phrase of the German General Staff which came into vogue during the war. The most pure-bred Americans of Anglo-Saxon stock thought that the Anglo-Saxon character of their nationality was threatened by an influx of suspect immigrants, inferior to themselves physically and morally. "Let us shut the door," they exclaimed, and passed the Act in pursuance of which immigrants from Europe and Asia in search of fortune, adventure, or merely of work, will henceforth only be admitted in measured quantities.

A secret organisation, the Ku-Klux-Klan, not only rejects Catholics, the Greek Church and all non-Protestant religions, but also seeks to eliminate from the public and national life negroes, Jews and Japanese. The Ku-Klux-Klan represents an "ideal," the extreme form of which by no means interprets the feeling of the majority of Americans, but the principles or rather the instincts which presided over the formation of that vast secret society are to-day widespread throughout the United States.

SPECIAL HOSTILITY TOWARDS SLAVS.

Honest Americans readily admit their obvious responsibility for the evils of which they now complain. It is the American capitalist who, eager to ensure abundant and cheap labour, has brought across the Atlantic those Latins and Slavs who to-day are pronounced to be incapable of assimilation; but it is no reason, argue the nationalists, because a mistake has once been made, that it should be repeated. Americans can just digest the foreigners settled on their soil, which is now saturated. To add to them would be fatal.

The experts on the problem point out clearly defined if unproved differences between the various classes of immigrants from Europe. Their opinions of the inhabitants of those regions which in 1918 formed Czecho-Slovakia are apparent in their writings.

Their conception of the "Bohemians," as they call them, and of the Slovaks is the reverse of friendly; but the very prejudices of these writers show characteristic indications and valuable ideas with which Europe has to reckon.

Professor Steiner, of Iowa College, published before the war a highly typical work on immigration entitled "On the trail of the Immigrant." Although inclined to be favourable towards the Germans, Professor Steiner is very severe on the Slavs. If he keeps the cream of his invective for the Poles, the Czechs and Slovaks are not deemed by him any more fit to become good Americans. The Czechs, he allows, are more civilised than the Slovaks, but are touchy and quarrelsome. Oppressed by the Austrian Government they are apt to see everywhere persecutors and enemies. According to Mr. Steiner they are too attached to their national past. Although settled in America they remain faithful to their Czech nationality, and refuse to amalgamate with the surrounding population. This, however, does not prevent them from playing a pernicious part in American politics. They are socialists, revolutionaries, and above all irreligious. Mr. Steiner remarks in horror that there are 300 Bohemian societies

in Chicago systematically devoted to the propagation of unbelief. "What a bad example," he laments, "to Americans!"

Quite different from the Czechs are the Slovaks: if the former are too irreligious to suit Mr. Steiner, the latter are too priest-ridden. In the parish schools to which the Slovaks send their children English is almost taboo. Rough and ignorant, the Slovak peasant brings with him to the United States his religious prejudices. The Slovak communities, Catholics, Uniates and Protestants, cheerfully get to fisticuffs with each other. According to Mr. Steiner, they ingenuously sell their votes to American politicians, but take no interest in American politics. Out of one hundred Slovaks interrogated by him not twenty knew the name of the President of the United States. He does not deny the patience of the Slovak nor his adaptability to work of the roughest kind. Neither does he make any secret of his preference for the Scandinavian and German immigrant. If he is to be believed, the Scandinavian and even the German are less addicted to strong drink than either the Czech or the Slovak. Always a violent prohibitionist, he bitterly reproaches the Slavs for not sharing his repugnance to alcoholic beverages.

The above is but a very brief sketch of the complaints of the Anglo-Saxons of America against immigrants from Europe, especially from Slavonic Europe. With this hostility the peoples concerned will have to reckon. The Czechs and Slovaks, who have so far furnished a considerable contingent of immigrants to America, must henceforth make up their minds to stay and work at home. But this is perhaps no great misfortune after all.

Under Austrian and Hungarian rule the Czechs and the Slovaks contributed largely to emigration. But it would be an ominous sign for the future if emigration continued in a purified and reconstructed Czecho-Slovakia. In closing their doors to the inhabitants of Czecho-Slovakia the United States have perhaps rendered the country no disservice.

