

# THE POLISH ECONOMIST





# THE POLISH ECONOMIST

A MONTHLY REVIEW OF TRADE, INDUSTRY AND ECONOMICS IN POLAND

WARSAW — LONDON — NEW YORK

DATE OF THIS ISSUE: JUNE 30, 1929

HEAD OFFICE: WARSAW, 2, ELEKTORALNA. TELEPHONE: 412-66, 412-73  
BRANCHES: LONDON, 47-A, PORTLAND PLACE, W. 1, NEW YORK, 953, 3rd AVENUE

ANNUAL SUBSCRIPTION: 15/-, \$ 3.00, or  $\text{z}$  30—(IN POLAND) INCLUDING POSTAGE. REMITTANCES IN CURRENCY NOTES OR CHEQUES TO BE ADDRESSED TO THE EDITOR: WARSAW, POLAND, 2, ELEKTORALNA

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In MAY, the economic conditions in Poland showed very little change as compared with April; whilst the former month was marked by a much delayed seasonal improvement, during the latter various factors succeeded in checking any further development. The turnover in goods showed some slight improvement, but hardly sufficient to react to any large extension of production. Manufacturers were therefore easily able to adapt their output to meet all demands.

Agriculture continued to suffer on account of the tightness of money and conditions even became worse due to an additional fall in the prices of grain following upon the small demand. The only bright spot was the favourable situation in the breeding industry. Thanks to good weather the state of the crops is considered to be very favourable.

In industry, the seasonal fall in unemployment continued to make quick progress in spite of the reduction in production in some branches, especially in the Łódź textile industry which is going through a very severe crisis. In certain industries, however, the usual seasonal growth in production was evident. The larger number of workers employed this year as against last year is to a great extent explained by the inauguration of new or extensions to old branches of industry, which are not affected by the present economic conditions.

In commerce, a further slight seasonal easing of the situation was apparent in a larger turnover of goods, but, on the whole, it was much below normal. The purchasing capacity of the nation failed to improve.

Wholesale prices had a downward trend especially those for commodities more or less dependent upon conditions on the world markets (grain, certain of the metals, textile raw materials, &c.).

The adverse balance of foreign trade showed an important decrease. Imports fell to a much larger extent than did exports.

Railway traffic decreased in volume for the same reason. Port traffic at Danzig maintained its April level but that at Gdynia increased and attained record figures.

State revenue declined very slightly and remained higher than for May 1928. A budgetary surplus continued to be shown.

The Bank of Poland showed a fall in foreign currency turnover, but it was less than in April.

## REVIEW OF THE GENERAL ECONOMIC SITUATION IN POLAND

M A Y 1929

	UNIT	MAY 1928	APRIL 1929*)	MAY 1929
<b>STATE OF EMPLOYMENT:</b>				
UNEMPLOYED . . . . .		132.453	147.813	122.771
<b>PRODUCTION:</b>				
COAL . . . . .	} thousand tons	3.057	3.733	3.395
OIL . . . . .		61.2	56.2	58.6
IRON . . . . .		54.8	61.0	63.7
<b>AGRICULTURAL INDEXES:</b>				
(CROP ESTIMATES)				
RYE . . . . .	} 5 points system	2.5	3.3	3.4
WHEAT . . . . .		2.7	3.1	3.3
BARLEY . . . . .		3.2	2.9	3.0
OATS . . . . .		3.2		3.3
<b>PRICES:</b>				
WHOLESALE PRICE INDEX . . . . .	} (1914 = 100)	122.5	117.1	113.0
INDEX OF COST OF LIVING IN WAR-SAW . . . . .		121.3	125.1	125.1
<b>FOREIGN TRADE:</b>				
IMPORTS . . . . .	} million zł	296.5	321.1	272.2
EXPORTS . . . . .		201.8	214.3	226.9
EXCESS OF EXPORTS (+) OR IM-PORTS (-) . . . . .		- 94.7	-106.8	- 45.3
<b>TRANSPORTS:</b>				
RAILWAY TRAFFIC . . . . .	} truck loaded (15 tons) reg. ton	483.445	546.410	512.988
PORT TRAFFIC (DANZIG AND GDYNIA)		424.872	495.486	547.810
<b>BUDGET:</b>				
RECEIPTS . . . . .	} million zł	244.0	250.9	245.3
EXPENDITURE . . . . .		230.3	245.3	240.6
<b>MONEY CIRCULATION:</b>				
BANK OF POLAND NOTES . . . . .	million zł	1.133.0	1.274.2	1.244.5
COVER IN GOLD AND FOREIGN CUR-RENCIES . . . . .	% %	64.70	62.69	60.88
TOKEN COINS . . . . .	million zł	252.3	231.2	226.1
<b>CREDIT:</b>				
(BANK OF POLAND)				
BILLS DISCOUNTED . . . . .	million zł	558.3	697.5	742.2
OFFICIAL DISCOUNT RATE . . . . .	% %	8.0	9.0	9.0
<b>FOREIGN CURRENCIES:</b>				
(WARSAW STOCK EXCHANGE-AVERAGE RATES)				
U. S. A. DOLLAR . . . . .	} zł	8.90	8.90	8.90
POUND STERLING . . . . .		43.52	43.28	43.27

\*) Corrected figures.

Polish National Exhibition-  
-the best means of studying  
Polish affairs

## THE POLISH NATIONAL EXHIBITION

THE POLISH National Exhibition at Poznań has now been open for the last two months and will continue throughout July, August and September.

This Exhibition is not one of the numerous post-War type, all strictly uniform in scope and organisation and tiresome by reason of their monotony. It is not only one of the largest

only to emerge bleeding and exhausted and to find the whole country devastated and in ruins.

Since that time ten years have passed — years of hard, nerve-racking labour, marking the era of a new struggle — the struggle for existence. Worn out by wars, without experience in modern state administration, with frontiers still undefined during



THE GOVERNMENT PAVILION (PHOT. S. PLATER)

exhibitions in the history of the world, but it also occupies a class by itself, illustrating as it does ten years of endeavour on the part of a great State, the rebirth of which is also unique in the annals of mankind.

For close on 130 years a nation of thirty millions inhabiting about 400,000 square kilometres of land was kept in the most dire subjection by the might of German, Austrian and Russian arms. Any development of the country and of the nation was barred if only by reason of the prohibition of the use of the Polish language. Then, after six years of war, the nation gained its independence

the first few years of renewed existence, without any external aid and surrounded to a great extent by an atmosphere of prejudice and unfriendliness fostered abroad by the deposed autocracies of Europe — in spite of all these adverse factors, the Polish nation has during ten years of unceasing effort, rebuilt its workshops and by the most painstaking economy, step by step and field by field, gradually made good the deficiencies which existed in the national life of the country.

It would take long to recount the history of those short ten years of intense work. It was a most difficult and onerous task, yet conducted

with such vitality and energy that the admiration of every impartial onlooker must be aroused. Students of Polish affairs, even those who actually visit Poland, can learn only fragments of the whole and much must escape their notice.

The Polish National Exhibition is of importance in connection with this aspect of the matter. Every visitor, whether of Polish extraction or not, will find comprehensively illustrated at the Exhibition a complete picture of Poland and of her work during the past ten years. All will be able to appreciate the enormous nature of the task

undertaken and accomplished and the many-sidedness of that great workshop represented by the reborn post-War Republic of Poland.

The Polish public already realises that it would be an irreparable omission not to visit the Poznań Exhibition this year. In a like manner, persons of other nationalities, taking a serious interest not necessarily in Poland in particular but in current affairs generally, should not fail to visit it if only to see an unrivalled and striking illustration of new forces and new people at work under new post-War conditions.



A VIEW OF ONE OF THE STREETS IN THE EXHIBITION GROUNDS (PHOT. S. PLATEK)

## POLAND'S FOREIGN TRADE IN 1928

LAST YEAR was marked by the largest hitherto recorded turnover amounting to  $\text{zł}$  5,870,000. This increase was almost entirely due to a rise in imports, for exports remained practically unchanged. Consequently, the movement of goods between Poland and abroad was closed with an unfavourable balance amounting to  $\text{zł}$  854,000,000. The following table illustrates in broad lines the outstanding features of Polish foreign trade in 1928 (in millions of  $\text{zł}$ ):

	<i>Imports</i>	<i>Exports</i>
Live animals . . . . .	2·8	251·5
Foodstuffs and beverages . . . . .	594·3	525·6
Raw materials and semi-finished products . . . . .	1,281·9	1,386·4
Manufactured articles . . . . .	1,483·2	364·4
<b>Total:</b>	<b>3,362·2</b>	<b>2,507·9</b>
Gold and silver in bars and coins . . . . .	306·7	0·2

The increase in imports which has been noted during the last two years must be regarded as a natural and most encouraging sign. The economic life of Poland, exhausted by protracted hostilities, the Great War and the war with Russia, followed by inflation of the currency and the break-down of the  $\text{złoty}$  in 1925 — is recovering at a rapid pace. Conditions are stabilised. The development of agriculture and industry, and an improvement in the standard of life of the working classes, have contributed to a large extent towards a greater demand for commodities which, in turn, has caused a rise in imports which, no doubt, will continue to accompany the process of economic development of the country.

The main point is not the quantity, but the nature of the imports. An analysis of the following table, covering the year 1928, throws some light on this problem:

	Imports		Index of increase (1924=100)
	millions of zł	%	
1.—Foodstuffs:			
a) ordinary . . . . .	400	11·9	145
b) exotic . . . . .	196	5·8	120
2.—Fodder and seeds . . . . .	28	0·8	389
3.—Live animals . . . . .	3	0·1	21
4.—Industrial raw materials . . . . .	1.078	32·1	150
5.—Semi-finished products . . . . .	369	11·0	215
6.—Manufactured goods:			
a) for productive purposes . . . . .	493	14·7	160
b) " consumption . . . . .	796	23·6	90
<b>Total:</b>	<b>3.362</b>	<b>100·00</b>	<b>132</b>

The imports of goods for productive purposes (2+4+5+6a) amounted to zł 1,968,000.000 or 58·5 per cent of the total imports.

It is, therefore, seen that the greater portion of Polish imports consists of goods for productive purposes such as raw materials and semi-finished articles, which are subject to further working up, and machinery and apparatus, necessary for the modernisation of industry. It is significant that the group of products destined for productive purposes shows the greatest rate of increase exceeding considerably the average index (132).

Consequently, the rise in imports in 1928 reflects the economic expansion of the country. The Stabilisation Loan at the end of 1927 and the initiation of closer co-operation between Poland and international capitalists brought about an inflow of foreign money, which was used for productive purposes; this is natural and in accordance with sound economic principles. As regards the export trade, the situation is different. It did not show any increase, it has been stabilised. This might be considered as reflecting a lack of enterprise on the part of Polish producers if there were no other figures characterising the economic activity of the country. The index of industrial production is very significant. Taking the years 1925 to 1927 as equal to 100, the following indexes will be obtained for the year 1928:

General index of industrial production . . . . .	129·1
Output of production goods . . . . .	145·9
Output of consumption . . . . .	124·7

The lack of progress in exports is due, above all, to the growth in consumption on the internal market. The same causes which are responsible for a rise in imports, have contributed towards an increase in the output of industry to meet the growing requirements of the home market. The structure of the Polish export trade reflects, fairly accurately, the main characteristics of Poland's husbandry as a whole. The chief export articles were as follows (in millions of zł):

#### Agricultural, live stock and forest products:

grain, root crops, fruit . . . . .	129
animal products . . . . .	289
live animals . . . . .	231
unworked timber . . . . .	226

#### Mining, foundry and industrial products:

coal . . . . .	363
crude oil and petroleum products . . . . .	91
timber, partly prepared . . . . .	338
products of the agricultural industries (sugar, starch, &c.) . . . . .	115

semi-finished foundry products . . . . .	160
finished " . . . . .	109
semi-finished textiles . . . . .	46
finished " . . . . .	65

Exports for the most part are composed of articles little worked up. Comparatively speaking, the ratio of the exports of finished to semi-finished articles of the textile industry is favourable. The reason for this is that, before the War, this industry worked to a large extent for foreign markets. It should be stated, however, that not all of the industries showed an equal activity in 1928. The largest increase was recorded in the export of live stock and their products. Particularly pigs and farm products, such as eggs, butter, &c. An improvement in the conditions of small holders and the development of co-operative societies in this line favourably affected the trade in live stock in Poland. In the group of agricultural products, exports of barley, fodder, seeds, beans and peas, played an important part. Exports of round wood, however, fell as compared with 1927. In the group of mining and foundry products, the main article is coal, the export of which rose by 16 per cent in point of weight and by 6 per cent in point of value as compared with 1927, which is to be attributed to a decline in prices on the important markets. There was a slight fall during the year in iron and steel products as the foundries, for the most part, worked for the local market. The significance and importance of certain groups of industrial products in the balance of foreign trade may be gauged by the following table (in millions of zł):

	Imports:			Exports:			Total	Balance
	permanent capital goods	goods in general	Total	raw materials	semi-finished products	manufactured goods		
Agriculture . . . . .	45	122	167	188	—	—	188	+ 21
Stock breeding . . . . .	12	19	31	232	70	218	520	+489
Sugar industry . . . . .	0·5	—	0·5	—	72	42	114	+113
Timber " . . . . .	4	—	4	226	317	47	590	+586
Textile " . . . . .	42	714	756	38	46	65	149	-607
Tanning " . . . . .	—	74	74	22	—	1	23	- 51
Coal . . . . .	—	—	—	363	7	—	370	+370
Petroleum " . . . . .	0·1	0·2	0·3	2·5	0·5	80	83	+ 80
Foundry and metal industries . . . . .	18	211	329	4	160	117	281	+ 52

