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COMMENTS

WE have frequently referred in these columns to the irresponsible and unwarranted statements made in France, according to which fluctuations in the French Exchange are due to some sinister Anglo-American machinations. The press and the public in France seem to be extremely fond of applying military terms to the erratic movements of their national currency, and they constantly speak of the "battle of the franc," of "attacks on the franc," and of "defending the franc" against obscure foreign onslaughts—to quote just a few particularly hackneyed catch-words.

The latest "achievement" in this kind of journalism comes from Italy. According to the "Borsa" Anglo-German finance (!) intends to start a new campaign against the Lira and the Franc (both French and Belgian), but this time a campaign aiming at a rapid revaluation of these currencies. An avalanche of buying orders would take place simultaneously in London, Berlin and Amsterdam, and a sudden and very considerable rise of the French, Belgian and Italian currencies would thus be achieved. On the other hand it would be impossible for prices to drop in proportion to the revaluation of the respective currencies, and an economic crisis would therefore arise quite automatically. It is this economic crisis ("a crisis of Italo-Franco-Belgian production") that is desired by Anglo-German financiers who hope that by achieving this they will give the industries of Great Britain and Germany a chance to recover their lost capacity of expansion.

There is nothing surprising that a rumour of this kind, with no material proof to support it, should be started by a certain section of the Continental press. But it is interesting to observe that even so extremely well-informed and cautious a paper as the *Agence Economique et Financière* seems to attach a certain amount of credence to the *Borsa's* somewhat bewildering statement. "Certainly there is as yet no proof of such a manoeuvre," remarks the *Agence*. "But it is enough that it should be possible to make one think." We confess that we feel some difficulty in taking seriously the theory evolved by the *Borsa*. But it is typical of a certain current of opinion, alas very prevalent in France at the present moment, which tends to make this country responsible for all the troubles into which France has got herself, and out of which she can only get by her own untiring efforts. Great Britain surely has enough troubles of her own not to spend time and energy on stirring up trouble for others, and least of all for France, Italy and Belgium.

It is too early yet to judge the results achieved by the Belgian Government, which has held office for merely three months and whose measures for the restoration of Belgium's finances will naturally take a

long time to work out. However, even after so brief a period of activity, it is possible to say that the policy of the Belgian Government has been both courageous and systematical and that it has already achieved a great deal of good.

The financial situation of Belgium remains a difficult one, but it is undoubtedly better than it was at the beginning of the year, and there is hope of gradual further improvement. We are sorry not to be able to say the same of France, and we hope that we shall not be accused of partiality if we respectfully suggest that France has a good lesson to learn from her great little neighbour.

EVER since the London Agreement was signed, industrial amalgamation has been the principal feature in the reorganisation of Germany's economic structure. In former periods it was resorted to mainly in order to avoid expensive competition. Price conventions were obtained through cartels, and efforts were made to conclude "community of interest" agreements where such seemed possible. Naturally, the particular difficulties of the last few years have caused industrialists to concentrate, as far as practicable, upon the complete amalgamation of undertakings resembling each other in type. This phase in economic development is, of course, not confined to Germany. People of most countries are gradually agreeing that prevailing conditions have become such that no other way is left open to industrial enterprises if their potential productive capacities are to be fully employed. This movement in Germany was greatly accelerated during the inflationary period. During that period other factors were also at work—the purchasing power of the public was diminished considerably, and tariff barriers met German exports everywhere. The new States created by the Versailles Treaty concentrated upon the task of erecting industries of their own within their own frontiers. The general situation, therefore, called for far-reaching measures on the part of German industry, and the principal result is undoubtedly an extensive move towards amalgamation. The Electric Bulb industry acted as the pioneer in this direction, and the method resorted to was not so much in the way of trustification as that afforded by the use of cartels or price combines. Meanwhile, Potash and Coal Syndicates have been re-established to their former extent and on former lines, and, apart from the fully developed system of cartels and syndicates, there is the Steel Trust in the West, the Upper Silesian Iron Trust in the East, and the I.G. Farbenindustrie which includes the more important enterprises in the chemical industry all over Germany. The success of similar plans has proved rather difficult in those industries hampered in the sale of their products by post-war conditions, such as the shipbuilding and locomotive industries, but here large mergers may be expected to take place in the course of time. Thus far, we are told, despite their enormous size, none of the existing groups have aimed at securing a monopoly or obtaining absolute control of the market. It is also anticipated that as regards a manufacturing

programme a reasonable limitation of output will be observed. The so-called "vertical" trusts and concerns of the inflationary period, with their almost inevitable failures are still remembered, and that unfortunate experience is likely to prevent a recurrence of similar disasters.

RUSSIA seems definitely to have entered into a period of internal conflicts within the various political and economic organisations that control (or endeavour to control!) the country. Not only is the Communist Party split into several powerful groups all of which are trying to destroy each other, but even some of the purely administrative government institutions are now torn by rivalries and personal quarrels. We learn that Dzershinsky's successor as Chairman of the Supreme Economic Council, Kuibysheff, whose appointment is still quite recent, is already being strongly opposed by the Gosplan and other Soviet economic departments. The Gosplan has torn to pieces Kuibysheff's programme for industrial development, and this at the very first meeting of the Supreme Economic Council presided over by Kuibysheff. Notwithstanding the Gosplan's proposals of cutting down his programme, Kuibysheff has declared his intention of insisting on the confirmation of it by the Soviet Government. Whether a compromise will be reached remains to be seen, but a reconciliation seems difficult even for Soviet economists, since in the Gosplan's opinion the Council's plan over-estimates the industrial output for 1927 by more than 40 million roubles. However, Russia remains, as she always has been, "a country of unlimited possibilities."

IN extending a hearty welcome to Stockholm to the delegates of the Iron and Steel Institute, the *Svenska Dagbladet*, in an article, makes some interesting observations upon the contribution made by Sweden to the history of those and other metallurgical industries. The article values the Iron and Steel Institute as an ideal type of organisation in so far as its aim is to make each and all participate in the latest scientific progress, and this without a trace of the ulterior motives inspired by economic policies or nationalism. The Swedish iron industry, it is pointed out, dates back to antiquity, and as early as the 13th century evidence exists that iron was one of the most important articles of export from Sweden. At the end of the 18th century Sweden was probably the largest manufacturer and exporter of iron in the world. The advent of coke iron towards the end of the latter century turned the tables and the Swedish industry was relegated to a humble position among the iron producing countries of the world. However, if quality is to be considered, Sweden still holds a high place, and this is due to the prevalence of pure ores, charcoal, and a long tradition of technical efficiency in the production of iron. In the purely scientific sphere the number of Swedes who have made valuable contributions is by no means negligible. In the 17th century the name of Urban Hjarne is conspicuous, while that of Kristoffer Polhem is equally conspicuous in the annals of the iron industry during the succeeding century. With the dawn of a new era in the history of natural science—the beginning of the 19th century—fresh names are borne to recollection. Scheele, the discoverer of Oxygen; Berzelius, whom the Swedes regard as the founder of modern chemistry; Sefstrom, the discoverer of vanadium; Garney, whose text-book on the management of blast furnaces was translated in all European languages; and Sven Rinman, whose exhaustive and thorough researches into iron and its alloys are universally known. The work, so well begun in the past, has continued down to the present day; the production of electric pig iron was a problem solved by Swedish engineers; the induction furnace, designed and used for steel smelting, is the work of Carl Kjellin; and, lastly, trials are now in progress in Sweden with regard

to direct iron production which, if it is too early to pronounce finally upon, will no doubt make an important contribution towards the solution of that question.

THE possibility of an important new Transvaal gold-field is indicated in a report of an official of the Union Geological Survey, the publicity of whose statement is sanctioned by the South African Minister of Mines. The first detailed account is to be found in a paper read recently before the Geological Society of South Africa. The discovery was made some months ago on a farm at Waaikraal, 25 miles north-east of Rustenburg, and 42 miles north-west of Pretoria, and is that of an inclined sill of gold-bearing rock ranging in thickness from 14ft. to 3ft. 6in. The gold contents of this rock vary within wide limits, the highest values being found in the middle part of the sill. The richest ore so far assayed yielded over 6 ounces to a short ton over a thickness of 4ft. 6in. Some specimens are reputed to have touched as much as 20 ounces. The rock has been traced over a distance of 308ft. and it probably extends farther in both directions. Similar gold-bearing rock is reported to exist on farms at Potgeiter's-Hoogte and Zoutpansdrift, situated respectively four miles and nine miles from Waaikraal. These reports are awaiting confirmation, but, if they are found to be authentic, they would indicate a potential gold-bearing area of considerable extent.

THE annual report of the Nigerian Comptroller of Customs shows a total external trade for the year 1925 of £33,648,510, comparing with £28,000,000 in 1924 and £23,500,000 in 1923, inclusive of specie movements. Excluding specie movements, the figures indicate proportionate progress, the total for 1925 being £30,776,181. The total amount of Customs duties was the highest recorded in the fiscal history of the colony and protectorate, despite the inflated values and higher duties of the "boom" period of six years ago. An analysis of the figures reveals that the imports of petrol increased from three-quarters of a million gallons in 1923 to nearly one and three-quarter million gallons last year, and this is considered to be a satisfactory indication that motor transport is making progress throughout the colony. Moreover, imports of motor cars increased from 310 in 1923 to 878 in 1925, and the proportion of British vehicles shows a considerable increase. In the export trade cocoa, as might have been expected, has increased from 32,821 tons in 1923 to 44,705 tons in 1925. Cotton lint increased from 3,100 tons to 6,600 tons, and there are increases in all the usual items of export from the colony, the groundnut export for 1925 being 127,000 tons. The duties collected on imports totalled £2,759,612 and on exports £707,469.

THE Secretary of State for the Colonies has appointed a Palestine Currency Board to introduce a local Palestine Currency based on the £ sterling, and, generally, to provide for and control the supply of currency in Palestine. Since Great Britain, as the mandatory Power, took over the Government of Palestine, the currency system has been that of the Sudan. The monetary unit is the gold pound of 100 piastres, and its value in sterling is £1 0s. 3½d. The only gold coin in use is the English sovereign, which stands at 97½ piastres. The task before the Board should not prove a difficult one, and its personnel is well-equipped for the undertaking. The Chairman will be Mr. P. H. Ezechiel, C.M.G., one of the Crown Agents for the Colonies. The other members of the Board are Mr. Leslie Couper, C.M.G., General Manager of the Bank of British West Africa; Mr. A. J. Harding, O.B.E., of the Colonial Office; and Mr. F. Phillips, of the Treasury, is included as honorary member. Mr. H. C. Ransom, O.B.E., is Secretary, and the office of the Board will be at 4, Millbank, Westminster, London, S.W.1.

SPECIAL ARTICLES

(Whilst the Editor of "The Economic Review" welcomes in these columns the expression of all shades of opinion on matters of economic controversy, he is not necessarily identified with any particular opinion expressed.)

SOVIET POLICY WITH REGARD TO PRICES.

(From our Russian Correspondent.)

The problem of prices with which the Soviet Government has to deal is threefold, viz.:

- 1.—The movement of prices, their rise or fall;
- 2.—The relation between the prices of manufactured goods and those of agricultural products;
- 3.—The relation between the home prices and those of the world market. The last-mentioned question is closely connected with another of great importance: that of the course of the *tchervonetz*. It is obvious that the policy of maintaining the course of the *tchervonetz* at gold parity by artificial means renders the relation between Russian and world prices unfavourable to Soviet Russia.

The problem of prices is one of those problems of the utmost importance not merely for political economy but also for the whole of the Soviet Government's internal policy.

Since the XI. Congress of the Communist Party, that is, since the launching of the new political economy, M. Trotzky has called the attention of the Party to the vital importance of the problem of prices. It was at this moment that he demonstrated his famous diagram, showing that the curve of rising prices of manufactured goods crossed that of the falling prices of agricultural products. The two lines were likened to the two blades of a pair of scissors and the problem has ever since been designated by the Soviet Press the "problem of the scissors." The aim of the prices policy is to close the scissors, thus making the two lines run in a parallel direction. The policy of prices, the question of knowing whether or not it is necessary to reduce the prices of manufactured goods, likewise forms an important part of the programme of the opposition, against which the Russian Communist Party is fighting at the present moment.

Why is it that the problem of prices has acquired such importance within the framework of the Soviet economy?

The importance of this problem is explained by the influence exercised by the movements of prices on the situation of Soviet industry, on the relations between the Soviet Government and the peasants, and on the foreign trade balance of Soviet Russia.

1.—The basis of the question of the prices of manufactured products is the problem of net costs. As long as the Soviet industry remains badly organised, badly directed and administered, as long as it works with an old worn-out plant and with a body of workers insufficiently trained and badly disciplined, these net costs will remain very high and the deficits will be augmented if the Government decides drastically to lower prices. The deficits of the Soviet industry necessarily exercise a disastrous influence on the public finances, since their cover demands either direct budgetary dotations or the opening of credits at the State banks, which is merely a disguised form of State subventions. In either case the Government ends by recourse to the fresh issues of banknotes—hence inflation.

2.—The problem of prices is one of the relation between the peasants and the Soviet Power. In fact, if the goods manufactured by the nationalised industry are too dear, if they rise more rapidly than the prices of agricultural products, or if—which is worse—the prices of manufactured goods rise whilst those of agricultural products are falling, the peasant will not buy the goods manufactured by the Soviet industry. Not being able to buy on the market, and considering, moreover, that the *tchervonetz* is not sufficiently secure for saving purposes, the peasants refuse to sell their cereals. At

the same time a discontent develops among them against the Soviet régime.

Under these conditions there are only two possible policies. The first is that which the opposition proposes and which consists of raising still further the prices of goods manufactured by the State industry, and consequently living by exploiting the peasants. This is the theory that M. Préobragensky has explained in the *Revue de l'Académie Communiste*: in a State already too backward to realise communism in its entirety the proletariat must live by exploiting the peasants as a colony.

The other policy consists, on the contrary, of reducing the prices of goods manufactured by the Soviet industry, in order to make these goods accessible to the peasants. This second policy, which Dzerjinsky supported and to which Stalin and Bukharin subscribe, would certainly be the only good way if it were possible to realise it. We have seen that the high prices of goods manufactured by the Soviet industry are based on the net costs and general expenses being too great. Now the very high level of the cost of production and of general charges depends on the conditions in which the Soviet industry is organised and exploited under the communist régime. While this régime lasts it will not be possible to improve the situation and to lower prices to any appreciable extent and in a permanent manner.

The only thing that one can try to do is to bring about a considerable reduction in prices without troubling about the question of improving the situation from the point of view of costs. The Government endeavoured to do this in the autumn of 1923. Prices were brought down by decrees, but the experiment was not successful; industrial enterprises suffered on account of this reduction because the new prices were often fixed below the level of the costs of production, while the consumers did not benefit since the retail prices were influenced but slightly by the drop in the wholesale prices.

The Government has now brought about a fresh reduction of 10 per cent. in prices. It has stated that it does not desire to force prices down too ruthlessly, but that it will proceed to enquire into all the elements constituting prices and will then reduce those prices which are excessive. In reality, however, it has been obliged to proceed to a drastic reduction; within the brief span of a month it is impossible to cut down the different elements that constitute prices. In order to effect a reduction in costs and general charges it is necessary to realise reforms which are impossible to realise within the period assigned for such reductions of prices by Soviet decrees.