THE USE OF RADIO IN AGRICULTURE.

With the development of radio, says *Commercial America*, farmers have been brought closer to the information they need in the proper conduct of their business. Practically every farmer may receive, at small expense, not only the latest news that affects the business side of his life, but news of world affairs, music and other entertainment as well. While the farmer himself has little time to enjoy the music and other entertainment, these are of importance to the housewife and the children and do much to end the isolation of the average farm home. With the possible exceptions of use for marine and aviation purposes, there is no use of radio that should take precedence over its utilisation for the benefit of agriculture.

Farmers have been quick to grasp the possibilities of radio for practical and social purposes, according to a survey recently completed by the United States Department of Agriculture. Country agricultural agents, working in sections of every State of the United States, estimate that there are approximately 40,000 radio sets on farms in 780 counties. This is an average of 51 sets per county. Applying the average to the 2,850 agricultural counties a total of more than 145,000 sets on farms throughout the country is estimated. Of course, some States have more receiving sets than others. For example, the county agent for Saratoga County, New York, reported 2,500 sets in the county, while estimates for 37 agricultural counties of the States showed 5,502 sets on farms. In 51 counties in Texas there are said to be 3,085 sets. Forty-three counties in Illinois show 2,814 sets; 26 counties in Missouri, 2,861 sets; 42 counties in Ohio, 2,620 sets; 40 counties in Iowa, 2,463 sets; and 26 counties in Kansas, 2,054 sets. New Jersey, Pennsylvania, Michi-

gan and Minnesota have between 1,000 and 2,000 sets each. These are representative figures, taken from reports of county agents.

All of these farmers are within reach of the three-fold agricultural radio service that is sponsored by the United States Department of Agriculture. This includes market reports, weather information, and general agricultural news. If they do not have receiving sets of their own, many farmers get the reports over the telephone.

But in order to get a comprehensive view of the services rendered the farmers of the country by the Department and by co-operating broadcasting stations, we must picture the forms of service that are distributed primarily for the benefit of the farmers.

The Weather Bureau of the United States Department of Agriculture was the first Government agency to engage in radio work and carried on its experiments until 1904, when a joint board representing several departments was appointed by President Roosevelt to consider the entire question of wireless telegraphy in the service of the National Government. Under the findings of this committee, the subsequent experimental work was assigned to the War and Navy Departments, which co-operated with the Weather Bureau in distributing forecasts of weather conditions from several high-powered radio-telegraph stations.

This stage of the work was reached in 1914, yet it did not succeed in furnishing the farmer with the information he wanted in a form that was readily obtainable. But in 1921 the systematic distribution of weather forecasts and storm warnings by radio-telephone began. In the last two years this service has been so developed that at the present time 140 stations in all parts of the country, covering practically every State, are broadcasting daily weather forecasts. Weekly reports on the effects of weather on crops and highways and other weather information broadcast by these stations make the service a vital one.

Another phase of the work of less import to agriculture but of real value is that carried on in co-operation with the Office of Communications of the Navy Department, giving radio bulletins for the special benefit of marine and aviation interests. Complete reports of weather and air conditions covering the Pacific, Atlantic, Gulf of Mexico and the Great Lakes regions give a comprehensive view of weather conditions, and special upper air forecasts sent from naval radio stations in 14 zones give Army, Navy and Post Office officials and flying fields necessary information otherwise unavailable.

One of the most interesting uses for radio is the international weather information service which is being built up by the United States Department of Agriculture. A daily radiogram is sent to the French meteorological service giving the results of observations made at about 40 stations in the United States, while a similar service will soon be in effect with the Philippines and Japan. The reports to France are broadcast over Europe from the Eiffel Tower station, and in exchange our Weather Bureau receives radio reports on weather conditions in European countries.

