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COMMENTS

THE enthusiasm with which M. Caillaux's return to power was greeted by all those who see in him the only man capable to put France's finance in order seems to be rapidly vanishing. Curiously enough there seems to be a lot of bitter disappointment at his failure to achieve anything definite during the very few days that have elapsed since he once again returned to the Rue de Rivoli. Consequently, the franc is slipping away and reached the new "record" of 184½ to the pound on July 6. By the time THE ECONOMIC REVIEW reaches our readers the financial debate will probably be over. Whether the Government gets the vote it demands (which seems quite likely) or whether it fails, one thing is quite clear: M. Caillaux is faced with a strong opposition and will have to fight hard in order to save his countrymen from the consequences of their own folly.

THE Report of the Committee of Experts appointed by the Briand-Caillaux Ministry to evolve proposals calculated to restore the financial situation in France was published in Paris last Sunday evening. The main outlines of the scheme were then already common knowledge, and in particular their proposals for the gradual redemption of the floating debt. Some of the decisions arrived at by the Experts, however, are sufficiently important to call for a word of comment. To begin with, the Committee after due consideration rejected such measures as the proposed forced consolidation of the debt, the capital levy, and the cutting down of the interest payable on Government stocks. Without precisely indicating the rate at which the franc should be stabilised, the Committee declared itself in favour of a rate better than the present rate of exchange. Further, the Committee agreed to the gold reserve of the Bank of France being utilised to maintain the rate of exchange, but only as a last resource, and after the resources obtained from long and short term loans had been utilised. With regard to the Bérenger-Mellon agreement, the Committee, while recognising the fact that it involves certain disadvantages, has decided in favour of ratification. As a temporary result of the process of stabilisation the Report anticipates a crisis with regard to production export. The part of the Report, however, which will certainly give rise to most criticism is that in which the Committee pronounces for an increase in indirect taxation and for a certain reduction of indirect taxation, and it is of interest to more than one of its members. Professor Jèse, who is recognised to be the leading theorist of the Radical Party in matters of finance, refused to endorse this recommendation of the Experts.

GERMANY'S foreign trade in May shows an excess of exports over imports of merchandise of Rmk2.7million only, as against Rmk.57 million in April, both exports and imports having decreased. There is, however, considered to be no need for concern, as it will take some time before stability will again be secured in foreign trade conditions. It is to be noted that exports of chemical and pharmaceutical products were not only higher than during the preceding months, but even exceeded the pre-war figures. During the first five months of this year imports amounted to Rmk.3,440

million and exports to Rmk.4,009 million, thus revealing a balance of Rmk.569 million in Germany's favour. During the corresponding period last year imports amounted to Rmk.5,375 million and exports to Rmk. 3,432 million, imports exceeding exports by Rmk.1,943 million. In his recent quarterly report, the Agent General for Reparation Payments stated that the development of Germany's foreign trade during the last few months had been influenced by factors of a more or less temporary nature, but he stressed particularly the fact that considerable progress had been made in the simplification of business organisation and in a reduction of the costs of production. In another direction it is of much interest to note that the German Railway Company's Loan, the first internal issue guaranteed by the German Government, has just been largely oversubscribed, in spite of the rather large amount offered. It may, therefore, be expected that a return to normal conditions will gradually be effected also as regards the terms for new issues. This remark refers alike to the home and foreign markets. Any lowering of the interest rates for new German loans would, of course, tend to an increase in the prices of former issues.

THE German law courts, which have just sentenced Ivan Kutisker to five years penal servitude and a fine of four million marks (£200,000) for defrauding the Prussian State Bank, have achieved another "record" of partiality and bias for which they are already notorious. There can be no doubt that Kutisker is an international crook and that he only got what he deserved. But it is incomprehensible, except if viewed from a political angle, how the Judge could absolve the officials of the bank from even a suspicion of having been bribed, or of having neglected their duties! The Prussian State Bank scandal is not merely an internal German affair, for this formerly great "classical" institution has always enjoyed an excellent reputation among bankers and economists all over the world.

THE continuous fall of the purchasing power of the Chervonetz seems to be causing a great deal of alarm in the U.S.S.R., and although only two years have elapsed since its introduction the question of its devaluation is now being widely discussed by Soviet economists. Both wholesale and retail prices have risen during the first six months of 1926 by about 12½ per cent. This very considerable increase is due to a great extent to the rise of prices of agricultural goods, which, however, has this time been accompanied by a rise of manufactured goods as well. There can be no doubt that the present decrease of the purchasing power of the Chervonetz is partly due to inflation. According to the Soviet economist Pervushin the quantity of money in circulation has risen in 1924-25 by 95 per cent., whereas the quantity of commodities increased only by 38 per cent. Calculated according to the Soviet retail indices, the value of the Chervonetz (10 gold roubles) amounts to about 4 roubles, i.e. 2½ less than its nominal value. Under the circumstances one would expect a considerable fall of the exchange value of soviet currency in relation to that of other countries. In any other case this would be true, but in the case of Russia with her

foreign trade monopoly and State regulation of the foreign rate of the Chervonetz this fall is not taking place. The present external rate of the Chervonetz, which is being artificially kept at the pre-war parity, does not in any way express its real value, and the Bolsheviks have lately had to admit that this external rate is absolutely fictitious. In one of our next issues our readers will find a detailed survey of the intricate currency situation in Soviet Russia written by a competent authority who has watched these developments very closely.

At a meeting of the British Russia Club held last Tuesday an interesting exchange of opinions took place with regard to trade relations between this country and the U.S.S.R. Although the majority of the Club's members are business men who have had their property confiscated and their undertakings ruined by the Bolsheviks, the general feeling seems to be that every endeavour should be made to come to some sort of arrangement with the Soviets, even if it involves great losses and considerable sacrifices to the former British trading community in Russia. A number of members are most anxious to get in touch with Russia again, and it certainly is a great pity that their knowledge and experience is wasted, while incompetent trippers keep on visiting the U.S.S.R. just to tell fairy tales about it when they return safely from that country.

SOME interesting suggestions for Industrial Peace were made by Mr. J. H. Sharrock, Chairman of the Liverpool Board of Messrs. Elder Dempster and Co. Ltd., when addressing a gathering of the Liverpool Shipping Staffs' Association, of which he is President, in Liverpool on Saturday last. In the course of his remarks he pointed out that the time had arrived when the power and influence of the workers of this country must be used wisely and creatively for the production of wealth, and not used, as unfortunately is the case at the present time, in the opposite way. He believed that British workers had it in their own power to put an end to all the insane and interminable quarrels between Capital and Labour. They could, if they would, form themselves into the biggest capital organisation in the country, and with their own capital. To do this their present policy must be completely reversed, and instead of continuing to fight Capital and hindering and obstructing the development of trade and industry, they must agree to use the great power and influence they possess to facilitate and foster the production of wealth. They must realise that wealth is created, and learn to think and work constructively, and not destructively. To give practical effect to such an idea, Mr. Sharrock went on to suggest that they should form themselves into a "British Workers' Savings and Investment Association," a body which would include not only the existing members of the Trade Unions, but be open to all workers in the country, and, in fact, be the pioneer and become the foundation for the building up of a real Co-operative Commonwealth within the British Empire.

SUCH a proposition, however far-fetched it may seem, is by no means as novel as it sounds. The late Lord Milner, shortly before his death, affirmed that "it is surely conceivable, as it is in every respect to be desired, that the people engaged in any industry should themselves be its capitalists," and, in America, Mr. Richard Boeckel has produced a book which recounts the successful experiences of such an experiment in practice. To that book*, and to Lord Milner's essay entitled "Towards Peace in Industry," all who are interested in Mr. Sharrock's proposal should turn for guidance and suggestion. Mr. Sharrock, in his address, supposed that 10,000,000 workers agreed to support such an organisation, by making an average payment into the funds of say 5s. a week. This means fresh capital available for investment to the extent of £2,500,000 per week, or say, £130,000,000 altogether in the first year.

*"Labour's Money," Richard Boeckel. London: Martin Hopkinson & Co., Ltd. Price, 7s. 6d. net.

In ten years these funds for investment would have increased to a total of £1,300,000,000, and at the end of twenty years the capital collected would have doubled that amount. This is without taking any credit for dividends or profits, or for any increment in the value of the investments. In ten years, Mr. Sharrock computes, the net dividends received from the investments of the Association, even at an average low rate of 4 per cent., would amount to £52,000,000 per annum, and in twenty years the income would amount to £104,000,000 yearly, or, in other words, a sum sufficiently large to enable the members of the Association to have at their disposal funds for creating a great Pension scheme, and also ample monev available for providing for widows and orphans, and those struck down by the wayside. Whatever objections may be raised in the way of such a scheme, it is obvious from such figures as those given tentatively by Mr. Sharrock that, were the scheme practicable, British workers could become the owners and controllers of all the main industries in the country and the British Empire inside a generation.

We have been asked if we can give statistical support to a statement made in these columns the other week to the effect that the world cocoa crops have decreased rather than increased. In the absence of complete statistics, we think a general indication that our statement is correct may be found by taking the crop figures of Trinidad, Guayaquil, Accra and Bahia. The Trinidad crop appears to be a continually declining one, the total number of bags exported having fallen from 350,529 in 1922-23 to 244,424 in the crop year 1924-25. It is further reported that the second pickings of the Trinidad crop will be very late; and much smaller than usual. In Guayaquil, the total receipts for the year 1925 were 65,799,541 lb., and from a well-informed source we learn that the 1926 estimate varies from 50,700,000 to 60,840,000 lb. Particularly striking are the Guayaquil receipts from the 1st of January to the 31st of May this year. They were 27,100,000 lb. as against 38,861,746 lb. for the corresponding period of last year. A comparison of the shipments from the Gold Coast reveal a very definite shortage in Accra cocoa. In the first five months of 1925 115,807 tons were shipped from various ports, as compared with 105,365 tons during the same period of this year. These figures suggest a distinct falling off in shipments for the first half of this year. Moreover, from the 1st of June to the end of October 1925 33,500 tons of cocoa were exported from the Gold Coast. It is naturally always difficult to estimate stocks at the port of origin, but if one considers that the last main crop finished towards the end of February, it is only reasonable to suggest that practically all the cocoa of this crop has already left the Coast. We will assume that there still remains in the Gold Coast 10,000 tons of the last main crop. To this quantity must be added the intermediate crop total, which as far as one can tell at the moment will certainly not exceed 5,000 tons in all, leaving us with approximately 15,000 tons to take the place of 35,000 tons of cocoa for the same period last year. Moreover, receipts of this crop are very slow, and we think that if one compares the price of the Accra middle season crop with that of the same crop last year it can but confirm the shortage in question. Bahia is the only part of the cocoa-growing world that does not appear to show any material alteration in its crop. In fact the indications are that the crop last year was slightly larger than in 1924, but here again the receipts for 1926 appear to suggest that the figures recorded for the Bahia crop in 1925 will not be reached in 1926. In the first four months of 1924 276,996 bags of cocoa were received; in 1925, during the same period, 290,652 bags, while in 1926 receipts had fallen to 272,235 bags. Further, the stocks in Bahia on the 30th of April, 1925, were 22,202 bags, and on the 15th of May, 1926, there were only 6,204 bags in hand. We therefore feel confident that when the figures of all the crops for the year 1926 will have been received we shall find in nearly every cocoa-producing country an appreciable falling off in the quantities exported.

SPECIAL ARTICLES

THE FRANCO-SOVIET NEGOTIATIONS.

By PAUL APOSTOL.

The Franco-Soviet negotiations are being continued in the most profound mystery and amidst general indifference on the part of the public. The secret has been well kept on both sides, so that the reader must not expect a full account of the work of the Conference in the course of this article.

As we know, the work is being carried out by four committees—legal, political, economic and financial. We understand that since the opening combined general meeting of the two delegations there has been no other plenary session, and further, that there has only been one full meeting of all the French delegates and experts belonging to the different sections. The most important part of the work is that entrusted to the economic and financial sections. The former has to deal with the treaty of commerce, the latter with the settlement of the debts. The problem of the indemnification of the French proprietors of and shareholders in the various industrial and commercial undertakings nationalised by the Soviet Government has not even been broached. This weighty problem, extremely complicated for the reason that to the mind of the Soviet delegation it must lead to a fresh investment of French capital in Russian industry, may end in bringing about a complete failure at the last moment, even though the whole of the other difficulties have been solved.

The economic section is presided over by a remarkable specialist, the leading French expert with regard to treaties of commerce, M. Jacques Seydoux, director at the Ministry of Foreign Affairs. The Soviet delegation is represented in this section by M. Abramoff. There is a rumour abroad, for the correctness of which we are unable to vouch, that M. Abramoff, who is regarded as one of the leading Soviet specialists in the matter of foreign trade, is a Bulgarian, and that he acted as assistant to General Hoffmann in that capacity during the Brest-Litovsk negotiations. According to information in our possession the economic section has taken as a basis for negotiation the German-Soviet Treaty, which is being discussed clause for clause, with such modifications and adaptations as Franco-Soviet relations may require.

The principal difficulty in this connection is to reconcile the French and Soviet systems in the matter of foreign trade. On the French side there is freedom, within the limits provided for by treaties of commerce, to trade with no matter whom, under any circumstances and to any amount. On the Soviet side there is the monopoly system with strict limitations. Therefore whatever France obtains will be inferior in value as compared with what she will give. Furthermore, will it be possible for the most favoured nation clause to operate under the monopoly system as applied to foreign trade? Under the Soviet régime import and export are governed by the licensing system. By withholding licences for the importation of French goods the Soviet Government, while conceding to France most favoured nation rights, will in fact be able to stop all importation of French goods.

However, the main difficulty does not lie in the conclusion of a treaty of commerce, but in the recognition of the debt, or—according to the Soviet mode of expression—in the indemnification of the holders of bonds issued or guaranteed by the Imperial Government. Now, what are the proposals of the Soviet Government? No information, either official or semi-official, on this point has been afforded either by the French or by the Russians. The former President of the Council under the Russian Provisional Government, M. Alexander Kerensky, editor of the *Dni*, a journal published in Paris, has stated in a series of articles entitled "The Recognition of the Debts" that he has very precise knowledge of

the Soviet proposals, furnished by Tomsky's Report, which he has succeeded in obtaining from Moscow.

According to M. Kerensky the proposals of the Soviet Government are as follows. In final settlement of all obligations in respect of the old Russian debts, the Union of Soviet Socialist Republics is prepared to pay over a period of sixty-two years forty millions of gold francs a year, or about one-tenth of the amount due to France in respect of the service of the Russian loans. During the first three years the Union of Soviet Socialist Republics is to enjoy the benefit of a partial moratorium. And further, the Union of Soviet Socialist Republics will only sign an undertaking to make these payments of forty million francs after a favourable solution of the question of the granting of fresh loans to Soviet Russia.

M. Rakovsky, the Soviet Ambassador, has contradicted the account published by M. Kerensky, and, as a matter of fact, we have reason to believe that the figures quoted by the ex-President of the Council are not correct. According to our information the Soviet delegation has offered substantially higher payments than those quoted by M. Kerensky. Not only that, but they are said to have actually suggested the idea of claiming from the adjoining States a portion of the old Tsarist debts in view of the separation of these countries from the former Russian Empire. This suggestion, perfectly legitimate in itself and in conformity with international law, would however appear extraordinary coming from the Soviet delegates, for it must be remembered that, under the Treaty of Riga and other treaties, the Soviet Government released these border States from all obligations in respect of the internal and foreign debt of Russia.

But whatever the proposals so far made by the Soviet delegation, they are admitted by the French delegation to be inadequate. On the other hand, the French Government, which from the outset has insisted on the discussion of the question of the debt settlement being kept distinct from that of the granting of loans to the Union of Soviet Socialist Republics, is opposed to any proposal the effect of which would be to make the debt settlement directly dependent on the granting of loans. The conversations therefore continue, and from all the information we have been able to gather with regard to this matter it would appear that even among the members of either delegation opinions are divided as to the probable issue of the negotiations. Some delegates believe that no definite result will be achieved, while the more optimistic among them anticipate that the question of a settlement of the debt will be solved within two months, and that a further four or five months will be required to settle the question of indemnification for nationalised undertakings.