Considering the imports and exports from the geographical point of view, it is found that the European continent is the area of Polish commercial expansion and also, though to a smaller extent, the source of supply. This statement is confirmed by the following figures (in millions of zł and percentages of the total):

	Imports:		Exports:	
	value	%	value	%
Total . . . . .	3.362	100	2.508	100
Europe . . . . .	2.590	77	2.271	91
including:				
England . . . . .	313	9	227	9
Overseas countries . . . . .	772	23	237	9
including:				
United States of America . . . . .	467	14	19	0·5

The year 1928 which was the first annual period of currency stabilisation saw an adjustment



THE COURT OF HONOUR AT THE POLISH NATIONAL EXHIBITION (PHOT S. PLATER)

of the customs duties which was a natural consequence of the legal stabilisation of the zloty. Thanks to this adjustment a small number of articles recovered their former measure of protection, while the bulk found themselves in a worse position than in 1924. The following table shows the customs rates before and after the readjustment:

<i>Item of the customs tariff</i>	<i>Denomination</i>	<i>Duty before adjustment</i>	<i>Duty after adjustment</i>
18	Coffee . . . . .	17.33	10.11
20	Tea . . . . .	61.43	56.18
22	Crystal sugar . . . . .	6.76	5.63
34	Meat:		
1	fresh, salted and frozen	2.89	1.68
2a	canned . . . . .	10.62	9.43
37	Herring, salted . . . . .	2.89	1.68
57	Footwear:		
a	over 2,000 gr. . . . .	28.95	21.81
183	Cotton yarns:		
1	single . . . . .	—	—
a	raw . . . . .	19.11	14.46
187	Cotton fabrics bleached und unbleached . . . . .	50.19	37.98
1	fabrics weighing from 1 kg. per 10 sq. m. . . . .		
139	Unworked iron		
1	Pig iron		
155	Wire . . . . .	0.96	0.56
1	steel and iron wire:		
a	from 6½ to 5 mm incl. . . . .	2.32	2.04
167	Machinery and apparatus:		
1	a) weighing from 100 kg. to 300 kg . . . . .	14.28	11.40

There is no exaggeration in saying that as regards imports the year 1928 was marked by a very liberal tendency from the customs point of view.

The year 1928 was a period of intense activity, the aim being to increase the productive capacity of the different branches of industry within a short time. This was the actual cause of the adverse foreign trade balance which, therefore, is by no means an unfavourable factor, but an indication of a process of capitalisation which is very necessary for the future of Polish husbandry, as it is imperative to modernise and extend production in order to be able, later on, by way of exports, to redeem the financial burdens contracted abroad.

## THE ACTIVITY OF THE BANK GOSPODARSTWA KRAJOWEGO

THE FIFTH annual period of activity of this Bank was closed as shown in the balance sheet with the grand total of  $\text{zł}$  1,686,188.000 (guarantees not included). The increase in operations of the Bank amounts to 24 per cent as compared with the preceding year, and that for the past two years, as compared with the year 1926, by over 110 per cent. As, however, private banks in Poland developed at a much slower rate, the question

might arise whether the State Bank, the Bank Gospodarstwa Krajowego (The National Economic Bank) has not made progress at the expense of the private banks and whether, thanks to its privileged position as a State institution it has not interfered with the activity of the private banks and limited their field of action.

However, a close examination of the development of the different types of transactions of the Bank Gospodarstwa Krajowego effected in 1929 shows that this institution has not only refrained from extending its financial influence in the sphere of activity of the private banks, but on the contrary has begun to withdraw from this field leaving more and more room for the enterprise of private institutions. The stabilisation of economic conditions in Poland and a steady growth in the capital of the private banking institutions made it possible for the Bank Gospodarstwa Krajowego to restrict gradually the financial assistance which it had rendered to a very large number of branches of economic life during the last economic crisis, and to concentrate its efforts on the special tasks resulting from its character as a State banking institution, as foreseen in its articles of association. The year 1928 was a period of intense activity, and greater assistance was granted to the community as a whole, as it devoted special attention to financing public improvements, organising savings banks and co-operative credit institutions and supplying them with the necessary working capital, supporting the building of dwelling houses and financing State undertakings. The Bank was also in a position to grant credits to the agricultural industry which, owing to the difficult conditions prevailing during last year, badly needed financial assistance.

The table given below illustrates the credit activity of the Bank in 1928 and shows the degree to which the Bank succeeded in directing its capital reserves to the purposes foreseen in its statutes (in thousands of  $\text{zł}$ ):

Nearly 70 per cent of the total financial assistance rendered by the Bank was given to institutions which, owing to their character and the form of the desired credits, could hardly expect to receive them from private banks. The loans almost without exception are long-term investment, mortgage amortisation credits and cash credits which lock up capital for considerable periods. The social significance of the financial assistance rendered to this group of customers of the Bank is obvious and does not call for any comment. Not of lesser importance was the help given to the agricultural community as it amounted to 11 per cent of the total credits granted in 1928 as compared with 10 per cent in the preceding year. On the other hand, the total sum of the loans granted to remaining branches, i. e., those which can be cared for by private banks, showed only a slight increase in actual figures as compared with 1927, but the percentage share in relation to the total credits decreased in 1928 by over 6 per cent. The increase in actual figures in the credits granted to this class of clients is the result of a corresponding rise in mortgage loans secured by urban real estates (under the heading "various"), and the long-term cash loans, while at the same time short-term credits showed a fall in actual figures of over  $\text{zł}$  24,000,000, or about 15 per cent. As may be seen from the table of deposits given below, the Bank Gospodarstwa Krajowego does not compete with the private banks. During 1928, the deposits of the Treasury and private institutions rose by  $\text{zł}$  107.7 million. A relatively greater increase, amounting to  $\text{zł}$  72 million or 15 per cent was recorded in the deposits, which the Bank obtained for the most part in the form of grants from the Treasury for financing the erection of dwelling houses. At the end of 1928 these represented over 15 per cent of the total deposits of the customers of the Bank. The character of these funds originating in the State budget indicates that they can

	Shares		Bonds issue		Long term credits in cash		Short-term credits		Total financial assistance	
	31.12 1927	31.12 1928	31.12 1927	31.12 1928	31.12 1927	31.12 1928	31.12 1927	31.12 1928	31.12 1927	31.12 1928
Total:	20.113	46.285	367.479	569.253	380.535	439.313	255.586	307.891	1,023.753	1,362.742
State undertakings . . .	20.113	46.285	2.565	16.295	15.425	9.939	12.205	44.778	50.308	117.297
Municipalities <sup>1)</sup> . . . .	—	—	168.241	168.241	31.026	44.285	8.483	17.644	197.750	365.889
Savings banks . . . . .	—	—	—	—	—	—	5.153	21.821	5.153	21.821
Co-operatives <sup>1)</sup> . . . . .	—	—	—	—	—	1.598	5.978	13.036	5.978	14.634
Building credits . . . . .	—	—	—	—	147.661	246.735	—	—	147.661	249.623
Ministry of Finance . . .	—	—	146.200	146.200	71.993	13.164	24.002	12.191	242.195	171.555
Total:	20.113	46.285	307.007	469.343	266.105	315.721	55.821	109.470	649.045	940.819
Agriculture . . . . .	—	—	31.485	50.562	40.320	40.035	33.476	56.302	105.281	146.899
Industry . . . . .	—	—	—	8.383	13.743	21.160	79.840	86.742	93.583	116.285
Commerce . . . . .	—	—	—	—	—	4.738	55.407	31.231	55.407	35.969
Banks . . . . .	—	—	—	—	48.565	48.217	19.761	10.580	68.326	58.797
Various . . . . .	—	—	28.988 <sup>2)</sup>	40.965 <sup>3)</sup>	11.802	9.442	11.281	13.566	52.071	63.673
Total:	—	—	28.988	49.348	74.110	83.557	166.289	142.119	269.387	275.024

<sup>1)</sup> Excluding building credits, shown separately.

<sup>2)</sup> Total of loans granted by the National Economic Bank, but excluding converted credits of the former Land Bank amounting to  $\text{zł}$  23,596,000.

Repaid and cancelled loans amounting to  $\text{zł}$  18.074 thus have been included in this total.

<sup>3)</sup> Mortgage loans granted against urban real estate.

only be administered by a State bank which fills the rôle, as it were, of executive of the economic activity of the State (in millions of  $\text{zł}$ ):

Date	Total	Treasury deposits:		Ordinary deposits:		
		Sum	Percentage of total	Total	Public instlt.	Private instlt.
Dec. 31, 1927	599.9	284.2	47.4	315.7	149.0	166.7
March 31, 1928	682.0	288.3	42.3	393.7	203.1	190.6
June 30, "	738.7	293.7	39.8	445.0	271.1	173.9
Sept. 30, "	771.2	346.6	44.9	424.6	248.3	176.3
Dec. 31, "	707.2	356.2	50.3	351.4	235.2	116.2

The deposits of public institutions and private firms rose by over  $\text{zł}$  35,000,000 or by 10 per cent, that is, to a smaller extent than Government deposits. During the same period deposits in private banks rose by over 27 per cent, while the aggregate rise in deposits in all financial institutions in Poland amounted to over 34 per cent. In addition, it should be borne in mind that, apart from a relatively small increase in savings, only the deposits of public institutions showed an increase these institutions are the most important customers of the Bank Gospodarstwa Krajowego as they use the Bank's facilities for all classes of transactions which necessitate the keeping of large balances

on current accounts. The Bank does not enjoy any privileges as regards the accumulation of deposits, for the interest paid is lower than that of private banks; therefore, the only advantages which it enjoys comes from the fact that it is a State bank and, consequently, gives a better guarantee to its clients than private banks.

As regards the different forms of credits granted by the Bank in 1928, the long-term credits given in bonds and debentures assumed the largest proportions amounting to  $\text{zł}$  201,774,000 or about 55 per cent of the aggregate sum of credits granted in the previous year. In this connection the bond issues of the Bank rose by 54 per cent to  $\text{zł}$  551,200,000 and, together with the valorised mortgage bonds and debentures of the former Bank Krajowy, the total issues on December 31, 1928 amounted to  $\text{zł}$  583,800,000.

Apart from the issuing, as in previous years, the 7 and 8 per cent mortgage bonds, the 7 per cent communal debentures, and the  $7\frac{1}{2}$  per cent Bank debentures in gold  $\text{złoty}$  in the middle of 1928, the Bank started to issue 7 per cent communal debentures in dollars, and at the end of the year a small issue of 8 per cent building debentures in gold  $\text{złoty}$  was effected. The following table shows the issues of the Bank Gospodarstwa Krajowego (in thousands of  $\text{zł}$ ):

D A T E	B o n d s		Communal obligations				Bank bonds	Building obligations	T o t a l
	8% $\text{zł}$	7% $\text{zł}$	8% $\text{zł}$	7% $\text{zł}$	8% \$	7% \$	$7\frac{1}{2}$ % $\text{zł}$	8% $\text{zł}$	
Dec. 31, 1925	1.966	—	44.982	—	85.591	—	—	—	132.539
" 31, 1926	12.870	—	46.981	—	108.403	—	—	—	168.254
" 31, 1927	58.858	798	83.765	106.295	105.363	—	2.565	—	357.644
June 30, 1928	59.279	13,530	82.711	143.066	104.026	6,953	7.843	—	417.408
Dec. 31, "	62.231	28.796	81.613	209.285	102.636	41.896	24.532	191	551.180

The increase in long-term credits granted in cash amounted to  $\text{zł}$  58,778,000, an increase of 15 per cent as compared with December 31, 1927. Building credits rose by  $\text{zł}$  99,074,000 but the debt of the Ministry of Finance and the State undertakings diminished. Short-term credits showed an increase of 20 per cent due principally to larger credits being granted to Municipalities, State undertakings, private industrial concerns and to farmers. The more important accounts of the Bank are shown in the following table (in thousands of  $\text{zł}$ ):

	Dec. 31 1926	Dec. 31 1927	Dec. 31 1928
<b>Assets:</b>			
Cash reserves . . . . .	30.904	50.486	55.936
Securities . . . . .	32.685	151.801	122.947
Shares and partnership . . . . .	5.734	20.113	46.285
Short-term credits . . . . .	341.960	255.586	307.891
Long-term loans in cash . . . . .	79.450	380.535	439.313
Banks . . . . .	38.608	32.544	43.158
Loans floated . . . . .	206.106	391.299	583.775
Grand total of balance sheet <sup>1)</sup> . . . . .	950.160	1,425.215	1,715.360
<b>Liabilities:</b>			
Capital and reserves . . . . .	51.296	148.817	194.760
Treasury and ordinary deposits . . . . .	449.083	599.915	707.636
Re-discount of bills . . . . .	6.877	18.987	38.883
Banks . . . . .	17.401	105.573	40.611
Issues . . . . .	206.106	391.299	583.775
Net profit . . . . .	4.035	4.583	7.194
Guarantees . . . . .	120.251	61.564	29.173

<sup>1)</sup> Including guarantees.

One of the main purposes of the Bank Gospodarstwa Krajowego in 1928 was to give financial support to State undertakings and private concerns. Apart from the industrial companies which were financed in previous years, in 1928, the Bank extended its activity to chemical and metallurgical concerns. These undertakings received credits for increasing their capital, short-term loans for increasing their working capital, and investment loans in the form of  $7\frac{1}{2}$  per cent debentures. In this way, the value of the share holding and participation in these companies rose during the year by 130 per cent to  $\text{zł}$  46,285,000. The short term credits showed a still larger increase, from  $\text{zł}$  12,205,000 in 1927 to  $\text{zł}$  44,778,000 in 1928.