In December 1920 the first United States crop and market reports were prepared and broadcast by radio-telegraph in co-operation with the radio laboratory of the United States Bureau of Standards. These first reports covered a radius of probably not more than 100 miles, but they were successful, and now practically the entire area of the United States is covered daily by reports by means of high-powered radio-telegraph and radio-telephone. Every week-day morning of the year 900 employees of the Agricultural Department, stationed at the various market centres from New York to San Francisco, make counts of the car-loads of cattle, hogs, sheep, dairy and poultry products, fruits and vegetables, and other produce which have come in during the night. By six o'clock of that same morning reports of receipts, demands, and prices are being received in Washington over leased wires from all parts of the country and are sent out by radio-telegraph and radio-telephone for the

information of farmers and merchants. At the present time this radio crop and market news service of the Department is handled by four high-powered radio-telegraph stations of the Navy Department and 78 radio-telephone stations belonging to colleges, State Departments of Agriculture, electrical companies, newspapers, stockyard companies, and other concerns interested in sending out information.

Twice each week the Press Service of the Department of Agriculture sends out to radio-telephone broadcasting stations a collection of short news articles about agriculture and home economics. About 250 broadcasting stations are now using this service regularly. In addition the Press Service provides short speeches on agricultural subjects which are sent out once or twice each week from non-competing lists of radio-telephone stations in various parts of the country. There is a growing demand for this service and it will be enlarged as necessary.

Such is the threefold service that the United States Department of Agriculture is rendering in its effort to make radio of practical value in agriculture. Letters from farmers and many others who are getting this service from the Department of Agriculture, either directly or indirectly, indicate that the service is meeting a real need in rural communities. The weather reports are of great value to farmers and others, including shippers, marine interests, and all whose work is affected by weather conditions. The market reports give the very latest information on prices, demand and supplies. The general agricultural news service gives up-to-date information on the Department's work and on agricultural conditions.

LIQUID FUELS IN CANADA.

At the present time three Provinces in Canada are producing oil: these are New Brunswick, Ontario and Alberta.

The *Ontario* fields reached their maximum production in 1900, when over 900,000 barrels were produced, but following this there was a sharp decline, although in 1907 there was a temporary increase when the Tilbury field was at its peak with a production of 344,000 barrels. Following this again, the production declined very rapidly, but was halted in 1917 with the opening up of the Mosa field of Middlesex County, and in 1918 there was a considerable increase over previous years. More recently the *Ontario* production has shown a gradual decline, the total production for the years 1922 and 1923 being 164,731 and 159,400 barrels respectively. The immediate prospects for large new fields being opened up are not particularly bright, although it is to be expected that there will be sporadic increases of production as small fields are discovered or extensions to the present fields are found. Late in the summer of 1923 a new well was found in Romney Township, Kent County. The Romney well was reported to have had an initial capacity of something less than 200 barrels, but settled down to a production of 15 to 20 barrels.

The production of *New Brunswick* is confined to one area known as the Stony Creek field on the west side of Petitcodiac River in Albert County. The field was opened up in 1909 by the Maritime Oil Fields Ltd., and is now being developed by the New Brunswick Gas and Oil Fields Ltd. The average daily production per well is small and the annual production of oil for the last few years amounts to 8,000 to 9,000 barrels. The area, however, has produced a considerable quantity of gas and recently a large new gas well has been brought in.

In *Alberta* commercial production up to the present has been confined to the Sheep Creek field south-west of Calgary. In addition to the production of crude oil there is a small recovery of gasoline, made from natural gas in two absorption plants located in this area. In 1923 the total production of crude oil was 1,943 barrels and the quantity of gasoline recovered was 1,342,114 Imperial gallons. Drilling operations for oil and gas are being carried on in many parts of Alberta, and late

in 1923 British Petroleum Ltd. discovered a well near Wainwright with an initial capacity estimated at 60 to 100 barrels per day. Several wells are being drilled in this area at present, and it is confidently expected some encouraging results will be obtained. In the same area the Imperial Oil Co. brought in a well at Fabyan with a gas flow estimated at 14,000,000 cubic feet and a good showing of heavy oil, while other wells have encountered gas in smaller quantities.