3.—The remaining question of the relation between the inland Russian prices and those of the world market is one which concerns Soviet exports and the foreign trade balance of Soviet Russia. The following table indicates this relation (in percentages of world prices):—

		Average price of 14 categories of	
		manufactured goods.	agricultural products.
1913 ...	...	64	143
January 1, 1923 ...	...	44	146
January 1, 1926 ...	...	40	138
March 1, 1926 ...	...	38	113

The Russian prices of industrial products are two and a half times as high as the world prices, while the Russian prices of agricultural products are almost on a level with the world prices.

With such a relation between inland prices and the world prices of agricultural products exportation becomes practically impossible; there is no room for profits. It would consequently be necessary to lower the inland prices. But this could not be done without

injuring the vital interests of the peasants unless the prices of manufactured goods were simultaneously reduced.

As to the extremely high level of home prices of agricultural products, the explanation lies for the most part in the defective conditions of production which we have already mentioned. But this big difference between the purchasing power of the *tchervonetz* within the country and abroad is also partly attributable to the Soviet policy which maintains the *tchervonetz* at gold parity by artificial means.

Moreover, despite the prohibition of the exportation of capital, the purchasing power of gold within the country in comparison with its purchasing power abroad constitutes a fairly high premium on fraud, as it is impossible to stop the exportation abroad of appreciated currencies.

THE SWEDISH MATCH TRUST.—A LINK IN THE CHAIN OF THE KREUGER COMBINE.

(From our Stockholm Correspondent.)

The Swedish Match Company (the Svenska Tändsticks-Aktiebolag) is to-day merely a member of the world-wide organisation of Iver Krueger, the Swedish engineer, whose firm Krueger & Toll was established in 1911 for building and engineering purposes. Its capital was then one million Kronor and at present the share capital is Kr.28 million with Kr.40 million of reserve funds. This Company acquired the majority of the shares in the Match Company a few years ago. In December 1925, 120,000 of the Company's B shares to the value of about Kr.20 million were transferred to the newly-established Swedish American Investment Corporation, as against which a block of \$7.6 million original shares of that Corporation was taken over. As a result of this transaction the book value of the shares of the Svenska Tändsticks Company still in the possession of the Krueger & Toll Company appears as only Kr.120 as compared with the actual Bourse value of Kr.265.

At the same time other Swedish as well as foreign securities were transferred to the new American Company, so that it holds, *inter alia*, the following:—

- Ca.50,000 Grängesberg shares, mainly from the holding of Senator Posschl, of Lübeck;
- Kr.10 million (nominal) Preference shares of the Swedish Huvudstaden Real Property Company, which possesses 69 properties in Sweden;
- \$12.8 million: Houses in Germany, chiefly in Berlin; large blocks of German mortgage bonds;
- \$6 million: The majority of the shares in the Banque de Suède in Paris, in a Polish and a Dutch bank, and a large block of shares of the Prussian Mortgage Share Bank (Hypotheken Aktienbank).

It will be seen from this list how widely spread are the interests of the Combine. Its relations with the Skandinaviska Bank of Stockholm are shown by the acquisition of 30,000 of this bank's shares by the Krueger & Toll Company in 1925, and of several millions of the 5½ per cent. debentures of this bank, the issue of which at the beginning of 1925 could probably have been effected only with the co-operation of the Krueger Combine.

In 1919, a subsidiary company was formed in America, the American Krueger & Toll Corporation, from the successful operations of which in the most diverse fields of activity it can be seen that the directorate is by no means lacking in the sense of business possibilities. The Corporation invested large sums in the purchase of real property in countries whose currencies were depreciated, particularly in Germany, and also negotiated the purchase of real property for American account, chiefly on behalf of business houses. A considerable portion of these engagements has meanwhile been liquidated with a good profit. The Company still holds \$2 million of Dawes Loan. The Corporation also created an extensive and thoroughly competent selling organisation for building materials, chemicals, pharmaceutical goods,

etc., and took a successful part in the exploitation of patents. The American company, which was created at the right moment, utilised the American money market in the interests of the parent company, which secured the additional advantage of withdrawing the profits, and particularly the undistributed profits and reserves, from the application of the double taxation imposed in Sweden.

The year 1925 has been one of the most important in the history of the Swedish Match Company, for it was in that year that the match monopolies with Poland and Peru were concluded. As a result of the increase of capital in 1924 some Kr.50 million of unemployed resources were available, and this was used for these monopolies and for investments in India, Japan and China. The monopolies were, of course, associated with the issue of loans, and these were arranged by the International Match Corporation of America. 568,000 original shares of this Corporation, to the value of Kr.64 million, are held by the Swedish company, which has transferred—or will transfer—almost its entire foreign interests to that Corporation. The two companies together now control over 150 match factories, 20 of which are in Sweden and the remainder in 27 different countries. The total number of persons employed is some fifty thousand. The book value of these plants is about Kr.270 million. Apart from its purely industrial activities—i.e. the manufacture of matches and machinery and raw material for the industry—the Swedish-American Match Combine has now, as has been stated, undertaken financial operations in connection with the movements of the match market. Matches are, of course, one of the most indispensable articles of consumption, and, owing to their cheapness, they are very useful for purposes of taxation. This circumstance, together with the need of certain countries for foreign loans—and particularly such as are not subject to political obligations—has made it possible for the Combine to secure monopolies. A monopoly with Greece has recently been concluded. Further transactions of a similar nature are in preparation—for example, it is believed, in Russia and Mexico—and these will be carried out by the two companies jointly on an equal basis.

The Swedish match production is valued at about Kr.60 million. In 1925 matches to the value of \$31.5 million were sold through the International Match Corporation; these were manufactured in the factories belonging to the Corporation, but none of these is situated in America. America is supplied by the Import Company of the Combine, the Vulcan Match Company of New York, which in 1925 imported an average of 310,000 gross of boxes per month, and has lately been able to increase its turnover, notwithstanding the fact that the consumption in America—unlike most other countries—remained stationary. In India the trust owns eight factories. There production is protected by a duty of 200 per cent. *ad valorem*. The output of the factories was quadrupled in 1925. Nevertheless, there was no diminution in the Swedish export to India: in 1925 it was 54 per cent. of the total import as compared with 46 per cent. in the preceding year. This increase was at the expense of Japan, whose share in the import declined from 45 to 36 per cent. In Japan the Swedes have for some time owned one of the largest factories, and last year several additional works were acquired. In China the Swedish Company has had an office for several years, and has succeeded in constantly increasing its imports. There also several native factories have recently been purchased. In both Japan and China there appear to be great possibilities for the Swedish-American trust and of these full advantage will assuredly be taken.

The net profits of the Swedish Match Company amounted to Kr.28.5 million in 1925 as against Kr.19 million in 1924. They were derived, to by far the greatest extent, from the Company's foreign business. Although the International Match Corporation has not

paid any dividend on its original shares, it shows in its balance sheet undistributed profits to the amount of \$18.2 million, of which about 57 per cent. accrues to the Swedish company from its holding of original shares. On the share capital of the Swedish Match Company amounting to Kr.180 million there was for the year 1925 an aggregate profit of about Kr.67 million.

In view of the sharp criticism to which the monopoly agreement was recently subjected in the Polish chamber, the statement regarding Poland in the International Match Corporation's report is of interest. It is pointed out that Poland has a population of 27 millions, with an annual increase of 2.4 per cent., or 650,000 persons. Although so much is heard of Poland's financial difficulties it must be remembered, says the report, that the State debt amounts to only \$12 per head of the population, the corresponding figure in Sweden being \$75, in Norway \$150, in Holland \$200 and in England \$800. Poland's budget is relatively small owing to the slight burden of interest. The country's military expenditure, on the other hand, constitutes a relatively large item in the budget, but even this is small in comparison with similar expenditure in other European countries.

COMPETITION IN THE INTERNATIONAL SUGAR MARKET.*

By E. M. MILLER.

The sugar industry has entered upon a period of competition which has already proved to be severe and which promises to be prolonged. Consideration of conditions in the international sugar market leads to the conclusion that low prices and consequent difficulties of producers are not primarily the result of temporary influences but of fundamental factors. Since the outbreak of the World War the total sugar crop has increased with astounding rapidity. Consumption has expanded sufficiently to absorb the increase, but at a price unsatisfactory to producers dependent on the open world market.

Superficially the conclusion would seem to follow that production will be cut down with reasonable promptness until an adjustment is reached between supply and demand at a price level satisfactory to producers in the main export areas. However, a large part of the world's sugar is now being produced behind artificial barriers the presence of which justifies doubts as to whether the most important crops will be reduced commensurately with the low price at which surpluses are now selling. Even in areas which must compete in the international market there are wide disparities in cost, and influences are at work which tend to maintain production even in the face of low prices.

Although the expansion of the Cuban crop is usually emphasised as the major depressing factor in the present market, that this is not a fair appraisal of the situation is evident from the fact that while Cuban production has increased from 3,730,000 tons in 1919-20 to 4,900,000 tons in 1925-26, or somewhat over 1,000,000 tons, the world crop has increased from 15,495,000 tons to 24,300,000 tons, or an aggregate gain of nearly 9,000,000 tons during that time (production data from Willett & Gray).

Already in 1913 there were some symptoms of over-production. Sugar had been cheap for a long time, averaging 2.47 cents f.o.b. Cuban ports for the thirteen-year period from 1900 to 1912 and 4.03 cents duty paid to New York. This price apparently was profitable, but it had been found necessary now and then to dump Cuban sugar on the New York market below the Hamburg parity. In 1913 the price f.o.b. Cuban ports averaged only 1.95 cent.

The price during the period of war-time control had

proved very profitable in Cuba and elsewhere, and the result was an accelerated rate of increase in cane-sugar production. With decontrol in the American market in January 1920 there began one of the most sensational price advances ever seen in any commodity.

The period of sensational prices, brief as it was, was sufficient to furnish an additional impetus. This is clearly seen by the value of exports of sugar-mill machinery. From 1913 to 1915 United States exports averaged at about 2,500,000, but in 1920 they amounted to \$22,787,000. From that year data on exports of sugar-mill machinery from Great Britain, the Netherlands and France are available, as well as from the United States. The aggregate for the four countries was over \$33,000,000 for 1921. The preparatory work and installation of machinery from 1917 through 1921 made possible the rapid expansion of cane-sugar production. The programme of expansion was carried forward with complete disregard of the inevitable recovery of the European beet-sugar crop.

If the world's sugar markets were free from artificial influences prices would probably adjust themselves fairly promptly. But the sugar market is not such a free market. The result is that consumption responds only imperfectly to low prices which bear very unequally on the different regions producing for export, the issue is confused, and the outcome clouded in doubt.

The future course of events in the beet sugar areas of Europe is fairly clear, on the basis of developments prior to the World War and of what has happened since 1918. Production is almost up to the pre-war total, with Russia still falling short of its former output. The foremost need of Europe is to employ its dense population to produce those foodstuffs for which the land is fitted, thereby reducing imports, and to export if possible. Beet culture is an essential feature of European crop rotation in many regions, and the residue from the beets is valuable as feed for animals.

Only less important than the influences which assure maintenance of the European beet crop and afford some grounds for expecting its further expansion in the face of low world prices are the protection afforded production within continental United States and its insular possessions and the embarkation of the British Empire upon a policy of preferential tariffs.

Capital is constantly seeking investment and manufacturers of sugar-mill machinery are searching out market possibilities. It has been too often proved in every line that low prices and consequent failure of established enterprises to earn profits do not deter new adventurers. The outlook even at current price levels is for the maintenance and probable increase of the beet-sugar crop of Europe and of the surplus available for export. Production in the United States, in duty-free United States territory and in British preferential areas is fairly certain to be maintained and it might be increased. Any price advance would stimulate production in these areas. If the restrictive measures taken by Cuba, together with some probable decline of output in the immediate future in certain other regions, should result in any substantial advance in the price, it would be likely to bring in additional production from tropical areas. Indeed, it is an open question as to whether the sugar crops of the coastal tropical regions of Central America and South America and Africa will not tend to creep upward anyway, without the added inducement of a better price.

Conditions in the sugar market are in no way parallel to 1921, when a prompt recovery was made from a disastrously low price. The world crop is larger by more than two-fifths than the crops of 1920-21 and 1921-22, and the sugar hunger of the early post-war years has long passed. Most of the causes of the severe international competition which has now developed were already operative in 1914.

* This is an abstract, prepared by the *Commerce Monthly* for August, a Journal of Commerce and Finance published by the National Bank of Commerce in New York, of an article contributed to it by Mr. E. M. Miller, the Statistician of that bank.

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ECONOMIC SURVEY OF GREECE IN 1925.

(Continued.)

AGRICULTURAL PRODUCTION.—6. STOCKBREEDING.

The returns for 1924 and 1925 show a steady decline in stockbreeding as compared with the preceding years, with the exception of horses and mares.

The unsatisfactory condition of Greek stockbreeding is further emphasised by a comparison of the output of the respective Balkan countries in 1923, as shown by the following table (in heads):—

Class.	Yugo-Slavia.	Rumania.	Bulgaria.	Greece.
Oxen ...	4,053,115	3,754,395	970,000	352,793
Cows ...	1,820,115	1,799,470	452,000	318,000
Buffaloes ...	31,696	185,280	41,300	12,528
Horses ...	1,034,134	1,200,432	350,000	194,375
Mules ...	15,492	3,222	12,000	117,622
Asses ...	88,845	11,137	118,000	236,946
Sheep ...	7,542,100	12,840,967	8,669,000	5,643,344
Goats ...	1,681,219	584,647	1,465,000	3,674,033
Figs ...	2,577,704	2,924,603	527,000	334,420
Poultry ...	—	—	8,689,000	5,955,640

An idea of the position of Greek stockbreeding may be derived from the abundance shown in the above table of mules and asses, beasts of little commercial value, and of goats, which are far less productive than sheep in milk, meat and wool, and are, moreover, very destructive to trees and all other vegetation. It will be seen that the number of goats in Greece is almost equal to that of the other Balkan countries combined.

It may be of interest to give the number of the more important live stock from the productive point of view to every head of the population (as returned in the 1920 census) in each of the said countries:—

	Population.	Cattle.	Sheep.	Figs.	Poultry.
Yugo-Slavia	12,017,323	49	63	22	—
Rumania ...	17,393,149	32	74	17	—
Bulgaria ...	4,861,139	30	18	11	183
Greece ...	5,536,375	12	12	6	107

The difference in the number of fowls per 100 inhabitants between Greece and Bulgaria hardly explains the perpetual shortage of eggs in Greece, which during 1923 imported about 1,000 tons, whereas Bulgaria in the same year exported 2,686 tons. Consequently this discrepancy must be due either to faulty returns or to more scientific poultry farming in Bulgaria.

The growing importance of this branch of agriculture in Bulgaria may be judged from the exports for the following years in weight and value (in brackets): 1921, 161 t. (4.4 mill. leva); 1921, 2,686 t. (109.8 mill. leva); 1922, weight not given (483.3 mill. leva); first half of 1924, 231 mill. leva. The last-named amount in leva represents Dr.124.7 mill., whereas Greece's total exports in live stock and its products (including raw hides) for the whole of 1924 only amounted to Dr.75.1 mill.

