German Industrial Review for the Year of 1922

(By Associated Press)

BERLIN, Feb. 10.—German trade industry close the fourth calendar year following the war with a feeling that, though much water has flowed under the bridge, little has been salvaged from the rush and swirl of the current. Factory chimneys smoked steadily and machinery hummed briskly during 1922 throughout the length and breadth of the land, yet the mark's catastrophic depreciation made earnings mere shadows of what they were formerly.

As the new year opens, the cry goes up from all sides for a stabilization of German currency. Traders and industrialists alike lived through a hectic twelve-months in 1922, owing to the mark's fantastic fluctuations. It commenced at approximately 190 to the dollar in January, mounted gradually to 457.50 in July, then went on a mad rampage averaging 1,160 in August and reaching 9,000 and higher in November. (On January 18 the mark was quoted in New York at over 23,000 to the dollar).

These wild maneuvers so upset business calculations that scarcely a nook in the national economic structure wa sleft untouched by the uncertainty in wholesale and retail investments. A vicious feature appeared in the tendency to quote prices in the steady, high-valued currencies of other countries, such as the dollar and pound sterling. A natural reflex to the mark's continued fall was a proportionate rise in the cost ofsupplies. Gradually the practice grew of basing quotations to the buyer, not on the cost of actual production, but on what it would cost to replace the article in the seller's stock.

Taking the figure 1 as a basis, for the year 1913, the official index figure on costs of living, exclusive of clothing, rose from 15.50 a year to 400.47 in November. The wholesale index, reckoned on the same basis, went from 34.87 last December to 566.01 in October.

In many quarters abroad the German currency depreciation was attributed to purely financial causes resulting from artificial inflation, rather than to economic conditions, as German experts claim. The latter support their belief by pointing to a gold reserve of some 1,000,000,000 marks on the Reichsbank, sufficient to cover doubly the fact that, when no new notes could be printed for ten days in October due to a printers' strike, the mark continued to fall in the exchange rates, despite an acute shortage in currency.

From the German point of view the monetary depreciation is a result of Germany's passive trade balance. The surplus of imports over exports grew constantly larger throughout the year. This lopsided state of affairs came fully to light when the government began issuing the figures on international trade in terms of gold marks. Previously these reports had been quoted in paper denominations, and an activity favorable to Germany sometimes appeared, only to prove illusory later.

The total surplus of imports over exports in the ten months ended with October amounted to 1,859,700,000 gold marks, being the difference between 5,074,400,000 and 3,124,700,000. Is January the surplus was 5.8 million gold marks and in February 61.7 million. With March, it jumped to 239.1 million and in October was 241.8 million. The highest surplus for any one month up to that time was 364 million in July, when the imports went beyond the 566,000,000 mark for the first time, amounting to 684.8 million gold marks.

In addition to this passivity, there was a falling off in the yield of German investments abroad — this having exceeded 1,500 million gold marks before the war and an increasing amount of interest to pay to foreign investors in Germany because of new property acquired by them here.

The trade export trade suffered greatly through factors indirectly thrown into the industrial situation by the mark's depreciation. Prices of material, which jumped sensationally from day to day, made it impossible for German factories to bind themselves with fixed stipulations for deliveries very far in advance. They also had to deal with frequent demands for increased wages, brought on by the higher costs of living among workmen. As a result of their uncertainty in concluding and fulfilling contracts, the manufacturers lost numerous orders in foreign countries, especially in America, and executed many at financial sacrifices. They were often forced to demand large payments in advance on goods to be produced.

This phase of the situation developed, furthermore, at a time when the prices of German goods approached, more nearly than ever before, the world market quotations, in some cases surpassing them. At the same time foreign industry, particularly the American, was providing keener competition by offering long-term credits in an effort to reduce expenses.

Aside from the effects of the currency's instability and depreciation, German industry's greatest difficulty during the year probably was a continuing scarcity of coal and coke. The shortage made it impossible to utilize a number of factories to capacity. It was notably accentuated after June, when Germany lost considerable mining property thru the partition of Upper Silesia. Added to this, industrial circles claim, the reparation deliveries to France contributed greatly to the shortage. These deliveries, it is stated, amounted to 14,200,000 tons from January to September. In order to meet the domestic demand, 6,200,000 tons of English coal were imported between the first of the year and September 30. The government railways required much of this import in order to keep a 21-day supply on hand.

Traffic conditions throughout Germany were comparatively favorable during most of 1922. The railroads suffered a week's strike in February, the effects of which did not disappear until April. Otherwise, the development of their traffic proceeded smoothly, and the supply of rolling-stock proved satisfactory toward the close of the year. River shipping had its first reverses in the ice and other unfavorable transport conditions of January, the import of Swedish ores being particularly affected. Frequent increases in freight rates and passenger fares on all lines featured the year's developments.

Germany's employment situation was probably more favorable than that of any other country in the world. The number of unemployed rose from 165,248 on Jan. 1, to 212,526 on March 1, but it sank from that time onward until there were only 11,702 reported out of work on September 1. Since the latter date the total has increased slowly, yet is encouraging when compared with that of most other lands. The fact that Germany could keep virtually all of her laborers busy is attributed primarily to the necessity of producing many things she formerly was accustomed to import.

Employers have complained repeatedly of the effects of the eight-hour day and the scarcity of skilled labor. During the last few months of the year there was an increasing demand for extension of the eight-hour period in order to increase production, but, though many plants received permission to give their employees a longer day, the larger trade-unions opposed stubbornly any tampering with the law. Unionism also was blamed for the lack of skilled workmen, inasmuch as relatively high wages were enforced for unskilled labor, it was said by employers, thus discouraging initiative among those who were not specially trained or experienced.