Revised statistics on the production of crude petroleum in Canada show that the average value per barrel received by operators in the producing provinces in 1923 were as follows: New Brunswick, \$4.04; Ontario, \$3.00; and Alberta, \$4.23.

Besides the producing oil fields, Canada possesses in Alberta a very large deposit of bituminous sands which outcrop at frequent intervals along the Athabaska River and tributaries through an aggregate distance of approximately 200 miles in the district centering around McMurray. The thickness of the bituminous sands varies considerably over this large area, but the maximum is probably not much less than 200 feet. By laboratory methods the bitumen has on distillation produced as much as 69 per cent. of oil, but up to the present, although various prospects are under way, no large scale commercial process of extraction is being applied.

Oil shales are found in many parts of Canada, but the known deposits that have been worked or are considered of possible commercial value are confined to Manitoba, Saskatchewan, Ontario and the Maritime Provinces. The amount of oil shale of high grade in the Maritime Provinces is very large, and with a satisfactory commercial process of extraction would be a valuable addition to Canada's liquid fuel resources.

Another liquid fuel produced in small quantity is benzol and related compounds recovered as a by-product from the by-product coking ovens in Nova Scotia. The production in the years ending Sept. 30, 1921 and 1922, was 292,452 and 246,541 gallons respectively. With the establishment of more by-product coke ovens such as are now under consideration in various parts of Canada the production of motor fuel will become increasingly important.

GOLD PROSPECTS IN QUEBEC.

The geological formations extending from the middle of the Rouyn Township of Quebec eastward are similar in character to those extending westward, and offer favourable ground for prospecting for gold. The rocks consist of volcanic flows and fragmental rocks of Keewatin age, of Timiskaming graywackes, arkoses and conglomerates, and of bodies of acid intrusives. In the southern part of the area lies a large body of granite with its northern edge passing through the southern part of Bellecombe and Vaudray townships. Farther north occur smaller masses of intrusive rock, such as granite, granodiorite, and syenite porphyry. The large granite body to the south is of such great extent that it probably heated the intruded rocks to a great distance, and gold that may have been carried in solutions given off from the granitic magma was in all likelihood deposited considerably remote from the contact. Deposition of economic minerals from solutions having their origin in the smaller bodies, however, probably took place near their contact. The vicinity of these smaller bodies of acid intrusives is therefore regarded as favourable prospecting ground for minerals given off not only from these small bodies, but also from larger igneous masses at greater depth with which the small ones are connected. A number of mineralised veins have been discovered and some promising results have been obtained. The proportion of mineralised rock is large in comparison with the area of the rock outcrops. This feature coupled with the discovery of free gold in several localities and the reports of some reasonably high assays justifies the adoption of a very hopeful view of the gold possibilities of the district.

THE ECONOMIST'S BOOKSHELF.

INSURANCE ECONOMY.

Social Insurance Unified and Other Essays. By JOSEPH L. COHEN, M.A. (London: P. S. King & Son, Ltd. Price, 5s. net.)

Social insurance in this country has at present reached a stage of development analogous to that of the local administrative services before their co-ordination under the County Council system. In the early period of the growth of specific institutions it is perhaps inevitable and not altogether undesirable, that *ad hoc* methods should be employed; inevitable, because institutions are wont to grow experimentally, and the mind of man does not readily grasp the principles of unity which may underly apparent dissimilarities of circumstance; not undesirable, because the essence of experiment is variety. But there is always the danger that *ad hoc* methods may outlive both their necessity and their utility, and become a mere chaos and a hindrance. All the political parties and most thinkers are agreed to-day that the co-ordination of social insurance is a matter of immediate urgency; about the manner and the measure of co-ordination, on the other hand, there is an abundance of disagreement and a plethora of proposals. The present volume, by a recognised authority on social insurance, is not an attempt at an exhaustive enquiry, but rather a collection of essays centring round the problem of unification. They are marked by incisive criticism of the existing schemes, both severally and collectively; competing proposals for co-ordination are briefly reviewed, and the author's own solution is sketched in outline.