Another fact, which in our opinion is not calculated to facilitate the labours of the Soviet delegation, is the co-optation by the French delegation of representatives of the holders of Russian stocks. These representatives, to the number of two, have been appointed by the Committee for the Defence of French Interests in Russia presided over by M. Noulens, the financial section of which is under the chairmanship of M. Benac. In our opinion the inclusion of representatives of the holders of Russian securities in the French delegation is not only a step in the right direction, but a wise move. For it stands to reason that, were the Government to agree to the Soviet proposals without the consent of the holders of securities, the latter might very well turn round afterwards and claim compensation from the State. It is possible that the holders of Russian securities may prove more exacting than the Government, and, on the other hand, they will probably want to combine the two questions of the State debt and the nationalised undertakings. And that is the reason why, in our opinion, the intervention of representatives of the holders of Russian

securities is not likely to prove a favourable factor for the Bolsheviks.

As we have already remarked, the question of the indemnification of the French owners of nationalised undertakings has not yet even been broached. It is more than probable that an attempt will be made to solve this problem by the granting of concessions. As we are aware, this method was contemplated by the Committee for Russian Affairs, presided over by Senator A. de Monzie, which sat before the opening of the Franco-Soviet Conference. The Press even adumbrated a vast scheme, said to have been submitted to the Committee for Russian Affairs, with the object of effecting a settlement of French interests in Russia by means of concessions and mixed companies, which, in developing the national wealth and the industries of Soviet Russia, would not only have to compensate the owners of nationalised enterprises, but partly also the holders of Russian Government stocks. This scheme is the work of an engineer, M. Jules Moche, who also expounded it, after a visit to Russia, in his book "La Russie des Soviets, with a Preface by M. de Monzie" (Paris, 1925). At the time a section of the Press criticised this scheme as fantastic and incapable of realisation.

Since the above was written an announcement has been made to the effect that the work of the Franco-Soviet Conference has been adjourned until the autumn. This adjournment—owing to the holiday season according to the official statement—has taken place without any approach having been made towards reconciling the points of view of the French and Soviet delegations.

THE ECONOMIC SITUATION IN SYRIA.

By DR. J. HARIZ.

Judging by the events that have been taking place in Syria for the best part of a year, the economic situation there is not very reassuring. In this country, which figures in history as the granary of the ancient Roman Empire, wheat, to begin with, is becoming increasingly scarce. This cereal is the basic foodstuff for all classes of the population, and when the home supply falls short importation has to be resorted to to make good the deficiency. The Syrians have an old saying to the effect that "when Mount Hauran is glutted (with wheat) the rest of the country is so also." Now it is precisely in Jebel Druz (the Mountain of the Druses, Hauran) that the rebellion has broken out. For nearly a year this movement has developed in Jebel and its vicinity, and it is far from coming to an end. Last year's harvest has been handed over to the Commissariat of the rebel Druses and concealed at various points either within or beyond Jebel territory, notably in Trans-Jordania, in view of the possibility of their forces having to fall back. At present it is rather the supplies concealed outside of Jebel Druz that are being used to feed the faithful subjects of Sultan Attrache, whose numbers, however, have been steadily dwindling since the fall of Sweida. But the whole of the country suffered from this state of things as the rebels gained ground. Imports of flour and wheat from Australia served to make up the shortage, and several hundreds of sacks were landed in Beirut Harbour during the months of April, May and June.

But another factor has come to complicate the situation. The Syrian piastre is based on the franc, at the rate of four to one, so that gradually as the franc falls the Syrian piastre loses fourfold. There is something peculiar, however, about the position of the piastre which intensifies the effect of its depreciation to an extent unexampled anywhere else. Notwithstanding the fall of the franc, the French unit of currency is still able to defend itself against the Italian lira and the Belgian franc, its immediate neighbours, which are very nearly at the same level as the franc. But the Syrian piastre is powerless against the Egyptian and Turkish pound and the Irak rupee. As the freights of Australian

vessels have to be paid in £ sterling, one can imagine the enormous amount of Syrian piastres that have to be disbursed in order to obtain supplies of a foodstuff of primary necessity. For these various reasons it is officially proposed to recast and stabilise the Syrian currency, in order to protect it against the fluctuations of the exchange.

The latest news to hand reports an unsatisfactory wheat harvest in the La Beca plains, lying between the Lebanon and the Anti-Lebanon. On the other hand there is said to be an abundant harvest in the Jebel Druz. But in the absence of security it remains to be seen whether this abundant harvest may not be only a passing gleam, without any beneficial effect on the general situation of the country.

(To be continued.)

ECONOMIC CONDITIONS IN BULGARIA.

A report* on the commerce and industry of Bulgaria by Mr. Geoffrey Herbert, Secretary in Charge of Commercial Affairs at His Majesty's Legation, Sofia, has just been issued by the Department of Overseas Trade. Mr. Herbert's report is dated March 1926 and in its survey it covers a period extending over the preceding twelve-months. Mr. Herbert points out that a shadow of almost unrelieved gloom was cast over the economic and industrial life of Bulgaria in 1925 by the political events of that unfortunate year. Business was already in an unhealthy condition at the beginning of that year, and was suffering from the cumulative evils of dear money and overtrading. Thereafter came the cathedral outrage of April and the prolonged period of depression which followed that crisis, a momentary lifting of the skies with the good harvests of August and September, followed by a severe economic crisis when it was found that the export of grain and tobacco was not proceeding as had been anticipated, and a trade depression which lasted the political crisis of October to the end of the year, and which injured still further the generally unfavourable balance of Bulgarian foreign trade and payments. In these circumstances the all-important policy of currency stabilisation pursued by the Banque Nationale could only be continued at the cost of the severe restrictions on credits and dealings in foreign exchange, and, on account of the latter, of importation from abroad, which involved in turn the prolongation of the Law for the Prohibition of the Importation of Articles not of Prime Necessity. That the currency was maintained speaks much for the tenacity of the directors of the financial policy of Bulgaria, and for the powers of resistance of her people. Under a Government whose avowed policy is conciliation and appeasement it is anticipated that Bulgaria will enjoy much greater prosperity during the present year. In the absence of foreign credits money is still very scarce and dear, and it is the intention of the Minister of Finance to restrict imports still further by increases in duties. In spite of all that may be said to the contrary, Mr. Herbert considers that there are, however, elements of strength in the economic position of Bulgaria, and the exportation of the surpluses of cereals and tobacco may well serve to ease a situation which is still depressed and difficult.

From figures supplied by Mr. Herbert it will be found that both imports and exports during 1925 show an increase on those for the preceding year, and the unfavourable balance of trade has been disproportionately increased. This unfavourable balance, moreover, is not, so far as can be ascertained, offset by any adequate compensations in the total balance of payments. Bulgaria's receipts from abroad have tended lately to diminish on account of the reduced emigration to the United States and the consequent falling off in the volume of remittances from that country, as well as

* H.M. Stationery Office. Price, 1s. net.

from a reduction in the number and earnings of seasonal workers leaving Bulgaria to work in Russia and Rumania. State expenditure abroad, however, mainly on account of the Ministry for Foreign Affairs, and Bulgarian students at foreign universities, remains at a high figure, and private expenditure abroad has increased much since the war. It is held that the ultimate remedy for this situation lies in the fuller development of the natural resources of Bulgaria and in the intensification of her export trade. In view, however, of the immediate difficulties in the way of the continued stabilisation of the currency presented thereby, the intention of the Minister of Finance to restrict still further the volume of imports by an increase of tariffs can hardly be regarded as surprising.

The mainsprings of Bulgarian economic life are agricultural and pastoral. On her productivity in these directions depend not only the prosperity of her own subsidiary industry but her capacity to pay for imports from abroad. A study of these sources of her wealth is therefore of the first importance in the formation of any opinions on the commercial, economic and financial conditions of the country.

Tobacco has become Bulgaria's most important article of export in recent years. About 40 million kilos. of old crop tobacco were awaiting exportation at the end of 1925, and the new crop, which amounted to a further 30 was not ready for the market at the time Mr. Herbert was writing his report. The Regies of Italy, Hungary, Poland and Czechoslovakia appear as the regular customers for Bulgarian tobacco, and the Austrian Regie may soon be added to their number. The industry is suffering severely from over-production and lack of sales. Bulgarian tobacco, loaded with heavy communal and district taxation and a high export duty, has met with severe and increasing competition from the newly-restored and less-heavily taxed industry in Turkey and Greece, and although the finest grades have continued to find an outlet for themselves, the market in general has shown signs of saturation. Representations made to the Government by foreign tobacco firms on the subject of over-taxation for a long while met with no response, and several of them have now actually transferred the seat of their operations to Turkey. At the end of the year, however, a law was promulgated by which local and export duties would be halved on the 1925 and altogether remitted on the 1926 crops. Therefore, the present outlook for this industry is, accordingly, much more hopeful than it has been for some time past.

The anticipations of an excellent grain harvest in 1925, which led to the removal of the prohibition of the export of cereals in July and the imposition, in its place, of

export duties, were largely realised, and the harvest was a good one in Bulgaria. The seasonal price of wheat was low, however, and the most favourable moment for placing the exportable surplus on the market was allowed to go by. It appears—though the question is somewhat obscure—that in August, when the price was fair, the peasants were recommended to withhold their wheat from the market in anticipation of a rise in prices. This advice seems to have been readily accepted, and practically no wheat came forward for export during the month of September. Instead of prices rising, they fell still lower, and a crisis ensued. With large stocks on hand, exportation remained at a standstill through October and November, and it was only at the very end of 1925, and after two reductions in the export duties had been made, that the prevailing stagnation was alleviated by a slight reaction in the Western markets. It has been estimated that the cereal harvest for 1925 amounted to 2,900,000 tons, including 700,000 tons of maize. The latter crop was cultivated with great success last year, and over a larger area than ever before. It is by its nature a costly crop to store, and should figure largely amongst Bulgarian exports for the first half of this year. From the extensive importations of wheat in the early months of 1925 it may be inferred that a large proportion of the existing stock will be retained for home consumption, but it is probable that there will be a considerable surplus from the harvest of 1925 left over, even if the bulk of it is withheld from exportation until that of 1926 is well in sight.

Of industries of a definitely non-agricultural character the most important is that of textile manufactures.

Though not unaffected by the general depression of the trade, this industry continued to develop in 1925. The old Turkish market has, to some extent, revived, and in the home market Bulgarian goods have begun to compete with some of the cheaper qualities of British and Italian manufacturers. It has long been the ambition of local manufacturers to put an end to the present complete dependence of the Bulgarian market on foreign countries for the finer grades of textiles, and towards the end of 1925 they joined forces with the wholesale merchants, who found themselves largely overstocked to demand a further measure of protection for this industry. The needs of the exchequer and the desire to reduce the present unfavourable balance of trade by a restriction of imports seem likely to result in effect being given to this demand when the contemplated upward revision of the tariff takes place, and the outlook for British trade is not encouraging in this respect.

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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

POLITICAL AND GENERAL

The Economic Situation in June.—*The Financial Situation* In view of the recent resolution of the League of Nations' Council in regard to the abolition of the foreign financial control over Austria it may be of interest to review the situation in regard to the International Loan.

The Loan when issued in 1923 produced 631,000,000 gold kronen. This item is exclusive of the Swiss Government Credit, amounting to 20,000 gold kronen (about 28.8 million schillings), which has not yet been used. From this amount had to be deducted:—

	Thousands of gold kronen.
(a) Advances made by various foreign Governments previous to the issue of the Loan ...	155,554
(b) Short term loans contracted in Austria and abroad ...	130,686
Under the terms of the General Bond	
(c) an amount of ...	36,728
being one half-year's requirement for the service of the Loan, had to be reserved and handed to the trustees.	
(d) A further amount of ...	4,525
had to be reserved for purposes of the coupon tax, amounting to 15 per cent., payable on the Italian portion of the Loan.	
Total ...	327,493

Deducting this total from the produce of the Loan the amount available for the financial reconstruction of Austria will be found to have been 303,507,000 gold kronen, equivalent to A.S.437,050,000, to which must be added the amount of A.S.4,867,100, being the remainder of the item under (d) which has become available in view of the abrogation by the Italian Government of the respective tax, making a total of A.S.441,917,100.

According to Dr. Zimmerman's latest (the fortieth) Report the unused balance of the Loan on March 31, 1926, amounted to A.S.284,535,200. It would therefore appear at first sight that an amount of A.S.157,381,900 (A.S.441,917,100 minus A.S.284,535,200) had only been used by the Austrian Government during the reconstruction period for expenditure not covered by current revenue. As a matter of fact, however, the amount used for purposes of the State household, mostly, however, for capital expenditure, was somewhat larger, the difference being accounted for by the interest which had accrued on the unused portion of the Loan having been allowed to accumulate up to the end of 1924.

Of the unspent balance of A.S.284,535,200 the following sums were invested (up to March 31, 1926):—

(a) In International Loan Bonds purchased for redemption ...	A.S.28,592,500
(b) In Government Pre-war Compensation Bonds purchased for redemption ...	1,705,300

A.S.30,297,800

While the available balance therefore amounts to A.S.254,237,000, it should be borne in mind that considerable sums have already been set aside for specific purposes, viz. :—

1. For productive investments in 1926 ...	A.S. 85,000,000
2. For the continuation of Railway electrification in 1927 and 1928 ...	„ 69,500,000
3. For construction and improvement of Dairy Farms ...	„ 6,000,000
4. For revolving credits to Treasury, Post Office Savings Bank, Tobacco Monopoly, and credits to Agricultural Associations ...	„ 53,600,000

A.S.214,100,000

It was resolved at the June meeting of the League that the Austrian Government should be authorised to raise the funds temporarily required for purposes of the Treasury, as well as for Loans to the Tobacco Monopoly

and to agricultural associations, in the form of short term Treasury bills up to a maximum amount of 75 million schillings. As a result an amount of 53.6 million schillings (item 4 of the preceding list) will be available, and the recommendation of the Financial Committee adopted by the Council was that fifty million schillings out of this sum should be used by the State for repaying a part of the Federal debt to the National Bank. This debt amounted to 253 million schillings on January 2, 1923 (the date at which the Bank commenced operations) and stood at 182,800,000 schillings on June 23, 1926. The repayment of fifty million schillings will therefore mean a reduction of 27.3 per cent. of the present amount of the debt. It would appear, therefore, that something like 40 million schillings, or, including the Swiss Government credit, which has not yet been used, about 70 million schillings, are still available, of which 27.5 million will be used for the construction of telephone cables.

Government revenue has so far been very much in excess of the figures relating to the corresponding period of last year, as is shown by the following table (in thousands of schillings):—

	Chief Items of Government Revenue.	
	January 1 to May 31, 1926.	1925.
Direct taxes ...	143,909	104,261
Excise ...	37,330	32,774
Customs ...	83,149	75,381
Dues, fees and turnover taxes ...	136,902	132,784
Other taxes ...	1,543	3,176
Monopolies ...	144,362	128,158

It should be observed, however, that the very large increase in the yield of direct taxes is due to the considerable amount of arrears which have been recovered by the Government during the first five months of the current year.

Banking and the Bourse.—A satisfactory feature of the gold balance-sheets of Austrian banks is that with one exception they show a considerable increase of business, evidenced by larger balance-sheet totals, as compared with the financial year 1924. The gross revenue in the financial year 1925, however, was in all cases inferior to that obtained in the preceding period, the drop being due to smaller earnings of interest in consequence of the reduction of the bank rate which, in the course of the year 1925, was successively lowered from 13 to 9 per cent. It is gratifying to observe that in spite of smaller gross earnings three out of seven banks (the foreign banks are not included in this review) show larger net profits than in the preceding period, a fact which is due to the reorganisation, resulting in a reduction of overhead expenses, carried out by all Vienna banks. In the case of the other banks these measures, though initiated in 1925, will only become fully operative in the course of the present year. The net profit in the case of six out of seven banks amounts on an average to 1.36 per cent. of the total resources, or to 23.6 per cent. of the gross earnings. These six banks pay dividends ranging from 7½ per cent. to 14.4 per cent., the average being 9½ per cent.