The liberal financial assistance rendered by the Bank Gospodarstwa Krajowego enabled the State and semi-state undertakings to extend and modernise their plants contributing thereby towards an increase in the means of production and an improvement in the financial state of these concerns.

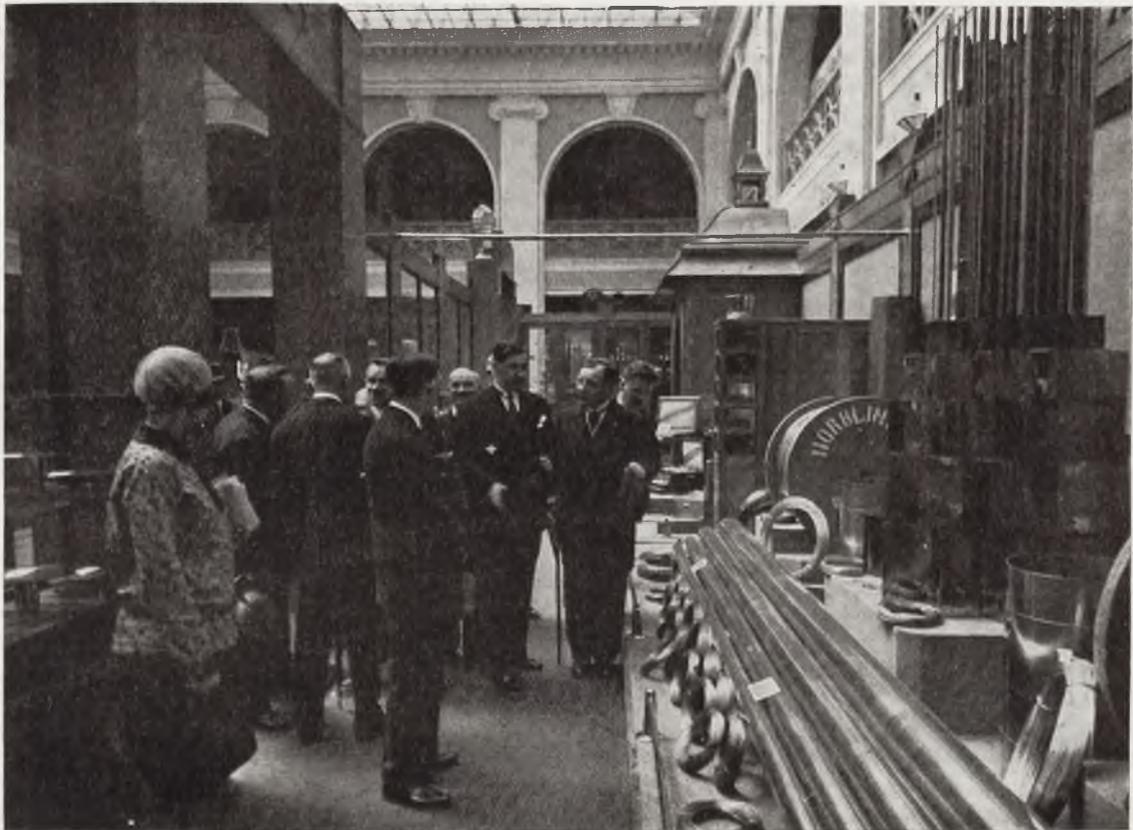
Another aim of the Bank was to cover the needs of local governments for long-term credits improvements, temporary financial assistance and advances on loans granted in communal debentures. Of the loans issued in bonds in 1928, 72 per cent were granted to local governments, the corresponding

figure for the year 1927 being 21 per cent. Of the aggregate amount of  $\text{zł}$  145,700,000 granted to this group of customers,  $\text{zł}$  100,000,000 represents credits for investment purposes, such as electrification schemes, the construction of roads, abattoirs, market halls, schools, hospitals and land improvements. The investment credits contributed materially towards a decrease in unemployment.

Apart from long-term credits for capital investment local governments received long-term loans

distributed through the intermediary of the savings banks on easy terms. The loans granted to credit co-operative societies doubled as compared with the preceding year and amounted to  $\text{zł}$  13,036,000 at the end of 1928.

Similarly as in the previous years, the Bank granted extensive credits to large and medium landed estate owners in the form of loans for various purposes. Attention was also given to the financing of estates engaged in pisciculture,



THE MINISTER OF INDUSTRY AND COMMERCE, MR. E. KWIATKOWSKI (x)  
VISITING ONE OF THE PAVILLIONS (PHOT. S. PLATER)

in cash, the bulk of which was used for building dwelling houses. The amount of loans granted to local governments for building purposes rose during 1928 by  $\text{zł}$  12,500,000 to  $\text{zł}$  28,400,000. The aggregate amount of loans given during the year from the Bank's and Government funds for building purposes amounted to  $\text{zł}$  269,000,000. It is worthy of note that the amount of credits granted from the reserves rose to  $\text{zł}$  27,900,000, which is  $\text{zł}$  5,000,000 more than was granted during the previous four years.

At the end of the year, the Bank began to convert building loans into mortgage loans in the form of 7 per cent mortgage bonds and 8 per cent building debentures. The total amount of the converted loans was  $\text{zł}$  2,888,000.

Careful attention was also given to savings banks and credit co-operative societies. The indebtedness of the savings banks rose by about 425 per cent to  $\text{zł}$  21,821,000 on December 31, 1928. Of this sum  $\text{zł}$  10,294,000 was granted to artisans and was

which received credits for investment purposes redeemable within 2 or 3 years and also loans to be used as working capital, repayable within one year. The total of these loans amounted to  $\text{zł}$  656,000 on December 31, 1928. The total short-term credits granted to the farming community rose by  $\text{zł}$  22,826,000 to  $\text{zł}$  56,302,000. Long term credits granted in cash declined slightly. The amount of loans granted in mortgage bonds to large estates of over 180 ha rose by  $\text{zł}$  19,077,000 or by 60 per cent as compared with 1927.

The credits granted by the Bank to industrial concerns amounted to  $\text{zł}$  116,285,000 at the end of 1928. In the course of this year long-term loans commenced to be granted in  $7\frac{1}{2}$  Bank debentures and the amount realised totalled  $\text{zł}$  8,383,000.

The distilling industry shows the greatest indebtedness  $\text{zł}$  12,400,000, which was granted in the form of long-term loans. On the other hand, the largest short term credits were granted to the

sugar and textile industries. While in the above mentioned sections the Bank has considerably extended its activity, the remaining two sections — trade and banking — have received smaller assistance than in the past year. The short-term credits given to commerce fell by 44 per cent which proves conclusively that the private banks were in a position to satisfy the needs and that the Bank Gospodarstwa Krajowego has been withdrawing from this sphere of banking at a rapid pace.

## CHAMBERS OF AGRICULTURE IN POLAND

AT THE TIME of the restoration of Poland there existed in its western part, that is, in the Poznań, Pomerania and Silesia districts, chambers of agriculture, which had previously formed part of the Prussian agricultural self-governing organisation founded by the Act of 1894.

With the exception of the Poznań chamber, all the others were completely disorganised as their head offices remained outside Poland.

One of the first tasks of the Polish authorities was the reorganisation of the chambers of agriculture in former German Poland, as the farming community had grown accustomed to them and highly appreciated the advantages which it derived from them.

The Poznań chamber was dissolved in 1920 and simultaneously new elections were instituted with the result that the Polish farming community, which had, under the German rule, been prevented from exercising any influence on the activity of the chambers, has now its full share in this work.

At Toruń a separate chamber of agriculture was organised for the Pomeranian area which, under the German rule, belonged territorially to the West Prussian Chamber of Agriculture with head offices at Danzig.

The pre-war legal status of the two chambers has, on the whole, been maintained, the chief modifications being an increase in the number of the membership of the Council by 1/5 by means of co-option and the transfer to the Minister of Agriculture of the powers of the King of Prussia as regards the amendment of the Articles of Association of the Chambers, which has enabled the old structure of the chambers to be adjusted to the new conditions, especially as regards finance and taxes.

Both these chambers, and especially the Pomeranian, the head offices of which remained in Danzig, had to face considerable difficulties as regards organisation during the first few years. These obstacles have been successfully overcome thanks to the initiative and energy of the management, which is confirmed by the practical results obtained in recent years.

The Poznań Chamber of Agriculture, covering as it does the Poznań area, which, as is well known, employs modern methods of farming and has reached a high standard of development, is working systematically for the promotion of the

interests of the farmers. The work is essentially practical and on a large scale; it is performed by twelve sections, which are assisted by Committees composed of the members and specialists in the given branch.

The budget of the Poznań chamber, including both ordinary and extraordinary revenue and expenditure, amounted to  $\text{zł}$  3,341,000 in 1929/30, and consisted of the following items (in percentages):

Membership subscription, &c.	48.5
Taxes on behalf of the Chamber	35.4
Government grants	13.3
Local government grants	2.8

The ratio of the above items in the budget of this chamber for 1913/14 was as follows:

Membership subscription, &c.	52
Taxes on behalf of the Chamber	12
Government grants	29
Local government grants	12

It results from the above figures that the chamber is self-supporting to a larger extent than before the War. The staff consists of 200 officials. The largest item of expenditure is for teaching modern farming, which is one of the main objects of the chamber. At the present time the chamber conducts 18 agricultural schools the total enrollment, boys and girls, numbering over 1,000. The staff of the schools also takes an active part in promoting up-to-date farming outside the schools by means of close co-operation with the different bodies attached to the farmers clubs, which also base their activity on the chamber of agriculture.

In addition the chamber runs an experimental station at Poznań, owns the Piętkowo estate, which is used for scientific research, a dairy institute at Września, buildings and printing works. Stock breeding has also received careful attention which is reflected in the fact that 72 stud stations, mostly for cattle and horses were organised up to the end of 1928. This section has made rapid progress within the last few years.

Thanks to the organisation of efficient control over the production of milk — the average return per cow per annum, within the area of the activity of the chamber, rose from 2,849.5 kg. in 1924 to 3,259 kg. in 1927. In the course of the last two years efforts have been made to improve the stocks on peasant farms. As regards vegetable production, the following sections have shown particularly intense activity: forest, which has at its disposal a wooded area of over 100,000 ha; seed — which considerably increased its area under high grade crops in 1928 as compared with 1927; gardening — which in the course of the last few years has given assistance to fruit farmers.

The Pomeranian Chamber has been entirely reorganised since the restoration of the Republic of Poland.

During the years from 1920 to 1922 a provisional board with the present President of the Chamber at its head performed the functions of the organisation, but in 1922 elections were instituted and the Chamber was organised in accordance with the

legal prescriptions then in force viz. the Prussian Act of 1894.

The various sections for dealing with practical work have been organised by stages; in addition, unions of producers of various agricultural commodities have been created. These unions are linked up with the Chamber as the President of the latter acts as chairman for the unions, and the actual work of the unions is performed by the officials of the chamber possessing the necessary training and experience.

Parallel with the sections, similarly as in the Poznań Chamber, there are different committees. In this way close co-operation between the Chamber and the local farming community is assured.

The development of the Pomeranian Chamber is reflected in an increase in its budget, the expen-

with the organisation of the Silesian Chamber of Agriculture and in the following year elections to this body were instituted in accordance with the Act.

During the comparatively short time, the Chamber has developed considerably, meeting successfully practically all the demands of the Voievodship in the field of farming.

At the present time, the Chamber conducts 3 schools with two-year evening courses, a special one-year course in vegetable gardening for the peasants, a basket ware course and a housekeeping course for women. The Chamber has also an experimental station which is gradually extending its scope of activity. Committees have been appointed to deal with various practical problems, for example, pedagogical committee and an estate management committee. The Chamber has also organised separate



SOME OF THE BUILDINGS IN THE FOOD INDUSTRY SECTION  
(PHOT. S. PLATER)

diture side of which rose from  $\text{zł}$  634,000 in 1924 to  $\text{zł}$  1,565,000 in 1928. The chamber has organised and provided the necessary funds for 11 agricultural schools, the number of pupils of both sexes being over 400. It has also an experimental station in which 883 tests were made in 1928 as compared with 41 in 1922.

The area administered by the Chamber increased from 1,800 ha in 1923 to well over 3,600 ha in 1928.

The forest section has under its direct control an area of about 40,000 ha, which represents about  $\frac{2}{3}$  of the total of privately owned forests in Pomerania (over 50 ha); attention has also been paid to the development of willow growing for basket ware. The land improvement section of the Pomeranian Chamber surveyed 9,200 ha in 1928, which was 100 per cent more than in the preceding year. Of late, careful attention has been given to the Kaszuby districts, a special branch of the Chamber having been opened at Wejherowo.

In the year 1922, a Chamber of Agriculture was established at Katowice for the Upper Silesian Voievodship. This was a provisional organisation. In 1925, the Silesian Sejm passed an Act dealing

sections for vegetable, animal and gardening production. Moreover, the Chamber is in close contact with various agricultural institutions in Upper Silesia, shapes their policy and in general assists them in their practical work through its staff.

The Decree of the President of the Republic dated March 22, 1928 dealing with chambers of agriculture, has opened a new era in the history of the agricultural self-governing bodies in Poland.