The situation as it is to-day cannot be better described than in the words (quoted by Mr. Cohen) of a recent report by the inter-departmental committee on public assistance administration:

"The various schemes as they stand to-day have grown up piecemeal in a long period of years, and plainly bear the marks of their historical development. . . . The various services have for the most part been instituted at different times, and have developed on a number of independent lines. They have been designed to provide for special contingencies as the need or demand for them became apparent, frequently by different methods and in different measure; different principles have entered into the conception of services providing for closely related forms of need, and different forms of administrative machinery have been set up for purposes broadly similar in principle."

The first step towards an escape from this tangled confusion is to formulate precisely what is meant by social insurance. Mr. Cohen defines it as "an agreement, which is *legally enforceable*, to pay a certain sum of money, or goods and services in kind, as compensation against the loss resulting from certain given emergencies which lead to a diminished capacity to earn, or to an increase of expenditure. This definition, with which it would be difficult to disagree, immediately forces upon us the most cogent theoretical ground for unification. To the average worker, whose weekly earnings are insufficient to provide for a rainy day, the nature of the emergency which he may be called upon to meet is a matter of indifference; what is important is the consequent impoverishment. As the author says, "Social insurance is a device for providing against all stresses which occur either through diminished income or increased need." It is therefore anomalous and futile to provide for some emergencies but not for others which may be equally burdensome; the only discrimination that is required is between the comparative oppressiveness of the various burdens involved. Mr. Cohen even goes so far as to say, rightly we think, that "whether the workman contributes towards the insurance fund directly or indirectly is only of secondary importance, and should not affect our definition. Whether the total costs are found from the national exchequer or only a part is not and should not be regarded as the distinguishing consideration." It may be expedient on grounds of morale that the workman should contribute

directly, but it is irrelevant to the conception of social insurance. Moreover, seeing that it is the same set of people who are in need of assistance whatever the emergency, it is inconceivable that anything but waste can result from a multiplicity of organisations to provide it.

Mr. Cohen makes a strong plea for a Royal Commission to enquire into the whole question, including the Poor Law. Upon the private insurance companies would devolve the onus of justifying before such a Commission the public advantage of their services in connection with workmen's compensation and burial insurance, in face of the searching attack which is made upon them in this book. Mr. Cohen tabulates the ratio of administrative expenses to revenue for the different branches of social insurance as follows:—

	Per cent.
Old Age Pensions	3.5
Unemployment Insurance, including the cost of placement work and collecting statistics	8.3
Health Insurance, which is administered by approved societies under the supervision of the Government	13.0
Workmen's Compensation Insurance organised through insurance companies	50.0
Industrial Insurance organised through collecting societies	43.6
Industrial Insurance organised through insurance companies	41.9
Industrial Insurance, through the Post Office Life Insurance Business	about 5.0

This table requires confirmation by the Royal Commission, but it remains to be seen whether, even allowing for all variation in difficulty of administration, the disparity between 3.5 and 50.0 per cent. can be reduced to the advantage of the companies, particularly as comparative figures of a similar nature can be adduced from the United States. The ideal scheme, in the view of the author, would be a complete unification of all social insurance services under the State, to be administered through the Employment Exchanges. We have not the space to follow him through all the details of such a scheme, but we cannot refrain from recording the results at which he arrives. Assuming that in any case the Treasury will shortly provide an extra £35 mill. for the abolition of "anti-thrift" qualifications in respect of old age pensions, and for widows' and orphans' pensions; and also assuming that the present unemployment contributions and benefits are maintained, while unemployment falls to its pre-war average he estimates that the following resources would become available for a unified State fund:—

1. From the Treasury	£35,000,000
2. From gains in administration	19,000,000
3. From Unemployment Insurance Fund surplus	28,000,000
4. From Poor Law surplus, to be transferred ...	18,000,000
5. Abolition of refund under Unemployment Insurance (No. 2) Bill, 1924, about	500,000
Total	£100,500,000

And he adds: "Against this enormous sum needs to be placed the cost of compensating the vested interests." Unfortunately, he gives no estimate of the amount of compensation, but it would certainly have to be both full and generous. The gains in administration accrue solely from the transference of burial and industrial accident insurance to the State, and would be sufficient to provide the whole cost of a modest scheme of widows' and orphans' pensions. Mr. Cohen recognises the insuperable difficulties in the way of any immediate adoption of such a scheme. He therefore outlines an alternative on similar lines, except that there would be two sections, one dealing with compulsory and the other with voluntary insurance. The compulsory section, administered through the Unemployment Exchanges, would include unemployment, old age, widowhood and orphanhood, whilst the voluntary section would include industrial accidents and diseases, ill-health, and burial insurance. The State would thus enter into competition with the companies and approved societies.