Further progress on the way to a concentration of the Vienna banking organisation has been made by the absorption through the Credit-Anstalt of the Austrian branches of the Anglo-Austrian Bank, while it will be remembered that another large Austrian bank (the Bodencredit-Anstalt) some months ago already established a very close connection with the Allgemeine Verkehrsbank by acquiring a controlling interest in the latter company. There is no doubt that the process of concentration will benefit Austrian national economy by making for lower working expenses in the remaining banks.

The position of the Austrian National Bank continues to be very strong, with about 60 per cent. of the notes in circulation and current account liabilities (both items aggregating 834 million schillings) covered by the gold and foreign currencies reserve (499 million schillings).

There has been little activity on the Stock Market during the greater part of June, the public preference being for investment securities, in which a considerable amount of business has been done. In the last week of June a partial reversion of that feeling took place and greater interest has since been displayed in shares, most descriptions showing a rising tendency. A reduction of the bank rate from $7\frac{1}{2}$ to 7 per cent. which had been anticipated has not been decreed, but the delay in lowering the rate is generally expected to be of only short duration.

The total amount of savings deposits at the beginning of June 1926 was 703 million schillings, as against 403 million at the corresponding date of last year.

Production and the Labour Market.—The industrial situation has undergone but slight changes, which, in most cases, are due to seasonal influences. In regard to the engineering industry, the situation is described as somewhat better than at the same time last year. With the exception of agricultural machinery, which still finds a market in the farming districts of the neighbouring countries, most other branches are striving hard to obtain an outlet in more distant regions in view of the difficulties which the tariffs of the Succession States put in their way. The Alpine Montan Corporation stated recently that their output and sales in 1925 were considerably in excess of the respective figures for the two preceding years. The increase of production, compared with 1924, amounted to 19 per cent. for coal, to 45 per cent. for iron ore, to 30 per cent. for pig iron, to 28 per cent. for ingots and to 33 per cent. for rolled ironware. The amount of sales, compared with 1924, increased by 13 per cent., while as against the figures for 1923 there is a rise of as much as 41 per cent. It will be noticed that in relation to the increase of production the amount of sales has risen in a smaller proportion. This is due to the drop in the world market price of iron, caused by exceptionally low offers of French and Belgian works in view of the exchange situation in those two countries. The prospects in the near future are, however, viewed with a certain amount of optimism, and confidence is expressed that the world market situation in regard to iron will soon right itself.

There has been a continual improvement on the Labour market since the middle of February last, but it is realised that the movement may by this time have spent itself and that no further reduction of unemployment can be expected during the present year. The number of people out of work and receiving relief was 154,000 at the end of May, while at the corresponding date last year it amounted to 130,000.

Foreign Trade Policy.—The Austrian National Committee of the International Chamber of Commerce in Paris has submitted a Report to the Committee on Trade Barriers of that body, wherein an interesting scheme is propounded for the extension of trade facilities by treaties which should embrace a large number of States. What the Report proposes is not an ambitious scheme of innovations aiming at a radical change of the conditions which hold sway at present, but the suggestion simply is that a number of principles which in pre-war times were regularly embodied in commercial treaties, but which in post-war commercial treaties have not so far been regularly included, should be laid down in international conventions. International trade relations would thus be brought under a system of well-defined principles, enjoying international recognition and thus facilitating exchanges. The adoption by means of an international convention of most favoured nation treatment, with the proviso, however, that the contracting parties should agree on a maximum amount

of Customs duties for their interstate commerce, is another suggestion contained in the Report. It is extremely unlikely that the propounders of the scheme are under any illusion concerning the chances of carrying their idea into effect at once, but certainly no blame attaches to them for having looked beyond the objects which can be gained immediately and contemplated the chances of betterment from a European point of view, which alone can embrace the economic ailments afflicting nearly all countries on the continent. (*Association of Austrian Banks and Bankers' Report.*)

FINLAND

FINANCE

The Joint Stock Banks in 1925.—The number of Finnish banks experienced no change during 1925; they numbered 19 with a balance of Fmk.7,479 million at the end of last year, the balance of the 4 large banks taking 75 per cent. of the total. Together with the branches, the offices of these banks numbered 466 at the end of 1924 and 493 at the end of 1925, or one branch to about every 7,200 inhabitants. In addition to this there are about 460 savings banks and over 1,000 credit institutions.

The capital of the banks amounted on March 31, 1926, to Fmk.756.0 million (Fmk. 755 million on March 31, 1925) and the reserves to Fmk.330.6 million (Fmk.307.2 million). The total deposits grew during 1925 from Fmk. 5,401.8 to Fmk.5,464.8 million, while the increase during 1924 amounted to Fmk.655.5 million. Fixed term loans rose during 1925 by Fmk.472.4 million, while on the other hand the deposits of the industrial mortgage banks and of the State decreased considerably. The reason for this decrease may be found in the fact that several industrial credits have been transferred, and secondly in the reduction of obligations on the part of industrial concerns in view of the lack of new investments. The Joint Stock banks were therefore able to reduce their re-discountings with the Bank of Finland from Fmk. 126.3 million to Fmk.25.7 million. The ratio of deposits to loans amounted at the end of 1924 to 80 per cent. and at the end of 1925 to 84 per cent. The indebtedness to foreign countries shows an interesting development during the year. In the hope of improvement in Finnish currency large quantities of Finnish money were bought abroad, but were sold again as soon as it appeared that there was no intention of bringing the Finnish Mark to a gold parity. The indebtedness curve is shown in the following figures:—1918, 159; 1920, 796; 1922, 972; 1923, 810; 1924, 542; 1925, 335 (all in millions of Fmk.). The decrease of foreign credit in Finnish banks was thus far smaller than in the previous years and at the same time there was a slight increase in Finnish credit abroad, which totalled Fmk.141 million at the end of 1925, so that a return to normal pre-war conditions is indicated. In consequence equally of the increase of internal deposits and of the decrease of loans, the decrease of foreign deposits has presented no difficulties to the banks.

The net profits of the banks amount to Fmk.136.1 million as compared with Fmk.117.4 in 1924. Writing off of doubtful claims was effected to the extent of Fmk.18.4 million (22.1). Seven banks paid dividends up to $7\frac{1}{2}$ per cent. and twelve banks from 8 to 19 per cent.

The year 1925 was a favourable one for the banks. Even although the withdrawal of State and foreign deposits hindered the development somewhat, the position of the banks has yet become secured, so that they can face the future with confidence. (*Revaler Bote*, June 7.)

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Financial Position at the End of April.—The tabulation of the Joint Stock banks' balance sheets for the end of April shows that the money market has been somewhat tighter than might have been assumed from the weekly reports of the Bank of Finland. It is true that the Bank of Finland's report for the end of the month showed that the Government was still short of money, for the balance on the Government current account decreased during the month by Fmk.80.5 million to Fmk.74.5 million, but on the other hand the fall of the rediscountings from Fmk.112.9 to Fmk.86.9 million and the reduction of the Bank's total domestic discounts and loans by nearly Fmk.6 million to Fmk.594.8 million seemed rather to suggest that the supply of money during April had been more than sufficient to satisfy the market. The summary of the Joint Stock Banks' balance sheets for the end of the month gives, however, quite a different view of the financial position.

It is true that April showed a very satisfactory increase in the deposit and current accounts in the Joint Stock Banks, viz Fmk.54.7 million. This brings the total increase since the beginning of the year up to Fmk.218.2 million, which, however, has not been anything like enough to cover the present demand for credit. The total amount of credit issued by the banks grew by Fmk.142.2 million during April alone and between January and April by Fmk.393.8 million. The excess of discounts and loans over deposits increased by Fmk.87.7 million during April and by Fmk.175.6 million during the first four months of the year.

As there has been a decrease of Fmk.26 million in the Joint Stock banks' rediscounting with the Bank of Finland, the funds necessary to meet the demand for credit must have been obtained from other items in the balance sheets. Cash has been reduced by Fmk.6.4 million and the banks' balances with foreign correspondents by Fmk.27.3 million; debts to foreign correspondents have increased by Fmk.12.7 million, bank post bills by Fmk.11.9 million and one bank, the Savings Banks' Central Bank Ltd., has increased its capital by Fmk.10,000,000. In addition the profits accruing during the month, about Fmk.42 million, have naturally been utilised in granting credit.

The Banks' net foreign indebtedness having fallen by Fmk.18.8 million during March, rose again during April by Fmk.40 million to Fmk.241.6 million, which is about 50 million less than the net indebtedness at the end of April last year, but 53 million more than at the beginning of this year. In this connection it may be mentioned that April brought a big drop in the Bank of Finland's reserve of foreign values which fell by 109.1 million to Fmk.1,073.1 million. At the end of April 1925, when a dollar loan had just been drawn, this reserve stood at Fmk.1,131.7 million and at the end of the year it amounted to Fmk.1,408 million. Thus it seems that the surplus of imports, which for the first four months of 1926 was nearly Fmk.80 million bigger than for the same period last year, has had a fairly appreciable effect on the banks' foreign relations.

The total sum of the Joint Stock banks' balance sheets has risen from Fmk.7,589.3 million at the end of March to Fmk.7,722.5 million at the end of April. It was Fmk.7,545.3 at the end of April 1925.

While the tightening of credit which has characterised the movements of the money market during April has certainly been of fairly moderate proportions, it still leaves no room for optimistic speculations as to an early reduction in the rates of interest. (*Mercator*, No. 21.)

TRADE

Foreign Trade Returns, January to April.—It is a well-known fact that the Finnish balance of trade is negative during the first four or five months of the year, but becomes positive again when Viborg, Kotka and other export centres, which are blocked by ice during the winter, re-open, once more allowing of the shipping of wood goods. The balance of trade then remains positive

for four or five months or even in exceptional cases right up to the end of the year.

This year trade has naturally been affected by the lateness of the season, which has delayed the resumption of shipping traffic. The total value of imports shows a very slight rise from Fmk.1,408.9 million from January to April 1925 to Fmk.1,424.2 million for the same period of this year. On the other hand the value of exports decreased owing to the reason stated above from Fmk.950.4 million for the first four months of 1925 to Fmk.886.8 million for 1926. Thus the excess of imports over exports has risen by nearly Fmk.80 million as compared with last year or from Fmk.458.5 million to Fmk.537.4 million. Nevertheless the latter figure is not higher than the import surplus is apt to be in winters when there is much ice. In 1924 the months from January to April showed an import surplus of Fmk.618.4 million, yet the whole year showed a positive balance of trade with an export surplus of Fmk.25 million.

As soon as shipping difficulties began to be overcome and Helsingfors could be opened for traffic the import trade became exceedingly busy. The total value of imports during the month of April was Fmk.481.5 million as compared with Fmk.383 million in March and Fmk.403.6 million in April 1925. This unusually high figure brought the total value of imports for the period from January to April 1926 up to the same level as for the corresponding period of last year. At the same time there were some big differences in the relative importance of different kinds of commodities, as may be seen from the following figures, which give the value of imports for the period from January to April 1926 with the corresponding figures for 1925 in brackets: Grain and other cereals Fmk.153.2 million (277.1 million), coffee, sugar, tobacco and spices Fmk.104.4 million (205.2), spinning materials Fmk.99.4 million (117.1), textile fabrics Fmk.145.2 million (110.6), hides and skins Fmk.66.1 million (48.4), metals and metal goods Fmk.120.9 million (112.5), machinery Fmk.88.6 million (57.5), motor cars and other means of transport Fmk.103.6 million (65.0) and oils Fmk.48.0 million (45.6). The substantial drop in the imports of flour, coffee and sugar is mainly due to a special cause, as the duties on these commodities were increased from January 1st, so that the importers hastened to fill up their stocks at the end of 1925. It is a remarkable fact, however, that imports of cereals were almost as big last April as in the same month of 1925 (Fmk.50.7 million as compared with Fmk.57.5 million), which suggests that stocks in that commodity have already fallen to their normal size. On the other hand stocks of coffee and sugar are still very large.

The value of exports for April 1926 was Fmk.279.4 million as compared with Fmk.229 million for March and Fmk.258.6 million for April 1925. Exports in the paper group were particularly heavy and reached a value of Fmk.167.9 million, which is probably the highest figure ever reached by this group of commodities in a single month. The value for March was only Fmk.126.5 million and for April 1925 Fmk.129.8 million. As several big new pulp mills are now being built the record created in April will probably soon be broken. The total value of exports in the paper group during the first four months was Fmk.493 million as compared with Fmk.494.7 million for the same period of last year and Fmk.362 million in 1924. The value of butter, cheese and other animal foodstuffs exported this year is Fmk.199.8 million whereas in the same time last year it was Fmk.183 million. Whilst there is a rise in these two important groups of commodities, exports of wood goods have fallen from Fmk.151.4 million for the period January to April of last year to Fmk.109 million this year. The fall is almost entirely due to shipment difficulties, for timber sales have gone just as well this year as last, if not better. However the English strike and the continued fall of the franc make the timber market look less firm than it did (*Mercator*, No. 22.)

Foreign Trade Returns for 1925.—The year 1925 was preeminently a year of many records for Finnish foreign trade. As late as the end of November it still seemed quite uncertain whether the year's imports would equal those of 1913 and 1924. The Riksdag, however, contrived at the last moment that a maximum trade statistics figure should be attained. By means of alterations in duties, imports during December were worked up to double the normal extent, so that 1925 became a record year where imports were concerned. The balance of trade, however, was less favourable than had been expected in the autumn, but Fmk.60 million remained over from the last year's export surplus, so that Finland was able to show for the third time a positive balance of trade over the whole calendar year.

The value of imports and exports rose during 1925 to about Fmk.5.5 milliard. During 1924, which had so far shown the highest figures as regards values, imports amounted to Fmk.4 milliard, while exports did not quite reach Fmk.5 milliards. It is true that the price of goods rose somewhat during 1925 as compared with the previous year—the import price index number rose from 958 in 1924 to 1,052 in 1925 and the export price index number rose similarly from 1,090 to 1,111—but the heavy increase in values was chiefly brought about by an increased turnover of goods to an extent hitherto unknown.

This is best demonstrated by the volume index numbers which show the gold mark values for import and export according to the percentage of the last pre-war year:—

Year.	Imports.	Exports.
1913 ...	100	100
1918 ...	18.2	11.4
1919 ...	77.8	47.6
1920 ...	52.8	68.6
1921 ...	54.5	69.0
1922 ...	74.7	93.5
1923 ...	101.5	94.8
1924 ...	99.3	112.7
1925 ...	105.8	123.8

We see therefore that both import and export in the past year had for the first time simultaneously a greater volume than in 1913. The increase in volume of exports in 1925 amounted to no less than 10 per cent. and that of import to 7 per cent.

The volume of imports remained during the past year slightly below the 1924 level up till July. The harvest was very good, and this together with the gradual improvement in the supply of money and the extremely animated export production, increased the buying power of the country to such an extent that importers found sales for ever increasing quantities of goods. This is certainly not true of all kinds of goods, for instance bacon and other animal foodstuffs were imported throughout the whole year in very small quantities—but in certain groups in the import list the figures rose sharply, particularly in the case of automobiles. However, no records would have been achieved in the import trade taken as a whole but for two circumstances which disturbed the normal course of business, firstly, the trade treaty with Spain, which stimulated the fruit import from the date of its coming into force, November 27, and later the alterations in the tariff, published all too early, which were exploited by the importers to an astonishing extent.