To this decline of live stock and its products is largely due the shortage of foodstuffs, notably meat, milk and cheese, which, being imported in ever increasing quantities, has tended to raise the cost of living and to depreciate the drachma during 1925. Further it has exercised a detrimental effect on industry, since it has deprived the cloth and carpet industries, both capable of considerable development, of supplies of wool of good quality.

The consequences of this situation may be judged from the amount and value of the live stock and its products imported into Greece during 1924 and 1925:—

Class.	1924.		1925.	
	Amount (head).	Value (million drachmas).	Amount (head).	Value (million drachmas).
Cattle ...	56,232	105.4	65,500	120.2
Sheep and goats ...	426,329	82.7	313,339	61.9
Horses and mules	11,215	33.2	9,807	39.8
	(1,000 kg.)		(1,000 kg.)	
Meat ...	315	6.7	305	8.9
Cheese ...	874	21.8	523	11.7
Butter ...	4,865	78.5	5,120	77.2
Condensed milk ...	2,430	40.7	1,943	34.8
Eggs ...	3,059	38.2	2,818	39.8
		407.5		394.6

It should be noted that for 1925 official figures were only supplied up to the end of August, and that the value for the whole year was computed on the basis of that proportion. The figures thus computed show a fictitious decline in imports for the year, whereas actual figures would probably show an increase, owing to the flood of imports during the last months in view of the pending revision of the Customs tariff.

At the average rate of exchange for the year of Dr.312 to the £, the amount of sterling exported in payment of imported live stock and live stock products may be estimated at £1,265,000. To the above imports, however, should be added 5,298 tons of raw hides for tanning, of the value of Dr.70,629,530 or £226,376, which brings the total value of imported live stock products for the year to Dr.465,277,545, or £1,491,376.

In March 1925 a Bill was prepared by the Ministry of Agriculture for the formation of a Board for the protection and development of stockbreeding, endowed with revenues contributed by the Government and derived from duties on live stock and on the export of animal products. The Bill, although approved by a special Parliamentary Commission, was never passed.

FORESTRY AND FISHERIES.

The following information as to the yield from forestry products, very incomplete for the year under review, is supplied by the Report of the General Bank of Greece.

The latest complete annual official returns only deal with the years 1923 and 1924, and are shown in the following table (value in millions of drachmas), those for such part of 1925 as have been published being reproduced later.

Product.	1923.		1924.	
	Amount.	Value.	Amount.	Value.
Timber (cub. m.)	100,396	45.3	110,330	26.4
Firewood (1,000 kg.)	24,665	44.3	29,692	59.4
Charcoal	80,000	74.5	90,000	74.4
Resinous products,	7,000	16.5	10,722	32.0
Acorns	5,485	2.5	3,962	1.5
Pine-bark	1,230	0.6	809	0.6
Lime (cwts.)	2,290	22.9	2,130	21.2
		206.9		228.7

Greece, whose forests cover an area of 17,200 sq. km., as against 25,689 sq. km. in Bulgaria and 73,149 sq. km. in Yugo-Slavia, is proportionately inferior to those countries in forestry production, Bulgaria's output for 1924 being: timber, 515,534 cub. m.; firewood, 130,456,000 kg., and charcoal 101,193,000 kg.; and that of Yugo-Slavia: timber, 844,597 cub. m.; firewood, 351,903,308 kg.

The official returns for Greece in 1925 only cover the first six months, and are as follows (value in millions of drachmas):—

Product.	Amount.	Value.
Timber (cub. m.) ...	53,000	26.9
Firewood (1,000 kg.) ...	80,000	48.0
Charcoal	43,330	34.6
Resin, etc.	2,990	11.4
Acorns	4,558	3.4
Pine-bark	530	0.6
Lime (cwts.) ...	1,476	14.7

The value of imports and exports in 1924 and 1925 was as follows (in millions of drachmas):—

Product.	1924.		1925.	
	Imports.	Exports.	Imports.	Exports.
Timber ...	279.5	—	374.5	—
Firewood ...	2.3	—	6.6	—
Charcoal ...	2.4	—	7.1	—
Resin, etc. ...	—	0.2	—	0.1
Turpentine ...	—	18.1	—	9.0
Colophony ...	—	18.2	—	9.9
Carob beans ...	—	6.8	—	9.4
	284.4	45.5	388.4	28.4

Thus the trade balance in forestry products in 1925 showed a debit of 359.9 million drachmas as against 238.9 million in 1924. It should be noted that the trade figures for 1925 are partly estimated, the official returns covering seven months only, the monthly average thus shown forming the basis of the estimate for the succeeding

months. A striking feature of the above table is the heavy increase in the import of firewood and charcoal, due to a falling off in forestry operations.

It is obvious that forestry cultivation shows a decline, corresponding to that of other branches of Greek industry, and claims the immediate attention of the Government. An example is set by Bulgaria in the form of its Forestry Act of August 1925, which introduces radical reforms into the whole industry and removes it completely from political influence. The new Act contains stringent provisions for the preservation and restoration of the forests, materially increases the staff of the Forestry Survey, acknowledges the ownership of the forests by the neighbouring population, provides for the supply of a fixed amount of timber for industry and business, and entrusts the working of the forests to industrial associations, members of which are entitled to a double allowance of wood. In order to encourage the associations the tax is payable only on wood prepared for the market. Finally, the new Act fixes the manner of granting forestry concessions, viz. (1) by tender, (2) by private contract, (3) by a mixed system, the Government participating by contributions of unwrought wood to industry. The two last-named forms of concession require the sanction of Parliament.

Greek fisheries in 1925 were in practically the same position as in the previous year, showing no signs of improvement; in fact there was a falling off in their output.

The retirement of numbers of fishermen from the exercise of this laborious calling, the burden of taxation on the raw material required by the industry, the increase of industrial wages, and above all the lack of fishermen's unions and associations, are the chief factors contributing to the stagnation or rather to the restriction of the industry during the past year. Further, the industry suffered considerable loss from the storms and floods prevailing in November and December, which caused damage to the fishery establishments and reduced output.

According to information supplied by M. G. Athanasopoulos, Inspector of Fisheries, the output of 45 fishery undertakings, composing about one-fifth of the whole Greek fishing industry, was five million kilogrammes.

As regards centralised fishing, the freshwater lakes yield the best results, fishing in the open sea being distributed among various nationalities.

Greek fishing is chiefly carried on in bays and enclosed waters, such as the Straits of Eubœa.

It may be estimated on the basis of the yield of 45 (one-fifth) fisheries in enclosed waters, viz. 5 million kg., and of the yield from the 84 sea fishing areas, viz. 3 mill. kg., that the total yield from the Greek fisheries for the year was 35 million kg., of an approximate value of Dr.525 mill.

A branch of the fishing industry which is carried on by various methods almost exclusively by Greeks in the Eastern Mediterranean is sponge fishing (see THE ECONOMIC REVIEW, Jan. 29, 1926, p. 94). The chief centres of this industry outside Greek waters are the coasts of Egypt, Tunis, Tripoli and Benghazi, and within Greek waters off Crete, Calumos, Hydra, Egina and Eubœa.

The output of this branch of the industry may be chiefly gauged from the export trade returns, owing to the scanty use of sponges by the Greeks themselves. Sponges are exported chiefly to France, Great Britain, Italy and the United States. The export for the years 1921 to 1924 was 30,803, 22,711, 14,065 and 19,173 kg. respectively, as against 24,343 kg. in 1913. The average value of these exports was Dr.25,000,000.

In 1924 salted and smoked fish was imported to the value of Dr.177,161,611 (£720,000) and during the first seven months of 1925 to the value of Dr.42,603,000.

THE INDUSTRIAL SITUATION.

During the year Greek industry, encouraged by the new protective tariff, by prospects of an improvement in the exchange, by the increase of the population, by the

adoption of protective measures by the Government, and by the latter's firm attitude towards labour agitation, appreciably increased and improved its factories, without, however, attaining any corresponding increase of production, which in some cases remained stationary, while in others it increased in value, it is true, but mainly owing to the rise in prices. Certain branches of production, such as building materials, fertilisers, cotton, cloth, silk and carpets, actually increased in quantity. At a rough estimate some eighty new factories were erected throughout the country during the year, including works for the production of electric lamps and cables, mineral dyes, artificial silk, war material, arms and shells, locksmiths' work, enamelled kitchen utensils, rubber goods, hats, bricks, and paper, notably newsprint and high quality paper, to be manufactured at Aegios. Of the new factories those engaged in the production of food employed the largest number of hands and the largest amount of motor power.

The value of industrial output during the year, although not ascertainable with any degree of exactness, undoubtedly exceeds that of the preceding year.

Many Greek industrial products were exported for the first time during the year, chief among them being soap, yarns, manure, and hats, in addition to those previously exported, such as wine, brandy, etc. It cannot be denied that this industrial development has been of great advantage to the country, notably by reducing the import of industrial products to the benefit of the foreign trade balance and by providing employment for the refugee population.

By a Decree of November 1926 giving effect to a previous Act, concessions of ten years' duration are offered to new industrial enterprises carrying on business in any part of the country with a capital of £30,000 sterling and employing a staff of not less than 100 workmen and clerks. With this concession may be granted exemption from taxation on the import of raw material and a like exemption on the export of corresponding manufactured goods. Further, by the above Decree and that of December 16 certain dangerous industries are compelled to engage chemical overseers. Such industries are those manufacturing explosives, turpentine, kernel oil, spirits of wine, carbon dioxide, poisonous minerals, manures, isinglass, and canned foods. It is characteristic of the backward condition of Greek industry that hitherto out of the 334 factories in which chemical experts are indispensable only 56 have a chemical service consisting in the aggregate of 121 persons.

In pursuance of the provisions of the Industrial Appropriation Act, 15 compulsory sales of land for industrial purposes took place, as against 20 in 1924.

The number of applications for exemption of duty on the import of machinery granted during the year was 1,621, as against 697 in 1924. Among the machinery thus imported free of duty were 334 oil engines, as against 151 in 1924. The above applications were made by the following industrial enterprises: metallurgical, 28; lignite mines, 18; engineering, 148; building, 131; textile, 366; food, 381; chemical, 101; tanning, 59; paper, 124; wood, 133; tobacco, 39; clothing, 20; and electricity, 68. Applications made by newly created undertakings were 52, as against 80 in 1924.

Industrial strikes in provincial towns amounted to 29, and to these must be added the extensive railway and tramway strike in March, in which the workers in electric power and lighting companies participated. The influence of the Government, supported by the industrial and other classes of the community, caused the unconditional withdrawal of this strike.

The impression of unalloyed industrial prosperity created by the above account derived from the annual Reports of the General Bank of Greece and of the Chamber of Commerce of Athens is decidedly tempered by the criticisms of unofficial writers, who show much less enthusiasm.

M. Phocion Zaimis, for example, writing in *Oikonomologos Athenon*, takes a serious view of the industrial situation due to the lack of a uniform policy which is essential to the conversion of Greece from a purely agricultural into an industrial country. The serious increase of the debit side of the foreign trade balance sounds a warning note to which the Government should give heed, but instead it displays a tendency to spread reassuring reports which are not justified by fact.

The much vaunted Act of 1922 for the Development of Industry large and small contemplated measures such as the expropriation of land for industrial purposes, exemption from taxes, reduction of transport rates, preferential treatment of home industrial products in the case of Government contracts put up for tender, the organisation of an industrial statistical bureau, the foundation of technical schools, and an abatement for newly founded industries of the net profits tax by 5 per cent., but of all these promised benefits unfortunately only two have materialised, namely expropriation of land for industrial purposes and, with much difficulty, rebate on taxation. Reductions of transport rates have been abolished by a subsequent Act, and all the other promised reforms have remained a dead letter. In vain have manufacturers protested, supplicated and threatened; the Government remains imperturbable and without settled policy. Everywhere are seen instability, inertia and lack of a uniform policy.

To illustrate this lack of a harmonious policy the writer quotes instances of conflicting measures published by different Government Departments. For instance, the Minister of Agriculture, Trade and Industry, in accordance with the Act, issued an order for exemption from taxation on the import of machinery, which the Minister of Finance refused to countersign. A curious conception of a uniform policy! Again, the Minister of Communications took upon himself to impose harbour dues at his own sweet will, disregarding the opinion of the Harbour Board and the representations of the Minister of Industry, who had intervened in response to protests from industrial circles. The same Minister, for reasons best known to himself, has included the department of industrial establishment among his own, a circumstance which only adds to the confusion of jurisdiction and to the disintegration of all industrial policy. The Minister of Finance ruthlessly taxes public companies as industrial undertakings, which burdens industry beyond endurance in contrast to other countries, which do all they can to protect and advance it.

Although commercial conventions with foreign countries have been much talked of, they have only been concluded provisionally, and the expectation and disappointment occasioned thereby have caused anxiety in the industrial world to reach its limit.

Greek industry is further hampered by the inability to obtain credits on the security of industrial plant, since loans are only offered on the mortgage of buildings, which constitute but an infinitesimal part of the undertaking, and even then interest at the rate of 17 per cent. is demanded. As may readily be imagined, no policy of industrial credits has yet been devised. Whereas in other countries the Government affords financial assistance and every facility for the organisation of trade fairs, and often participates in the exhibition of national products in foreign fairs, in Greece the exact contrary is the case. Not only the Fair Department, but also the grants for the support of fairs, have been suppressed, with the result that Greek industry is unable to exhibit its products and the Salonika Fair itself is in danger.

The theme of the necessity for the financing of industry is pursued in the same journal by M. A. M. Logothetos, who notes the total absence in Greece of financial institutions devoted to the support of trade and industry, a deficiency which has made itself felt in the present severe commercial crisis aggravated by shortage of money. Such institutions would enable the manufacturer

to carry on his business under more favourable conditions and to increase his output, and the trader to establish markets for his wares in Greece and abroad. The writer complains that at present Greek banks, instead of supporting trade and industry, rather show a tendency to obtain easy profits by speculation on the exchange, a tendency which only increases the instability of the national currency. The objection that there is not sufficient capital in Greece for the foundation of industrial and commercial banks he meets by the enumeration of some sixteen local banks founded during 1924 in various parts of the country, with an aggregate capital of close on 150 million drachmas.

M. Logothetos sees no serious obstacle to the foundation of such an institution as he suggests provided the will to organise it exists, but he appears to consider that the spirit of speculation is too rife throughout the country to permit of any serious spontaneous effort at such organisation, which is only possible if the Government were seriously to take the matter up. He acknowledges that no Government can check altogether a general tendency, but asserts that it might divert it to some extent, especially when the Government is a dictatorship. The Government, he urges, certainly has the power to restrict speculation on the one hand, and to create the necessary financial institution for the support of trade and industry on the other. All are aware that speculation exists, all denounce it and know the very names of those who practise it, yet nothing is done.

THE CARPET INDUSTRY.*

As stated above by M. Zaimis, Greece aims at converting itself from a purely agricultural into an industrial country, and with this object in view Greek industrial circles are devoting their energies to the foundation of industries hitherto unknown to the country. Chief among these is carpet making, formerly one of the staple industries of Asia Minor, and introduced into Greece by the Greek refugees from Turkish Asia, who almost monopolised this industry, the transfer of which to Greece has already formed the subject of a special article in these columns (see *THE ECONOMIC REVIEW*, March 20, 1925, p. 258).