There is an appendix criticising the schemes of Sir W. Beveridge and Mr. T. T. Broad, and an excellent bibliography. The absence of an index is most regrettable, more especially as there is not even a summary of the contents of the chapters. J.C.J.

A STUDY IN SOVIET ECONOMICS.

The Economic Condition of Soviet Russia. By S. M. PROKOPOVICZ, Professor of Economics in the University of Moscow. (London: P. S. King & Son, Ltd. Price, 7s. 6d. net.)

At the present moment there is no dearth of material which professes to elucidate the tangled history of Russia during recent eventful years. How much of it will prove of ultimate real value is a question which will puzzle students indefinitely. It would be absolutely safe for one to maintain that few facts in European history have been subjected to more distortion or perversion than the Russian revolution and its inherent consequences. Moreover, fresh misleading estimates will continue to appear from day to day, and for years to come. In 1917 Russia provided the world with one of its periodic shocks and the disturbance it created in social and economic circles is not yet bridled into the limits of rational controversy. In every European nation the fiercer passions were aroused and these have not yet been sublimated into desires for mutual co-operation and intercourse with the source of such a malignant and ill-timed revolutionary eruption. Conditions have been unfavourable to truth or even proportion; consequently we are forced to re-approach Russia to-day through a welter not only of unreliable, but monstrous data.

In the introduction to his book on the Economic Condition of Soviet Russia, Prof. S. M. Prokopovicz, formerly Professor of Economics in Moscow University, tells us that he has attempted to give an impartial account of the evolution of Russia's national economy under the Soviet Government. Not every one will agree that he has succeeded in accomplishing the task proposed to himself. Mainly because, the subject-matter upon which his work is based provokes, least of all, impartiality. Moreover, his banishment from Russia by the Government he sets himself to criticise, will weight the scales heavily in the judgment of certain readers of the English version of his book. That is not casting anything more than an aspersion on the validity of its claim to impartiality. From other points of view it is probably one of the best studies extant upon a very subtle problem and a reader will discover in it as much material for the guidance of his own conclusions as in any other single piece of the literature produced out of the Russian upheaval. Most of us have only very dubious sources of information open to us and if they are not, in origin, communist propaganda, they are something equally distasteful, but, in Prof. Prokopovicz' work we have an accredited economist analysing four and a half years' actual experience of the economic life he is depicting for our study. He was not banished until June 1922.

It is not possible here to discuss the whole field covered in Prof. Prokopovicz' book. It is divided into four main chapters dealing, respectively, with the Nationalisation of Industry; the Soviet Government and the Peasants; the New Economic Policy; and Public Finance. Each one of them is of vital interest and essential to an economic survey of revolutionary Russia. The chapters are all amplified with copious illustrations, quotations, and figures, for which authorities and sources are given. Regarded as a whole, the "Economic Condition of Soviet Russia" contains a mass of serviceable information to those whose business it is to seek or to impart lessons from such troubled waters as it reveals.

In the chapter devoted to the Nationalisation of Industry, which we think will prove particularly attractive to British readers, Prof. Prokopovicz has sketched the history of that experiment in Russia since 1917. If

its consequences were not so tragic it would be hard to deny it to be anything less than an experiment in foolhardiness. In a very brief period the industrial organisation of Russia was brought to a state of collapse. The stages are well indicated by Prof. Prokopovicz. The workers' control of industry coincided with the appearance of everything detrimental to the economic organisation of it. There was a tremendous fall in the productivity of labour consequent upon the abolition of wages and the substitution instead of payment in kind and subsistence rations. With the latter came the destruction of incentives to work.