The basic points of the organisation of chambers of agriculture are similar to those in existence in Prussia, but they are adapted to the economic needs of Poland. One of the chief features of this law is that political considerations have totally been eliminated and that the only guiding motive is the economic side of the problem. This is reflected in the composition of the council of the chamber — at least three-fifths of the councillors are delegates of the local self-governing bodies, both urban and rural, according to the nature of the district in which the chamber is situated; in addition, one-fifth to two-fifths of the council (according to the statutes, which in each case strictly define the number of councillors) are nominated by the agricultural

associations duly appointed by the Minister of Agriculture for this purpose. Another feature of this Decree is that it gives the right to vote to freeholders and lease holders of farms on condition, however, that farming is their profession. In this way the agricultural self-governing bodies, including producers of agricultural products, no matter how small is their area of cultivation are represented. As regards the scope of activity of the chambers of agriculture, the provisions of the Decree do not modify to any large extent their functions which are recognised as being useful generally and which have stood the test of time and experience in the western part of Poland.

The object of the chambers of agriculture are:

- a) to act as the representatives of the agricultural community and to defend their interests,
- b) to promote modern, up-to-date methods of farming by all legal means,
- c) to perform the functions defined by the law and to co-operate with the Government and local self-governing bodies in all matters bearing on farming.

The new Decree lays stress on co-operation between the Chambers and private agricultural associations as well as on the promotion of unions of farmers and co-operative societies of all kinds, likely to further the development of agriculture.

As regards the State control over the chambers of agriculture, the Presidential Decree provides far-reaching supervision by the appropriate government departments; for instance, the Minister of Agriculture has the right to approve or disapprove of the decisions taken by the chambers in regard to financial problems such as the disposal of estates, the raising of loans, the levying of compulsory charges on behalf of chambers, &c. The election of the president and of his deputy are subject to the approval of the Minister of Agriculture. The appointment of a manager of the chamber is also subject to the approval of Minister of Agriculture.

Following the publication of the Presidential Decree, the Ministry of Agriculture began the further organisation of chambers of agriculture.

In March 1929 new articles of association were elaborated for the Poznań and Pomeranian chambers and elections to these institutions were held shortly afterwards; at the same time preparatory work for the establishment of chambers in other part of the country, principally in former Russian Poland, was commenced.

## THE POLISH BENT-WOOD FURNITURE INDUSTRY

POLAND POSSESSES extensive areas of forest, but in view of the fact that with the development of various industries and the expansion of railway systems, both at home and abroad the demand for timber is growing at a rapid pace, it is becoming more and more necessary to make as economic use as possible of the existing timber reserves.

The policy of the Polish Government in recent years has been, therefore, to promote those industries which employ roundwood as their basic raw material. Timber, as is well known, counts among the chief Polish export articles and this being so the Government has endeavoured to develop in the first place the sawmilling industry in order to stop the export of unworked timber and to increase within as large limits as possible, the export of sawn wood and finished products. This policy has already yielded good results as the exports of semi-finished and finished wooden articles have grown from year to year at an increasingly rapid pace.

Among the industries which have made the greatest progress, thanks to the existence of good natural conditions in the form of large beech forests covering the southern regions of Poland, is the bent-wood furniture industry.

The annual production of furniture in Poland may be estimated as being worth about  $\text{zł}$  50 million, of which about one third falls to bent-wood furniture. This industry merits special attention not only on account of its essentially export character but also because it is based on local raw material — beech forests, which cover extensive areas in the Carpathian mountains.

According to the official statistical returns, which account only for the bent-wood furniture industry, there are in Poland 21 factories employing 5,380 workmen. The largest number of factories are situated in the Radomsko and Piotrków districts, where there are 5 factories (including that of Messrs. Thonet-Mundus, the largest in Poland), that is 23·8 per cent of the total number. These concerns employ a total of 2,359 workmen (43·8 per cent). Next in importance is the Biała district, which together with the adjacent areas of Bielsko and Żywiec contain 5 factories with 1,550 workmen (28·8 per cent).

Of the remaining 11 enterprises the bulk are situated at important railway junctions.

The part played by bent-wood furniture in the furniture export from Poland, may be gauged by the following figures:

	Years	q	zł
<i>Furniture:</i>			
Unpolished, unvarnished	1926	1.281	131.000
	1927	2.680	334.000
Polished, varnished	1926	3.105	604.000
	1927	1.807	340.000
High-class, carved (incl. upholstered)	1926	11	5.000
	1927	676	64.000
Garden furniture (willow)	1926	2.129	372.000
	1927	1.064	192.000
Bent-wood	1927	55.645	11,381.000
	1927	50.601	9,744.000

It will be seen that the export of bent-wood furniture from Poland represents from 50 to 60 per cent of the total production. This is a high percentage — and in the case of some of the factories, the proportion of their output which is marketed abroad is indeed astonishing. Thus, according to the figures compiled by the Union of

Industrialists of Kraków (Furniture Section), many undertakings (Thonet-Mundus, Radomsko, Adolf Weich, Buczkowice, Johann Kohn, Radomsko and others) export as much as from 80 to 90 per cent of their total output of bent-wood furniture.

It is striking that this industry depends to a very limited extent on the local market, and its existence is apparently almost entirely due to the abundance of high class raw material in the country. Yet strange as it may appear in 1926, Poland imported 54.152 q. of beech bent-wood valued at  $\text{zł}$  750,000, for the manufacture of furniture, and in 1927 —

The costs of labour, general overhead charges, &c. are lower in Poland than in the above mentioned countries and this appears to be one of the reasons for the establishment of bent-wood furniture factories within the limits of the Polish Republic. We have stated appears—for it is difficult to state with certainty that this is the case; but the development and progress of the Polish bent-wood industry are undoubtedly due to a great portion of its products being placed on foreign markets.

There are signs of the situation becoming gradually better and better and the fact that



A PORTION OF THE AGRICULTURAL SECTION (PHOT. S. PLATER)

59.192 q. valued at  $\text{zł}$  832.000. The bulk of these imports came from Czechoslovakia.

A search for the reasons for this reveals that it is by no means due to casual causes or influences. It is justified by a number of factors of an economic character — the chief being an inadequate system of narrow gauge forest lines, which renders the exploitation of the forests difficult and in some cases even irrational; under these conditions the price of beech wood in some cases compares unfavourably with those ruling abroad. It appears also that the imports are accounted for by the fact that before the War there were a number of factories in former Austrian Poland, the head offices of which were situated in Austria and Czechoslovakia, and as they possess forests which are now situated in the latter country they find it advantageous to supply their works in Poland with certain raw material from their own forests.

a very large portion of the production is marketed outside of Poland is to be attributed to a large extent to better terms of sale being secured abroad than in Poland. While foreign dealers settle their accounts within 4 to 6 weeks after the despatch of goods, local merchants buy on 3 to 6 months credit, and even then the term of payment has frequently to be prolonged.

Similarly as in other industries, the Polish bent-wood furniture section is badly hit by the dearth of credit, and the future progress of this branch of production depends on whether it will be able to secure long-term credits at low rates for investment purposes and also to increase the working capital.

The dearth of credit affects to a much larger extent the furniture section than any other branch of industry, because the raw material has to be dried for considerable periods before it can be

actually used for manufacture, which, of course, increases the cost of the finished product.

The factories of bent-wood furniture in Poland produce more or less the same class of furniture as is manufactured abroad, but their degree of specialisation in a given line is not so far-reaching. The manufacture of only one kind of furniture has only recently been begun in Poland, and factories like that situated at Gościniń in Pomerania, which have specialised in the production of chairs are not numerous.

Polish bent-wood furniture is for the most part exported to overseas countries, chiefly to South America, though of late Mexico has become an important purchaser of this class of goods. Australia also counts among the more important customers.

As regards the European markets, Polish furniture competes successfully with foreign products, including those produced by the highly developed Czechoslovakian industry.

Prior to the War the Polish furniture industry, and especially its bent-wood sections based its existence on the Russian market. The closing of this outlet has brought about not only the necessity of looking for new markets, but also of adapting the production to the new requirements.

It should be stated that the largest centre of production — Radomsko and Piotrków, which was created for satisfying the requirements of Russia and which from its establishments was calculated to rely on foreign raw material — has now found itself in a less fortunate position than other manufacturing areas on account of its being situated at a considerable distance from the areas producing the raw material.

As has already been mentioned, the prospects for the future development of the bent-wood furniture industry are excellent, but this depends on long-term capital for improvement and rationalisation of the works and of short-term credits for the increase of the working capital of the enterprises.

It is to be expected that with the development of the building of dwelling houses on a larger scale, the consumption capacity of the Polish market will increase considerably, while the extension of the existing plants and the introduction of still more modern methods and the specialisation of enterprises on a given, standardised type of production will enable the export trade to be increased.

# Polish National Exhibition- -the best means of studying Polish affairs

## SUMMARY OF LAWS, ACTS AND EXECUTIVE DECREES

published in the "Official Journal of Laws of the Republic of Poland" ("Dziennik Ustaw Rzeczypospolitej Polskiej")

from May 15th to June 15th, 1929

**Increase in the total issue of the 5 per cent Conversion Loan of 1924** ("Dz. Ust. R. P." No. 35, item 324).

**Refund of customs duties when exporting textile machinery** ("Dz. Ust. R. P." No. 36, item 325).

**Reduced customs duties on imported coniferous tree seeds** ("Dz. Ust. R. P." No. 36, item 326).

**Regulations for the storage of celluloid films** ("Dz. Ust. R. P." No. 36, item 327).

**Customs duty refund when**

**exporting pipes** ("Dz. Ust. R. P." No. 37, item 130).

**Changes in the Statutes of the National Economic Bank** ("Dz. Ust. R. P." No. 37, item 334).

**Official examination of slaughter-houses and meat** ("Dz. Ust. R. P." No. 32, item 305).

**Supplementary list of enterprises entitled to special facilities as industrial and transport establishments** ("Dz. Ust. R. P." No. 32, item 306).

**Retail price-list for certain**

**tobacco products** ("Dz. Ust. R. P." No. 33, item 314).

**Retail price-list for cigars** ("Dz. Ust. R. P." No. 38, item 335).

**Repeal of the export duties on wheat and wheat flour** ("Dz. Ust. R. P." No. 40, item 345).

**Refund of customs duties when exporting rice** ("Dz. Ust. R. P." No. 39, item 340).

**Exemption of the Capital Levy and Unearned Income Tax from the 10 per cent Extraordinary Supplementary Tax** ("Dz. Ust. R. P." No. 39, item 341).

# PRODUCTION AND TRADE

## STATE OF EMPLOYMENT. —

The unusually severe and prolonged winter resulted in the maximum number of unemployed this year exceeding that of last year and in the downward movement commencing later. Nevertheless, once unemployment began to fall, the rate of decline proved to be much quicker than in 1928 and by April the number had fallen below that noted in the corresponding month of last year. A further considerable improvement took place in May according to the reports from the State Labour Exchanges. Thus the number of unemployed fell from 147,813 at the beginning of May to 122,771 on June 1st — a drop of 25,042. Over the period May 5th — June 2nd, 1928, the drop had been smaller, since it came to only 17,054, whilst the number of unemployed on June 1st amounted to 132,453, i. e., more than on the corresponding date of this year.

The more rapid decline in unemployment is in the first place due to its retarded commencement. Thus, for example, it was only in May that serious building operations were commenced, especially in the eastern and central areas.

The lower number of unemployed this year, in spite of rather worse business conditions, is explained to a great extent by the general development in a number of branches of industry including coal-mining and the iron foundries in which higher level of production has been attained.

It must be added, too, that the crisis in certain branches of industry, especially in the Łódź textile industry, has resulted in a growth in unemployment in the specific groups affected; also, as a result of building operations being conducted on a smaller scale this year than last, unemployment in this section is double that of last year. In spite of these unfavourable factors, however, unemployment, as a whole, has declined in comparison with last year, mainly, as already stated, because of the increased production in other branches and because of a high level of employment in the coal-mining industry.

Another factor to be taken into consideration is that farm operations, normally carried out in April, were not, generally speaking, commenced till May. Finally, it is quite possible that seasonal emigration has increased this year.

The number of registered unemployed during the last four years is given in the following table (figures for the first of each month):

	1926	1927	1928	1929
January	251,326	190,140	165,268	126,429
February	301,457	208,536	179,602	160,843
March	302,179	213,592	178,403	177,462
April	295,529	205,770	167,022	170,494
May	272,414	190,578	154,656	149,093
June	256,934	174,349	132,453	122,771
July	243,302	159,365	116,719	
August	223,474	147,713	103,451	
September	205,393	132,952	94,177	
October	185,207	116,843	79,885	
November	167,826	115,732	79,689	
December	168,008	136,738	94,132	

The following statement gives the number of part-time workers:

	1928	1929
January	33,190	21,726
February	31,465	15,847
March	25,565	16,554
April	48,878	16,967
May	54,385	21,791
June	27,461	26,343
July	28,728	
August	32,996	
September	25,911	
October	28,147	
November	25,189	
December	26,143	

Of those working part-time, 249 worked one day per week (71 on May 4, 1928), 632 two days (584), 7,127 three days (3,698), 7,792 four days (6,558) and 10,543 worked five days per week (10,980); on the average, therefore, part-time workers were employed for 4.05 days per week (4.3).