This industry was introduced into Greece from Asia Minor, after the disasters to the Greek arms in 1922 and the interchange of the Mussulman population in Greece for the Greek population in Turkey, by the Greek refugees from Asia Minor, who constituted the nucleus of the industrial population of that country. Remarkable progress was made in this transplanted industry during the year under review. In 1924 the number of carpet factories throughout the country was 30, working 950 looms with a productive capacity of 100,000 square metres, whereas in 1925 the Athens and Piraeus areas alone possessed 45 factories with 1,290 looms and 3,600 workgirls, and if we include the work performed at home we have for the same district a total of 1,500 looms and 3,900 workgirls. With the addition of the factories working in other parts of the country, of which there are 13 with 700 looms in Macedonia, we arrive at a total of 70 carpet factories, large and small, employing 2,500 looms and 6,500 workgirls, with an additional technical and clerical staff of 1,000 persons, and a productive capacity of 200,000 square metres of the value of £500,000 sterling, for which were required about 250 tons of cotton and 500 tons of woollen yarns. The actual production for the year was 120,000 square metres of the value of £250,000 sterling as against 80,000 square metres in 1924, and the export 80,000 square metres of the value of £150,000 sterling as against £70,000 sterling in 1924.

An important factor in the development of the industry is the improved financial outlook of the undertakings, which have need of considerable capital, owing to the foundation, to date, of 4 joint stock companies with

* From the Report of the General Bank of Greece.

an aggregate capital of £180,000 sterling, to the establishment in Greece of important British carpet firms, and to the formation of 5 industrial associations, of which 3 in Athens and 1 each in Corcyra and Salonika. Thus the carpet industry now exports its products direct on to the foreign markets without the intervention of middlemen.

However, the progress of carpet making exclusively by Greeks from Asia Minor is nothing to what it was formerly in that country. Although there are in Greece a number of skilled carpet makers still unemployed, the quality of Greek wool is suitable for carpet making, and there is a sufficiency of capital available. But as against these favourable conditions must be set off the instability of the political situation, the fluctuations of the foreign exchange which frighten away capital, the dispersal of the refugees irrespective of their special aptitudes under the necessity of speedy housing, and finally the lack of organisation of export. To these disadvantages must be added the heavy import duties on Greek carpets entering foreign markets, the development of the industry in other Mediterranean countries, especially France, which is making every effort to attract carpet workers into the country, and the possible revival of the industry in Asia Minor owing to the cheapness of labour there and the technical support of Germany, the economic relations of which country with Turkey have been actively renewed since the war.

Every effort should be made to counteract the above unfavourable conditions, and as far as possible home manufacture should be restricted and the industry concentrated into properly organised and equipped factories. It should also be sought by means of commercial conventions to obtain a reduction of the very burdensome foreign duties on the import of Greek carpets, which in the United States are 55 per cent. of their value, in France Fr.80 to 90 per square metre, and in Germany under the new tariff Mk.400 per 100 kg., equivalent to 114 per cent. of their value. The inland duty of Dr.2 per oka (2.8 lb.) on the transport of carpets from one town to another for finishing purposes ought to be suppressed. It is also advisable to concentrate the carpet workers round the factories and to attract unemployed refugee carpet workers by establishing refugee settlements round these carpet making centres. Finally, by the organisation of carpet manufacturers into associations it should be sought to achieve not only a regulation of supply and demand, but also a cheaper supply of woollen yarns, which at present constitute over 60 per cent. of the cost of production.

Although the present crisis in the carpet industry does not strictly fall within the year with which this series of articles deals, yet the following discussion of this crisis, its causes, effects and possible remedy by M. Petrides in a recent number of *Oikonomologos Athenon* (August 7) may not be without value as complementary to the report on the industry already given.

The prevailing tightness of money, due in the opinion of many to heavy investments in building, especially of industrial premises, cannot fail to produce its effect upon carpet making, but the chief cause of the crisis in that industry lies elsewhere, and upon this cause the attention of carpet manufacturers should be directed to enable them to anticipate in time its disastrous consequences, calculated to cut short the further development of the industry.

The shortage of raw material, which is obtained from abroad, chiefly from Turkey, the high cost of labour in Greece, almost double that prevailing in Turkey, the desperate competition carried on by the Turkish industry encouraged and supported by the Angora Government, the heavy costs of establishing their industry to which the Greek carpet makers are exposed, the lack of housing for the workmen, the various duties and taxes burdening the cost of production, the lack of workmen owing to their dispersal into barren and

remote parts of Greece or their emigration to other countries, such is the series of factors constituting the problem of the carpet industry in Greece. But the efficiency, industry and technical knowledge of the refugees would enable them to overcome all these obstacles were they but able to solve the question of advantageously disposing of their products.

At present the Greek carpet industry, after three years of effort, does not possess more than 2,500 looms, occupying some 5,500 to 6,000 hands, three-fourths of whom are employed in the Athens district, while in the other provinces of the country are to be found some 20,000 workers wanting work. In order to increase the present small output it is indispensable to ensure simultaneously markets for it, a task which requires attention, organisation, capital and hard work.

The manufacture of carpets in Turkey up to 25 years ago was confined to very few districts and was about one-fourth of the output in 1922. The special carpet manufacturing districts were Ousak, Gordes, Koulon and Sevasteia, and their products were exported by two or three British firms. But since then, through the foundation of new companies, notably the Oriental Carpet Company, Ltd., a great stimulus has been given to production through the improvement in quality and the organisation of export and consumption.

These companies were founded principally with Greek capital, but in order to achieve the desired object they require many essentials in which they are lacking. The carpet industry is to-day highly scientific, and production and consumption must be nicely adjusted to its rules. Care should be taken to secure markets through competent agents and by acquiring individual customers in the various centres, and above all by extensive advertisement.

But these efforts require considerable capital, and are impossible to slightly endowed concerns except by amalgamation. It is precisely sufficient capital which the Greek companies lack, a fact which is a serious bar to the fulfilment of their destiny and to the development of a budding industry. In spite of their struggle against the above-mentioned difficulties and in spite of all their efforts to produce carpets of better quality the majority of Greek manufacturers are hard hit by the growing crisis due to the congestion of their stocks and to the difficulty of disposing of them on the market. Fortunately some of the British companies carrying on business in Turkey, notably the Oriental Carpet Company, which have transferred their operations to Greece, are purchasing the greater part of the output, thus reducing the crisis to more moderate dimensions.

(To be continued.)

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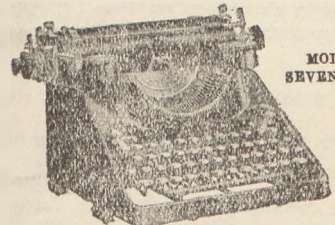
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ECONOMIC SURVEY

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

CZECHOSLOVAKIA

FINANCE

Draft Budget for 1927.—The draft of the Budget for the financial year 1927 has been submitted to the Cabinet. The total sum involved amounts to approximately C.Kr.10,000 mill. It has been decided that the extent of the new Budget shall in no wise exceed the aggregate figure of the Budget for the year 1926, less the various items of retrenchment that have been made operative during the course of the present year. In drafting the present Estimates the Minister of Finance has taken into consideration the law for increasing the salaries of State employees and also the taxation reform law that comes into force on January 1, 1927. There is, however, no indication in the Budget of the proposed abolition of the Ministries of Food, of Unification and of Public Health, the departmental budgets of which will devolve upon other ministries when the law respecting these changes comes into force. The Budget Bill will be submitted to the Chamber of Deputies in September. (*Gazette de Prague*, July 14; *Prager Presse*, July 13.)

According to the *Prager Presse* of August 17, Dr. English stated at a later date, after having revised the Estimates, that there would be a surplus, and that, provided there were no unforeseen items of expenditure to be covered, the State would be able to go through the financial year 1927 without resorting to any fresh credit operations.

State Notes Debt at End of Half-year.—The Czechoslovak National Bank's statement of conditions as at the end of the first half of the present year gives the following particulars of the State notes debt in its charge, as at June 30, 1926 (in Czechoslovak kronen):—

<i>State Notes Debt.</i>		Original debt.	Redemption.
State debt resulting from bank-notes, check account balances and short term cash vouchers of the Austro-Hungarian Bank taken over	10,099,538,315.22		
and from the exchange action	90,367,284.58		
	<hr/>	10,189,905,599.80	
Payments on capital levy	5,429,870,086.28		
plus repayment of advances granted for purpose of paying off Treasury bills (out of interest savings)	970,140.00		
	<hr/>	5,430,840,226.28	
less overpayments and expenses refunded	475,327,402.66		
and advances granted up for purpose of paying off Treasury bills	119,173,851.02		
	<hr/>	594,501,253.68	
State notes redemption fund... ..			4,836,338,972.60
State Administration balance due to stamping and exchange action			407,986,580.85
Balance to be redeemed			46,840,574.15
			<hr/>
		10,189,905,599.80	10,189,905,599.80

In regard to metallic cover at the said date the following figures are submitted (in Czechoslovak kronen):—

<i>Metal Cover.</i>			
Bank-notes in circulation on June 30, 1926			7,219,961,740.40
plus check account balances and other sums due at sight			685,417,805.87
			<hr/>
less State notes debt			7,905,379,546.27
			4,898,739,472.20
			<hr/>
Basis for the calculation of the metallic cover			3,006,640,074.07
Metallic cover—			
Precious metals, gold	915,063,787.00		
silver	120,051,293.80		
	<hr/>	1,035,115,080.80	
Gold foreign currencies		1,226,971,956.05	
		<hr/>	2,262,087,036.85
Metallic cover is			75.2%

Dr. English on the Financial Situation.—In an article quoted by the *Prager Presse* of August 10 last, Dr. English, Minister of Finance, surveys the development of the national finances of Czechoslovakia and the present financial situation. The following is a summary.

In consequence of the currency situation the winter of 1919–20 was characterised by a growth in the figures of national economy and of industrial production. Favourable conditions prevailed in 1921; the development of foreign trade was satisfactory, and the Budget, which amounted to C.Kr.21,000 mill., showed a surplus. The deflation period of 1922 was accompanied by appearances of a crisis; industrial stagnation followed and soon a financial crisis prevailed throughout the country. In the course of three years the various difficulties were overcome and in 1926 the equilibrium of the national finances was again established. This was a triumph for the policy of stabilisation, and since then the Czechoslovak krona has taken its place among the most stable currencies in the whole of Europe. The transference of currency powers to an independent National Bank definitely secured this stabilisation. The next task is to obtain full advantage of the stabilised currency both for national and private economy. The period upon which the country is now entering may be termed the period of consolidation. Budgetary equilibrium being restored, the next problem lies in a complete examination and the reconstruction of the inner structure of national and private economic activity.

The main problem at present for private economy is that of the stabilisation balances, in connection with which the Ministry is drafting a Bill. The stabilisation of the currency calls for a reform of the taxation system, for production is at present too heavily burdened. Such reform has become the more urgent since the Czechoslovak

slovak export trade has now to fight against the severest competition. A permanent Commission has been formed for the purpose of this reform. The Government also considers it a duty to endeavour to effect a reduction in the bank rate and to support conditions on the money market by preventing any augmentation of the national debts. The biggest item of expenditure is that for salaries of State employees, and the Government is regulating this matter. State undertakings have been made autonomous, and in future must provide capital for investment purposes out of their own receipts, to which end the Railways and the Post Office have been granted the right to retain the whole of their profits. Other public undertakings have received a similar privilege in respect to a portion of the profits. These measures lead automatically to economy and reduction of administrative expenses. National revenue is also being submitted to the closest scrutiny.

The Budget for 1926 provided for a surplus, and this will be the case after the reconstruction of the Budget has been effected. The State is managing its finances without the aid of fresh loans and must continue to do so. The general situation of Czechoslovak finances must be regarded as satisfactory and as a good augury for the future.

TRADE

Foreign Trade Returns for the Half-Year.—According to the figures published by the official Statistical Bureau, exports from Czechoslovakia during the first six months of the present year amounted to 4,823,976 tons and 3,806,345 pieces to the aggregate value of C.Kr.7,906,522,844, as compared with 6,024,269 tons and 4,250,010 pieces to the aggregate value of C.Kr. 8,919,634,554 in the corresponding months of 1925. During the present year there has been a continuous decrease in the value of exports, month by month, as the following figures demonstrate (in millions of Czechoslovak kronen):—

	1926.	1925.	Decrease.
January	1,179	1,506	327
February	1,475	1,517	43
March	1,512	1,705	193
April	1,350	1,477	127
May	1,219	1,326	107
June	1,171	1,386	215
Total	7,906	8,919	1,011

The leading exports for this period were classified as follows in comparison with the figures for the first half of 1925 (in millions of Czechoslovak kronen):—

	1926.	1925.
Cotton, yarns and goods	1,227.7	1,494
Sugar	1,066	1,263
Wool, yarns and goods	687	818
Glass and glassware	595	619
Iron and ironmongery	611	579
Cereals, pulse and flour, etc.	392.7	414
Coal	362	1,005
Timber	285.8	
Clothing	287	201

Imports during the same period amounted to 2,990,907 tons and 577,185 pieces to the aggregate value of C.Kr.7,509,622,823, as against imports to the value of C.Kr.8,045,284,048 during the first six months of 1925. As in the case of exports, there was also a diminution in imports during the period under survey, the total volume of trade in the first half of 1926 being represented by C.Kr.15,416.4 mill., as against C.Kr.16,964.9 mill. in the corresponding period of 1925, a decline, that is, of over one and a half milliard kronen. Nevertheless, the balance for the half-year remained a favourable one at C.Kr.396.6 mill., which is, however, nearly 500 millions lower than for the 1925 period. The main items of importation during this period, in comparison with 1925, are shown below (in millions of Czechoslovak kronen):—

	1926.	1925.
Cereals, pulse, flour, etc....	836	1,102
Wool, yarns and goods	744	856
Raw cotton and yarns	1,214	1,633
Fats, oils, etc.	851	275
Silk and goods	235	251
Minerals	169	120
Fruits and vegetables	255	228
Live stock... ..	319	303

The division of the import and export trade between the different countries was as tabulated below (in millions of Czechoslovak kronen):—

	Imports from.		Exports to.	
	1926.	1925.	1926.	1925.
Great Britain	310	278	645	708
Germany	1,610	3,065	1,327	1,910
Austria	502	576	1,314	1,525
Poland	602	440	120	375
Hungary	411	369	529	519
Rumania	224	182	417	395
Yugo-Slavia	227	225	545	410
United States	406	485	369	368
France	312	333	121	123
Italy	173	499	221	461
Holland... ..	203	162	131	123
Switzerland	153	156	247	252
Belgium	92	76	40	38

The outstanding feature of foreign trade with the different countries has been the heavy decline in imports from Germany and the big improvement in exports to that country. Trade with Great Britain has remained fairly stationary. Trade with Russia is slowly increasing, but has not yet attained appreciable dimensions. It will be observed from the above figures that there was a favourable balance of trade with Great Britain, Austria, Yugo-Slavia, Rumania, Hungary, Switzerland and Italy, but an adverse balance of trade with the remaining countries of note. (*Prager Presse*, July 28, 30, August 1; *Gazette de Prague*, August 4.)