The following table gives comparative figures for the more important import articles during the past two years (in tons):—

	Dec. 1925.	Dec. 1924.	Jan.-Dec. 1925.	Jan.-Dec. 1924.
Unmilled rye ...	20,538	7,143	155,266	175,255
Rye flour ...	1,170	1,231	19,676	12,485
Wheat flour corn ...	24,518	9,100	112,040	102,752
Rice and rice corn ...	1,205	612	15,639	16,149
Coffee ...	4,476	720	18,924	16,801
Sugar ...	48,631	5,394	111,040	67,381
Tobacco ...	170	151	3,033	3,292
Cotton ...	692	180	8,135	5,894
Wool ...	62	107	793	1,477
Pig iron ...	511	888	15,160	18,319
Hard coal and coke ...	44,025	28,224	611,929	618,639
Petroleum ...	183	1,711	28,599	33,459

The above figures show how imports were forced during December, particularly in regard to sugar, coffee and certain kinds of grain. Oranges were imported in December in greater quantities than in the whole of 1924, and the same may be said of grapes, the import of which in December amounted to 405,122 kg. valued at Fmk.4.3 million. Nearly one half of these imports came from Spain. The automobile import was nearly double that of 1924 and amounted to 4,172 cars valued at Fmk.99.3 million. The benzine import followed the same course, increasing from Fmk.45.2 million in 1924 to Fmk.90.3 million in 1925.

In spite of the decrease in prices which was brought about in agreement with Swedish exporters, the export of sawn timber achieved a new record in 1925 with a total of 1,039,400 standards as compared with 1,018,000 standards in 1924. As the export of unsawn timber also increased from 2,940,000 in 1924 to 3,564,000 in 1925, the timber group contributed Fmk.3,012.0 million to the sum of the total export as compared with Fmk. 2,839.2 in 1924. The paper pulp and paper industries, which gradually achieved ever improving market conditions, showed an increased export total of Fmk.1,536 million in 1925 as compared with Fmk.1,353.8 million in 1924. Good prices were also obtained for butter, and the quantity exported was last year greater for the first time than that of 1913. With the exception of the match export which decreased from Fmk.45.0 million to Fmk.34.3 million, the greater part of the less important exports has also shown a considerable increase during 1925. The export of cotton materials thus rose from Fmk.8.5 to Fmk.26.1 million and that of linen and other yarns from Fmk.3.8 million to 11.7 million, the copper export from Fmk.1.6 million to Fmk.4.7 million, the separator export from Fmk.6.7 million to Fmk.14.0 million, and that of live horses from Fmk.3.3 million to Fmk.7.0 million.

The participation of the various countries in the above imports and exports is shown in the following table, where the figures are all given in millions of Fmk. :—

	Imports.		Exports.		— Import surplus. + Export surplus.	
	1925.	1924.	1925.	1924.	1925.	1924.
Latvia	17.5	12.7	34.1	14.3	+16.6	+1.6
Estonia	39.9	58.2	29.8	17.3	-10.1	-40.9
Poland	49.1	49.3	3.7	1.9	-45.4	-47.4
Russia	74.4	221.0	430.4	220.6	+356.0	- 0.5
Sweden	358.1	293.6	237.7	248.3	-120.4	-45.3
Norway	46.6	37.1	20.9	22.9	- 25.7	-14.2
Denmark	345.1	319.5	177.9	194.0	-167.2	-125.5
Ger.						
many	1,761.1	1,410.9	746.8	453.9	-1,015.3	-957.0
Holland	306.3	224.5	513.5	464.1	+206.9	+239.6
Belgium	150.9	136.0	364.3	316.3	+213.4	+180.3
Great Britain	928.7	884.3	2,060.9	2,000.7	+1,132.2	+1,116.4
France	167.3	114.2	275.6	402.7	+108.3	+288.5
Italy	30.2	17.6	24.0	7.2	- 6.2	- 10.4
Switzer-land	28.7	30.0	1.5	0.5	- 27.2	- 29.5
Spain	17.2	13.2	12.4	17.2	- 4.8	- 4.0

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	Imports.		Exports.		— Import service. + Export surplus.	
Japan	0.3	0.1	6.2	14.6	— 85.9	+ 14.5
Egypt	0.1	0.1	85.9	69.2	+ 85.9	+ 69.1
United States	811.4	629.1	295.6	300.8	— 515.8	— 328.3
Brazil	165.9	103.6	46.4	39.7	— 119.5	— 328.3
Argentina	28.4	22.6	55.0	37.3	+ 26.6	+ 14.7
Other countries	184.5	137.6	146.8	127.1	— 37.7	— 10.5
Total	5,513.0	4,715.5	5,569.6	4,970.6	+ 56.6	+ 255.1

(*Rigasche Rundschau*, Nos. 90, 91.)

INDUSTRY

Position of the Timber Industry.—More than one half of Finland's timber production has now been sold. According to information gathered by the Association of Sawmill Owners of Finland from all the sawmills in the country, a total of 550,000 standards were sold up to the end of May. This quantity was divided among the various countries in the following manner:—

Great Britain	...	...	...	220,000 standards
Holland	...	...	...	93,000 "
France...	...	...	...	65,000 "
Belgium	...	...	...	53,000 "
Germany	...	...	...	40,000 "
Denmark	...	...	...	28,000 "
Spain	...	...	...	20,000 "
Other European countries	...	...	...	10,000 "
Outside Europe	...	...	...	21,000 "
Total	...	...	...	550,000 standards

The Association of Sawmill Owners of Finland, who are much more than hitherto in a position to control the Finnish market, held a general meeting on June 2 which was also attended by firms not belonging to the Association. At this meeting exact statistics were given, not only in regard to the sales, but also in regard to the stocks of finished unsold timber, as well as of the future sawings during this year.

It is evident from the figures assembled that the statistical situation must be considered on the whole to be normal and satisfactory. The prices hitherto obtained, however, barely cover the cost of production, and it is not considered advisable to raise them in view of the prevailing general depression. The Association is issuing a circular urging timber exporters to adhere strictly to the prices noted. Smaller shippers, who have hitherto only succeeded in selling a comparatively small part of their production will receive advice and instruction from the Association with a view to facilitating their sales. (*Mercator*, June 11.)

COMMUNICATIONS

Railway and Motor Traffic.—The rapid progress now being made by Finnish trade and industry may be seen from the fact that while motor traffic is growing fast, railway traffic also shows a considerable increase.

Although railway rates were raised from the beginning of 1925, goods traffic has been steadily growing and shows an increase in volume of 16 per cent. in the last two years. Between 1913 and 1925 goods traffic on the railway increased by 80 per cent. For the sake of comparison it may be noted that railway traffic in Sweden actually shows a decrease during the same period.

The revenue from goods traffic has increased by only 30 per cent. between 1913 and 1925, which shows that the rise in freights has been very moderate. In the last two years the rise has been rather steeper, for if one compares the revenue from goods traffic during the first three months of this year with that for the corresponding period of 1924 (i.e. before the last increase in freights) one finds that the revenue has risen in that time by 19 per cent.

On the other hand the volume of passenger traffic has grown since 1913 by only 17 per cent, while the revenue therefrom has actually diminished by 13 per cent. This decrease is due to the fact that even after the latest augmentations, passenger rates are still twenty to thirty

per cent. less in proportion to the value of money than they were before the war. A comparison of the first three months of this year with 1924 shows an increase of 11 per cent. in revenue but a decrease of 16 per cent. in the volume of passenger traffic. The absolute figures for the first quarter respectively of this year and last are as follows, the figures representing millions of marks:—

	January- March 1926.	January- March 1925.
Revenue from passenger traffic	50.3	50.2
Revenue from goods traffic	119.9	104.1
Total revenue	177.2	160.5
Total ordinary expenditure	148.4	132.1
Extraordinary expenditure	41.8	70.8
Profit	28.7	28.4

The chief reason for the decrease in railway passenger traffic is the rapid extension in the use of motors. Regular motor services only began three or four years ago and were naturally established first in those districts where the means of communication had previously been deficient. As nearly all these services ended at some railway station, their first effect was to stimulate railway traffic, as was the case in 1923 and 1924. The motors, however, gradually began to compete with the railways, first near the towns in suburban traffic and later over long distances also. In many cases motor transport is no cheaper than the railway, but it is often more convenient. (*Mercator*, June 4.)

Shipping Developments.—The unusual length and severity of the winter had necessarily a serious effect upon shipping, and traffic during April was much quieter this year than last. The number of vessels entering Finnish ports from abroad was only 129, with a total burden of 90,053 tons, as against 372 vessels with a total burden of 154,614 tons in April last year, while there were cleared from Finnish ports 156 vessels of 109,434 tons as against 338 vessels of 129,821 tons. Traffic was busiest at Abo, Hango coming next in order. Helsingfors was not open till well on in the month and no shipping could reach the remaining ports before May.

The Finland Steamship Company (Finska Angfartygs Aktiebolaget) which made considerable additions to its tonnage last year, has now ordered from a Danish shipyard, A/S Kjobenhavns Flydedok, a first-class passenger steamer of 2,100 tons, which is to be reinforced against ice. This steamer is to run between Abo and Stettin in the winter, and in the summer between Helsingfors and Copenhagen. It is being so built and equipped that it can also be used as a reserve boat for the important Hull line, which is so necessary to export trade. The new steamer is due for delivery on May 15, 1927. The Danish shipyard made the most favourable tender in competition with several others of different countries. (*Mercator*, Nos. 21, 23.)

FRANCE

POLITICAL AND FINANCIAL

The Debt Agreement.—Fears with regard to the difficulties connected with the ratification of the Franco-American debt agreement seem to have been the principal cause of the sharp rise in foreign exchanges which occurred last week (the £ ranking as high a rate as 184). It has also been remarked that the tendency to higher rates originated in New York. The Government has already introduced a Bill for the ratification of the agreement. The preamble lays stress on the fact that the total amount of the debt has been reduced by one half and that the heavy amount of 400 million dollars maturing in 1929 (the so-called commercial debt) has been amalgamated with the political debt and thus repayment of it avoided.

A morning paper publishes a series of documents, apparently from official sources, which show that after the end of the war the French Government then in office was prepared to enter into an engagement to repay the debt in fifteen years

Notwithstanding the arguments for the necessity of ratifying the agreement adduced by many authorities, opposition still seems to exist in both Chambers, but especially in the Senate, where personal tendencies seem to play a certain rôle.

The Monetary Conditions.—The end of the month coincided with unusual stringency in the money market, especially for stock exchange purposes. The interest rate for the *reports* (carry over rate) in the *Parquet* (official market) was $7\frac{7}{8}$ per cent. instead of fluctuating about 4 per cent. to $4\frac{1}{2}$ per cent., which was the usual rate during the preceding months. The same rate in the *Coulisse* was 12 per cent. instead of 7-8 per cent. The chief reason for this sharp rise is to be found in the large amount of "bullish" commitment mostly in the foreign stocks department. The purchase of foreign currencies being forbidden to those not importing merchandise, the general public is buying foreign securities on the Stock Exchange in order to protect themselves against the depreciation of the franc. But the extent of the terminal purchases for speculative purposes is also very large, and these commitments need large credits to be further carried over. The upward movement seems to have influenced some French industrial shares too.

On the other hand it is reported that many banks have curtailed the credits they usually allow to Stock Exchange dealers.

It is still very difficult to say whether this monetary stringency is a special Stock Exchange phenomenon or whether it is becoming a general feature for the whole country.

In our survey of French Banking during 1925 (see THE ECONOMIC REVIEW, April 30) it was pointed out that notwithstanding rising prices "bills discounted" with the Bank of France had shown a fall since 1924. This tendency continued until April 1926, when a sudden change took place. Since April this item has shown a steady increase, as may be seen from the following figures:—

Bills discounted with the Bank of France (in millions of francs)

Week ending :			
December 26, 1924	...	...	4,900
" 24, 1925	...	...	3,693
January 28, 1926	...	...	3,393
February 25, "	...	...	3,372
March 25, "	...	...	3,313
April 29, "	...	...	4,175
May 27, "	...	...	4,584
June 24, "	...	...	4,745

The rise in discounts at the end of April could have been caused by the payment of the so-called Louchéur extraordinary taxes and by different Government operations with private bankers. But the continual rise in discounts which has continued ever since may go to prove that the heavy Treasury disbursements of 1925 (some 9 milliards) have already been absorbed by the country; the rising prices seem now to require further money supplies.

If things turn out as expected, it will mean further pressure on the Bank for more credits or increased demands for the repayment of Treasury Bills, both factors very unfavourable to the monetary reform.

The Committee of Experts has now completed its Report and newspapers are publishing the main outlines. Next week we hope to give a synopsis of the conclusions arrived at by the Experts on the basis of their Report.

INDUSTRY

The French Thomson-Houston Company.—In previous issues the various reactions of the inflation period on French industry in general have been explained. It may be of interest also to examine the effect of inflation on the activities and financial organisation of leading enterprises in the various branches of industry, and with this object in view we may take the Thomson-Houston Company as typical of the Electrical Branch.

The Thomson-Houston Company, whose accounts and report for 1925 have recently been published, offers a characteristic example of the excessive expansion of both production and investment, which usually follows the artificial creation of purchasing power. This company is the largest French electrical enterprise; its total assets reached in 1925 nearly nine hundred million francs (about £900,000 at the average rate of exchange for 1925). It was founded in 1893 in order to produce and sell in France and her colonies, Spain, Portugal and Italy electrical machinery of every kind, especially lighting apparatus and machinery for traction and mining. The company bought the patent of the Thomson-Houston International Electric Company. The original capital was fixed at 1 million francs, but it was raised to 60 millions before the war. During the pre-war period the position of the Company was very prosperous, thanks not only to a very large turnover, but also to a very considerable proportion of liquid means. The turnover went on increasing during the war, when the company received large orders for national defence purposes. After the war the development of its operations obliged the company to raise fresh share capital and to issue new bonds. In 1919 the capital was doubled. After two fresh increases the capital in 1925 reached 300 million francs (or five times the pre-war capital).

The Thomson-Houston Company is not merely a manufacturing company, for it has also invested a great part of its capital in a number of similar companies with a view to their control, and it has done the same in the case of many other companies which are its customers, in order to secure a regular sale for its articles. The industrial branch of the Thomson-Houston Company deals with tramway machinery construction, the installation of electric waterworks, the construction of all kinds of engines, railroad machinery and signals. The principal workshops in Paris for the construction of



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small machinery were soon considered insufficient, and new works were built at Neuilly-sur-Seine and at Lesquilles-Lille. In 1909 the Company absorbed the Union Company for the construction of accumulators (an electric lamp works at Neuilly-sur-Marne). During the war the company built new workshops, and in 1919, after having bought all the shares of the Compagnie d'Éclairage Electrique, it came into possession of all the Paris works of this company. Owing to their participation in many of the biggest local transport and electrical companies, as well as in railway electrification undertakings, telephones, and wireless telegraphy, the Thomson-Houston Company became closely connected with the general development of the French electric power, heat and light industry. The company has commercial branches in Spain and Rumania, and is connected with the General Electric Company, New York, which acts as sales agent for its products outside

Europe. In 1925 the Company founded two affiliated companies, the Société Financière pour le Développement de l'Electricité and the Compagnie de Téléphone Thomson Houston. The latter was sold to an American concern in 1926 on very favourable terms, the sale price representing about one-third of the whole mother company's capital. The Société Financière, a pure holding company with a capital of 25 million francs, was given all the principal investments of the Thomson-Houston Company, in exchange for its shares. The Société Financière must help the Thomson-Houston Company to find the necessary capital for its affiliated companies and help them to develop and carry out their programme.