Disappointment over the economic results of the Cannes and Genoa conferences led to semi-paralysis in the booking of orders at German factories. Although the Rapallo treaty came as a by-product of the latter meeting its operation had netted little advantage to German industry in the Russian field up to the end of the year.

The textile and tobacco industries in Germany suffered largely from the reduced buying power of the people and the approach of domestic prices to the world market level. Toward the close of the year many of these plants were occupied in fulfilling old contracts, and the falling off in orders from abroad forced a number to cut down working hours and reduce their establishments. In the tobacco branch, some factories were closed altogether. The textiles were hard hit by the mark's depreciation in that cotton, kept pace with the Bourse. In 1913 an imported kilogram cost 1.29 marks, while in November it was 5,296.

Textile plants were literally stormed with orders, even as early as the middle of January, when buyers tried to "get under the wire" before the anticipated wave of high prices would set in. By March many factories were booked up completely for the first three quarters of the year. The flood of contracts ebbed with a general rocketting of prices in August and September, when in some instances the German quotations broke precedent by pacing the world markets. The plants suffered not only their foreign trade, but found themselves confronted at home with serious competition from abroad.

Large numbers of furnaces had to be damped or closed entirely in the metal industry, mainly because of the coal shortage. This branch also found serious difficulty in the import of rawstuffs during the railroad strike. The enquiry for semi-manufactured products and surface construction materials was so active throughout, however, that it could not be met and, on the whole, the industry is said to have come thru the year successfully. Bar-iron, which cost 98 marks a ton before the war, was quoted at 5,030 in January and 154,000 marks a ton in November. Similarly, on these dates, foundry-iron went from 77.50 a ton to 3,326 and 79,342, while electrolite copper rose from 136 marks per 100 kilograms in 1913 to 6,032 for this quantity in January and 241,204 in November. Bituminous coal, at the same time, jumped from 12 marks a ton to 468,-10 and 14,011.

France Looks Down on Germany

High above the Kolwigstrasse in Essen, this French poilu watches out for a possible outbreak of the German inhabitants.

SCHOOL FIGHT BEGUN.

BEND, Ore., Feb. 10—A movement to divide the Bend school district, cutting off all territory south of the river as far as Lava Island, reached a head Tuesday afternoon when the district boundary board held a special session. Creation of the new district asked by the petitioners, chiefly residents of the Carroll acres section, would mean that the manufacturing plants of the big mill companies here no longer would be included in the Bend district. A hearing on the petition was granted by the board, with 2 o'clock the afternoon of February 17 as the time set.

LEGION DRIVE BEGUN.

PENDLETON, Ore. Feb. 10—Plans for a county-wide membership campaign by the various American Legion posts of Umatilla county to get every ex-service man to become a member of the legion, which was proposed by the county council, were laid here Monday night and the Pendleton post has named squads to go out and complete the work in two months. Indorsement of the anti alien land owning bill also was voted by the local posts. A trip to the Walla Walla government hospital is planned by the Pendleton post and the Pendleton Elks' minstrels also will go to entertain the boys in the hospital.

You can get a sensible government bulletin on almost any subject except the business of curbing government extravagance.

GOLDEN BEARS NINE HALTED

(By Associated Press)

BERKELEY, Calif., Feb. 10.—Rain has delayed the preliminary practice of the University of California baseball team, but practice games are scheduled early this month.

California will have eight letter men on the diamond this season. They are: O'Neil and Morse, pitchers; Thompson, catcher; Captain Hermele, first; Erb, second; Gerlach, who alternated with Erb at second base probably will be shifted to third or short; Bill Douthit and Bowen, outfield.

Coach Zamlock says he will be satisfied if the available new material develops a good infielder and a good outfielder.

California is admittedly weak on the mound. O'Neil and Morse are veterans, but neither was on the regular team last year. Morse looked fine in the box two years ago, but he could not get going last season and therefore cannot be depended upon this year.

O'Neil was out of the game during the first part of last season with a broken hand, and while it was not his pitching hand, yet he was knocked all over the lot after he returned to the game.

College sport followers are unanimous in stating that California's diamond aggregation is the weakest link in its 1923 sporting chain. However, they take consolation in the thought that Coach Zamlock has made a team out of worse looking prospects than he has this year.

Charleston Mail: If all reckless drivers are of inferior mentality, then—but we won't say it.

BILL HAYWARD STARTS TRACK

(By Associated Press)

EUGENE, Feb. 10.—Bill Hayward, veteran track coach, is engaged in forming the foundations for this year's University of Oregon track team. More than 50 aspirants for the varsity and frosh squad are reporting each evening. Dressed warmly in outdoor training togs, Hayward keeps his proteges outside except on evenings when the weather is too severe. Then the gymnasium is resorted to by the athletes.

Half dozen varsity letter men have reported for early practice and an unusually large number of prep school stars are working for the freshman squad.

For the first time in many years, Oregon will meet California on the track and field this spring. The two teams will meet at Eugene on May 12, according to present plans.

The varsity schedule is as follows: April 28, Washington relay carnival, Seattle; May 5, University of Washington dual meet, Seattle; May 12, University of California, Eugene; May 19, dual meet with Oregon Agricultural college, Eugene; May 26, Pacific and Northwest conference meet, Pullman.

Kerosene Makes Heat.

One of the new rivet heaters uses kerosene for fuel, transforming it into gas that is blown by compressed air to create a temperature of 3,000 degrees.

GET RESULTS WITH A WANT AD