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In an interview granted to a representative of the *Prager Tagblatt*, M. Peroutka, Minister of Commerce, attributed the decline in Czechoslovakia's export trade to the general fall in world prices and also to the present economic situation throughout Central Europe. He considered that the consuming capacity of the leading foreign markets for Czechoslovak goods had become reduced. It was very necessary for Czechoslovakia still to seek fresh markets abroad. The present movement in regard to imports did not, in his opinion, afford any ground for disquietude.

INDUSTRY

The British Coal Strike and the Czechoslovak Coal Industry.—The dearth of foreign markets for Czechoslovak coal continues to be severely felt by the local industry. The repeal of the tax on coal destined for export is to take effect on August 1, and it is therefore premature to speculate on the relief which this measure might bring to the trade. In the meantime, there are only a few pits working more than 4 to 5 shifts a week.

The strike of the British miners has had hardly any effect on the Czechoslovak coal industry. While Germany and Poland have shipped very large quantities to Great Britain, France, Scandinavia, Italy, South Africa and Latin America, the only increase in exports from Czechoslovakia—and this on a small scale—has occurred in the trade with Austria, Hungary, and to some extent with Germany, where deliveries are destined to replace deficiencies due to over-export. So far as can be ascertained, only some 40,000 tons of Czechoslovak coal have been purchased by German firms, presumably for British account. Among the reasons advanced for this failure to profit from the strike situation are the high cost of production, heavy freight charges due to Czechoslovakia's geographical position, a comparatively low calorific value, and the inexperience of the local trade in handling export business outside the customary lines of transport. It appears that the latter item is not the least important handicap.

The monthly returns for the production of hard coal and coke for January to May are given in the following table (in thousands of tons):—

	Hard coal.	Coke.
January ...	1,203	175
February ...	1,034	160
March ...	1,078	179
April ...	936	166
May ...	900	162

The decrease in these figures may be attributed to seasonal conditions, but it must be taken into consideration that the production at the beginning of the year fell very far short of the normal capacity of the mines.

Nor are the statistics for coal exports and imports for the corresponding period of the year encouraging.

	Exports.		Imports.	
	(In thousands of tons.)			
	Hard coal.	Coke.	Hard coal.	Coke.
January ...	125	39	150	16
February ...	111	36	108	12
March ...	110	37	91	11
April ...	86	35	94	9
May ...	100	37	98	10

These figures show that a considerable decrease in exports has been accompanied by a rising tendency in imports during the last three months under review. In the home market the seasonal increase in orders from the sugar factories has been set off by a decrease in the demand by the textile and glass industries, while the small number of blast furnaces in operation has had an adverse effect on the coke trade. (*Czechoslovak Market, July.*)

The situation as revealed above is also confirmed by Dr. J. Fischer in his contribution to the *Zprávy Verejné Služby Technické*, in which the figures of the lignite production are also given. The total production of lignite in the first four months of the present year amounted to 6,262,828 tons, as against 6,209,829 tons in the corre-

ponding period of last year. The situation in the lignite fields is reported to have slightly improved during recent months. The report submitted at the recent general meeting of the Federation of Czechoslovak Mine-owners stated amongst other matters that the crisis in the coal industry and the future outlook were so unsatisfactory that the owners had been compelled to reduce the number of employees. But this reduction had in 1925 not been in so great a proportion as in Germany and Poland. The report also stated that the position of mining companies in Czechoslovakia was worse in 1925 than in 1924.

DENMARK

Economic and Trade Conditions in July.—The National Bank of Copenhagen and the State Statistical Department supply the following information on economic and industrial conditions in Denmark during July.

The value of the Danish krone has remained unchanged at the level it reached at the end of the preceding month. The exchange quotations during the month were thus for dollar 3.78 and for sterling 18.34 except that, as regards the latter, the exchange fell to 18.32 on the last two days of the month. The average of the quotations was a trifle lower than in June, viz. for dollar Kr.3.78 (in June Kr.3.78) and for sterling Kr.18.34 (in June Kr.18.36), corresponding to an average krone value of 98.6 gold ore.

The continued stability of the money value, practically at the level of the old gold parity, continues to cause certain adjustments in the loans and deposits of the banks. The three principal private banks have during the month increased their loans to the extent only of Kr.5 million, while the National Bank has decreased its loans by the same amount. As far as the National Bank is concerned a statement covering the year 1925-26 is now available. According to this the Bank has had a profit of about Kr.7 million, of which Kr.6 million have been employed to write off various losses, while the remaining million has been carried forward to a special account to cover losses incurred by the bringing back of the krone to the gold parity. These losses amounted to Kr.9.5 million on exchange transactions properly so called, while Kr.1.5 million was lost through the exchange stabilisation fund of 1923, and paid as commission on the current Anglo-American exchange credits, which were available, but had not been used. Kr.10 million had thus to be carried forward to the above-named special account, which may reasonably be expected to be covered at the end of 1927-28, when the exchange agreement entered into with the Government lapses. The shareholders of the Bank as usual get 8 per cent. of the profits regulation fund, which amounts to Kr.23.7 million, or a little less than the share capital (Kr.27 million), in addition to which there is a reserve fund of Kr.11.3 million. The loss on the exchange transactions was less than expected, and the shares went up one point on the publication of this statement.

Simultaneously with the publication of the balance-sheet of the National Bank the private banks published their reports for the year 1925. The adaptation of the

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	7	Kovno	7	Rome	7
Berlin	6	Lisbon	9	Sofia	10
Brussels	7	Madrid	5	Stockholm	4½
Bucharest	6	Moscow	8	Tokyo	7.3
Budapest	6	New York	4	Vienna	7
Copenhagen	5	Oslo	5½	Warsaw	10
Danzig	5½	Paris	7½		

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.

higher krone value has caused these banks to write off a total of Kr.202 million, the greater part of which falls to the Landmandsbank, while the deflation which has taken place has not made any greater demands upon the other banks. By the reduction of their loans the banks have, on the other hand, decreased their debts to the National Bank by Kr.80 million in the course of the year.

In July the note circulation of the National Bank declined from Kr.400.1 to 388.7 million, as against Kr.448.7 million on July 31, 1925. The turnover of both shares and bonds on the Copenhagen Stock Exchange in July was somewhat smaller than in June, the weekly turnover being Kr.0.9 million for shares and Kr.2.4 million for bonds, as against Kr.1.4 million and Kr.3.0 million respectively in June.

In the index number for Stock Exchange quotations there was a small advance in July for shares as well as for bonds, the share index number being 88.5 (in June 85.9) and the bond index number 86.1 (in June 85.2), taking 100 as the index number for July 1, 1914.

The wholesale price index number of the Statistical Department, which in June fell one point from 158 to 157, again rose to 158. Apart from such groups as food-stuffs and fuel, where there was an increase of 4 and 8 points respectively, the changes since June are insignificant.

The trade balance for June shows imports to the value of Kr.134 million and exports to the value of Kr.128 million. The import surplus was accordingly Kr.6 million. In June 1925 the import surplus was Kr.14 million. The import surplus for the first half of 1926 is Kr.18 million as against Kr.70 million for the first six months of 1925.

Agricultural exports in July were somewhat smaller than in June, except as regards eggs. The average weekly export was—for butter, 27,438 hkg. (in June 29,063 hkg.); for eggs, 1,062,800 score (in June 784,600 score); for bacon, 32,572 hkg. (in June 35,465 hkg.); and for meat and cattle, 9,074 hkg. (in June 11,927 hkg.)

The prices for the exported goods were generally a little lower in July than in June.

The average weekly quotations were—for butter, Kr.294 kroner per 100 kg. (in June Kr.297); for eggs, Kr.1.28 per kg. (in June Kr.1.26); for bacon, Kr.1.81 per kg. (in June Kr.1.90); and for meat, 56 öre per kg. live weight (in June 59 öre).

Employment conditions in the labour market were considerably worse than last year; unemployment even increased from June to July, presumably because of the anticipated low index number for August, which automatically causes a reduction in wages. The unemployment percentage at the end of July was 17.4, as against 8.3 last year. In the industrial trades the percentage was 19.8 and 8.7 per cent. respectively.

The State revenue from Excise and Customs in July was Kr.24.9 million, Kr.10.7 million of which was derived from Customs duties. In July 1925 the corresponding figures were Kr.22.7 and 8.3 million respectively.

GERMANY

FINANCE

Details of Unsatisfactory Revenue, April to June; Improved Receipts in July.—A brief statement of Reich revenue and expenditure was published in last week's *ECONOMIC REVIEW* (August 27), from which it was seen that the first quarter of the current financial year closed with a deficit of Rmk.77 mill. We now have to hand the full details of the yield of the different classes of taxes and duties for April, May and June last, as published by the Deutsche Bank in its *Wirtschaftliche Mitteilungen* of August 15. The results of the first quarter of the financial year are compared with the respective figures estimated for the whole year in the 1926-27 Budget. These figures indicate very clearly in which categories of taxation the results have fallen short of the estimates.

For the sake of making the comparison still clearer the respective totals of sums collected are compared in the table below with one-fourth of the figures estimated for the entire year (in Reichsmark):—

Revenue, 1926.	April to June; actual result.	One-fourth of estimated total for the year 1926-27.
(A) <i>Taxes on property and transport.</i>		
Income tax (various)	470,192,737.09	525.00 mill.
Corporation tax	54,390,414.42	62.50 "
Property " " " " " "	36,328,473.99	100.00 "
Death duties	5,661,490.44	15.00 "
Turnover tax	225,258,641.54	245.50 "
Tax on land purchases	6,117,672.10	5.00 "
Taxes on capital movements :		
(a) Company tax	7,608,418.59	15.00 "
(b) Tax on securities, etc.	3,973,917.35	2.00 "
(c) Stock Exchange turnover tax	10,600,827.00	12.50 "
(d) Board tax	448,453.36	—
Tax on motor vehicles	24,097,650.52	17.50 "
Insurance tax	12,060,006.83	9.00 "
Betting and lottery taxes	18,033,799.30	16.25 "
Bill of exchange tax	8,513,756.30	12.50 "
Transport taxes :		
(a) Passengers	43,652,130.73	42.50 "
(b) Goods	32,267,173.72	38.75 "
Total	959,115,563.88	1,119.00 "
Taxes imposed once only	14,145,103.31	7.50 "
Total (A)	973,260,667.19	1,126.50 "
(B) <i>Customs and duties on articles of consumption :</i>		
(a) Pledged.		
Customs	166,090,102.76	145.00 "
Tobacco duty	130,987,636.58	163.75 "
Sugar " " " " " "	56,721,155.09	66.25 "
Beer " " " " " "	64,240,440.67	58.75 "
Yield of the spirits monopoly...	43,190,392.79	43.00 "
Total	461,229,726.89	476.75 "
(b) others	20,672,822.17	13.07 "
Total (B)	481,902,549.06	489.82 "
(C) <i>Other receipts</i>	128,679.03	—
Total (A, B and C)	1,455,291,895.28	1,616.32 mill.

It will be observed that the only receipts that showed an improvement on one-fourth of the estimated figures for the whole year were the taxes on land purchase, securities, motor vehicles, insurances, betting and lotteries, the passenger transport tax and taxes imposed once only, and, in regard to duties, that imposed on beer and the yield of "other" duties. In practically every other case the results fell far short of the estimates, particularly the property tax and death duties, which realised but little more than one-third of the estimates, and the company tax, which was about one-half of the estimated figure.

According to a report in the *Hamburger Fremdenblatt* of August 17, revenue collected in July totalled Rmk. 708,004,927, thus bringing the total for the first four months of the present financial year to Rmk.2,163.3 mill. Since the estimated total for the entire year is Rmk.6,465.3 mill., revenue collected to date actually exceeds the estimated figure for the first four months. Since the monthly average of receipts for the first quarter of the financial year is only Rmk.485.1 mill., the sums collected in July represent a vast improvement on the preceding months. This is probably and for the most part due to the better yield of the income tax.

TRADE

Foreign Trade Returns for July.—The statistics of foreign trade in July are more unsatisfactory than those of the preceding month. Excluding bullion and specie the total value of imports amounted to Rmk.942,077,000 as against Rmk.791,924,000 in June. The total value of exports was Rmk.821,279,000 as against Rmk. 758,854,000 in June. The adverse balance was thus increased from Rmk.33.1 mill. in June to approximately Rmk.121 mill. in July. It will be observed that imports

increased by Rmk.150 mill., whereas exports rose by only Rmk.62 mill. This growth in imports was largely accounted for by an increase in the importation of foodstuffs to the extent of Rmk.124 mill. Raw materials and semi-manufactured goods rose by Rmk.25 mill. The big increase in foodstuffs imports was due to an anticipation of the Customs duties being raised on August 1. In regard to exports the increase was caused mainly by heavier consignments abroad of raw materials and semi-manufactured goods, to the extent of Rmk.36 mill. and manufactured goods to an increased value of Rmk.31 mill. Foodstuffs exports receded by approximately Rmk.4 mill. In the following table imports and exports are classified, the July figures being compared with those of May and June, and the total for the first seven months of the present year also being given (in mill. of Rmk.).

		Imports.			
		May.	June.	July.	January to July.
Foodstuffs and beverages ...	a	208.81	213.71	291.83	1,422.5
	b	282.18	292.89	417.26	1,931.4
Raw materials and semi-manufactured goods	a	271.01	322.28	349.47	2,064.3
	b	324.44	386.86	411.85	2,518.8
Manufactured goods ...	a	70.88	83.54	86.46	519.9
	b	87.78	102.17	103.95	666.5
Gold and silver ...	a	3.76	3.72	6.4	145.7
	b	3.77	4.02	6.9	147.6
Total ...	a	562.68	632.78	743.09	4,201.9
	b	706.71	795.94	749.02	5,318.4
		Exports.			
		May.	June.	July.	January to July.
Foodstuffs and beverages ...	a	22.65	23.39	19.49	224.8
	b	25.53	27.04	22.88	265.5
Raw materials and semi-manufactured goods	a	130.48	154.75	183.03	1,030.9
	b	154.53	179.55	215.79	1,220.6
Manufactured goods ...	a	398.26	407.76	430.60	2,953.9
	b	547.95	550.85	581.86	4,096.7
Gold and silver ...	a	1.91	1.81	1.88	23.1
	b	1.91	1.82	1.91	23.7
Total ...	a	554.15	588.70	635.64	4,238.1
	b	730.87	760.42	823.19	5,613.2

a = pre-war value. b = present value.

Imports of foodstuffs and beverages show an increase of Rmk.124.4 mill. on the preceding month. Wheat imports rose by 34.7 mill.; coffee by 24.7 mill.; and fish by 6.8 mill. Reichmarks. The growth of imports of raw materials and semi-manufactured goods was caused chiefly by a livelier inland purchasing market for mineral oils, timber, non-oleaginous seeds and wool. Imports of skins and hides, cotton, oleaginous fruits and oils declined. There was no appreciable difference in imports of manufactured goods. The rise in exports may be largely attributed to brisker foreign sales of hard coal and coke, ammoniac and semi-manufactured ironware. Textile raw materials fell off by about Rmk.2.3 mill. The improvement in exports of manufactured goods was chiefly caused by the better sales of woollen fabrics, ironmongery, rolled steel, bar iron and iron castings. Machinery exports increased only slightly. (*Deutsche Allgemeine Zeitung*, August 22.)