The following figures, taken from the Company's balance-sheets for 1913, 1920, 1924 and 1925, show the changes in the principal accounts since the first war period (in thousands of francs):—

	ASSETS.							
	1913.		1920.		1924.		1925.	
Real estate, works and plants ...	19,406	12%	87,686	16%	212,505	24%	209,847	23%
Investments	65,914	43%	82,021	15%	95,311	11%	164,873	20%
Materials and stores	4,487	3%	110,555	21%	137,271	16%	117,154	12.5%
Produce in course of operation ...	20,189	13%	100,033	19%	266,221	30.5%	237,246	26.5%
Debtors	28,744	19%	109,345	21%	122,406	14%	134,285	15%
Cash and banks	12,261	8%	19,211	3%	30,277	3.50%	13,693	1.5%
Other assets	3,503	2%	26,020	5%	6,970	1.0%	12,399	1.5%
Total	154,541	100%	522,871	100%	880,961	100%	889,497	100%

	LIABILITIES.							
	1913.		1920.		1924.		1925.	
Share capital	60,000	38%	200,000	38%	300,000	34%	300,000	34%
Bonds	42,510	28%	68,494	14%	109,058	12%	103,594	11%
Reserves	32,072	21%	54,737	10%	76,956	9%	79,210	9%
Advances of customers	—	—	—	—	157,657	18%	158,915	18%
Creditors	15,208	10%	173,632	33%	210,885	24%	226,718	26%
Other liabilities	4,751	3%	26,008	5%	26,405	3%	21,060	2%

The most prominent features in the company's present situation is the sharp fall in its consolidated means (share capital, reserves, and bonds). These items formed together in pre-war time 87 per cent. of the total liabilities, whereas they now represent only 54 per cent. On the other side, floating indebtedness represented by "Advances of Customers," "Creditors" and "Other liabilities" amounts now to 46 per cent. as compared with 13 per cent. in 1913, and 38 per cent. in 1920.

On the assets side of the balance-sheet there is a remarkable fall in "Cash and banks," the proportion of which to the total assets fell from 8 per cent. in 1913 to 1.5 per cent. in 1925. The debtors' accounts also diminished from 19 per cent. to 16 per cent. On the other hand, there is an increase in the proportion of "Real estate, works and plant" (from 12 per cent. to 23 per cent.), as well as in the two items closely connected with production, viz. "Materials and stores" (from 3 per cent. to 12.5 per cent.), and "Produce in course of operation" (from 13 per cent. to 26 per cent.). The analysis of the company's balance-sheet thus shows an unusual expansion of its productive activity, realised to a great extent by means of short credits. The company is living in conditions of monetary tightness and insufficient liquidity, as shown by the low proportion of cash.

Monetary reform and the consequent credit restrictions will in all probability put the Company in an unfavourable position, because the advances of customers and bankers' credits, on which its activities are based to so great an extent, will suffer a considerable falling off.

The financial and technical results of the Thomson-Houston Company's activities during the early years of its existence were quite favourable. At the end of the last century, when the development of the electrical industry was only in its first stage, the company had many orders, and profits distributed reached in 1899 55 francs per share. The period from 1900 to 1905 was a period of crisis, and the company experienced financial difficulties; the interest allotted on shares was reduced to 25 francs. But after these four years and up to the war the situation remained prosperous and the development of the industrial branch of the company was quite

normal. Thanks to net profits, which rose from 4.5 million francs in 1913 to 15.8 millions in 1919, the company was able to pay (notwithstanding the increase in capital) interest varying from 25 to 40 francs per share. Since 1918 the company has not published the details of its investments, but at the meeting held in June 1924 the chairman said the average revenue from all investments was only about 6 per cent. on the invested capital. This shows that the company's investments were made for sale purposes and not for dividends.

The following figures represent in thousands of francs the company's results from 1920 to 1925:—

	Capital.		Gross profits.	Net profits.	Sum put to reserves.	Profits distributed.	
	Shares.	Bonds.				total.	per share.
1913 ...	60,000	42,510	8,210	5,354	1,020	4,334	35
1919 ...	200,000	70,347	24,761	15,686	5,134	16,952	40
1920 ...	..	68,494	33,850	22,900	3,997	18,903	45
1921 ...	..	66,381	35,436	23,522	4,621	18,901	45
1922 ...	..	119,698	37,585	22,565	3,655	18,910	45
1923 ...	..	114,455	45,696	25,319	4,188	23,522	45
1924 ...	..	109,058	43,413	13,772	13,772	—	—
1925 ...	..	103,593	39,925	8,427	8,427	—	—

These figures show that the financial results of the post-war period followed the increase in capital only until 1923. Even during these years the remuneration of fresh capital took place to the prejudice of the sums allotted to reserves. The admitted financial policy of the company was to be at the head of all similar enterprises as far as profits are concerned. This policy prevented the company from accumulating the large reserves indispensable to a company of its size if it is to get over critical periods without heavy losses.

Since 1924 the company's accounts show no profits distributed. In fact the turnover of the company suffered a falling off and the realised profits did not justify any distribution of interest. The situation in 1925 was even worse.

The programme of railway electrification as well as the extension of water works electrical installations was

cut down to a considerable extent already in 1924, and in spite of the opinion held by the directors of the company it does not appear that there will be any great extension of electrification and similar large works in France during the next year. Therefore, it is not likely that the profits of the company will become much larger and consequently the remuneration of its inflated capital will have to be still further reduced.

GERMANY

POLITICAL AND GENERAL

The Reparations Policy.—Recent events have again shown how remote is the possibility of a final solution of the reparations problem. M. de Monzie, the French Minister for Public Works, has drawn up a scheme for the future reparations policy of France, expressing it as his opinion that it is impossible for France to take up the whole of her share in the Dawes Plan in kind. He now suggests that France should take up the reparation payments due to her from Germany in the form of public works. M. de Monzie thinks he has found a solution in a proposal to tax in some form or other those who benefit from such public works. His idea seems to be that if, for example, a canal is cut by German workmen with German material the provinces which benefit must provide that part of the finances which the Agent General for Reparation Payments is unable to raise.

In the historical development of Germany's deliveries in kind a distinction must be made between the compulsory deliveries of raw materials, chemicals, etc., prescribed by Article 236 of the Versailles Treaty, the non-fulfilment of which some time ago was the reason advanced by France for her occupation of the Ruhr District, and those based on contracts entered into by mutual agreement. The latter are based on the Rathenow-Loucheur agreement made at Wiesbaden, which, however, has never been put into effect because the public offices it involved were far too unwieldy and Germany was hardly in a position to bear the burden placed upon her. In 1922 this was followed by the Bomelmans agreement and the Gillet contract which transferred Germany's payments to the reparation account. The private contract drawn up on this basis which was given most publicity was the so-called Stinnes-Lubersac agreement. By the Dawes Scheme the problem of deliveries in kind was turned into another channel. On the lines fixed by the London Protocol it was agreed in 1925, under the chairmanship of the banker, Mr. Wallenberg, that free commercial traffic should be allowed in deliveries in kind, on the basis of which agreement all deliveries were to be paid for out of the coffers of the Reparations Agent, except in cases where a considerable amount of foreign material had been used in the manufacture, when they were to be paid for direct. Since this arrangement was made deliveries in kind have increased very considerably, and in the first three months of this year French contracts amounting to Rmk.250 million were worked off, while Belgium received deliveries in kind amounting to about Rmk.60 million. In April French orders dropped to about Rmk.4.5 million, mainly because French and Belgian credit for such deliveries for the second Dawes year ending August 31, 1926, is already exhausted. Under these agreements Germany delivers tar, matches, paper, machinery, cattle, sugar, spirits, etc.

Belgium has already declared that she will not take any more reparation coal because it is too dear, and French industry only accepts it with reluctance. It is obvious that the fall of the French and Belgian franc and of the Italian lira is undermining the system of deliveries in kind, as countries with a sinking currency have a low level (calculated on the gold standard) and their interest in deliveries in kind from a country with a higher price

level diminishes as the difference in price increases. It will only be when Germany's creditors realise that they will imperil and throw doubt upon their own claims in the third reparations year, if they do not make use of their share of deliveries in kind at the same rate as hitherto, that the system is likely to receive the necessary support. It is at this point that M. de Monzie's plan comes in. His suggestions are in some ways a continuation of the proposal of M. Le Trocqueur, late Minister of Public Works, made public in 1922. Their chief feature is the substitution of public works executed by German workmen with German materials for the system of deliveries in kind. In other words this is an attempt to turn German labour into a channel where it will involve little or no competition with French industry.

The absurdity of the reparations policy is once more established. Its object is to extract from Germany all that it is possible to get out of her, and then the intended receivers of the goods refuse delivery on account of competition. Schemes of such an unpractical nature launched by politicians will have to be returned to them for further revision. (*Hamburger Fremdenblatt*, Foreign Edition, June 27.)

FINANCE

The Reparation Agent's Report.—The Agent General for Reparation Payments has published his report on the first nine months of the second reparations year from September 1, 1925, to May 31, 1926. He states in his preface that the Dawes Plan has functioned normally, that the symptoms of crisis which prevailed last winter are abating and even admit of increased activity in some branches of industry. Germany remains financially sound, and a certain tendency to recovery is noticeable.

The report maintains that Germany has made the required payments regularly and punctually. Of the payment in gold of Mk.1,220 million required during the second year, Mk.821.4 mill. was paid during the first nine months, Mk.400 mill. of which was supplied by the Reichsbahn, Mk.190 mill. from Budget contributions, Mk.62.5 mill. from industrial payments, and Mk.168.9 million from the transport tax.

Including cash in hand amounting to Mk.107 mill. at the end of the first year, the Agent General had Mk.924.2 mill. at his disposal, Mk.89.8 mill. of which remained over at the end of May. Of the amount paid France received Mk.461.7 mill., including Mk.51 mill. for the army of occupation and Mk.202 mill. for coal deliveries; England Mk.166.3 mill., including Mk.15.5 mill. for the army of occupation; Italy Mk.65 mill., including Mk.47.9 mill. for coal deliveries; and Belgium Mk.98.5 mill., including Mk.46 mill. for coal deliveries. The service of the German foreign loan was carried out according to stipulation. Deliveries in kind were effected to the value of Mk.486.4 mill. Conversion into foreign currencies was effected to the extent of Mk.262.8 mill., including Mk.150 mill. for the English and Mk.33 mill. for the French reparation payments. In regard to the Railway Commissary's report, it is stated that the results obtained confirmed the valuation of the experts in drawing up the Dawes Plan. The Agent General observes the falling off in revenue from taxation, which he attributes in part to the economic crisis, but chiefly to the necessary reduction in heavy taxation imposed during the stabilisation period. He further states that the German public debt has been reduced, that the stability of the currency has been fully maintained, but that the loan market is not yet in a position to satisfy the demand for working capital. The debts of the provinces and municipalities, however, show an upward tendency. The taking up of foreign loans has nevertheless diminished, owing to the development of the home loan market. In regard to Germany's foreign trade, the Agent General remarks that exports show a considerable excess over imports, which have experienced a general decrease in all categories. The increased export of manufactured goods is particularly emphasised, but

It is added that recent developments in the balance of trade are probably due to more or less temporary conditions. After mention of unemployment, bankruptcies, restriction of production, and decrease of transport in Germany, the Agent General finally asserts that a gradual improvement has been noticeable in all directions since February, although it is impossible to say how long it is likely to continue. (*Hamburger Fremdenblatt*, June 21.)

TRADE

Foreign Trade Returns for May.—The newly published report on the development of German foreign trade in May shows as its most prominent and least gratifying feature a relatively heavy drop in exports, chiefly due to the regrettable fact that the export of manufactured goods has experienced a severe decrease. On the other hand imports have also declined slightly so that they still remain below the exports, and the balance of trade continues to be in Germany's favour, though the export surplus is not equal to that of April and is far behind that of March. The excess of exports over imports in May amounts to Rmk.27 mill. on the net exchange of goods, as compared with Rmk.56 mill. in April and Rmk.278 mill. in March. The following table shows the details of the development of imports and exports in May (in millions of Reichsmarks—(a) pre-war value, (b) present values):—

<i>Imports.</i>		May.	April.	Jan. to May.
Foodstuffs and beverages ...	(a)	209	203	917
	(b)	282	268	1,221
Raw materials and semi-manufactured goods ...	(a)	271	292	1,393
	(b)	324	357	1,724
Finished products ...	(a)	71	71	350
	(b)	88	90	460
Gold and silver ...	(a)	4	6	135
	(b)	4	6	137
Total ...	(a)	555	572	2,796
	(b)	698	721	3,542
<i>Exports.</i>		May.	April.	Jan. to May.
Foodstuffs and beverages ...	(a)	23	26	182
	(b)	26	28	216
Raw materials and semi-manufactured goods ...	(a)	130	132	693
	(b)	155	153	826
Finished products ...	(a)	398	427	2,116
	(b)	548	597	2,964
Gold and silver ...	(a)	2	2	19
	(b)	2	2	20
Total ...	(a)	553	587	3,010
	(b)	731	780	4,026

The net import trade in May shows a decrease of Rmk.20 mill. While the import of foodstuffs has increased, the import of raw materials shows a falling off of Rmk.32.6 mill. and the import of manufactured goods has also experienced a slight decrease (Rmk.2.8 mill.). The net export trade in May shows a drop of 49.7 mill., the export of manufactured goods having decreased to the extent of Rmk.49.4 mill. as compared with the previous month. The export of foodstuffs has diminished by Rmk.2.8 mill., while the export of raw material has risen by Rmk.2.2 mill.

The import of foodstuffs and beverages shows an increase of Rmk.14.6 mill., wheat (Rmk.15.6 mill.), oats and potatoes being chiefly affected. Butter, meat and rice have experienced decreases. The German wheat exports of the new harvest after the introduction of grain import notes will now require fresh imports, and at a much higher price.

The import of raw materials and semi-manufactured goods shows a decrease of Rmk.32.6 mill. as compared with April. The import of textile raw material has dropped by Rmk.12.1 mill., including wool (Rmk.4.2 mill.) and cotton (Rmk.9.7 mill.) Oleaginous fruits and seeds have decreased by Rmk.9 mill., and decreases have occurred in the import of mineral oils, non-oleaginous seeds and hard coal.

The import of manufactured goods shows a slight decrease of Rmk.2.8 mill. in May as compared with the previous month. The import of textile manufactures

and machinery is slightly smaller and that of rolling mill products and ironware a little higher than in April.

The export of foodstuffs and beverages shows an unimportant drop as compared with the previous month (by Rmk.2.8 mill.), and that of raw materials and semi-manufactured goods a similarly unimportant rise of Rmk.2.2 mill. The export of textile raw materials remained practically unchanged, but the export of hard coal has increased by Rmk.13.7 mill. Potash and aluminium exports show a decrease.

The articles chiefly contributing to the heavy decrease in the export of manufactured goods are textile manufactures to the extent of Rmk.8.2 mill., rolling mill products and ironware to the extent of Rmk.12.3 mill., machinery to the value of Rmk.11.7 mill., and leather, paper and paper goods.

Imports of gold and silver in May show a decrease of Rmk.2.1 mill., and exports have also diminished slightly. (*Hamburger Fremdenblatt*, June 22.)

Germany's Position in the World Coal Market.