The following table shows the number of unemployed by trade groups (as on the first day of the months quoted):

	May	June	+ Increase - decrease
mining	4,284	4,096	- 188
foundries	1,084	2,639	+ 1,555
metal	7,919	6,863	- 1,056
textile	14,968	22,550	+ 7,782
building	14,918	12,396	- 2,522
clerical	10,818	12,160	+ 1,342

In the coal-mining industry, the seasonal drop in home and foreign sales resulted in a lower output of coal; the number of employed miners, however, continued to rise and passed the 122,000 mark. In the petroleum industry, conditions continued to improve and production grew by 4 per cent, with more men at work. In the iron-ore mining industry the situation was good on the whole, and although production declined as a result of the smaller number of working days in May than in April, the number of men employed increased by 5 per cent. Favourable conditions also continued to reign in the zinc and lead-ore mining industry and here again, although production fell somewhat, the number of miners employed only decreased slightly. The

total number of unemployed was only 3 per cent of those at work.

In the iron founding industry, as a result of smaller and fewer orders, especially from the building trades and agriculture, the production of steel was somewhat smaller, this applying especially to rolling-mill products; it must be added, however, that with these exceptions, production was far above the May 1928 level. The number of men employed declined only very slightly, i. e., by 588 workers, to 53,823. The zinc and lead foundries maintained the level of their production and if anything, even increased their output (zinc sheets and sulphuric acid), whilst the number of men employed remained constant. Unemployed foundry workers constituted 4 per cent of those actually working.

The state of employment in the metallurgical industries during May was not so good. Some branches of this industry worked only for stock. The small demand for agricultural machines and tools, textile machinery, wire, nails, screws and rivets caused by the uncertain situation in agriculture, the textile industries and the building trade, forced many branches of the industry to limit their output. Plants producing wagons, zinc sheets and heavy machinery (i. e., for cement factories and the electrical industry) remained fully occupied. In spite of the season being well advanced, iron casting shops found business quite dull. Unemployed metallurgical workers numbered 7 per cent of those at work.

The unfavourable conditions reigning in the Łódź textile industry forced the mills to curtail again production. Conditions in the Bielsk and Białystok textile industries were, however, quite favourable. Unemployed textile workers constituted 14 per cent of the number at work.

There was a little movement in the building trade in May, but it was confined for the most part to the completion of works commenced last year, and even so the conclusion of about one-third of these had not yet been undertaken. Unemployment in this industry increased considerably.

The average level of wages during May remained practically the same as in the preceding month. The Upper Silesian miners were awarded an increase

of from 5 to 10 per cent as from June 1st, clerical workers in the Silesian heavy industries received an increase of 5 per cent whilst building trade employees in the same district received a rise of 13 per cent. In addition, in certain industries a trend towards higher wages was apparent, but in others proposals for reduction were presented by the employers.

## GRAIN

— The weather during May was consistently warm and sunny, the temperature was on the whole above the mean annual by 0.5 — 2.5°C whilst rainfall proved to be adequate. As a result of these favourable atmospheric conditions, the state of the crops in the whole country improved considerably, especially so in the central

and southern voievodships and in that of Wołyń. According to the calculations of the Chief Statistical Office towards the end of May, the state of the crops in Poland is better this year than during the corresponding period a year ago, the indices being as follows:

	end of April 1929	end of May 1928	end of May 1929
wheat (winter)	3.1	2.7	3.3
rye	3.3	2.5	3.4
barley	2.9	2.7	3.0
wheat (spring)	—	3.0	3.2
barley	—	3.2	3.4
oats	—	3.2	3.3

During the month of May the trend of prices on the grain market was decidedly weak. This decline in prices had been felt since the middle of March, but it appeared with especial force during May, as witness the data contained in the following table:

		HOME EXCHANGES								Berlin	Chicago
		Warsaw		Poznań		Lwów		Av. of 3 exch.			
		zł	\$	zł	\$	zł	\$	zł	\$		
W H E A T											
May	1—8	50.58	5.68	47.56	5.34	52.50	5.89	50.21	5.64	5.32	4.21
"	9—15	50.08	5.62	45.75	5.14	49.50	5.56	48.44	5.44	5.27	3.92
"	16—22	47.83	5.37	44.75	5.03	48.08	5.40	46.89	5.27	5.24	3.90
"	23—31	46.62	5.23	44.30	4.98	45.50	5.11	45.47	5.11	5.02	3.79
June	1—8	42.12	4.73	40.50	4.55	44.25	4.97	42.29	4.75	5.00	3.79
"	9—15	46.87	5.26	43.67	4.90	48.17	5.41	46.23	5.19	5.05	4.00
R Y E											
May	1—8	35.02	3.93	32.37	3.63	34.28	3.85	33.89	3.80	4.85	3.70
"	9—15	33.29	3.74	29.05	3.26	30.72	3.45	31.02	3.48	4.78	3.54
"	16—22	29.66	3.33	27.78	3.12	28.26	3.18	28.57	3.21	4.71	3.44
"	23—31	27.69	3.11	26.37	2.96	25.37	2.85	26.48	2.97	4.45	3.41
June	1—8	27.06	3.04	24.17	2.71	25.25	2.83	25.49	2.86	4.38	—
"	9—15	29.82	3.36	26.47	2.97	29.42	3.30	28.57	3.21	4.49	—
B A R L E Y (brewing)											
May	1—8	36.12	4.05	34.50	3.87	36.00	4.04	35.57	3.99	5.32	—
"	9—15	36.12	4.05	—	—	—	—	—	—	5.32	—
"	16—22	—	—	—	—	—	—	—	—	5.32	—
"	23—31	—	—	—	—	—	—	—	—	5.13	—
June	1—8	—	—	—	—	—	—	—	—	—	—
"	9—15	—	—	—	—	—	—	—	—	—	—
B A R L E Y (feeding)											
May	1—8	34.00	3.82	33.00	3.70	30.00	3.37	32.33	3.63	4.99	—
"	9—15	32.83	3.68	32.88	3.69	27.38	3.07	31.00	3.48	4.63	—
"	16—22	32.16	3.61	32.25	3.62	25.12	2.82	29.84	3.35	4.59	—
"	23—31	30.75	3.47	30.80	3.46	23.00	2.58	28.18	3.17	4.40	—
June	1—8	26.00	2.92	28.10	3.15	21.00	2.35	25.03	2.81	4.27	2.52
"	9—15	26.50	2.97	28.00	3.14	24.42	2.74	26.31	2.95	4.27	2.52
O A T S											
May	1—8	35.83	4.02	31.88	3.58	32.50	3.65	33.40	3.75	4.80	3.38
"	9—15	35.75	4.01	30.88	3.46	30.12	3.38	32.25	3.62	4.74	3.24
"	16—22	35.33	3.97	30.00	3.37	29.35	3.30	31.56	3.55	4.69	3.31
"	23—31	31.87	3.58	28.30	3.18	25.50	2.86	28.56	3.21	4.39	3.10
June	1—8	28.62	3.21	24.50	2.75	24.50	2.75	25.87	2.90	4.33	3.10
"	9—15	29.25	3.28	26.50	2.97	24.87	2.79	26.87	3.01	4.37	3.22

Taking the price of corn at the beginning of the period reviewed, i. e., the first week of May, as the basic 100, the prices of the various types of grain during the first week of June shaped themselves as follows: wheat 84.2, rye 75.2, barley (ordinary) 79.9 and oats 77.5.

This considerable drop in the prices of grain followed mainly as a result of the conditions generally reigning upon the grain markets of the world. In addition, local factors likewise affected the prices of grain in Poland these being, for example, export duties hindering the export of corn from the country and large purchases of grain for the State Corn Reserve. Faced by this situation, the Government decided to counteract the unusual drop in grain prices and as a result decided to permit the duty-free export of rye from Poland; this action resulted in a considerable increase in grain exports during the last few months. Later, in order to render this action still more effective, the export duties on rye and rye-flour exports were repealed altogether on June 11th. In addition, it is planned to abolish the export duty on oats as from July 1, 1929. Finally, since the export duty on wheat is to lapse on July 31, 1929, it can be taken as granted, that in the very near future absolute free trade will govern the export of grain from Poland.

The action taken as described above has already had its influence on the trend of prices on the grain market and during the second week of June decided rises in grain quotations had been reported from all the Corn Exchanges in Poland.

Foreign grain turnover with Poland during May resulted in a favourable balance amounting to zł 5,954,000. Trade in corn during May as compared with turnover during previous months presented itself as follows (in tons):

	May 1928	April 1929	May 1929
<i>I m p o r t s</i>			
wheat	67.276	2.841	3.065
rye	36.262	195	30
barley	552	115	7
oats	1.457	1.379	356
<i>E x p o r t s</i>			
wheat	52	39	15
rye	154	3.212	4.652
barley	420	25.458	15.333
oats	632	512	264

Poland's grain exports during May were composed almost entirely of barley and rye. The barley was chiefly exported to Belgium, exports to that country accounting for 24.9 per cent of the total sold abroad, to Latvia — 21.4 per cent, Germany — 9.4 per cent.



THE POLISH EMIGRANTS' PAVILLION (PHOT. S. PLATER)

Austria — 7.1 per cent, Estonia — 6.9 per cent, and to England, Finland, Holland, Czechoslovakia, Switzerland and Norway in smaller quantities. The export of rye during May reached the record figure of 4,652 tons of a value of over, £ 1.5 million such a high monthly figure of export in this connection not having been reported since 1926. Rye exports from Poland found their main client in England which country accounted for 61.2 per cent of the volume exported, then followed Germany with 23.5 per cent, Lithuania with 7.6 per cent, Denmark with 4.3 per cent and Sweden with 3.4 per cent.

Wheat and oats were exported only in very small quantities and almost exclusively to Germany.

During May most of the grain imported into Poland came from Germany, that country having accounted for almost all the rye, barley and oats imported into Poland and for 64.8 per cent of the wheat. In addition wheat was imported from Hungary (21.8 per cent), from Holland and from the United States.

## BUTTER

— During the beginning of the second half of May there was a stronger tone on the butter market as a result of the decline in production caused by the lack of green fodder. This was especially felt in the Katowice and Sosnowiec districts, where moreover the wholesalers bought heavily; in general prices rose considerably.

The warmer weather brought in its wake an increase in the output with the result that prices later returned to normal. This tendency continued throughout the first half of June and the proper relation between prices for grades I and II which were somewhat abnormal during the first part of the period under review, were restored. A difference of as much as £ 1.10 had existed at one time between the prices of the two grades and this had resulted in losses to both producers and consumers. A further drop in prices is not expected.

The wholesale quotations for grade I butter during the period reviewed were as follows (in £ ex warehouse):

	May 16th-31st	June 1st-15th
Warsaw	7.20—8.50—6.70	6.70—6.20—5.60
Katowice	9.00—9.20	—
Lublin	8.30	7.20

Exports of butter in May totalled 846.2 tons valued at £ 4,969,600. Germany took 655.9 tons, England 154.1 tons, Denmark 22.3 tons, Holland 5.9 tons and Austria 5.5 tons. Smaller quantities went to West Prussia, Russia, Italy, France and Czechoslovakia. During the same period, imports totalled 10 tons valued at £ 63,000, the chief suppliers being Germany and Denmark.

## EGGS

— A rather stronger tone was evident on the egg market during the second half of May as a result of the increased home and foreign demand. Towards the end of that month the market weakened somewhat, but recovered during the first two weeks of June. The recovery in June and the consequent rise in prices was due to a decrease in the supply. The demand remained fairly strong and purchases for cold

storage continued throughout the period under review, considerable quantities of eggs having been bought for this purpose.

Prices at the various production centres were themselves as follows (in *zł* per case of 1.440 eggs):

	May 16th—31st	June 1st—15th
Warsaw	190—205	} average price on the home market : 190—205
Bochnia	188—195	
Katowice	205	
Kraków	195—197	
Rzeszów	187—190	
Lublin	180	

Exports of eggs in May totalled 9.425.4 tons valued at *zł* 22,485.000; of this quantity Germany took 4.806.8 tons, England 1.446.6 tons, Austria 1.222.7 tons and Czechoslovakia 1.570.7 tons.

Imports were insignificant, the bulk being supplied by Germany and England

**TIMBER**

— The situation in the timber industry, as throughout the whole of the current year, continued to be a very difficult one. The causes leading to this state of affairs are to be found in the exceedingly small amount of building under way in Poland and in a similar state of affairs in Germany, which country is, as is well known, Poland's chief customer for timber.

Conditions for Polish timber on the English market are, it is true, much better than on the German market and Poland's share in English timber imports has risen to 6 per cent of the total.

During May the export of trunks and logs remained at the low level reported for previous months; the export of sawn material on the other hand showed a certain improvement, falling short, however, of the figures for last year (6.4 thous. wagon-loads exported during the first ten days of the month; 4.7 thous. wagon-loads during the second, and 8.0 thous. wagon-loads during the third ten days). Good export conditions continue for plywood and veneers as also for bentwood furniture, except that in the last case it would seem that sale opportunities will not maintain their present level in the future.