INDUSTRY

The Automobile Industry.—The German automobile industry is in a peculiar position, writes Dr. Fritz L. Mezger in his contribution to the *Wirtschaftsdienst* of August 20, in which he submits this branch of industrial activity to a comprehensive and detailed examination, but of which lack of space in these columns forbids anything more than a brief summary. The trouble has arisen, it seems, through misjudgment of national and local conditions on the part of the German manufacturers, who apparently have suffered under the delusion that what the United States did yesterday Germany can do to-day. Noting the tremendous success of the production of cars in America, the Germans expected similar good fortune in their own country. They failed

to realise that the vast distances between the important centres in America and the consequent necessity of speeding up inter-communications was the first, that unprecedented national wealth and excellent highroads was the second, and that the splendid income of all classes of the 100 million population was the third of several basic conditions that simply did not exist in Germany and probably could not exist for many years to come. By the time the manufacturers had grasped this fact and their experiments had failed the factories had been fitted up for mass production, with the result that cars, semi-finished products and various materials have been lying idle, vainly awaiting a market. The situation was made still worse by the suddenness of the crisis that set in during the second half of last year, for the manufacturers declare that they could not at so short a notice restrict output to any appreciable extent, so that stocks were piled up more heavily than before. Dr. Mezger then proceeds to give detailed statistics of the number of motor cars and lorries, etc., in the various countries and continents of the world as at the beginning of the years 1924, 1925 and 1926; he has also worked out figures showing the proportional increases in the different countries during the triennial period. From this mass of useful data we have extracted and reproduced below sufficient figures of the totals of cars of all grades to demonstrate the relative position of Germany in this respect. (It might also be mentioned that valuable data are likewise given in *Der Motorwagen* of July 20, 1926.)

	Total number of cars of all grades as at January 1.			Increase on 1925:	
	1924.	1925.	1926.	No. of cars.	Per cent.
Germany ...	152,068	219,990	330,000	103,010	46.8
Great Britain ...	642,853	770,839	903,021	132,082	17.1
France ...	444,812	575,000	735,000	160,000	27.8
Italy ...	75,000	100,000	114,700	14,700	14.7
Whole of Europe ...	1,665,789	2,147,784	2,679,463	531,679	24.8
United States ...	15,281,295	17,740,236	19,843,936	2,103,700	11.9
Continents of Europe plus North and South and Central America ...	16,043,635	18,737,903	20,985,166	2,247,263	12.0
The world ...	18,109,131	21,506,982	24,454,163	2,987,181	13.7

These figures indicate that the proportionate increase in Germany during the past year has been much greater than in other countries and nearly four times as great as in the United States. This growth in car property does not reveal the true situation in the home automobile industry. During 1925 11,736 cars were imported and 2,548 exported, the excess of imported cars being thus 9,188. Deducting this excess of imported cars from the total increase in the number of cars for the year we arrive at a home production of approximately 90,000 cars. The capacity of 30 of the leading car manufacturers in Germany is estimated at about 200,000 cars per annum, so that this capacity was utilised to no more than between 40 and 50 per cent. According to *Das Auto* these factories are now turning out 64 different types of cars.

In regard to the financial side of the problem it is noted that ten of the leading concerns have an aggregate share capital of Rmk.134.4 mill. The most striking feature of their balance-sheets is the extraordinary amount of property in the form of goods, both finished and semi-manufactured, this item having risen from Rmk.83.8 mill. in 1924 to Rmk.126.9 mill. in 1925. It is, in fact, the biggest of the assets items. In order to maintain the super-abundance of stocks, credits have been doubled, figuring at Rmk.105.9 mill., as against Rmk.52.8 mill. in the preceding year, whilst capital has been but slightly increased, viz. from Rmk.152.4 mill. to Rmk.155.0 mill. Despite the bad trading year the gross profits were higher in 1925 than in 1924 and even attained the nominal figure of 1913. The net profits of such firms as showed a surplus in 1924 were, however, lower in 1925, the average dividend sinking from 5.4 per cent. to 3.8 per cent. In 1913 the Adler

firm distributed a dividend of 25 per cent., and other leading concerns dividends ranging from 12 per cent. to 24 per cent. Several of the best firms paid no dividends in 1925. There is a lack of uniformity in the results for the year, but this may be due to the fact that some of the automobile manufacturers also make bicycles, motor-cycles and even sewing machines, which were not affected by the prevailing conditions in the car market.

With reference to the export trade it is observed that the exportation of bicycles and bicycle parts rose in value from Mk.23.8 mill. in 1913 to Rmk.48.4 mill. in 1925 (pre-war value, Rmk.32.2 mill.). The value of lorries, etc., sold abroad dropped, however, from Mk. 86.9 mill. in 1913 to but Rmk.24.3 mill. in 1925. The excess of imported over exported motor vehicles in 1925 was equivalent to Rmk.44.6 mill. The following table gives the import and export movements of motor cars, lorries, motor-cycles and bicycles in 1913 and 1925 (in millions of Rmk.):—

	Motor cars.	Lorries.	Motor-cycles.	Total.	Bicycles and parts.
1913 : Imports	12.2	1.9	0.4	14.5	1.2
Exports	71.1	13.2	2.6	86.9	23.8
1925 : Imports	56.8	8.1	4.3	69.2	2.4
Exports	13.3	10.1	1.2	24.6	48.2

The *Berliner Zeitung* of August 4 last gives the following particulars of the relation between the production and exportation of the leading countries for the manufacture of automobiles in 1924 and 1925 (in numbers of vehicles):—

	1924.		1925.		Per cent.
	Exports.	Pro-duction.	Exports.	Pro-duction.	
Germany ...	2,310	18,000	1,787	55,000	3.2
U. States ...	178,732	3,505,624	302,924	4,154,269	7.5
G. Britain ...	15,642	133,811	29,053	176,197	16.5
Canada ...	56,655	135,246	74,151	161,389	45.0
France ...	48,127	145,000	61,471	177,000	34.7
Italy ...	18,934	35,000	29,041	39,573	73.4

Though these figures may not be altogether above criticism it is obvious that the proportion of exports to car production in Germany is much lower than that in other countries.

Notwithstanding the crisis through which the industry has been passing the manufacturers are optimistic regarding the future. Recent developments actually support this optimism, for during the present year and particularly since April sales have improved and there has been no further resort to fresh credits.

Coal Output in June and July.—The Ruhr pit coal output for July 1926, as against June 1926 and other years, is shown in the following tables (in tons):—

	Coal.	Average
	Monthly output.	daily output.
July 1926 ...	10,173,961	376,813
June 1926 ...	9,209,238	—
July 1925 ...	8,811,053	374,004
" 1919 ...	6,696,813	248,030
" 1913 ...	10,150,347	375,939
<i>Coke.</i>		
July 1926 ...	1,765,323	56,946
" 1925 ...	1,644,755	54,825
" 1919 ...	1,584,259	51,105
" 1913 ...	2,110,412	68,077
<i>Briquettes.</i>		
July 1926 ...	316,968	11,740
" 1925 ...	303,311	12,317
" 1919 ...	270,140	10,005
" 1913 ...	448,659	16,617

The total number of miners engaged at the end of July 1926 was 374,466 as against 366,382 at the end of June. The British coal strike made it possible to employ 8,084 additional miners.

Stocks of coal and coke together at the end of July amounted to about 7.4 mill. tons as against 8.09 mill. tons at the end of June and 9.2 mill. tons at the end of May.

The July output of the pits in the Aachen district was 408,481 tons of coal ; 79,770 tons of coke ; 12,997

tons of briquettes. The British crisis has caused a great demand for bunker coal in this district. The situation in the anthracite market was not so favourable. Production in Upper Silesia in July was 1,587,181 tons and in June 1,326,690 tons. The improvement was largely due to the demands of the foreign market, but the inland sales were also brisker.

The Central German lignite mines produced in July 7,682,734 tons and in June 7,710,705 tons ; briquettes 2,131,219 tons in July and 2,064,056 tons in June ; coke 38,380 tons in July and 37,087 tons in June. The Rhineland lignite fields produced in July 3,457,964 tons of coal and 846,563 tons of briquettes. Bavarian mines produced in July 2,626 tons of hard coal ; 90,134 tons of bituminous coal and 85,172 tons of lignite. (*Hamburger Fremdenblatt*, August 20, and *Wirtschaft und Statistik*, No. 15.)

A very noticeable progress has recently been made in the mechanical equipment of the Ruhr pits, particularly in automatic boring and face cutting machinery. The *Deutsche Allgemeine Zeitung* of August 7 gives figures showing the vast increase in the number of the different mining machinery and appliances designed with a view to reducing costs of production. These figures are very remarkable, the number of some classes of machinery being now more than 100 times greater than a few years ago.

Later Press reports speak of continued lively sales on the Ruhr coal market in August. It is affirmed that the daily output for this month will exceed that of August 1913, despite the fact that 40,000 fewer men are now employed, owing to various technical improvements and the increased use of machinery. Big orders are expected from Great Britain.

SOCIAL AND LABOUR CONDITIONS

Improvement in the Labour Market.—According to the official figures published in the *Gewerkschafts-Zeitung*, August 21, the number of unemployed in Germany has steadily decreased over the last three months. The total number in receipt of relief has dropped from 1,744,539 on June 1 to 1,742,567 on July 1 and to 1,652,616 at the beginning of August. The improvement is due to the increased demand for male labour, since the number of unemployed women in receipt of relief at August 1 was slightly higher than at June 1, although an improvement on the situation at the beginning of July, the movement being from 323,953 to 332,843 to 324,165 at August 1. The seasonal demand for harvest labour and the stimulating effect of the British coal strike on the German industry have doubtless exercised an influence on these figures. Excluding the figures relating to the coal sections, 17.9 per cent. of trade union members were unemployed at the beginning of August, as against 18.3 per cent. at the beginning of July, the improvement thus representing only 0.4 per cent. of the total membership. In certain industries and trades the situation is still very bad. In the hat-making branch, for instance, the number of unemployed at the beginning of August was 40.3 per cent. of the total trade union membership ; in the clothing industry, 33.0 per cent. ; saddlers, etc., 32.2 per cent. ; woodworkers, 29.0 per cent. ; footwear industry, 28.9 per cent. ; metal industries, 21.7 per cent. ; leather workers, 21.5 per cent. ; joiners, 20.3 per cent. Many other trade unions registered unemployed to the extent of between 10 and 20 per cent. of the total membership.

In a contribution to *Die Arbeit* of August 15 Herr Bruno Broecker points out, amongst other matters of interest, that in addition to the number of unemployed officially given as in receipt of relief must be reckoned a further 300,000 to 400,000 workless persons who are not in receipt of unemployment benefits. The total number of unemployed in Germany at the present time would thus be about 2 millions. Herr Broecker deals in this article with the question of relief and the creation of work for the unemployed. He shows that it actually costs more to provide national relief work for the unemployed than to grant relief in cash, but that, on the other

hand, the system of relief works is in its reaction upon the general economic life of the country so manifold and beneficial as to warrant its adoption, since finally it may prove more economical than the other system. The German Government is now more inclined to this policy. On May 15 last the number engaged on emergency relief works was 170,000, which constitutes a record. Since May there has been a slight falling off in the number employed upon such work.

Recent Statistics of Cost of Living.—The index numbers of the cost of living in June and July last show that there has recently been an upward movement in the prices of most articles of prime necessity. The following table gives the index numbers of the various categories for the different months of the present year and compares with the situation in August 1925 (1913-14 = 100):—

	General						
	General index.	Food-stuffs, exclud- ing rent.	Food- stuffs.	Rent.	Heating and lighting.	Cloth- ing.	Other Com- modities.
1925.							
August ... 1926.	145.0	159.5	154.4	87.7	140.3	173.4	186.4
January	139.8	152.1	143.3	91.1	142.5	171.1	189.1
February	138.8	150.8	141.8	91.4	142.7	169.3	188.8
March ...	138.3	150.1	141.0	91.4	142.7	168.1	189.0
April ...	139.6	150.3	141.6	97.4	141.7	167.0	188.8
May ...	139.9	150.4	142.3	98.6	140.4	165.2	188.0
June ...	140.5	150.8	143.2	99.9	140.3	164.2	187.5
July ...	142.4	152.0	145.3	104.4	141.1	162.7	186.8

The general index for July rose by 2.1 points, food-stuffs by 2.1 points and rent by 4.5 points, as compared with the June figures. Clothing, on the other hand, dropped by 1.5 points. Despite the general increase the situation is for the most part better than in August 1925. (*Glückauf*, August 21, and *Wirtschaft und Statistik*, No. 15.)

LITHUANIA

FINANCE

Postponement of the New Import Duties.—The new Minister of Finance, Mr. A. Rimka, has made a statement justifying the temporary postponement of the application of the new import duties decreed by the former Minister of Finance, Dr. Karvelis, which should have come into operation on June 25, involving a maximum Customs tariff of 30 per cent. on goods from countries which have not concluded commercial treaties with Lithuania.

The enforcement of this decree appeared untimely for various reasons. In the first place it would affect countries whose total exports to Lithuania amount to not less than 10 per cent. of all Lithuanian imports, while the fiscal benefits accruing from the application of the maximum tariff would have been very inconsiderable. On the other hand it is obvious that the countries thus affected would not have remained in Lithuania's debt, and in their turn would have applied maximum import duties to Lithuanian goods. The object of this decree was to stimulate the non-treaty State to conclude agreements with Lithuania, but that object could not possibly be attained on account of the very brief interval allowed between the promulgation of the decree and its coming into force. Moreover, dissatisfaction was expressed with the decree not only by countries not possessing treaties with Lithuania, but also by those having treaties, because had the decree been put into force it would have been necessary to supervise the origin of goods, which would have involved much trouble and delay in presenting certificates of origin.

The decree had certain undesirable effects. The June statistics show that during the first twenty-four days of that month 1,478 tons of sugar and 90 tons of textiles passed through the Kovno Custom-house alone, while the normal total of Lithuanian imports of these goods

for a whole month amount to 1,200 tons in the case of sugar and to 50 tons in that of textiles, proving that importers had been quick to bring in as large a volume as possible of these commodities to which the maximum tariff could be applied. Such an increase of exports caused a great demand for foreign currency. Considerations of this character suggested the postponement of the enforcement of the decree.

The financial position of the Treasury has so improved that it will be possible to satisfy all the estimated expenditure without any difficulty. Revenue of every description is coming in normally and the Minister contemplates the future with complete optimism. A great deal of trouble has arisen from the collection of the tax on profits, and in this direction reforms are urgently required. In reply to a question regarding a foreign loan the Minister replied that the country is not in such a position that it cannot dispense with a loan, and that the question is not an urgent one for the moment. (*Lithuanian Elta Agency Bulletin*, No. 15.)

TRADE

Foreign Trade Returns.—The statistics of Lithuania's balance of trade for the first five months of 1926 as compared with the corresponding period of 1925 are as follows (in Lits):—

	Exports.	Imports.	Balance of trade.
January to May 1926	107,773,000	89,800,000	+ 17,973,000
January to May 1925	95,724,000	106,676,000	— 10,952,000

Thus the export surplus for five months' foreign trade amounts this year to Lits 3,117,000 or 20 per cent., despite the fact that imports exceeded exports in May. Such an excess of exports has only occurred previously in 1924, and even then it amounted to only 12 per cent. (exports, Lits 104,580,000; imports, Lits 93,116,000).