— Apart from the United States, which depends chiefly on its own continent and the surrounding islands for markets, Great Britain and Germany are chiefly responsible for the supply of the world market with coal. In the last few years before the war the German coal export was still considerably inferior to that of Great Britain, constituting about 60 per cent. of it. But the development of Germany's coal export trade proceeded more rapidly than did that of Great Britain. It rose from two-fifths in 1900 to three-fifths in 1913, and the increase was even greater in respect of value than in respect of weight. The value of the German coal export in 1900 was 36 per cent. that of the British, whereas in 1913 it had reached to 64.5 per cent. This discrepancy between the quantity and value of German coal shows that until the outbreak of war Germany's coal export consisted to an increasing extent of more valuable products than the British. As a matter of fact, coke, which commands a not inconsiderably higher price than coal, participated much more largely in the German than in the British export, 6.4 mill. tons of coke going out of Germany in 1913 as compared with 1.2 mill. tons leaving Great Britain. Germany also participated to a greater degree in the supply of other countries with briquettes. Great Britain's export of the latter article in 1913 amounted to 2.05 mill. tons, whereas Germany's represented 3.2 mill. tons. German hard coal finds its principal market in the adjoining countries. The best customer in 1913 was Austria-Hungary, which bought 12.15 mill. tons of coal, in addition to a million tons of coke and 140,000 tons of briquettes. Holland came second with 7.2 mill. tons of coal, 300,000 tons of briquettes, and an equal amount of coke. Belgium's purchases amounted to 5.7 mill. tons of coal, 940,000 tons of coke and 440,000 tons of briquettes, while France took 3.2 mill. tons of coal, 2.4 mill. tons of coke and 300,000 tons of briquettes. Switzerland also participated largely in Germany's coal export, her purchases amounting to 1.6 mill. tons of coal, 360,000 tons of coke and 650,000 tons of briquettes. The above countries together bought a total of 38 mill. tons of coal from Germany in 1913, and thereby participated in the German coal export trade to the extent of 85 per cent. The remaining 15 per cent. was distributed as follows: 6.3 per cent. to Russia, 2.8 per cent. to Italy, 0.7 per cent. to Spain, 0.4 per cent. to Rumania, 0.6 per cent. each to Asia Minor and North Africa, and 0.4 per cent. to South America.

Germany's importance with regard to the supply of coal to other countries was entirely destroyed by the result of the war. Her coal resources were reduced, by the loss of Alsace and Lorraine and the greater part of Upper Silesia, and by the temporary control of the Saar district by France, from 410 mill. tons to 248 mill. tons. Output experienced a corresponding reduction, chiefly owing to the same causes. It fell from 190 mill. tons in 1913 to 133 mill. tons in 1925, though the increase of the lignite output from 87 mill. tons to 140 mill. tons formed

some sort of compensation. In consequence of the enforced reparation deliveries and the reduced output, it was only with difficulty that the home demand was met during the first few years after the war, so that but little remained over for export. In 1920 8.7 mill. tons were exported, in 1921 5.1 mill. tons and in 1922 6.3 mill. tons, while in the year of the occupation of the Ruhr exports fell to 1.6 mill. tons. In the following year exports rose to 4 mill. tons and last year to 19.2 mill. tons. If the compulsory deliveries of coal, coke and briquettes are taken into account, the total export for 1925 amounts to 33.3 mill. tons, a record quantity for the present circumscribed area of Germany. In other words, Germany has regained in the shortest possible time her former importance in the world market. It is true that her foreign markets have been entirely redistributed, owing to map alterations following the war and to the reparation deliveries imposed upon her. The Austro-Hungarian States take only about one-tenth of the coal bought before the war, but France and Italy take much larger quantities (5.4 mill. tons and 1.2 mill. tons more respectively.) Belgium and Luxemburg take less, but Germany has practically regained her old pre-war market in Holland. In 1913 Holland purchased 7.3 mill. tons and now takes 6.7 mill. tons. This is all the more remarkable as Holland has increased her own hard coal output to four times its pre-war volume. Switzerland's purchase of 760,000 tons in 1925 represents a drop of nearly 2 mill. tons, which may be attributed to the development of water power, and to the fact that Switzerland purchased almost exclusively Saar coal from Germany before the war, which now figures as an import from France. The Russian market has been entirely lost. Exports of German coal are by no means confined to neighbouring countries, but are steadily gaining in importance in overseas markets. Last year the Scandinavian countries bought 1.22 mill. tons, while South America took 353,000 tons, a larger quantity than in 1913 (228,000 tons). Asia Minor and Northern Africa have again resumed the purchase of German coal, and consignments have gone to the United States (owing to the anthracite miners' strike there) and to Mexico (129,000 tons).

Germany has been driven to regain her place in the world coal market by the progressive decline of home sales, a development which set in in 1924 and has not yet been arrested. In her endeavours to recover her foreign markets the chief obstacle encountered by Germany has been the British subsidy policy, which enabled the British coal trade to reduce the price of export coal from £1 0s. 6d. in the second quarter of 1925 to 17s. 6d. in April last, and which occasioned heavy losses to the German export trade right up to the time of the strike. The increased output of Dutch coal, and the reinstatement after the ravages of the war of the coal mines of Northern France, where the output is now above the pre-war level, have acted as serious obstacles to the German coal export trade. It is only owing to the rationalisation policy pursued in Germany that it has been in any way possible to maintain the upward tendency which has prevailed now for more than a year in the Ruhr coal mining industry. It would not appear an exaggeration to say that for the moment the Ruhr coal mining industry is to a certain extent superior to the British coal industry, having as a result of the closing down of certain pits and the increased use of machinery and other improvements, more than made up for the natural advantages accruing to the British industry from shallower pits, greater regularity and purity of seam, and shorter distance from port of shipment. The German coal mining industry has also an advantage in the greater use made of the by-products of hard coal in the production of coke and briquettes. Thus 28 per cent. of Germany's 1925 output was converted into coke, in England only 8 per cent. Then both horizontal (syndicates) and vertical (concerns) amalgamation, particularly in the case of coal and iron, has been far more extensively developed in Germany than in England,

so that Germany's industry is in a more advantageous position as regards competition with the latter. Much now depends on the result of the strike. If the hours of work are lengthened or the wages reduced the power of competition of British coal mining will be increased and the Ruhr mining industry will immediately feel the unpleasant result, but in any case Germany has gained such an advantage over England in so many directions that British coal mining will have great difficulty in fully recovering the lost ground and in regaining the favourable position it held before the war. (*Hamburger Fremdenblatt*, June 23.)

INDUSTRY

The Coal Output in May.—The increased demand for German coal in consequence of the British coal strike is most plainly demonstrated by the statistics of the waggon supply, which are as follows:—

	May 1926.	April 1926.	May 1925.
Ruhr District ...	618,758	538,289	577,149
German Upper Silesia	104,602	99,497	81,315
Central Germany ...	162,577	156,945	169,899
Saxony ...	75,325	73,026	79,271
Lower Rhine ...	79,007	69,612	74,273

Ruhrort-Hafen station was particularly congested, with a record number of 4,379 waggons and 76,632 tons (May 10, 1926) as compared with a previous highest of 3,914 waggons and 60,505 tons (July 18, 1914). The increase in the consignment of coal to North Sea ports amounted to 64,500 tons. Excess consignments to Rotterdam amounted to 52,000 tons, involving the despatch of as many as five extra trains a day in some cases. In the 24 working days of May 8,336,680 tons of coal were produced in the Ruhr district with eight-hour shifts, as compared with 7,757,798 tons in the 24 working days of April 1926 with seven-hour shifts and 9,261,448 tons in the 24½ working days in May 1913 with eight and a half-hour shifts. The average daily coal output this year amounted to 347,362 tons in May and to 232,242 tons in April, as compared with 381,915 tons in May 1913. Coke production in the Ruhr district amounted to 1,662,319 tons in May (in April 1,630,873 tons, and in May 1913 2,089,123 tons). Briquette output amounted in May 1926 to 283,145 tons, in April 1926 to 264,556 tons, and in May 1913 to 401,497 tons. The total number of hands employed amounted at the end of May 1926 to 365,234 as compared with 366,997 at the end of April 1926. Towards the end of 1925 the decrease in the number of hands employed amounted to 30,700. The number of shifts unworked in April owing to lack of markets amounted to 85,260 as compared with 538,771 in April. (*Kölnische Zeitung*, June 18; *Deutsche Allgemeine Zeitung*, June 19.)

Lignite Mining in 1925.—The report of the German Lignite Industry Union for the business year 1925–26 shows that the calendar year 1925, in spite of all difficulties, contributed to a further strengthening of the position of German coal mining. The far-reaching results of the foreign occupation of the Ruhr district had ceased to have any effect on the output during the year in question, and it was possible to restore production to the standard previously prevailing. The German lignite mining industry achieved in 1925 a raw coal output of 139.8 mill. tons as compared with 124.6 mill. tons in 1924, representing an increase of 12.2 per cent., while the hard coal output was increased from 118.8 mill. tons in 1924 to 132.7 mill. tons in 1925. This represents an increase of 11.7 per cent. as compared with the previous year and brings the level of production back to the standard of 1920 and 1921 (131.4 mill. tons and 136.3 mill. tons respectively). The production of lignite briquettes amounted in 1925 to 33.6 mill. tons as compared with 29.7 mill. tons in the previous year. Prussia shows the largest percentage of increase, amounting to 15.8 per cent. as compared with 1924. Saxony shows an increase of 8.3 per cent., Thuringia one of 6.7 per cent. and Brunswick one of 3.3 per cent. Anhalt shows a decrease of 21 per cent. and Bavaria

one of 8.3 per cent., while Hesse has fallen off by as much as 87 per cent. (*Hamburger Fremdenblatt*, June 18.)

SOCIAL AND LABOUR CONDITIONS

Unemployment at the End of May.—There has been a very slight improvement in the condition of the labour market since May 1. The number of persons receiving full unemployment benefit has fallen from 1,781,152 to 1,744,539. Trade Union statistics show a decrease in the percentage of totally unemployed members from 18.7 to 18.2, and in the case of part-time workers from 18.4 to 17.9 per cent. Of the contributors to the sickness fund 10.5 per cent. are receiving full unemployment benefit.

The very slight decrease in unemployment gives rise to very pessimistic conclusions for the future, especially as the improvement only applies to a few branches. The percentage of unemployed building hands has dropped from 26.7 to 22.9 and that of unemployed slaters from 40.9 to 28.2 per cent. On the other hand, unemployment among gardeners has increased from 4.9 per cent. to 10.5 per cent., which shows that the spring stocking of the gardens is finished, and any thought of transfer to agriculture is scarcely possible. Conditions have grown considerably worse as regards hat manufacturers' hands, unemployment having increased from 18.4 to 26.4 per cent. The number of unemployed metal workers has risen from 19.7 to 20.6 per cent., while the position of the coppersmiths has improved from 24.8 per cent. to 22.5 per cent. Unemployment in the textile industry has decreased from 20 per cent. to 19.9 per cent., or remained practically stationary. The total number of part-time workers in the unions making reports fell from 597,860 to 567,333, or from 18.4 to 17.9 per cent. (*Gewerkschaftszeitung*, June 19.)

LATVIA

TRADE

Foreign Trade Returns for March.—After a long interval of adverse trade returns Latvia's foreign trade balance once more showed a surplus of exports in March. According to the data of the Board of Statistics, the March imports involved a sum of Lats 20,090,172 as against exports to the value of Lats 20,108,648, leaving a favourable balance of Lats 18,476. Compared with the results registered in the previous month the exports increased by Lats 6.6 mill., while imports dropped by Lats 6.1 mill. There was a marked increase in the export of raw materials, especially of flax, and to a less degree in the export of manufactured goods and foodstuffs. There was a considerable drop in the import of foodstuffs and articles of consumption. For example the wheat import declined by Lats 2 million, the rye import by Lats 0.6 mill. and the sugar import by Lats 2.3 mill. There was also a decrease in the import of raw materials and semi-manufactured goods, coal in particular.

March imports included raw materials and semi-manufactured goods to the value of Lats 3.6 mill., manufactured goods to the value of Lats 11.5 mill., foodstuffs and articles of consumption to the extent of Lats 4.5 mill. and precious stones and metals for Lats 0.04 mill. Among raw materials and semi-manufactured fabrics cotton represents Lats 0.2 mill. and seeds Lats 0.5 mill. Manufactured goods include cotton tissues to the value of Lats 2.4 mill., woollen tissues to the value of Lats 1.3 mill. and agricultural machinery to the extent of Lats 0.38 mill. In the next category rye represents Lats 0.95 mill., oats Lats 0.38 mill., sugar Lats 0.4 mill., oranges Lats 0.07 mill. and oilcake Lats 0.09 mill. Imports of live stock included 1,282 head of cattle, 1,314 horses, 1,312 pigs, 74 sheep and 1,704 head of poultry.

The exports in March were as follows (in millions of Lats):—

Raw materials and semi-manufactured goods...	12.7
Manufactured goods	4.1
Foodstuffs and articles of consumption ...	3.2
Live stock... ..	0.026
Precious metals and stones	0.72

In the first category flax was exported to the extent of Lats 7.4 mill. as compared with Lats 2.1 mill. in the month of February, while timber material exports are valued at Lats 2.5 mill. as compared with Lats 2.3 mill. in the previous month. The export of clover seed represents Lats 1.4 mill. and that of linseed 0.18 mill. Butter constituted the bulk of the foodstuffs exported in March, and returned no less than Lats 2.6 mill. as compared with Lats 1.9 mill. in February. Meat was exported to the extent of Lats 0.36 mill. Latvian live stock exports for March comprised 140 head of cattle, 14 horses, 9 pigs, 14 sheep and 26 head of poultry. (*Riga Times*, June 12.)

The Butter Export in May.—A total of 15,443 casks containing 784,583.2 kilogrammes of butter for export were registered and examined at the State Butter Control Department in May, or 457 casks less than in April, but 4,766 more than in May 1925. The slight decrease as compared with the previous month may be ascribed to the late spring this year and the consequent shortage of provender. A similar situation existed in 1924, when in the month of May there was practically no increase in production, while a double quantity was produced in June. The same may be expected this month if conditions remain as favourable as they are at present. The following exporters delivered butter for control last month: the Central Union of Latvian Dairies, 9,601 casks, or 62.17 per cent.; Pollock and Company, 2,952 casks, or 19.12 per cent.; the Economic Society of Latvian Farmers, 1,657 casks, or 10.53 per cent.; the "Konsums" Society, 869 casks, or 5.63 per cent.; the "Piena Exports" Company, 183 casks, or 1.03 per cent.; Moller, Holst and Company, 160 casks, or 1.03 per cent.; and the "Semkopis" Company, 51 casks, or 0.33 per cent. of the entire quantity registered in May. Actual exports during May amounted to 13,397 casks containing 684,125.5 kilogrammes, of which 9,546 casks or 71.2 per cent. went to Germany, 3,696 casks or 27.6 per cent. to England, 125 casks or 0.9 per cent. to Denmark, and 30 casks to Norway. (*Riga Times*, June 12.)

Transit Trade in 1926.—The volume of Latvia's transit trade in December 1925 and January and February 1926 compares as follows with the figures for the corresponding month of the previous year:—

	Tons.
1926 February	28,005
1925 February	48,886
1926 January	33,504
1925 January	43,229
1925 December	37,917
1924 December	61,572

The largest share of Latvia's transit trade falls to Russia as an exporting country (in tons):—

	Exports.	Imports.
1926 February	12,305	3,573
1925 February	15,496	13,398
1926 January	17,416	405
1925 January	22,142	2,229
1925 December	17,878	908
1924 December	31,822	1,650

Poland follows with exports 25 times in excess of imports (in tons):—

	Exports.	Imports.
1926 February	6,351	262
1925 February	7,775	1,928
1926 January	6,183	101
1925 January	7,322	1,813
1925 December	4,655	6,244
1924 December	7,914	4,783

Lithuania's imports and exports in transit goods were about equal in volume in January, while in February

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imports were about double the volume of exports (in tons):—

	Exports.	Imports.
1926 February	1,940	3,268
1925 February	3,982	5,865
1926 January	4,028	4,800
1925 January	3,378	5,517
1925 December	4,655	6,244
1924 December	7,914	4,783

Use was made of the Latvian railways for the conveyance of the following imports and exports to and from Russia in the months of March and April 1925 (in tons):—

Imports.	March.	April.
Machinery, apparatus and hardware	15,225	8,816
Fertilisers	5,657	1,370
Drugs, chemicals and dyes	5,039	2,623
Clover seed	693	95
Paper	334	250
Iron ore	273	306
Vegetable seeds	204	107
Woolen and cotton material	199	—
Hides and skins	172	—
Horses	39	—
Cotton yarn	27	—
Cellulose	—	604
Staves	15	74
Sundries	870	1,001
Total	28,747	15,246

The above imports entered through the following ports:—

	Tons.	Tons.
Windau	7,567	1,961
Libau	5,325	839
Riga	4,918	4,139
Ligat	307	241
From Germany via Eydtkuhnen	10,612	8,014

Exports.	March.	April.
Flax	5,959	5,205
Lentils	3,643	1,144
Butter	2,570	3,067
Timber	1,930	1,477
Veneer	939	1,055
Poultry	462	169
Hemp and tow	397	221
Hides and skins	326	304
Rags	355	361
Bristles and cattle hair	259	213
Oil seed	215	—
Salt	182	—
Pork	200	338
Oats	172	—
Rye	—	82
Barley	99	246
Buckwheat	96	—
Eggs	54	113
Pigs, live	60	74
Caviare	—	68
Peas	49	—
Sundries	189	399
Total	18,162	14,530

The above exports were despatched from the following ports:—

	Tons.	Tons.
Riga	12,914	12,000
Libau	60	74
Windau	712	719
To Germany via Eydtkuhnen	3,992	1,440

(Riga Times, June 12; Rigasche Rundschau, No. 116.)