In all industries the output diminished rapidly and alarmingly as the figures submitted by M. Strumilin and quoted here amply prove. In 1919 the average output per worker was not more than a fraction above 20.2 per cent. of what it was in the years 1913 and 1914. Prof. Prokopovicz himself, summarising his own miscellaneous collection of data for 1920 upon the productivity of industry, says of it: the number of workers has fallen to 46 per cent. of the pre-war one, the productivity of the average worker to 30-35 per cent., and the total productivity to 14.5 per cent., figures which in themselves are bad enough and reflect but little credit on the proclaimed reformation of industrial organisation throughout Russia. Lenin and Trotsky saddled human nature with the blame for this stupendous failure, but Prof. Prokopovicz denies such a contention and asserts: "The whole history of the three years of Communist reign proves that the dislocation of industry was due to the principles themselves and not to the inexperience and mistakes in the application of these principles. The disorganisation and ultimate decay of industry and consequently of productive forces was due in the first place to the absence of economic calculation." Elsewhere he has remarked that capitalist anarchy was superseded by proletarian anarchy, the latter particularly operating in ignorance of, and oblivious of, the laws of political economy. Communism, the Russian experiment has shown, is the negation of all economic principles. Prof. Prokopovicz' own summing up is significant: "Systematic eradication of all economic elements from the process of production and distribution of goods has led in the course of three years to extreme industrial degradation and decay. . . . The Communists have completely eliminated, in accordance with their programme, all economic calculation from the management of nationalised industry. They substituted technical orders of the centralised government for the economic energy, based upon personal interest and calculation, of the whole mass of population occupied in industry. The abolition of economic principles, the economic deformation of the process of production have soon brought forth their fruits—the decrease of industrial productivity coupled with technical degradation."

H.J.H.

PUBLICATIONS RECEIVED.

Journal of the Royal Statistical Society. July 1924 (London: Royal Statistical Society. Price, 7s. 6d.)

A Seven Years' View of Sales and Expenses of Retail Clothiers, 1916 to 1922. By Horace Secrist, Ph.D. (Chicago: Northwestern University School of Commerce. Price, \$1.)

The Discounting of Dividends by the Stock Market. By Clarence Arthur Kulp. (University of Pennsylvania, U.S.A.)

The History of Export and Import Railroad Rates and their Effect upon the Foreign Trade of the United States. By Roland Laird Kramer. (University of Pennsylvania, U.S.A.)

Single copies of *Foreign Affairs*, an American Quarterly Review, may be obtained of all leading booksellers or through the International News Company Limited, 5, Bream's Buildings, London, E.C.4, price 6s. 6d. Annual subscription 26s., post free.—*Advt*

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 1920.	10 Com- modities	Bdeof Tde Monthly Average	Date	10 Com- modities	Bde.ofTde Monthly Average	Date	10 Com- modities	Bde.ofTde Monthly Average	Date	10 Com- modities	Bd. ofTde 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. 13	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	
Nov. 19	293.0	286.9	Jan. 20	144.0	164.0	May 18	198.1	159.8	" 22	175.1	165.2
Dec. 17	257.0	263.8	Feb. 17	149.2	161.8	June 15	190.0	159.3	" 29	173.9	
1921			Mar. 17	149.8	160.0	July 20	177.3	156.5	Sept. 5	174.2	
Jan. 14	244.2	245.9	Apr. 14	151.7	160.1	Aug. 17	174.6	154.5	" 12	171.7	
Feb. 18	219.1	225.2	May 19	162.1	160.6	Sept. 14	173.2	157.8			
Mar. 18	199.0	210.8	June 16	163.6	159.9	Oct. 19	166.0	158.1			
Apr. 15	202.8	204.8	July 14	165.1	160.3	Nov. 16	171.7	160.8			

CHART ILLUSTRATING TABLE I.