In June last Lithuanian exports amounted to Lits 19,200,000. In comparison with May exports increased by Lits 1,100,000 and imports decreased by Lits 200,000.

Later figures show that for the first half of 1926 exports reached Lits 125,200,000 and imports Lits 109,000,000. Thus for that period exports exceeded imports by Lits 16,200,000 or 15 per cent. (*Lithuanian Elta Agency Bulletin*, No. 15.)

Export of Flax and Linseed.—In the most important group of Lithuanian exports, that of raw materials and semi-manufactured goods, flax and linseed take the first place. The figures for the past three years are as follows:—

	Tons.	Lits.
1923	7,724.8	12,984,100
1924	14,047.2	52,748,300
1925	11,081.0	42,923,000

It appears from the above statistics that flax exports in 1924 were twice as large in quantity and more than four times the value of those for 1923. In 1925 flax exports declined by 3,000 tons in quantity and by almost Lits 10,000 in value. This decline is reputed to be due to the Government's failure to adapt itself to the conditions of the flax market, which were undoubtedly favourable to this branch of trade. The world flax market began to grow quiet, and symptoms of crisis, which gradually manifested themselves, came to a head in the autumn of 1925. Lithuania, being quite inadequately armed for competition with the more far-seeing neighbouring States was the chief sufferer, her most serious competitor being Soviet Russia. Moscow's economic policy brought about a Russian sales monopoly in the flax trade of Eastern Europe, and the market conditions in 1925 favoured an intensive cultivation of flax in Russia. In the spring of 1925 about half a million desiatins were sown with flax, thus increasing the area under flax cultivation by 40 per cent. Russia's importance as a flax producing country in Eastern Europe is thus clearly demonstrated, and the Western European States also increased their flax sowing, the area of which rose on an

average by 9 per cent. The Baltic States followed the example thus set. Lithuania, which after Russia and Poland is the third most important flax producing State in the world, last year increased the sowing area by 25 per cent., whereas in Latvia and Estonia the increase is estimated at 10 to 15 per cent. These countries have now extended flax cultivation to the furthest limit of safety in view of the weak conditions prevailing in the world flax market, which are largely due to the competition now offered by cotton. The high prices of flax fibre have so increased the cost of flax yarns that these remain inaccessible to the mass of consumers. This factor has given a great impetus to the cotton industry.

In spite of these unfavourable considerations, certain more encouraging symptoms are making themselves felt and brightening the prospects of the Lithuanian flax export trade. In the more important fields of the textile industry, Belgium, French Flanders and Germany, the area under flax has decreased, which circumstance should interest Lithuanian flax exporters. Nevertheless, in consequence of the record flax harvest of last year throughout the world a further fall in the prices of flax fibre must be expected. In order to guard against such a possibility on the Baltic Coast a suggestion was made to promote a common flax policy with Russia on the world market. Russia's attitude was at first apparently favourable to this scheme, as she had the greatest stores of flax fibre in the world and could not find markets. Her attitude soon changed, however, for the home market increased, and Moscow was quickly alienated from the idea. It would be difficult to find a common ground for combining Russia and Latvia as flax monopolists with Estonia and Lithuania, where free trade prevails. Thus each of these States is forced to approach the world market as a separate competing factor.

The most important customers for Lithuanian flax fibre are England and Germany. In 1924 6,546 tons of flax, valued at Lits 25,341,100, were exported to England. In 1925 the figures fell to 4,261 tons and Lits 16,246,700. In 1924 the flax exports to Germany amounted to 3,751.8 tons valued at Lits 13,991,600, and in 1925 rose to 4,834.6 tons valued at Lits 19,169,700. Thus Germany took first place. Czechoslovakia followed after a considerable interval with 633.1 tons valued at Lits 2,281,200, then came France with 384 tons valued at Lits 1,784,900 (*sic*), and Sweden with 457.6 tons valued at Lits 1,784,900 (*sic*). In 1924 the corresponding figures were: Czechoslovakia, 2,451.2 tons valued at Lits 8,477,700 (these figures show a considerable falling off in the flax trade with this state); France, 804.7 tons valued at Lits 2,974,900; and Belgium, 261.2 tons valued at Lits 1,154,300.

The export of flax tow is also noteworthy. In 1925 it reached 1,986.3 tons valued at Lits 5,305,700, of which 1,179.3 tons valued at Lits 3,291,200 were exported to

England, 517.1 tons worth Lits 1,296,000 to Germany and 279.1 tons worth Lits 687,500 to Latvia.

Linseed has acquired almost as much importance among Lithuanian exports as flax. The volume of exports is continually increasing as the result of the high reputation it has gained in the world market. For the past three years the figures are as under:—

			Tons.	Lits.
1923	...	...	18,910	13,047,300
1924	...	...	18,637	16,292,200
1925	...	...	20,567	17,429,700

The most important purchaser of Lithuanian linseed is England. In 1925 14,861.5 tons worth Lits 12,467,900 were exported to that country, whereas in 1924 the figures were 11,605 tons worth Lits 10,277,900. The exports to Germany were appreciably smaller, viz. in 1924 5,063.9 tons valued at Lits 4,253,200 and in 1925 2,992.6 tons valued at Lits 2,618,800.

The exports of linseed to Latvia last year increased as compared with 1924. In that year the amount was 738.1 tons for Lits 602,900 and in 1925 1,747.1 tons for Lits 1,499,100. The export of linseed to Holland is also worthy of note: in 1925 the quantity was 621.3 tons and the value Lits. 540,800. To France the exports were 328.6 tons worth Lits 269,000.

In view of the position of the world flax market as indicated above, care should be taken this year to realise the quantity assigned for export, viz. 38,760 tons of flax and 39,900 tons of linseed according to official data. (*Lithuanian Elta Agency Bulletin*, No. 14.)

AGRICULTURE

Harvest Prospects and the Agricultural Exhibition.

—According to the provisional estimates the following forecast is made of the year's harvest in Lithuania: Winter rye, cultivated area 442,000 hectares, below medium; winter wheat, 60,000 hectares, medium; summer wheat and rye, 62,000 and 6,600 hectares respectively, above medium; oats, 381,000 hectares, above medium; peas, 71,000 hectares, above medium; potatoes, above medium; and flax, 81,000 hectares, above medium. On the whole a good harvest of grain is expected in Lithuania this year. (*Riga Times*, August 7.)

It is reported from Siauliai that keen interest is being shown in the forthcoming fifth agricultural and industrial exhibition, not only locally and nationally but also abroad. Enquiries have been received from France, Belgium, Germany, Latvia, Estonia and other countries. Generally it is anticipated that the exhibition as regards scope and variety will not only equal its predecessors at Kovno, but in some respects will even surpass the latter. Thanks to its geographical position it is expected that the Siauliai exhibition will be better able to represent Lithuanian agriculture, as owing to distance and transport difficulties the entire northern portion of Lithuania, where great agricultural advances have recently been made, was unable to participate in the Kovno exhibitions. To-day those regions are helped by the new Amaliai-Telsiai railway. The exhibition will be open from August 22 to 26. (*Lithuanian Elta Agency Bulletin*, No. 15.)

SWITZERLAND

FINANCE

Customs Receipts for the Half-Year.—The total Federal Customs receipts in June amounted to Fr.16.32 mill., which was slightly below the sums collected in May and April and considerably lower than the total for March. On the other hand the June receipts were approximately one million higher than in January and February. These movements, however, have for the most part been common to other years, the March receipts being generally higher than those of other months. It should further be noted that the June receipts were also about a million higher than the total of those collected in the corresponding month of last year. The

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table reproduced below, as published in the *Schweizerische Blätter für Handel und Industrie* of August 15, enables a comparison to be made between the receipts for the different months during the past few years (in millions of francs):—

	1922.	1923.	1924.	1925.	1926.
January ...	12.31	12.63	14.17	15.61	15.76
February ...	11.33	13.32	14.95	15.08	15.38
March ...	14.82	15.84	16.44	16.55	18.92
April ...	12.05	15.41	16.10	16.04	16.55
May ...	12.05	18.38	16.00	15.83	16.62
June ...	13.42	16.05	14.97	15.34	16.32
July ...	12.70	12.80	14.73	15.33	—
August ...	12.53	12.76	13.42	13.87	—
September ...	12.09	13.60	15.68	15.83	—
October ...	14.17	18.48	18.83	19.77	—
November ...	13.62	17.50	16.45	16.25	—
December ...	22.59	16.22	33.71*	41.90*	—
Total ...	163.68	182.99	205.11	217.40	99.55

* Including annual complement.

The average monthly receipts for the first six months in 1926 are Fr.16.59 mill., as compared with Fr.12.66 mill. in 1922, Fr.15.27 mill. in 1923, Fr.15.44 mill. in 1924, and Fr.15.74 mill. in 1925. The average monthly receipts for the year 1922 were Fr.13.64 mill., for 1923 Fr.15.24 mill., for 1924 Fr.17.90 mill., and for 1925 Fr.18.11 mill.

New Issues in the Half-Year.—A comparison of the statistics of new issues during the first six months of the present year with those for the corresponding period of 1925 shows that the total value of such issues has considerably declined. The total effective value of bonds issued, for instance, was about Fr.220 mill. lower than in the first half of last year. The effective value of the increase in stocks has not appreciably changed from one year to the other. The most important issue during the period under survey was that of the Swiss Confederation, totalling Fr.100 mill. at 4.5 per cent., issued at 98 per cent., which was destined for the conversion of the fifth Federal Mobilisation Loan of 1916, also of Fr.100 mill. at 4.5 per cent., which fell due on July 15, 1926.

The following figures of the various classes of issues from January 1 to June 30, in comparison with the corresponding period of 1925, have been extracted from the June *Report of the Union Bank of Switzerland* (in francs, unless otherwise indicated):—

	Bonds.				Stocks.				Bonds and Stocks.	
	Nominal Value. 1925.	1926.	Effective Value. 1925.	1926.	Nominal Value. 1925.	1926.	Effective Value. 1925.	1926.	Total Nominal Value. 1925.	Total Effective Value. 1926.
Federal Railways ...	175,000,000	—	171,800,000	—	—	—	—	—	175,000,000	—
Swiss Confederation ...	140,000,000	100,000,000	137,200,000	98,000,000	—	—	—	—	140,000,000	100,000,000
Cantons ...	93,800,000	21,000,000	92,505,000	20,975,000	—	—	—	—	93,800,000	21,000,000
Communes ...	22,700,000	40,500,000	22,203,750	40,017,500	—	—	—	—	22,700,000	40,500,000
Banks and Trusts ...	16,300,000	53,700,000	16,300,000	52,895,000	6,350,000	16,850,000	5,443,150	17,465,000	22,650,000	70,550,000
Transport ...	—	—	—	—	510,000	—	510,000	—	510,000	—
Industrial ...	—	—	—	—	16,290,000	3,705,000	14,030,000	3,705,000	64,090,000	28,755,000
Insurance Societies ...	47,800,000	25,050,000	47,587,000	22,875,000	5,000,000	1,500,000	1,500,000	600,000	5,000,000	1,500,000
* Foreign Issues ...	—	37,500,000	—	35,277,500	—	—	—	—	37,500,000	35,277,500
		21,000,000		2957,500					21,000,000	2957,500
Total ...	495,100,000	277,750,000	487,295,750	270,040,000	28,150,000	22,055,000	22,483,150	21,780,000	523,250,000	299,805,000

* Issues of stocks of which only a part of the total offered for subscription were placed in Switzerland are not included.

Post Office Revenue Returns.—The Federal Post Office returns for the month of June last show that the steady advance of this Department has been maintained. Receipts totalled Fr.10.42 mill. and expenditure figured at Fr.9.54 mill., thus resulting in a surplus of Fr.880,000 as against Fr.650,000 for June 1925. This surplus brings the excess of receipts over expenditure for the half-year to Fr.3.3 mill., as compared with Fr.1.7 mill. for the first half of 1925. The administrative accounts of the Telegraphs and Telephone Departments have also developed satisfactorily; the surplus for June amounted to Fr.2.8 mill., or Fr.400,000 more than in June last year. The total surplus of all departments for the first six months of the current year amounted to Fr.14.8 mill., which represents an increase of Fr.1.5 mill. on that of the corresponding period of 1925. (*Journal de Genève*, July 27.)

TRADE

Foreign Trade Returns January to July.—The total value of imports in June amounted to Fr.200.6 mill., as against Fr.191.4 mill. in May 1926 and Fr.197.9 mill. in June last year. Exports in June were valued at Fr.148.2 mill., as against Fr.146.7 mill. in May 1926 and Fr.209.1 mill. in June 1925. The adverse balance of trade in June was therefore Fr.52.4 mill., which is a less satisfactory result than that for May, when the adverse balance was only Fr.44.7 mill. In the corresponding months of last year there was actually a favourable balance, viz. of Fr.5.0 mill. in May and Fr.11.2 mill. in June; but these were the only months throughout the whole year when the balance of trade was favourable, good results being occasioned by the forced exports to Great Britain prior to the introduction of the McKenna duties. The following table shows the development of Switzerland's foreign trade during the first six months of the present year (in millions of francs):—

Month.	Imports.	Exports.	Adverse balance.
January ...	200.8	124.2	76.6
February ...	200.2	144.3	55.9
March ...	208.7	160.3	48.4
April ...	182.1	149.3	32.8
May ...	191.4	146.7	44.7
June ...	200.6	148.2	52.4
Total ...	1,183.8	837.0	310.8

Monthly Imports Classified.

The main classes of imports during the first six months of the present year were as follows (in millions of francs):—

	Food-stuffs.	Agricultural Material.	Coal and Oil Fuel.	Industrial Raw Material.	Manufactured Products.	Sundry.
January	43	14	14	58	40	32
February	39	9	15	60	43	34
March ...	45	8	14	53	48	41
April ...	39	7	12	43	45	36
May ...	44	7	14	43	43	40
June ...	43	6	17	45	47	43
Total	253	51	86	302	266	226

Exports to the leading foreign markets were divided

	Bonds and Stocks.		Bonds and Stocks.		Bonds and Stocks.		Bonds and Stocks.	
	Total Nominal Value. 1925.	Total Effective Value. 1926.	Total Nominal Value. 1925.	Total Effective Value. 1926.	Total Nominal Value. 1925.	Total Effective Value. 1926.	Total Nominal Value. 1925.	Total Effective Value. 1926.
Germany ...	14.1	11.9	20.9	8.4	24.5	13.3	124.2	144.3
France ...	17.0	14.6	25.8	10.0	26.9	13.7	160.3	144.0
Great Britain ...	19.5	14.5	30.1	12.2	31.5	14.7	147.3	148.7
Italy ...	17.5	12.0	29.4	10.3	27.8	13.3	—	—
Other European countries ...	20.2	13.3	20.5	9.8	28.7	15.7	—	—
United States ...	19.6	13.4	22.5	9.1	28.5	15.8	—	—
Total	107.9	79.7	149.2	59.8	167.9	86.5	868.8	—

A comparison of the export figures for the first six months of 1926 with those for the corresponding period of 1925 shows the following result (in millions of francs):— decrease, + increase):—

	Great Britain.	Germany.	United States.
January ...	— 12.5	— 12.0	— 2.7
February ...	— 11.3	— 13.0	— 2.2
March ...	— 6.1	— 12.3	+ 2.6
April ...	— 8.0	— 12.7	+ 1.8
May ...	— 42.2	— 11.6	+ 2.3
June ...	— 53.4	— 9.2	+ 2.2

These figures show a drop of exports during the period under review of Fr.133.5 mill. to Great Britain and of Fr.70.8 mill. to Germany, while the trade with the United States showed a net increase of Fr.4.0 mill. Taking the three countries together, the exports to them alone declined by over Fr.200 mill. (*Rapports Economiques de la Feuille Officielle Suisse du Commerce*, July.)