I N D U S T R Y

Industrial Development.—The number of industrial undertakings in Latvia shows a steady increase from year to year. On the basis of the concessions granted by the Department of Industry the number of industrial undertakings has increased by 2,000 since 1922. On January 1, 1926, no fewer than 3,200 industrial concerns employing over 51,000 hands were on the registers. The greatest increase during the past year is shown in the foodstuffs and delicacies industry with 112 newly established concerns, followed by the wood and metal industries with 69 each, the chemical industry with 65, and finally the textile industry with 64. At the first glance this development would appear extremely favourable, and a comparison of the figures for the end of 1925 with those of the pre-war period gives an

impression of even greater prosperity. The following increases are shown:—

	Number of industrial concerns.		
	1910.	1925.	Increase.
Textile industry	52	425	373
Paper industry... ..	79	161	82
Timber industry	99	343	244
Metal industry	115	347	232
Foodstuffs and delicacies	175	1,273	1,098
Chemical industry	39	153	114

If the number of hands employed in Latvian industry be examined for the same two years, however, a very different impression is produced, for the total number of industrial workers in 1910 was 93,343, while in 1925 it was only 51,300. From this it is easy to see that the increase in the number of undertakings means very little. In spite of the enormous increase in businesses since the war, Latvian industry is far from having regained its pre-war dimensions and importance, nor is there any prospect of it doing so, as industrial market conditions, owing to the loss of the great Russian market, have been completely dislocated. In conformity with the changed market conditions no reconstruction of the old industry, which consisted for the most part of large concerns, has taken place, but new formations of small and medium sized industries are numerically far in excess of the pre-war concerns, though as regards capacity not admitting of any comparison with them. Thus the value of the pre-war output was estimated at Lats 825 mill., while the total value of the 1924 production was only Lats 261 mill.

It cannot, however, be denied that a large proportion of the newly established industrial businesses justify their existence and in many cases possess great possibilities for development. The favourable position of the Latvian paper industry, for instance, is shown in the first place by the fact that it is the sole industry that employs to-day as many hands as before the war, and there is every prospect of further development. Opinions are divided as to the prospects of the textile industry. There is no ground whatever for great optimism, as market facilities are greatly restricted owing to the loss of the Russian market. Even in the home market the Latvian textile industry meets with very keen competition from foreign industries. Nevertheless the development of the Latvian textile industry has not been unfavourable up to the present. The output shows considerable increases and the technical perfection is making forward strides. The endeavour to keep the textile industry up to the level of modern technique has led to the introduction of too large a foreign element, English capital preponderating. The other important branches, the metal working and machine industries, show but little possibility of further development. In the Libau machine industry, the Bocker Works and the local dockyard workshops, with huge plants dating from pre-war days and entirely untouched by the devastation of the war, are a standing proof that this branch of industry has not yet been able to accommodate itself to the new conditions. Both works have serious difficulties to contend with. In Riga the machine industry constitutes a new departure, composed of small and medium sized concerns. The Phoenix works, in which the German heavy industry is largely interested, may be mentioned as the largest of these undertakings. (Wirtschaftsdienst, June 11.)

Participation of Foreign Capital in Latvian Industry.

—Although the large industrial concerns originating from pre-war years and those which have more recently come into being have to reckon with extremely difficult production and market conditions, it is precisely in them that the greater proportion of the foreign capital of the country is invested. It is interesting to note that nearly one-half of Latvia's share capital, amounting to Lats 173 million, is in foreign hands. French capital has the largest stake, with 6.5 per cent. of the total share capital; then follow Belgium with 6.2 per cent., Russia with 5.8 per cent., England with 5.4 per cent. and Germany with 5.2 per cent. The extent of the

participation of the individual States in the various branches of industry varies considerably.

In the Latvian textile industry, England's share of Lats 1.4 million is the greatest, followed by Germany, and after a considerable interval by Holland, Estonia and Belgium. In the timber industry Germany stands at the head with Lats 0.9 mill., England comes next with Lats 0.6 mill. and Norway third with Lats 0.2 mill. In the metal industry Russia participates to the extent of Lats 1.9 mill., England to the extent of Lats 0.8 mill. and Germany to the extent of Lats 0.5 mill. The paper industry is governed by Russia, which owns Lats 2.3 mill. of the capital; Estonia is interested to the extent of Lats 1 mill. and Czechoslovakia to the extent of Lats 0.75 mill. The chemical industry is characterised by the ruling influence of Denmark. The Danish interest in this branch amounts, according to official statistics, to Lats 4.7 mill. Russia and Germany only participate to the extent of Lats 0.5 and 0.4 mill. respectively. In the foodstuffs and delicacies industry France owns capital to the extent of Lats 0.56 mill.; Czechoslovakia has Lats 0.32 mill. and Germany Lats 0.26 mill.

Germany's share in the quarrying industry (stones and earth) is Lats 0.32 mill. and in the output of animal products Lats 0.4 mill., taking third place after Russia (Lats 0.7 mill.) and Holland (Lats 0.6 mill.). In general foreign capital is invested directly in the undertakings concerned, but with regard to the textile industry Estonian textile firms in which foreign capital is already invested are establishing branches in Latvia. In the smaller and intermediate industrial concerns in the various branches of industry foreign capital participates to a negligible extent. (*Wirtschaftsdienst*, No. 23.)

AGRICULTURE

Sugar Beet Cultivation.—Farmers have devoted special attention this year to the cultivation of sugar beet. The establishment of the first sugar factory at Jelgava has given an effective stimulus to its cultivation and this new branch of agriculture is mainly concentrated in the vicinity of the factory. The sowing season is at its height and no less than 966 farms with an area of 2,119 puhrweetas (½hectare) have been registered. The sugar factory endeavours to encourage the farmers in every possible way. For instance the Company has acquired 22 special 4-row beet sowing machines and placed them at the disposal of the farmers. Whereas in 1924 only four waggons of beet were sent to Prussia for conversion into sugar, the number was increased to 90 last year and a yield of 1,000 waggons is expected this year. The Latvian sugar factory will be able to handle about 2,500 waggon loads of beet per season, so that it is unlikely that adequate supplies will be forthcoming in the first year. In view of the rapid development in this branch of domestic agriculture, however, it is probable that the sugar factory will be amply supplied in the second year, especially as those farmers who experimented with sugar beet last year have extended the area under cultivation by 500 per cent., and there are prospects also of obtaining supplies of Lithuanian beet. Encouraged by the good prices offered by the Jelgava Sugar Milling Company several farmers in Courland intend to grow beet as a substitute for badly wintered grain. It is estimated that Latvian farmers will derive a revenue of about one million Lats from the cultivation of beet this year. (*Riga Times*, June 5; *Rigasche Rundschau*, No. 116.)

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.—*Adv.*

SOUTH AMERICA

ARGENTINA.

Report of the Banco de la Nación.—The annual report of the Banco de la Nación reveals the favourable situation of this important institution during the past year. The gross profits realised amounted to 23,292,462.78 pesos. After writing off the various deductions the net profits figured at 3,055,311.10 pesos. According to the statutes of the Bank half of the net profits has been placed to capital account and half to reserves. At the close of the year the capital of the Banco de la Nación amounted to 154,544,916.16 pesos and the reserve fund to 26,245,170.23 pesos. (*La Nación*, April 30.)

Financial and Economic Conditions.—At the annual meeting of the British Bank of South America held on May 6 last the Chairman, Mr. R. J. Hose, submitted some pertinent information as to the general financial and economic conditions in Argentina. Considering the optimism at the close of 1924 and the beginning of 1925 the actual results obtained in 1925 must be regarded as disappointing. The main adverse features were the diminution in the demand from Europe for cereals and the fact that the results of the 1924-25 harvest were below expectations. The slackening in the export trade was particularly noticeable during the second half of the year, and as compared with a realised favourable balance of trade in 1924 of \$182,685,000 (gold), the year 1925 closed with an adverse balance of about \$9 mill. (gold). The actual value of imports during the year was nearly \$50 mill. (gold) higher than in 1924, but exports totalled only \$868 mill. (gold) as compared with \$1,011 mill. (gold) in the preceding year. The smaller turnover in business was reflected in a diminution in the amount of cheques cleared at Buenos Aires, while there was also a marked increase in the liabilities involved in commercial failures, particularly in the textile industry, where there was not wanting evidence of overtrading. The decline in grain shipments is amply illustrated by the official statistics, which show that exports of both wheat and maize during 1925 were only about two-thirds of those in 1924, at a round 3,000,000 metric tons each, while the volume of linseed exported amounted to 961,000 metric tons as against 1,358,000 tons in the preceding year. Shipments of both hides and raw wool showed contraction, although it is encouraging to note that there was further expansion in the value of shipments of chilled beef and frozen mutton.

The development of the cotton growing industry progresses favourably, and available information leads to the conclusion that both the State workings of petroleum and the private oilfields are showing an increasingly favourable yield.

Further improvements have been effected in the position of the national finances of Argentina. The deficits realised in preceding years were replaced in 1924 by a realised surplus of over \$2,000,000 (paper), while an excess of revenue for a much more substantial amount is anticipated for 1925. The operations which have already been effected for the funding of the large floating debt are noteworthy, the debt having been almost halved during the past two years ended December 31 last, when it totalled \$485,197,100 (paper). The improvement in the national financial position has been reflected in a higher exchange value of the peso, in spite of the disappearance during last year of the favourable trade balance. The lowest point of sterling exchange reached during 1925 was on April 6, when the quotation was 42 11-16d., and it is remarkable that after that date, when the slackening in the export trade began to be observable, the rate steadily improved, rising to nearly 47d. in mid-November. Owing, however, to the excessive damage by "black rust" to the last wheat crop and the corresponding contraction in the available quantity for export, there was early this year a lack of the seasonal supply of wheat bills, which brought about

a fall in the exchange, the rate touching 43 11-16d. in mid-March last; but it has since improved and by May had reached 45d. The gold deposited in the Caja de Conversión at the end of December last amounted to \$451,782,984, representing a proportionate guarantee to the note circulation of 77.79 per cent., which shows no change on the year. The closure of the Caja de Conversión is still maintained, although the export of such gold as is held outside the Caja was permitted as from June last. As frequently happens during the crop-moving season, the demand for money during the early months of 1925 made it necessary for emergency measures to be adopted whereby delivery was obtained of paper currency equivalent in value to deposits of gold at Argentine Legations abroad. The whole of such currency was subsequently retired against the release of the gold deposits, but it is to be hoped that the measures which have been submitted by the Government to Congress to obviate a recurrence of such seasonal stringency may at last receive the full consideration of the Legislative Chambers.

With regard to the prospects in Argentina for the coming year, available evidence points to a period of average prosperity, although contemporaneous world conditions render it more than usually difficult to prophesy the future course of events with any degree of certainty. The harvest of wheat expected from the 1925-26 crop has fallen far below the original estimates both in quantity and in quality, with the natural result that, faced with a diminished demand from Europe, there has been a considerable contraction in the quantity exported. Prices of cereals have fallen since the beginning of the year, although there was a tendency to recover during the spring. Shipments of wheat during the first quarter of the present year amounted to only 832,000 tons, which was about one-half of the quantity shipped during the corresponding period of 1925, whilst exports of oats have also been less. On the other hand, shipments of linseed particularly, and also of maize, have been very much greater than during the first quarter of 1925, with the result that, taking the average quantity of exports of all cereals, this is nearly up to the 1925 level. Should the market prospects be favourable for the large amount of linseed available for shipment, as well as for the record maize crop which is now coming upon the market, a further impetus should be given to the recent upward movement of the Argentine exchange. Climatic conditions have been favourable to the live stock industry, and although shipments of frozen mutton have fallen off considerably this year, those of chilled beef continue to show substantial expansion. With regard to wool, the volume of transactions has been considerable, shipments during the first two months of the present year showing an advance of 50 per cent. over those of the corresponding period of last year, while the stock of wool in the Buenos Aires Central Markets has been substantially reduced. The outlook in the import markets, especially for iron and steel manufactures, building materials, etc., is on the whole fairly good. It is to be regretted, however, that the market which is the most important from the point of view of British manufactures, viz. textiles, is the outstanding exception to the general rule, being at present largely overstocked; the prospects in this direction are bleak.

Argentina continues to enjoy tranquillity in both the political and the labour spheres. It is believed that the law creating a general contributory pension scheme for labour, which had met with considerable opposition from all quarters, may now be repealed.

Vital Statistics for 1925.—According to the statistics issued by the official Statistical Department, the population of the Argentine Republic as at December 31, 1925, was 10,087,118 souls, as against 9,826,388 at the end of 1924, 9,190,923 at the end of 1922, 8,696,389 at the end of 1920, 8,374,072 at the end of 1918, 8,141,601 at the end of 1916, and 7,885,237 at the end of 1914. In the year 1895 the population of the Republic amounted

to only 3,954,911 souls, whilst the census of the year 1869 put the total population at no more than 1,830,214 souls. From June 1, 1924, to December 31, 1926, the rise in the population was accounted for by an increase of 1,818,219 in the number of Argentine native-born subjects and 383,662 immigrants. The present population is distributed as follows: the Federal capital, 1,926,089 souls; the provinces of Buenos Aires, 2,741,007; provinces of Santa Fé, 1,184,253; provinces of Cordova, 947,216; provinces of Entre Rios, 543,736; provinces of Corrientes, 406,708; provinces of Tucuman, 396,946; provinces of Mendoza, 373,403; provinces of Santiago del Estero, 341,422; provinces of Salta, 159,858; provinces of San Luis, 145,152; provinces of San Juan, 151,645. According to the figures of the first census in 1869 the number of foreigners then in the Republic represented 11.6 per cent., in 1924 28.7 per cent., and in 1925 23.7 per cent. of the total population of the country. (*La Voz*, May 14.)

BOLIVIA.

The Public Debt.—The total of the public debt of Bolivia moved from 127,834,845.95 bolivares as at December 31, 1924, to 126,930,320.77 bolivares as at June 30, 1925. The public debt at the last mentioned date was made up as follows: foreign debt, 91,499,433.34 bolivares; internal debt, 21,303,048.48 bolivares; floating debt, 14,177,836.95 bolivares. The foreign debt was incurred in connection with the loans for the Yungas Railway; the bonds of the internal debt were issued mainly to liquidate the debt of the Bolivia Railway; and the floating debt concerns the accounts that the State maintains at the national banks. The Treasury has met to date the obligations contracted in respect to the Quillacollo-Arani Railway. In regard to the loan of £600,000 for carrying out the work on the Potosi-Sucre Railway, the first portion has been subscribed according to the contract by the Patiño Mines and Enterprise Consolidated Ltd., the sum having been deducted from the tax on mining profits. This loan will bring to the Treasury every year, until its cancellation in 1929, the sum of £148,000, which corresponds to an estimated 50 per cent. of the profits of the Patiño mines. (*España Económica y Financiera*, May 1.)