Prices quoted by the different Directorates during the period under review at truck loading stations were as follows (in *zł* per stacked and cub. metre):

		April	May
pine logs for saw mills (per cub. m.)	Warsaw	65—	63—
	Radom	56—	56—
	Siedlce	54—	52—
	Wilno	50—	50—
	Białowieża	52—	50—
	Poznań	60—	58—
" " "	Bydgoszcz	58—	58—
	Toruń	64—	64—
pine logs for building purposes (per cub. m.)	Siedlce	49—	47—
	Białowieża	44—	42—
	Wilno	38—	38—
pine pit props (per cub. m.)	Warsaw	37—	37—
	Radom	37—	37—
	Siedlce	33.50	33.20
	Poznań	30.50	30.50
	Bydgoszcz	32—	32—
	Toruń	30—	30—
spruce logs for saw mills (per cub. m.)	Siedlce	45—	45—
	Lwów	44—	44—
oak logs for joinery (per cub. m.)	Białowieża	90—	90—
	Łuck	155—	155—
pulpwood (per stacked cub. m.)	Siedlce	30—	30—
	Wilno	29—	29—
	Białowieża	29.90	29.90
pine fire wood (per stacked cub. m.)	Warsaw	16—	16—
	Radom	16—	16—
	Siedlce	13—	13—
	Wilno	8—	10—
	Białowieża	16.50	16.50
	Poznań	16—	17—
	Bydgoszcz	17—	18—
Toruń	17—	17—	
spruce fire wood (per stacked cub. m.)	Lwów	11.50	11.50
beech fire wood (per stacked cub. m.)	Lwów	17—	17—

**COAL**

— A certain retrogression was shown by the Polish coal industry during May this year, but this is easily accounted for by a shrinkage in the demand for household coal both at home and abroad as also by difficulties in concluding ready-cash or short-term credit transactions. In fact, transactions for the purchase and sale of coal during that month tended towards long-term credit operations, consumers and whole-salers proposing 4—6 months bills in payment.

Production figures were considerably lower in May than in April, mainly as a result of there being only 23 working days in the month under review as against 25 in the preceding one. Another factor limiting output, however, was the shrinkage of home and export markets (English competition continued to grow in intensity). As a result, pithead stocks were reduced to a certain extent.

Conditions in the coal industry during May as compared with April are shown in the following table (in tons):

Coal mining districts	Extraction	Home consumption	Exports	Stocks at pit-heads <sup>1)</sup>
Upper Silesia	2,528,431	1,526,236	963,437	539,786
Dąbrowa	651,456	417,591	173,666	222,040
Kraków	215,253	178,887	1,135	65,860
Total:	3,395,140	2,122,714	1,138,238	827,686
April <sup>2)</sup> :	3,733,723	2,218,587	1,204,496	1,062,260
in relation to April	-338,583	-95,873	-66,258	-234,574

The foregoing statistical data show that the production in May fell short of the April figure by about 339,000 tons. The average daily output likewise declined, falling to 147,614 tons, a drop of 1,733 tons as against the corresponding figure for April. Similarly the total sales decreased by 162,131 tons in relation to the April sales, domestic sales falling by about 96,000 tons and export by 66,000 tons. Pithead stocks were reduced by 235,000 tons during May.

The export of coal during May 1929, according to country of destination, is illustrated by the following table (in thous. tons):

Countries	1928				1929	
	May	April	May	April	May	April
<b>Northern European:</b>						
Sweden	144	308	363	226	234	+ 8
Norway	19	13	66	54	68	+14
Denmark	78	124	106	161	134	-27
Finland	16	14	67	27	58	+31
Latvia	16	33	38	39	37	- 2
Lithuania	1	2	9	1	3	+ 2
Estonia	—	—	—	—	3	+ 3
Memel	1	1	6	9	15	+ 6
Total:	272	395	555	517	552	+ 35
<b>Succession States:</b>						
Austria	158	150	191	235	179	-56
Hungary	27	31	34	58	71	+13
Czechoslovakia	35	36	77	75	75	—
Total:	220	217	302	368	325	-43

<sup>1)</sup> After deduction of the coal utilised by the mines themselves and for workmen, and after correcting the stock on hand.

<sup>2)</sup> Corrected figures.

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Other countries:						
Rumania	8	7	11	10	10	—
Switzerland	12	26	12	11	13	+ 2
Yugoslavia	22	35	26	15	21	+ 6
Italy	97	95	39	78	56	-22
France	19	16	36	64	68	+ 4
Holland	—	—	7	9	11	+ 2
Belgium	—	4	5	3	2	- 1
Algeria	—	4	4	5	1	- 4
Germany	1	1	1	4	—	- 4
Brazil	—	—	4	4	—	- 4
Russia	—	—	5	—	—	—
Iceland	—	—	—	3	—	- 2
<b>Total:</b>	<b>159</b>	<b>188</b>	<b>150</b>	<b>205</b>	<b>182</b>	<b>-23</b>
Danzig	36	24	22	26	33	+ 7
Bunker coal	17	24	45	89	46	- 43
<b>Total:</b>	<b>704</b>	<b>848</b>	<b>1.074</b>	<b>1.205</b>	<b>1.138</b>	<b>- 67</b>

It will be seen from the above that coal exports to the Scandinavian and Baltic countries increased by 35,000 tons during May but exports to Austria, Hungary and Czechoslovakia fell by 43,000 tons; coal sold to other countries (including bunker coal) decreased in volume by 66,000 tons, but sales to the Free City of Danzig gained by 7,000 tons during the month.

Export sales in May and April according to country of destination are listed in the following table (in percentages):

	April 1929	May 1929
Northern European countries	42.90	48.51
Succession States	30.54	28.56
Other countries	17.01	15.99
Danzig	2.16	2.90
Bunker coal	7.39	4.04
<b>Total:</b>	<b>100.00</b>	<b>100.00</b>

The average daily export of coal during May (with 23 working days) was 49,478 tons, i. e. 1,278 tons less per day than was the case in April (with 25 working days).

The number of miners employed in the collieries in the whole of Poland grew by 1,318 men during May, bringing the total up to 122,100 workers.

The average daily output per miner during May came to 1,263 kg., this being 20 kg. less than the April figure.

A decision of the Arbitration Commission dated April 22nd and in respect of the regulation of wages in certain groups of skilled workers, led to an understanding being reached between the mine-owners and the men on May 24, 1929. By virtue of this agreement as from March 1, 1929, wages in force in the Silesian coal area were increased as follows: qualified miners of group A to receive an increase in pay of 10 per cent; group B of 9 per cent; group C of 8 per cent; group D of 7 per cent and group E of 5 per cent. Thus the average daily wage paid by the collieries (taking the whole personnel into consideration) ranged from  $\text{zł}$  7.38 to  $\text{zł}$  9.62 depending upon



THE UPPER SILESIAN TOWER,  
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the coal-basin affected, according to the position in April.

Domestic coal-prices and those for convention countries remained unchanged, but f. o. b. Danzig or Gdynia export prices were fixed in the case of new orders booked at 14sh 5d for Upper Silesian coal (large and nuts) and at 13sh 5d for Dąbrowa coal of the same grade.

A consolidated Polish-Austrian railway tariff covering the transport of coal and coke was introduced as from May 1st, rates having been increased by 6 per cent but only upon the Austrian lines. A consolidated Polish-Czechoslovakian railway tariff for the transport of coal and coke became effective as from June 1st, 1929.

Marine freights, owing to the large demand for cargo space on the part of timber exporters, rose by about two shillings per ton on the average.

The production of coke in May increased by 6,423 tons bringing the total output up to 153,072 tons. Domestic coke-sales also gained, increasing by 7,126 tons to 143,051 tons, whilst

export sales dropped by 1,036 tons to 10,065 tons.

The output of briquettes declined during May to 22,698 tons; domestic sales rose to 26,456 tons and export sales to 570 tons. The briquette works employed 204 workmen during the period under review.

The output of brown coal during May came to 5,287 tons, i. e., less than in April by 868 tons. Domestic sales also fell, dropping by 1,041 tons to 5,393 tons. The number of miners engaged in this industry was 316 at the end of the month.

## PETROLEUM

— The production of crude oil in May this year according to provisional data was (in tons):

Drohobycz district	{ Borysław basin	41,620
Jasło	{ other basins	6,948
Stanisławów		6,400
		3,650
<b>Total:</b>		<b>58,618</b>

Compared with the April output, production has increased by 2,124 tons. In the chief petroleum basins of Poland, that of Borysław (Tustanowice) and Mrażnica the amount of crude oil extracted was about 41,620 tons, i. e., 1,517 tons more than in April and 4,543 tons less than in May last year (46,163 tons).

The average daily output in the Borysław basin was about 1,343 tons, i. e., about 6 tons more than in April and 30 tons less than in March (1,313 tons).

In drilling and prospecting operations, two events of importance occurred in May: on May 6th on the "Sasyk" oil-fields at Mrażnica, a well was sunk which at a depth of 1,332 m. produced earth-gas at the rate of 50 cubic m. per minute. Towards the end of May further drilling to a depth of six m. at the "Petain" well brought up the output of this well to 40 tons of crude oil daily.

Basic wages in the petroleum industry remained unchanged during May.

The price of petroleum remained at the April level and amounted to about \$ 200 per 10-ton cistern of Borysław standard crude.

During April no great changes took place in the industry. The production of crude oil remained at the March level in the Borysław basin, and the throughput at the refineries likewise exhibited no changes. Domestic consumption and exports of petroleum products fell off in April as compared with March.

The output of crude oil during April was, according to corrected figures, as follows (in tons):

Drohobycz district	Borysław basin	40,103
"	other basins	6,630
Jasło "	"	6,430
Stanisławów "	"	3,431
Total:		56,594

The average daily output in the Borysław area was therefore about 1,317 tons (1,313 tons in March and 1,220 tons in February).

In connection with the leasing out of twenty wells, 265 workmen were dismissed amongst others, during April.

According to the reports of the State Labour Exchange at Drohobycz, there were at the end of April 4,548 unemployed in the area served by this Exchange (247 less than at the end of March), of which number 1,888 men were in the Borysław district (i. e. 57 less than in March).

The following table gives the number of workmen engaged in the petroleum industry including auxilliary establishments, such as electric power stations, gas-works, pumping stations, workshops &c.:

Drohobycz district	7,287
Jasło	2,401
Stanisławów "	1,041
Total:	10,729

The opening of the "Petain" well in March with a production of 25 tons per day, led to increased activity in drilling and prospecting operations in Central and Southern Mrażnica and the larger oil companies are preparing to sink new wells on neighbouring oil-bearing areas.

A significant feature is also the liveliness shown in the exploitation of old and abandoned wells, this being especially noticeable in the Jasło region. This movement is actuated by the idea of gaining small quantities of crude oil with a minimum outlay of money for operating and investment costs.

In the Drohobycz district one new oil-field has been proved (at Mrażnica), 6 new wells are being bored (also at Mrażnica), whilst four new wells are producing at Tustanowice, Daszawa, Schodnica and Rypno. Eleven new wells are in course of drilling, of which nine are in the Borysław area.

Stocks of crude oil held by the storage companies and at the wells amounted to 40,394 tons at the end of April, this being 4,932 tons less than at the end of March. Stocks of Borysław standard oil held by the storage companies in the Drohobycz district amounted to 11,270 tons on April 30, 1929, thus showing a decline of 2,156 tons as compared to the 13,426 tons held at the end of March. This drop in storage figures, which has also been reported from the Stanisławów districts, would appear to presage a further general reduction in the stocks of crude oil held.

Prices of crude oil during April remained at practically the same level as during March, and amounted to  $\text{zł}$  1,795 ( $\text{zł}$  1,785 in March,  $\text{zł}$  1,780 in February) per 10-ton cistern of Borysław Standard.

The gasoline industry according to provisional figures shaped itself as follows during April:

output of gas (in thous. of cub. m.)	38,347
throughput of gas (in thous. of cub. m.)	22,640
output of gasoline (in tons)	2,938
home consumption	2,954
number of workmen employed	204

Nineteen gasoline works were in operation. Conditions were on the whole quite favourable and there was a rise in production; prices remained at the former level. During this month, the yield of gasoline was 12.9 kg. per 100 cub. m. of gas (in March 11.7 kg., average for the whole year 1928—12.28 kg). The price of gas at Borysław

was during April  $\text{zł}$  6.1 per 100 cub. m., i. e., the same as for March.

During April two gas-borings were opened in the Jasło district (at Brzezówka and Męcinka) both promising considerable yields: the one opened on April 7th at Męcinka (Boring No. 1) on the "Gisem" oil-fields gave at a depth of 1,056 metres an initial yield output of 100 cub. m. per minute, which became later stabilised at 50 cub. m. per minute. The pressure measured at the opening of the pipe, which has been capped, is about 60 atmospheres and the new supply has already been connected up with the pipe-lines of the State natural gas distributing system. The other boring (known as boring No. 4) was opened on April 19th at the "Winnica" oil-fields at a depth of 888 metres; the initial output was 100 cub. m. of gas per minute. The gas yielded will be used for fuel at the petroleum refineries at Glinik and Jedlicze.

These new gas-borings will now assure a sufficient supply of gas for the use of the neighbouring towns and factories in the Jasło area, and the temporary winter crisis in fuel having passed, all the demands can be easily satisfied, whilst the surplus production is being stored at the borings.

The production of ozokerite in the Borysław and Dźwiniacz oil-fields amounted to 84 tons during April (as against 75 tons in March). Exports of ozokerite amounted to 88.4 tons, of which 42.6 tons were shipped to Germany, 30 tons to France and 15.8 tons to Austria. Prices remained constant, i. e., from  $\text{zł}$  125 to 325 (according to quality) per 100 kg. at the mine. The number of workmen engaged in this branch of the industry during April was 573.