The commercial exchanges with foreign countries in July showed a difference from those in June only in imports, which were valued at Fr.220.4 mill., while exports amounted in value to Fr.147.7 mill. There was thus an adverse balance of trade to the extent of Fr.72.7 mill., which represents the most unsatisfactory result for any month this year save January. The adverse balance of foreign trade for the first seven months of the present year now figures at Fr.383.5 mill. The growth of imports was in the first place due to the heavier importation of cereals, which rose from Fr.17.2 mill. in July 1925 to Fr.27.5 mill. in July this year. The decline in exports was more or less general; a slight improvement was, however, registered in the exportation of watches and clocks. (*Journal de Genève*, August 14.)

INDUSTRY

Hydraulic Forces in Switzerland.—The utilisation of the hydraulic forces of Switzerland in the production of electrical energy now dates back some years, but the post-war period has seen a vast extension both in the capital invested in this form of enterprise and in the uses to which it is put by manufacturers and private consumers. As a result of this intensive as well as extensive movement, Switzerland to-day, with Norway, is at the head of all nations in the use of electricity in proportion to population.

Up to the present time a sum of over one milliard francs has been sunk in her various electrical enterprises and subsidiary works and steps are now being taken to obtain uniformity of production and distribution, with a view to an even more intensive and economical utilisation of the abundance of hydraulic power for conversion into electricity. The network of sub-stations and distribution is controlled in the north-east of Switzerland by the Société Suisse pour le Transport et la Distribution d'Electricité, which was constituted at Berne in 1918, and in the west by the Société anonyme l'Energie de l'Ouest Suisse (Eos), which was founded at Lausanne in 1919. This last company was the first to construct a high tension line between Lausanne and Geneva. The statement below shows the distribution of the production of electricity and the income derived from the same in 1923 and 1924 :—

Distribution of Current in 1923.

How used.	Millions of kilowatts.	Per cent.	Revenue in millions of francs.	Per cent.
Power	775	35.2	84.5	50.6
Heating	346	15.7	10.5	6.3
Lighting	134	6.1	63.0	37.7
Exported	455	20.7	9.0	5.4
Total production	—	—	167.0	100
Loss of energy ...	400	22.3	14.0	8.4
Totals	2,200	100	153 *	91.6

* Net receipts.

In 1924 the power produced was distributed as follows (in millions of kilowatts): Light, power and heating, 1,988; traction, 340; electrochemical and electrometallurgy, 570; exported, 567; total, 3,465. The figures of income for 1924 are not shown.

To-day 95 per cent. of the Swiss localities rely upon electricity for almost all purposes and 90 per cent. of the houses are lit by electricity. It was estimated that in 1924 95 to 98 per cent. of all the agricultural machinery was operated by hydraulic force converted into electricity and that at the end of 1925 the distribution of power represented a total capacity of about 720,000 kilowatts.

Electric traction is general in Switzerland, not only on the Federal railways, but also on the light railways and tramways. Switzerland is probably the only country in the world that adds to its national revenue by the export of electricity. This is under Government authorisation and the amounts so authorised for 1924 and 1925 are shown below (in kilowatts) :—

	1924.	1925.
Germany	38,110	38,120
France	198,814	206,529
Italy	76,991	83,993
Various	70,000	70,000
Total	383,915	398,642

The total exports of electricity from 1920 to 1925 (inclusive) and the income from the same are shown as follows :—

	Millions of kilowatts.	Receipts in millions of francs.
1920	378	6.3
1921	327	6.7
1922	463	10.0
1923	522	12.7
1924	568	13.0
1925	655 *	13.6

* With a total production for 1925 of 2,728 mill. kilowatts. The average price obtained for this export (per kilowatt in centimes) was as follows : in 1920, 1.67; in 1921, 2.04; in 1922, 2.16; in 1923, 2.44; in 1924, 2.30; and in 1925, 2.08.

(*Union Bank of Switzerland Report*, June and July.)

AGRICULTURE

The Agricultural Conditions and Government Assistance.—In spite of unfavourable weather conditions throughout Switzerland during 1925 the crops on the whole were generally very good. There was a distinct increase in the quantities of cereals and potatoes raised, as compared with 1925, although this had the effect of causing a drop in prices. Garden crops throughout the country were quite good. Fruit was the one unfavourable crop, the yield everywhere being small, even below that of 1913, which was notoriously a bad year. Owing to the shortage there was no fruit available for export and the home market readily consumed the entire crop. Grapes, however, were plentiful. An abundance of hay and other forage was of great assistance to the dairying industries and resulted in much increased milk production.

As regards the foodstuffs industries all reports show that these steadily increased throughout the whole of 1925. This trade relies very largely on exports, which increased both in quantity and value over those of 1924, although the unit value dropped slightly. Manufacturers' profits on cheese, particularly for export, were somewhat curtailed owing to an advance in the home prices for milk for cheese-making. Conditions are rapidly improving in the condensed milk industry, which is almost entirely dependent on exportation. Developments in 1925 were distinctly favourable to that industry, which fully expects to attain its normal dimensions within a few years.

It appears that the Federal Government is actively assisting the agricultural and allied industries. The *Neue Zürcher Zeitung* of June 22, quoting from the Report of the Agricultural Section of the Federal National Economic Department, states that during the past year a sum of Fr.596,107 was assigned for the further equipment of agricultural schools, in 32 of which 1,921 pupils received instruction last year, in addition to which 3,330 pupils also attended the agricultural continuation schools and dairy institutes. A sum of approximately Fr.1.26 mill. was also devoted to the purpose of carrying out agricultural experiments. The breeding of horses absorbed over half a million francs, while approximately the same sum was devoted to cattle breeding. A total of Fr.4.1 mill. was utilised for the improvement of the soil.

These figures give some indication of the Government's intentions towards agriculture, not only in the branches mentioned but in all its departments.

THE ECONOMIST'S BOOKSHELF

THE WORKER AS AN INVESTOR.

Employee Stock Ownership in the United States. By ROBERT F. FOERSTER and ELSE H. DIETEL. (Princeton: Industrial Relations Section, Princeton University. Price, \$1.50 net.)

The study here undertaken by the authors is intended neither as a history nor a handbook. It is an inquiry into the specific nature of the plans under which employees acquire stock and a discussion of the general questions raised by the provision of such plans. The movement is one which has reached considerable proportions in the United States of America, and is not without its admirers in other countries who see in such a development a means of mitigating some of the worst evils of present-day industrial life. Mr. Foerster and Miss Dietel have performed between them an excellent task, and have succeeded in presenting us with some material well worth the trouble of close study, and which is designed to throw considerable light upon a tendency which the future is likely to see assume greater proportions the world over. A good deal of literature has appeared in recent months propounding the idea of working-class investment in industry, and there is much to be said for it, but we know of nothing to compare with this study for its appraisal of experiments so far as they have been tried. One of the most startling features of this book is its revelation of the extent to which such an idea has gained currency in America; its list of companies which have introduced employee stock ownership plans is a formidable one, while the summary it gives of the various plans at present in operation will be found most useful and suggestive to those who have become acquainted with the idea, or who have read such a book as Mr. Richard Boeckel's "Labour's Money."

As the authors most rightly remark, the acquisition by employees of stock in the companies they work for has reached the proportions of a comprehensive movement. What its remoter meaning may be is not yet clear. Temporarily, at least, it seems to have eclipsed the interest in profit-sharing. The immediate aim of profit-sharing is that the employee, without an investment of money, shall be granted a slice of the profits that would otherwise go to the employer. The immediate aim of the acquisition of stock is, on the other hand, that the employee shall himself become an employer or capitalist on however reduced a scale, with a claim on profits proportionate to his holdings of stock. Obviously, to regard the employee as in any noteworthy sense an employer would in a great many instances of the acquisition of stock be truly fatuous, but, in some instances, however, and they include a number of very large corporations, the employees as a group constitute either the largest stockholder or next to the largest stockholder. The number of companies that have sold stock to employees, or are selling stock, runs into hundreds. In most instances, if they are not actually large companies they are at least companies of substantial size, while in a number of instances they are among the largest companies in America. This leads the authors to regard the movement as part of a general one for the popular ownership of securities in the United States. They tell us that it has been estimated that between 1900 and 1922 the number of general stockholders in the country trebled and even increased to a greater extent. It is common, they go on to say, to associate this form of the acquisition of shares of stock with the readiness with which during the war people of small means purchased Liberty Bonds. In the aggregate they did purchase very large amounts of those bonds and therein they gave evidence that an important source of capital had hitherto been ignored or all but ignored in the country. As the authors put it, "many saved who had not previously learned to save; many

became familiar for the first time with the engraved symbol of ownership."

It is through the payment of higher wages that the authors consider the possibility of saving has been increased. The scale of expenditure has undoubtedly risen, the number and variety of articles purchased have increased; but at the same time there has been a greater degree, according to them, of accumulation out of wages. Evidences of such they find to be numerous. Savings deposits in the banks have increased considerably. The number and amount of insurance policies of all sorts are much greater. There has been a large increase in the purchase of houses, furniture, motor cars and the like on the instalment system. While it is possible, in the last named instances, to lay stress upon the expenditure rather than upon the saving, the fact remains that once the ultimate expenditure has been determined upon—the accomplishment of the object requires self-restraint when the pay envelope comes in, requires self-denial in the face of other attractive objects of expenditure. It is likewise true that the dates on which the instalment payments are made are ordinarily less frequent than the dates on which wages are received. To a corresponding extent, money is definitely set aside and left unexpended while its owner waits for the instalment date to arrive. Saving becomes regarded as a mode of expenditure for a deferred gain; a commitment for the acquisition and possession of an article to be enjoyed or the systematic purchase of an income with a purchasing utility of its own. It is by instalment payments, as readers of this book will learn, that employee purchases of company stock are ordinarily financed, and, so far, the result as revealed by the authors is more than surprising in both range and achievement.

H.J.H.

PUBLICATIONS RECEIVED.

Conditions of Social Welfare. By John Bowen. (London: The C. W. Daniel Company. Price, 3s. 6d. net.)

Economics for Commercial Students and Business Men. By Albert Crew. (London: Jordan & Sons, Ltd. Price, 5s. net.)

Employee Stock Ownership in the United States. By Robert F. Foerster, Director of the Industrial Relations Section, Professor of Economics, and Else H. Dietel, Assistant Director. (Princeton University, N.J.: Industrial Relations Section. Price, \$1.50.)

Financial Independence: How to Win It. By Harvey A. Blodgett. (London and New York: D. Appleton & Company. Price, 5s. net.)

France and her Capacity to Pay. (1) A Memorandum presented to the Honorable Members of the War Debt Funding Commission by the Hon. Henry Bérenger, Ambassador Extraordinary and Plenipotentiary of France, Washington, March 1926. (2) Report of the Committee of Experts created by a Decree dated May 31, 1926. (Paris: The Reference Service on International Affairs of the American Library in Paris, Inc.)


Guide to Current Official Statistics of the United Kingdom. Vol. IV. (1925). Being a Systematic Survey of the Statistics appearing in all Official Publications issued in 1925 and in certain Selected Publications issued in 1926.—Permanent Consultative Committee on Official Statistics. (London: H.M. Stationery Office. Price, 1s. net.)

International Labour Review. August 1926.—International Labour Office. (Geneva.—London: George Allen and Unwin, Ltd. Price, 2s. 6d.; annual subscription, 24s., post free.)

Mercantilism and the East India Trade. By P. J. Thomas, M.A., B.Litt. (London: P. S. King & Son, Ltd. Price, 8s. 6d. net.)

Methodism and Modern World Problems. By R. Wilberforce Allen, B.A. (Lond.) With an Introduction by Sir Josiah Stamp, G.B.E., D.Sc. (London: Methuen & Co. Ltd. Price, 7s. 6d. net.)

Will Lloyd George Supplant Ramsay Macdonald? By Joseph Burgess (The Pioneer of Independent Labour). (London: Simpkin, Marshall, Hamilton, Kent & Co. Price, 3s. net.)

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

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	198.5	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	146.5
May 19	162.1	160.6	Jan. 18	178.6	165.4	April 17	161.9	162.5	July 16	153.9	148.7
July 14	165.1	160.3	Feb. 15	187.9	167.0	May 15	158.7	159.0	Aug. 20	155.8	
Sept. 15	161.2	154.3	Mar. 14	182.1	165.4	June 19	160.6	157.6	„ 27	154.7	
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
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
Aug. 6 ...	77.8	176.5	60.4†	127.2	88.2	103.1	97.1	136.8	98.5	78.8	104.44	... Aug. 6
„ 20 ...	82.0	170.7	60.4†	121.1	84.9	103.1	101.4	137.5	98.5	78.8	103.84	... „ 20
„ 27 ...	83.7	174.2	60.4†	118.4	88.8	103.1	101.4	124.1	98.5	78.8	103.14	... „ 27

† 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- trials.	Bonds.*		Indus- trials.	Gilt edged.	Week ending	Indus- trials.	Bonds.*	Indus- trials.	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	<i>80.3</i>	90.4		105.4	93.3	June 6	158.2	105.3	128.0	115.3
„ Oct. 29	91.1	92.0		<i>91.1</i>	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>	Dec. 19	188.9	103.3	130.6	112.8
1923, Jan. 1	121.7	102.5		119.5	113.3	1926, Jan. 2	195.5	103.6	133.3	113.0
„ Mar. 17	129.2	98.5		129.3	117.0	„ 9	196.1	103.6	135.1	113.1
„ 24	127.3	97.8		129.0	118.1	Feb. 13	199.9	104.9	132.0	114.8
„ Apr. 28	124.1	99.3		137.9	122.8	Apr. 17	<i>168.7</i>	106.9	121.8	113.3
„ June 9	119.7	100.8		130.6	123.5	May 1	176.8	107.6	122.6	114.7
„ Oct. 27	<i>105.7</i>	99.7		126.5	119.7	„ 8	172.9	107.2	<i>119.5</i>	<i>112.5</i>
1924, Jan. 1	117.4	98.4		121.3	114.5	„ June 25	185.8	106.9	125.8	113.7
„ 19	119.1	100.1		119.1	<i>112.2</i>	Aug. 14	205.5	106.3	123.9	113.5
„ June 21	115.3	103.3		<i>118.2</i>	118.0	„ 21	200.7	105.9	126.5	113.1
„ Nov. 8	130.1	103.7		133.7	120.4	„ 28	199.6	106.4	128.6	112.7

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

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