The *Review of the River Plate* of April 16 states that the Government of Bolivia has approved a law for a loan of £1,200,000, of which £950,000 shall be applied to the completion of the railway from Potosi to Sucre, £60,000 to finishing the work on the Otocha to Villazon line, and £50,000 for the purchase of railway cars and trucks.

FOREIGN BANK RATES.

	Per cent.		Per cent.		Per cent.
Amsterdam	3½	Dublin	6	Prague	6
Athens	10	Geneva	3½	Reval	9
Belfast	6	Helsingfors	7½	Riga	8
Belgrade	6	Kovno	7	Rome	7
Berlin	6½	Lisbon	9	Sofia	7
Brussels	7	Madrid	5	Stockholm	4½
Bucharest	6	Moscow	8	Tokyo	7.3
Budapest	7	New York	3½	Vienna	7½
Copenhagen	5	Oslo	5½	Warsaw	12
Danzig	7	Paris	6		

The official discount rates of the State Bank in Moscow for bills at two months is 8 per cent., for bills at four months 9 per cent. and for bills at six months 9½ per cent.

THE ECONOMIST'S BOOKSHELF.

IN SOVIET RUSSIA.

Lebende Bilder aus Sowjet-Russland. "Living Pictures from Soviet Russia." By General Dr. h.c. VON SCHOENAICH. Second impression. (Halberstadt: H. Meyer's Buchdruckerei.)

In this little book the author has collected the various essays he wrote for the German Press (mostly the *Vossische Zeitung*) relating to his impressions of a visit

to Soviet Russia. These essays differ greatly in value, and many of them could equally well have been omitted from the book. The author deserves much praise, however, for giving us his own impressions and not relying on statistical data carefully selected and readily supplied by the Bolsheviks. As he quite rightly remarks, it is unnecessary to visit Russia in order to use material of this kind, and his criticism of "personally conducted tours" of foreign trippers to Russia is quite sound. But the disappointing thing about his own impressions is not merely that they happen to be extremely slight, but that he introduces into his reasoning arguments that are utterly irrelevant or belong to the domain of the cheapest kind of demagoguery. To a charge that the Government of Russia is not democratic he retorts that there is nothing democratic in Mussolini's Italy, Primo de Rivera's Spain, or Horthy's Hungary either. When commenting upon the ruin the Bolsheviks have brought upon Russia he proclaims that the ruin caused to Germany by inflation is just as bad, or even worse. He asserts that all that is being said abroad about atrocities in Russia belongs to the period before 1922, or else it is untrue. Yet the General must know perfectly well that thousands of people are still being shot or imprisoned by the Bolsheviks, and that the concentration camps in Siberia and in Solovky are swarming with perfectly honest and innocent people. His statement that the aims of the Communist leaders are honest is not warranted by facts, and his assertion that the Bolsheviks overthrew the Kerensky Government with the same violence with which the latter overthrew the Imperial Government is untrue. Again and again his statements are false or grossly biased. Then there are whole chapters that have no bearing on the subject whatsoever, as for instance that entitled "At my brother's grave." There are scattered in the book, however, just a few sentences that have greatly appealed to us. Here are one or two of them: "The number of those who to a certain extent know the Russia of to-day is even smaller than that of those who knew the old Russia"; and "A traveller who visits Russia to-day without knowledge of what has taken place would, at the outset, never notice at all that he happens to be in a Communist country. Externally everything is as it is in capitalist countries. For money you can purchase anything you like"; and finally, "In order to understand things in present-day Russia one must compare them with those in other countries." The publishers have accomplished their task excellently, and the little book is illustrated with a number of photographs which are very charming but have no bearing whatever on the text.

G. S.

ECONOMIC EVOLUTION IN FRANCE.

Les Doctrines Economiques en France depuis 1870.

By GAËTAN PIROU. (Paris: Librairie Armand Colin. Price, Fr.7.)

A history of Economic Doctrine in modern France might well have had as starting-point the French Revolution, which drew such a clear-cut line in that country between the old order and the new. M. Gaëtan Pirou, however, has taken as his starting-point the Franco-Prussian War of 1870-71, and we readily admit with sufficient reason. The French Revolution, as we know, was followed by sixteen years of ceaseless warfare, the glory of which distracted the national mind and veiled the importance of the economic problems the Napoleonic campaigns were inevitably creating, while at the same time they arrested the evolution of the economic forces the Revolution had let loose. Followed the Restoration, the Republic and the Second Empire, over half a century of unsettled conditions in which France was with difficulty adjusting herself to the new order of things. The Franco-Prussian War, on the other hand, with the Commune as its epilogue, was followed by over forty years of peace, and the fine spirit of individual and collective self-sacrifice evidenced by her supreme and successful effort to anticipate the date at which the

payment of the crushing war indemnity would free her soil from the desecrating presence of the enemy army of occupation served France for the stupendous task of her subsequent economic recovery. In the reaction following the war the French people not unnaturally thirsted for order and social peace, with the result that social propaganda was forbidden by a law enacted in 1872 and a state of siege was maintained until 1876. From the Labour Congress held in the latter year may be dated the birth of the modern French political economic movement.

Socialism in France had been deeply compromised by the Commune, but it is curious to note how national pride and patriotic sentiment affected its subsequent development—the former by concentrating its attention to some extent on the French school of Proudhon, the latter by accentuating its not unnatural antipathy to anything German. This goes far to explain the slow and inadequate penetration of Marxism in France. In his opening chapter M. Gaëtan Pirou gives a survey of the Socialist movement in France during the whole of the period from Guesde to Jaurès. In successive sections he deals succinctly with economic, ethical and rationalistic foundations of the movement, its revised methods, the development of Reformed Socialism, the reversion to Revolutionary Syndicalism, concluding with a lucid study of the life-work of Jaurès. If any fault is to be found with this survey, it will probably suggest itself to the reader that the author fails to give full weight to the influence of the more conservative economic reformists who acted as a counterpoise to the extremists of Militant and Revolutionary Socialism. The second chapter is a review of the history of Socialist doctrines from the death of Jaurès to date. The second part of the book deals with the various Individualist doctrines, and the third part with the intermediate doctrines between the Socialist and the Individualistic, viz. Social Radicalism, Social Catholicism, and Economic Nationalism.

M. Gaëtan Pirou devotes the last six pages of his work to the conclusions he has arrived at from his study of the numerous doctrines he has had to deal with. Is there one among the lot, he asks, which faithfully corresponds with economic reality? His answer is in the negative. Individualism, he contends, relies too much on the natural play of economic laws to produce results in conformity with equity. Socialism, on the other hand, while forcibly tracking the evolution of capitalism, exaggerates the general tendency of the movement towards concentration, and likewise the imminence of economic and social disaster. While the intermediate doctrines, relying as they do on reform programmes to solve the social problem, overlook the fact that reforms, far from alleviating the class war, frequently end by increasing the leisure and developing the personality of the workman, in accentuating the harshness of his exactions.

"The Economic Doctrines in France since 1870" is in every respect an attractive book, and within the compass of two hundred pages affords a good working insight into the economic thought of latter-day France. It is amply annotated, supplies a useful if short bibliography, but unfortunately lacks an index. Further, it is a remarkably good specimen of French typography.

W.

PUBLICATIONS RECEIVED.

American Foreign Investments. By Robert W. Dunn. *Contracts and Concessions*, edited by Adrian Riecht. (New York: B. W. Huebsch and the Viking Press. Price, \$5.)

Max Weber: Ein Lebensbild. By Marianne Weber. (Tübingen: J. C. B. Mohr. Price, Mk.24.)

THE MIDLAND BANK LIMITED.

The Directors of the Midland Bank Limited announce an interim dividend for the half-year ended June 30 last at the rate of 18 per cent. per annum less income tax, payable on July 15. The dividend for the corresponding period of 1925 was at the same rate.

6th July, 1926.

STATISTICAL SECTION

THE TRADE BAROMETER

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

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

Table I. shows the movements of our ten commodities in the aggregate, and Table II. the movements of each of them in relation to the others. We have chosen December 30, 1921, as our base, the price of each commodity on that day being represented by 100 (at a time when the index in Table I. stood at 150). For a full explanation of our index number see THE ECONOMIC REVIEW, Aug. 29, 1924, page 194.

TABLE I.

Date.	10 Com- modities.	Bd. of Tde. Monthly Average.	Date.	10 Com- modities.	Bd. of Tde. Monthly Average.	Date.	10 Com- modities.	Bd. of Tde. Monthly Average.	Date.	10 Com- modities.	Bd. of Tde. Monthly Average.
1920.			1923.								
Jan. 16	367.9	296.6	Jan. 12	162.8	157.0	Apr. 18	177.5	164.7	July 17	160.3	157.5
May 14	391.2	325.5	Feb. 16	177.2	157.5	May 16	171.2	163.7	Aug. 14	158.6	157.0
July 16	418.8	316.9	Mar. 16	192.4	160.3	June 20	167.8	162.6	Sept. 18	158.3	156.0
Dec. 17	257.0	263.8	Apr. 20	193.5	162.0	July 18	167.1	162.6	Oct. 16	154.1	154.8
1921.			May 18	198.1	159.8	Aug. 15	175.3	165.2	Nov. 13	153.2	153.7
Jan. 14	244.2	245.9	June 15	190.0	159.3	Sept. 19	167.9	166.9	Dec. 18	153.0	153.2
Apr. 15	202.8	204.8	July 20	177.3	156.5	Oct. 17	172.5	170.2	1926.		
July 15	194.4	194.1	Aug. 17	174.6	154.5	Nov. 14	173.3	169.8	Jan. 15	151.6	151.3
Oct. 14	170.2	180.7	Sept. 14	173.2	157.8	Dec. 12	171.7	170.1	Feb. 12	148.4	148.8
Dec. 16	153.2	167.9	Oct. 19	166.0	158.1	1925.			Mar. 12	146.1	144.4
Dec. 30	150.0		Nov. 16	171.7	160.8	Jan. 16	174.8	171.0	April 16	148.1	143.6
1922.			Dec. 14	177.0	163.4	Feb. 13	175.2	168.9	May 21	150.2	144.9
Jan. 20	144.0	164.0	1924.			Mar. 13	172.8	166.3	June 18	151.7	
May 19	162.1	160.6	Jan. 18	178.6	165.4	April 17	161.9	162.5	„ 25	152.1	
July 14	165.1	160.3	Feb. 15	187.9	167.0	May 15	158.7	159.0			
Sept. 15	161.2	154.3	Mar. 14	182.1	165.4	June 19	160.6	157.6			
Dec. 15	161.2	155.8									

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.
July 28 ...	92.9	94.5	97.2	157.9	110.1	111.1	97.1	119.0	116.5	119.2	111.15	July 28
Sept. 29 ...	94.3	95.2	92.9	135.1	105.9	117.8	96.4	82.8	104.0	134.6	105.90	Sept. 29
Nov. 3 ...	95.5	107.5	100.0	140.3	119.9	133.3	106.5	91.9	104.8	134.6	113.43	Nov. 3
Dec. 29 ...	89.4	106.7	91.5	138.6	126.0	120.0	93.5	90.4	89.7	138.5	108.43	Dec. 29
1923.												1923.
May 18 ...	110.8	117.9	128.3	166.7	120.2	137.8	102.9	102.7	91.2	242.3	132.08	May 18
Oct. 12 ...	93.4	117.1	90.6	150.9	136.4	126.7	84.8	83.0	66.2	145.9*	109.50	Oct. 12
Nov. 16 ...	97.2	127.4	97.2	149.1	165.8	128.9	87.0	86.2	73.5	132.7	114.50	Nov. 16
1924.												1924.
Feb. 15 ...	96.7	163.4	96.2	171.9	159.6	151.1	91.3	100.4	65.8	156.1	125.25	Feb. 15
July 11 ...	89.6	128.9	74.5	140.4	140.6	142.2	92.8	111.5	80.9	101.4	110.28	July 11
1925.												1925.
Feb. 27 ...	84.0	153.8	69.8	178.9	116.0	160.0	95.7	128.9	88.6	95.3*	117.10	Feb. 27
Oct. 30 ...	74.5	171.2	59.4	131.6	90.7	115.6	108.7	97.2	94.9	70.6	101.44	Oct. 30
1926.												1926.
Feb. 5 ...	72.2	165.2	63.2	114.0	92.2	102.2	100.0	114.6	94.1	78.8	99.65	Feb. 5
Mar. 26 ...	72.2	165.7	60.4	108.8	87.7	102.2	92.8	108.3	97.1	72.9	96.81	Mar. 26
May 21 ...	71.7	161.5	60.4†	108.8	89.8	109.4	87.0	124.9	105.9	81.8	100.12	May 21
June 18 ...	73.6	163.6	60.4†	121.1	83.5	109.4	89.9	127.3	105.1	77.6	101.15	June 18
„ 25 ...	75.5	164.3	60.4†	120.2	83.4	109.4	92.8	128.1	102.2	77.6	101.39	„ 25

†Nominal. *Revised Quotation.

SECURITY PRICES.

The following table shows the course of prices for a representative number of industrial stocks and long dated railroad bonds in New York, for twenty representative industrial ordinary stocks in London, and for a selected number of long-dated British Government securities. The prices of the last-named have been averaged exclusive of accrued interest. In all cases the price at December 30, 1921, is taken as 100. Significant maximum figures are shown in heavy type and minimum figures in italics.

IN NEW YORK.				IN LONDON.			IN NEW YORK.			IN LONDON.	
Week ending	Indus- tri-als.	Bonds.*		Indus- tri-als.	Gilt edged.†		Week ending	Indus- tri-als.	Bonds.*	Indus- tri-als.	Gilt edged.
1920, Jan. 1	128.5	94.1		172.4	£99.7		1925, Jan. 3	150.7	101.6	133.8	117.5
1921, Jan. 1	89.9	£89.0		116.3	£88.6		„ 17	151.8	101.9	137.8	117.5
Aug. 20	80.3	90.4		105.4	£93.3		June 6	158.2	105.3	128.0	115.3
Oct. 29	91.1	92.0		£91.1	94.4		„ 27	160.0	104.7	123.7	<i>113.0</i>
1922, Jan. 1	100.0	100.0		100.0	100.0		July 18	165.9	103.2	<i>120.4</i>	115.5
May 13	114.6	102.4		114.9	117.9		Aug. 1	165.8	<i>101.5</i>	122.2	115.7
Sept. 16	123.8	107.6		115.2	112.5		„ 22	176.2	102.5	126.3	117.3
Oct. 7	123.9	106.1		113.3	<i>111.7</i>		Nov. 7	195.4	102.7	134.1	114.7
1923, Jan. 1	121.7	102.5		119.5	113.3		Dec. 19	188.9	103.3	130.6	112.8
Mar. 17	129.2	£98.5		129.3	117.0		1926, Jan. 2	195.5	103.6	133.3	113.0
„ 24	127.3	£97.8		129.0	118.1		„ 9	196.1	103.6	135.1	113.1
Apr. 28	124.1	99.3		137.9	122.8		Feb. 13	199.9	104.9	132.0	114.8
June 9	119.7	100.8		130.6	123.5		Apr. 17	168.7	106.9	121.8	113.3
Oct. 27	<i>105.7</i>	99.7		126.5	119.7		May 1	176.8	107.6	122.6	114.7
1924, Jan. 1	117.4	98.4		121.3	114.5		„ 8	172.9	107.2	119.5	112.5
„ 19	119.1	100.1		119.1	<i>112.2</i>		June 12	182.6	106.9	126.4	114.1
June 21	115.3	103.3		118.2	118.0		„ 19	189.1	107.3	125.2	113.8
Nov. 8	130.1	103.7		133.7	120.4		„ 25	185.8	106.9	125.8	113.7

*Prices supplied by Messrs. Bernhard Scholle & Co., Ltd.

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