The situation in the refining industry during April was, according to corrected figures, as follows (in tons):

throughput of crude oil	58,724
output of petroleum products	54,142
home consumption	26,376
exports	17,370
stocks of petroleum products on April 31st	240,418
number of workmen employed	4,501

The State Mineral Oil Factory refined 8,506 tons of oil during April, as against 16,686 tons during March. The general throughput of the refineries remained much the same as in March, with, if anything, a slight decrease in production. The total consumption of petroleum products during April this year as compared with that for the same month last year (23,380 tons) decreased by 2,446 tons. The home consumption



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compared to that for April 1928 was as follows (in tons):

	April	
	1928	1929
benzine	5.130	5.270
kerosene	8.092	7.907
gas oil	4.058	5.348
lubricating oil	5.057	4.736
paraffine wax	243	530

The export of petroleum products during April showed a certain slight decrease; the following table, showing the quantities shipped by the refineries for foreign destinations during April gives the corrected figures (in tons):

April	
benzine	2.843
kerosene	3.027
gas oil	4.287
lubricating oil	2.900
paraffine wax	2.685
other products	1.628
<b>Total:</b>	<b>17.370</b>

Exports to the different countries is given below (in tons):

Czechoslovakia	3.858
Austria	2.832
Switzerland	1.082
Germany	1.418
Hungary	280
other countries	2.893
<b>Danzig</b>	<b>5.007</b>
<b>Total:</b>	<b>17.370</b>

## SALT

— In order clearly to illustrate the results attained by the Polish salt industry during the past three years, we give below detailed data covering the output of the various salt works and mines in Poland during the years 1926, 1927 and 1928. We also quote for purposes of comparison statistics for 1913, the last typical pre-War year (output is given in metric tons):

	1913	1926	1927	1928
State-owned salt works and mines	163.016	248.089	279.324	282.909
% of total production	90	54	51	49
Leased out State salt works and mines	17.096	19.330	16.169	17.896
% of total production	9.5	4.2	3	3
Privately owned salt works and mines	— <sup>1)</sup>	190.367	243.717	268.524
% of total production	—	41.6	45.2	47.2
<b>Total production in Poland</b>	<b>180.112</b>	<b>457.786</b>	<b>538.210</b>	<b>569.329</b>

The production comprises the following types of salt:

	1913	1926	1927	1928
Rock salt	102.520	218.917	243.482	266.034
Evaporated salt	77.592	120.500	131.600	130.745

<sup>1)</sup> Non existent prior the War.

Brine in terms of salt	—	118.369	164.128	172.550
and the following grades of salt:				
Table salt	109.328	306.513	331.825	339.919
Industrial salt	44.936	142.906	193.505	209.588
Cattle salt	25.264	6.990	12.412	19.420
Other grades of salt	584	1.377	1.468	402

The foregoing shows in striking form how the production of salt in Poland has been steadily increasing during the past three years. Comparing the 1926 figures with those for 1928, and ignoring the 1927 data as merely illustrating the continuity of the process of development, it will be seen that the total production of salt in Poland during 1928 came to 569.329 tons, i. e., 111.543 tons or 24 per cent more than in 1926.

The share of the State salt-works and mines in the total output was 52.8 per cent in 1928, i. e., 5.6 per cent less than in 1926. This relative decrease was caused by an augmented production of brine by the Solvay Company's works.

As regards the individual production of the various salt-works, almost all of them increased their output in 1928, automatically adapting themselves and without any great effort to the larger orders placed by the Bureau of Salt Sales. The only exception worth

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mentioning was that of the Inowroclaw salt-works, the production which dropped by 8.291 tons below the 1926 figure. This decline was caused by a shortage of brine, two of the three wells owned by the works having unexpectedly and prematurely ceased yielding brine in April 1928. Three new wells are in course of sinking and of these one has been in operation since November 1928, whilst the other two are expected to become active in the very near future. The successful completion of these wells will enable the works to resume their normal output.

Special mention must be made of the considerable growth in the output of the Wieliczka vacuum salt works. As compared with 1926, the 1928 production was 13.419 tons greater, or by 64 per cent.

All types of salt extracted showed increased production figures for 1928 as compared with 1926. Thus rock salt output grew by 48.117 tons (22 per cent), evaporated salt by 10.245 tons (9 per cent) and brine in terms of salt by 54.118 tons (46 per cent).

The important increase in the output of brine was caused by the augmented production of soda in the factories at Borek Fałęcki, near Kraków, and at Mątwy, near Inowroclaw, as also by the placing of large orders by the Wieliczka

salt-works with the Baryez wells, the brine having been used for the manufacture of evaporated vacuum salt. Thus, during 1928 Wieliczka bought brine from which 26.245 tons of salt was produced.

As regards the various grades of salt, all of these likewise showed a considerably increased output in 1928 as compared with 1926; table salt increased by 33.406 tons (about 11 per cent), industrial salt by 66.682 tons (47 per cent) and cattle salt by 12.430 tons (180 per cent).

Since the output of salt in Poland is largely adapted to the current demand, salt sales exhibit more or less the same relative increase, as shown by the production figures, and this the following table bears out (in tons):

	1926	1927	1928
Domestic sales . . . . .	440.137	512.821	529.029
Export sales . . . . .	21.002	25.413	42.684
<b>Totals</b>	<b>461.139</b>	<b>538.234</b>	<b>571.713</b>

These figures show that the increase in sales in 1928 over 1926 was 88.892 tons (or 20 per cent) in the case of the home market and 21.682 tons (or over 100 per cent) in that of exports.

Polish salt was exported to Latvia, to the Scandinavian countries, to East Prussia, Denmark, Czechoslovakia and

to Bulgaria. The Inowroclaw salt-works participated in this export trade to the extent of 8.573 tons (or 20 per cent of the total), the Wapno mine with 26.613 tons (or 62 per cent) and the Wieliczka mines with 7.497 tons (or 18 per cent). Thus during the period under review, the State-owned and operated salt-works and mines furnished 38 per cent of the salt exported, whilst the privately owned mine at Wapno furnished the remainder.

As regards the various grades of salt exported, table salt was the more important as it amounted to 34.376 tons, whilst the remainder — 8.308 tons, was accounted for by industrial salt.

## IRON

— The situation in the iron industry in May was similar to that in April, no fundamental changes having taken place. The same factors holding up the development of this industry in April continued to exert their influence during May, if anything with even greater effect. These factors — slackness in the building trade and shortage of credit — affected the number of orders to a greater extent than production, as the latter, on the whole, maintained its previous level.

The state of production in the three major sections of the iron industry is shown in the following table which furnishes data for the last few months of the current year in the form of index numbers (1913 production = 100) covering the average monthly output:

	February	March	April	May <sup>1)</sup>
blast furnaces	56.5	69.8	70.9	74.0
steel works	85.5	91.8	90.3	87.2
rolling mills	76.2	83.8	85.2	76.7

Conditions in the iron ore mining industry remained favourable on the whole. A certain drop in output as compared with April is explained by the fewer working days in May (23 as against 25 days in April). Extraction, imports and exports of iron ore are covered by the following table (in tons):

	Extraction	Imports	Exports
Monthly av. for 1928	58.220	46.415	9.908
Monthly av. for 1 quarter of 1929	53.459	45.982	8.712
April 1929	54.715	80.527	5.570
May 1929	50.031 <sup>1)</sup>	98.182 <sup>1)</sup>	10.173 <sup>1)</sup>
1928	42.886	38.802	10.011

The above figures indicate that production in May fell by 8.6 per cent as compared with April but rose by 14.3 per cent as compared with May

<sup>1)</sup> Provisional figures.

last year; the import of iron-ore gained considerably as compared with the preceding month and May of last year, i. e., by 21.9 per cent and 152.0 per cent respectively. The export of iron-ore, never very large, increased by 67 per cent as compared with the preceding month. Imports of manganese ore fell from 10,055 tons in April to 5,698 tons in May, i. e., by 41.5 per cent. There were 26 mines in operation at the end of May, all of which were producing with the exception of one which was just being commenced. Compared with the April data, this means that two new mines commenced production during May. The number of workers employed in the iron-ore mines increased from 6,043 to 6,356, i. e., by 5.2 per cent. The following table gives (in tons) the monthly and daily output of iron ore per miner, only those men engaged in mines actually producing being taken into account:

		per month	per day
December	1928	7.75	0.337
January	1929	10.00	0.384
February	"	7.55	0.328
March	"	7.15	0.275
April	"	10.35	0.414
May	"	8.00	0.348

The production of pig-iron rose somewhat, but that of steel and of the rolling mills declined as can be seen from the following data (in tons); this is partially explained by the fewer number of working days in May.

	Pig iron	Steel ingots	Rolled products	Pipes	Number of workmen employed
Monthly av. for 1928	56,996	119,850	87,363	9,354	50,649
Monthly av. for 1 quarter of 1929	56,655	129,205	84,513	10,583	54,029
April 1929	60,996	125,050	88,374	12,007	54,411
May	63,684 <sup>1)</sup>	120,722 <sup>1)</sup>	78,873 <sup>1)</sup>	10,145 <sup>1)</sup>	53,823 <sup>1)</sup>
May 1928	54,721	111,521	81,605	8,321	49,400

The production of pig-iron thus grew by 2,688 tons or by 4.4 per cent as compared with April and by 8,963 tons or 16.4 per cent as compared with May last year. Seventeen blast furnaces were in operation throughout May this year. The output of steel ingots declined by 4,328 tons or by 3.5 per cent as compared with April but gained by 9,201 tons or 8.3 per cent as against the corresponding month last year. There were 46 Martin furnaces, 7 electrical and two casting furnaces in operation during the month under review. The production of rolled products fell off by 8,501 tons or by 9.7 per cent in May as against that of April and by 2,732 tons or 3.3 per cent as compared



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with the May 1928 production. In the pipe-drawing section, production in May as compared with April declined by 1,862 tons or by 15 per cent, but showed a gain of 21.9 per cent (1,824 tons) as against May last year.

The number of orders booked through the Polish Iron Foundries Syndicate during May (excluding pig-iron, pipes and foreign orders) fell off as compared with April this year, the drop being 8,762 tons or one of 16.4 per cent as will be seen from the data quoted below (in tons):

	March	April	May
Government orders	6,419	4,550	16,812
private orders	35,769	49,070	28,046
Total:	42,188	53,620	44,858
private orders included:			
from trade	21,246	28,562	18,088
industry	14,523	20,408	9,958

The above table shows that Government orders exhibited an increase of 269.5 per cent and private orders fell by 42.8 per cent; in this last item the orders booked by merchants fell off by 36.7 per cent and those by industry by 51.8 per cent.

The export and import of foundry products were as follows in April and May of this year (in tons):

	Exports:			Imports		
	April 1929	May 1928	May 1929	April 1929	May 1928	May 1929
pig iron	550	1,060	315	770	339	536
rails, iron and steel articles	6,553	3,464	6,764	2,649	1,457	3,910
iron and steel sheets	3,716	2,733	2,850	993	968	1,678
pipes	7,650	4,360	5,036	207	106	472
Total:	18,469	11,597	14,965	4,619	2,870	6,596

The above data indicate that the export of foundry products fell off during May as compared with April this year by 3,504 tons or by 19 per cent, but as compared with May 1928, there was an increase of 3,368 tons or of 29 per cent. The export of rails and other rolling-mill products increased as compared with April, the gain being 211 tons or 3.2 per cent. On the other hand exports of sheeting declined by 866 tons i. e., by 23.3 per cent and that of pipes by 2,614 tons or by 34.2 per cent. The value of the total exports in this branch of industry amounted to  $\text{zł}$  7,299,000 as against  $\text{zł}$  10,279,000 in April, i. e., a fall of 29 per cent. The value of the imports in this branch grew by  $\text{zł}$  1,977,000 or by 42.8 per cent

<sup>1)</sup> Provisional figures

**CONCENTRATION OF POLISH FOUNDRY INTERESTS.** — The process of concentration in the Polish iron industry was commenced in 1927 by the Peace Foundries Co., which absorbed the Ballestrem and Baildon Iron Foundries. A further development in this movement occurred recently as, a new fusion affecting the Bismarck, Katowice and Silesia companies was announced. As in the Peace Foundries combine, the object of the fusion is the concentration of the various sections of the industry including coal, pig-iron, steel and the manufacture of iron and steel products.

The coal interests are represented by the Katowice Co., which owns five collieries of which three are in operation (the Ferdinand, Florentyna and Mysłowice mines) and produced 2,434,600 tons of coal last year. This company also runs a coke-works, a steel foundry and casting shop, also construction iron and machine building shops.

The Bismarck Co. is a purely metallurgical concern. It owns the Bismarck and Falva foundries, which produce pig-iron, steel and rolled iron; in addition further working up of the metal takes place, specially equipped shops producing pipes and sheet-iron. The output of these foundries in 1928 came to 112,755 tons of pig-iron and 367,661 tons of cast-steel.

The Silesia Foundry Co. is a manufacturing establishment operating a sheet-iron rolling mill and an enamelled-ware factory.

The capital of the consolidated company will amount to  $\text{z}$  100 million. The capital of the component companies up to the time of the fusion was: Bismarck Co.  $\text{z}$  51 million, Katowice Co.  $\text{z}$  40.8 million, Silesia Co.  $\text{z}$  11.25 million. The fusion will therefore result in a slight decrease in the share capital. The majority of the Katowice Co. shares and 100 per cent of the Silesia Co. shares were already owned by the Bismarck Co. before the fusion and since the exchange of shares will take place in the ratio of 1:1, the transaction will largely remain an internal matter to be settled by ordinary book-keeping entries. As regards the minority shareholders of the Katowice Co. the exchange will prove to be a profitable one, since that concern has not been paying dividends for some time whilst the Bismarck Co. has been giving about 10 per cent dividends for some years past and can therefore be considered as a more lucrative investment.

It is quite likely that the fusions already put through will be followed by further highly important moves in the Upper Silesian iron-foundry industry.

## ZINC AND LEAD

— The development of the zinc and lead industry during May continued to be favourable with both zinc and lead prices maintaining their former level.