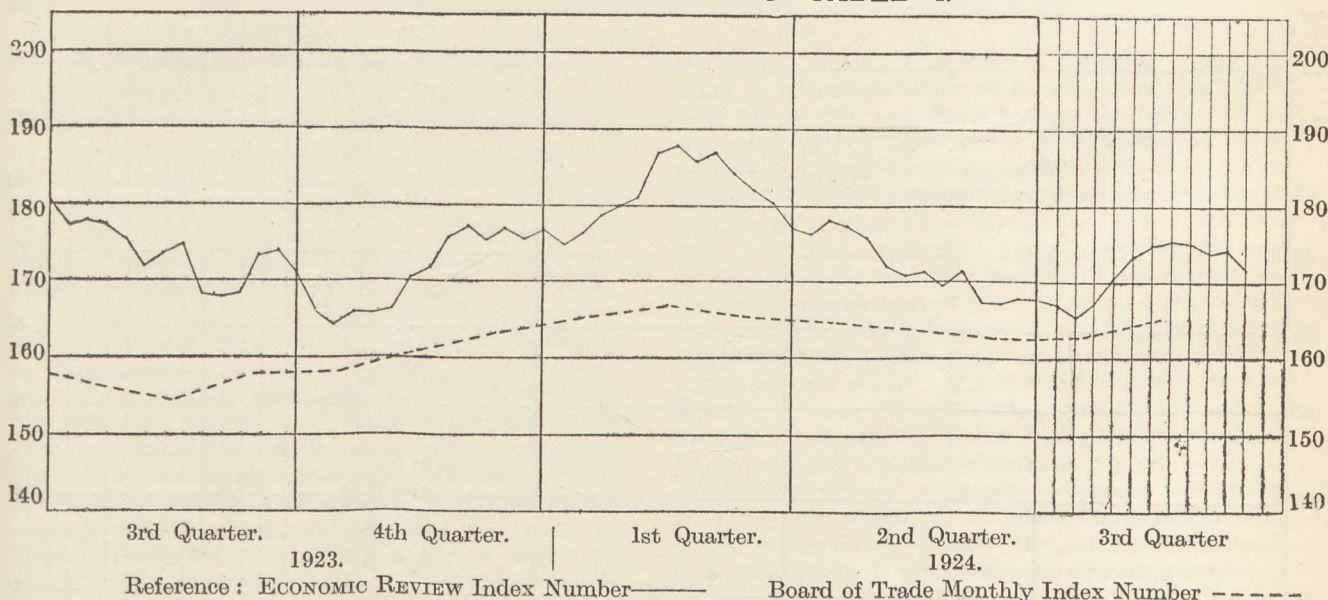


TABLE II.

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
Apr. 18 ...	99.1	142.2	100.0	133.3	160.4	153.3	87.7	99.6	71.3	136.5	118.33	Apr. 18
June 13 ...	92.5	128.9	81.1	140.4	147.3	142.2	92.0	106.7	83.5	99.3	111.39	June 13
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
" 22 ...	87.7	151.5	79.2	149.1	143.7	151.1	97.1	122.5	87.9	97.3	116.71	" 22
" 29 ...	87.3	148.5	78.3	149.1	139.1	151.1	97.1	122.5	88.2	98.0	115.91	" 29
Sept. 5 ...	87.3	149.3	75.5	151.8	136.6	151.1	97.1	115.4	88.2	108.8	116.11	Sept. 5
" 12 ...	87.3	147.3	71.7	150.9	125.6	151.1	97.1	116.2	86.0	111.5	114.47	" 12

*Revised Quotation.

Statistical Section

THE EUROPEAN EXCHANGES

WEEKLY PERCENTAGE OF DOLLAR PARITY

(To Week Ending Sept. 13th.)

	Week ending		Week ending	
	Sept. 13.	Sept. 6.	Sept. 13.	Sept. 6.
Sweden ...	99.31	99.08	Denmark ...	63.10 61.66
Switzerland ...	97.27	97.50	Norway ...	51.40 51.40
Holland ...	95.28	95.72	France ...	27.48 27.67
Sterling ...	91.41	91.83	Italy ...	22.70 22.96
Spain ...	68.23	68.55		

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.