The extraction of zinc and lead ores during that month is shown below and compared with the data for previous periods (in tons):

	Extraction:		Imports:	
	ores gross amount	enriched ores	zinc ores	lead ores
Monthly av. for 1928	91.754	28.196	15.926	1.360
Monthly av. for I quarter of 1929	92.885	29.600	15.568	2.103
April 1929	100.354	31.000	14.304	2.075
May 1928	88.439 <sup>1)</sup>	27.000 <sup>1)</sup>	16.554 <sup>1)</sup>	1.558 <sup>1)</sup>
May 1928	85.239	25.830	17.924	1.463

As can be seen from the foregoing table, the extraction declined during May, falling off by 11,915 tons or by 11.9 per cent as compared with April, but was 3,200 tons or 3.7 per cent more than in May of last year. Imports of ores gained by 1,733 tons or by 10.6 per cent as compared with the preceding month, but were 1,275 tons or 7 per cent less than in May last year.

The number of workmen and miners engaged in the zinc and lead ore mines and roasting plants increased from 7,194 in April to 7,219 in May.

The average monthly and daily output in tons per workman is given below, (only workers engaged in actually producing mines being considered):

	Monthly	Daily
December 1928	16.85	0.732
January 1929	19.00	0.730
February	16.70	0.728
March	18.70	0.720
April	19.00	0.760
May	13.50 <sup>1)</sup>	0.600 <sup>1)</sup>

The output of plants producing zinc oxide remained practically unchanged, having been 2,990 tons in April and 2,901 tons in May.

The following table shows, in percentages, the output for the past three months in this industry, the average monthly production during 1913 being taken as 100:

	March	April	May <sup>1)</sup>
Raw zinc	86.5	90.0	89.5
Zinc sheets	31.8	35.0	41.6
Raw lead	108.0	87.5	87.4

The output of zinc and lead products (in tons) and the number of workmen employed in this industry are quoted in the following table:

	Sulphuric acid 50°Bé	Raw zinc	Zinc sheets	Raw lead	Number of workmen employed
Monthly av. for 1928	25.667	13.483	1.447	3.020	12.832
Monthly av. for I quarter of 1929	27.566	12.814	1.353	2.452	12.594
April 1929	26.009	13.161	1.336	3.190	12.520
May 1929	28.277 <sup>1)</sup>	13.115 <sup>1)</sup>	1.478 <sup>1)</sup>	3.125 <sup>1)</sup>	12.526 <sup>1)</sup>
May 1928	25.100	13.454	1.333	3.260	12.979

The foregoing statistical material of raw zinc production does not include

<sup>1)</sup> Proustional figures.

electrolytic zinc, the output of which has been increasing and was: 600 tons in February, 933 tons in March, 1,221 tons in April and 1,202 tons in May. The total production of zinc (including electrolytic) decreased, however, by only 69 tons, having fallen from 14,386 tons in April to 14,317 tons in May; as compared with the May 1928 production has increased by 863 tons or by 6.4 per cent.

The output of sulphuric acid during May showed a gain of 2,268 tons or of 8.7 per cent over the April figure, whilst compared to May last year, the increase is 3,177 tons or 12.7 per cent.

The production of zinc sheeting also increased as compared with the preceding month, the gain being 145 tons, i. e., 10.6 per cent. The production of lead fell below the April figure by 65 tons or 2.1 per cent, and, in comparison with May last year, by 135 tons or 4.1 per cent.

The number of workers engaged in this industry remained almost the same as in April, but compared with May 1928 shows a decrease of 473, i. e., of 3.7 per cent. Of the total number of workers engaged, 94 per cent worked in zinc foundries and the remainder in lead foundries.

The export of zinc and lead foundry products was as follows:

	Exports:			
	April 1929	value in tons	May 1929	value in tons
Raw zinc, dust incl.	13.337	15.861	11.646	13.037
Zinc sheets	1.341	1.945	1.111	1.540
Refined lead	2.069	2.117	1.381	1.439
Total:	17.347	19.926	14.138	16.016

The above table shows that exports in all branches of lead and zinc production fell off during May as against April 1929, the difference being 3,209 tons or 18.5 per cent, whilst the value fell by  $\text{z}$  3,907,000 or by 20 per cent. On the other hand, as compared to May last year, exports of zinc and lead products increased by 1,469 tons or 11.6 per cent while the value rose by  $\text{z}$  1,834,000 or 13 per cent.

## VARIOUS

**THE POLISH PAPER INDUSTRY IN 1928.** — Conditions reigning in the Polish paper industry during 1928 are illustrated by the following data:

The total production of the Polish paper-mills amounted to 127,662 tons of paper of all types; since the corresponding figure for 1927 was 118,640 tons, the increase amounts to 7.6 per cent.

Conditions as regards the manufacture and sale of paper with high wood-pulp content were on the whole favourable, but those for low wood-pulp and free of wood pulp content were not so good. In spite of this, 32,740 tons of foreign paper were imported into Poland during 1928, mainly from Germany, Austria and Czechoslovakia. This import compared with that for 1927 (29,260 tons) shows an increase of 11.9 per cent. Polish paper exports during 1928 came to 4,190 tons.

The consumption of paper in Poland can be calculated from the above data, viz.: production (excluding export) 123,472 tons and imported paper 32,740 tons, making a total of 156,212 tons or 5.2 kg. per head of population (population of the Republic in 1928 was 30,213,000). Since the average consumption per capita in 1927 came to 4.57 kg., the percentage of increase is 14.5.

The increase of imports occurring at a time when the Polish factories are

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not working at full capacity is explained by the policy of foreign paper-mills which not only grant longer credit, but also price dumping practise to a certain extent. As regards prices, the Polish mills have decreased these to below the 1927 level in spite of the increased cost of raw materials, particularly wood-pulp and of coal, whilst wages have also risen. In spite of these adverse factors, the Polish mills have been able to lower prices, thanks to the installation of modern technical

equipment in a number of factories and this process is being continued during the current year.

Polish paper exports consisted of roofing cardboard and cigarette papers; these products are favourably known for their high quality on many foreign markets, particularly Russia, Rumania and the Balkans. The Polish paper-mills have recently been in touch with American buyers, who give promise to become important clients for cigarette-paper and thin papers generally.

### MOVEMENT OF PRICES IN MAY.—

Business conditions underwent only a slight improvement during May: the seasonal activity already felt in April in some branches of commerce, was maintained throughout May and even made further progress in certain sections. However, the credit situation on the money market was such that this advance was on a smaller scale than in previous years. Any increase in turnover resulted, not from larger orders from the agricultural population, but from the urban and industrial centres. In fact the critical financial condition of the farmers due to the low prices of grain, became still worse during the period under review.

In certain branches of industry payments were more prompt on the part of consumers and merchants which, however, was probably due to greater caution having been exercised in the granting of credit. In most branches of production on the other hand, delay in paying and failure to pay for goods taken not only remained, but even tended to become worse. Thus, the increase of bills in circulation is to be attributed less to an increase in turnover than to increasing difficulty in finding ready-cash. The percentage of bills protested at the Bank of Poland came to 5.72 per cent in May as against 5.06 per cent in April. It is true, however, that the growth in bills protested has at this time of the year a certain seasonal character, added to which there is the crisis at present being experienced in the Łódź textile industry.

A fairly large turnover was done during May in silks and woolen goods, boots and shoes, haberdashery and knitted goods. Business in paper and in glass products &c. also showed an increase. Sales of constructional iron, building materials, &c., as a result of the slump in building operations this year, were very small.

Wholesale prices tended downwards in spite of the fact that retail prices rose considerably.

The movement of price indices is shown in the following table (January 1914 = 100):

	Wholesale price index:	Retail price index:	Cost of living index:
May 1928	122.5	153.7	121.3
June "	121.4	155.4	121.8
July "	120.6	156.1	122.6
August "	118.4	154.0	122.1
September "	118.1	155.0	122.1
October "	118.5	155.6	123.2
November "	118.5	156.5	125.2
December "	118.5	156.0	124.7
January 1929	116.1	156.5	124.3
February "	117.6	160.7	127.5
March "	117.9	162.0	124.4
April "	117.1	161.7	125.1
May "	113.0	165.4	125.1

The above table shows that there was a fairly considerable drop, amounting to 2.9 per cent in the wholesale-price index (in April — 0.7 per cent): the index for retail prices, however, rose by 3.4 per cent as against a drop of 0.2 per cent during April.

The decline in the wholesale-price index is fully accounted for by the lower price of agricultural products which fell by 6.7 per cent, since manufactured goods, in spite of fluctuations in the various groups, maintained their previous general price-level and

only in the case of groceries was a small increase noted (0.4 per cent), this having resulted from a slight increase in the price of rice.

The depression in the prices of agricultural products ensued solely as a result of lower prices for food vegetable products (a drop of 12.9 per cent); corn prices, rye especially, fell sharply in sympathy with grain markets abroad. In the breeding industry a rise in prices was noted: prices for cattle trended upwards slightly, prices for pigs, although losing to a great extent their April gain, nevertheless ended strongly; the price of milk went up, and butter, in spite of larger production also gained chiefly as the result of favourable export prospects and finally, although May is the month of maximum production, the prices of eggs remained firm until towards the end of the month when a slight weakening became evident. Taken as a whole, the index of animal-products rose by 2.4 per cent during May.

As already stated, the May index of prices of manufactured goods in spite of fluctuations in the component items, remained constant. On the whole, however, a weaker tendency was apparent, especially as regards products whose prices are more dependent upon foreign markets or whose production at home is not controlled by a syndicate or cartel. In the textile group, prices of wool, jute and hemp continued to drop, although prices of cotton remained firm, and even rose slightly in the case of certain grades; following the decrease in prices of



THE PALM-HOUSE (PHOT. S. PLATER)

raw materials and the contracted sales market, prices for yarns and, to a certain extent, for fabrics showed a downward trend. Taking the textile group as a whole, the index of prices declined by 0·8 per cent.

In the metals group, the prices of non-ferrous metals declined, this affecting those of copper, lead and zinc. The drop in the index of this group was, however, only one of 0·1 per cent.

The component items of the "various" group fluctuated; prices for certain types of raw hides and skins declined but chemical-products rose, especially in the case of potassium salts; the price index for this group rose by 0·9 per cent.

The considerable increase in retail prices resulted from the higher prices for agricultural food-products which rose by 9·2 per cent, the greatest increases taking place in the cases of butter, meat and cured meat-products. Retail prices for manufactured articles showed an increase of only 0·7 per cent.

## FAIRS AND EXHIBITIONS

**THE POLISH NATIONAL EXHIBITION.**—The Polish National Exhibition (May 16th—Sept. 30th),—the largest undertaking of its kind in Poland and one of the largest post-War

exhibitions in the world—from its very opening has become a centre of attraction for the whole of Poland, as also one of the most interesting sights drawing travellers from all parts of the world to Poznań this year.

During the first few weeks of the Exhibition, the number of visitors was moderate, fluctuating from 30,000 to 40,000 persons daily, but during July, August and September a considerable increase is expected, including numerous excursions and individual parties.

Advantage has been taken of the holding of the Exhibition to organise in Poznań this year a whole series of conferences and congresses, many of which will bear an international character. Amongst the more important which have already taken place are: the Conference of Polish Economists, the Congress of the Federation of Slav Engineers, the Administrative Science Congress, the Scientific Farming Congress, the Authors' Conference, the Librarians' Congress, the Plastic Arts Congress, the Conference on the History of Art, the Music-teachers' Congress, the Sanitary Workers' and Doctors' Congress, the Veterinary Surgeons' Conference, the Druggists' Congress, the Land Amelioration Congress, the School-teachers Congress, the Sugar-factory Conference, the Metallurgical Workers' Congress, the Electrical Industry Conference, the Haberdashery Industry Conference, the Conference of Forwarding Agents and Shippers, the Polish Bakeries Congress, the Meeting of the Slav Choirs, the Universal Slav Sokół Clubs Meet, the Congress of Fire-brigades, the Congress of Junior "Know Poland First" Clubs, the Conference of

Lady Land Owners, the Congress of Professional and Working Women &c., &c.

Besides a very large number of excursions from points in Poland organised by schools, associations and societies, institutions and business-houses as also by special organisations and which number from a few thousand to many thousands of persons daily, thousands of individual parties, are proceeding from all parts of Poland in order to visit the Exhibition, including among these numerous excursions from other countries and foreign tourists. The majority of the visitors from abroad are from the neighbouring states, i. e., from Czechoslovakia, Germany and Rumania, but many more distant countries are also well represented not even excluding North and South America and the Far East. All classes and ranks in life are represented by these visiting the Exhibition—journalists, professors, teachers, students, army officers, government officials, clerical workers, manufacturers, merchants, financiers, members of the various professions &c. &c. Often they come as members of large excursion parties but also to a great extent singly and in smaller parties. In addition many official parties representing foreign Governments headed by members of the cabinets have already visited the Exhibition, whilst numerous further parties of this kind are to be expected.

The organizers of the Exhibition did not confine their efforts to making an impression by reason of its size, its pavilions, the wealth of the exhibits presented, and the up-to-date methods of exhibiting, thus illustrating to the best possible advantage and most ef-

ficiently the giant strides made by the Polish Republic during the last ten years in every field of endeavour and especially economically: they have also exerted every effort to assure visitors good living quarters, efficient gastronomic arrangements and the enjoyment of every possible convenience — all at moderate prices. In addition foreigners visiting the Exhibition will benefit by a whole series of special facilities in becoming acquainted with the rest of Poland: special reduced fares upon the railways (amounting to two-thirds of the normal fares and valid for two months) will enable the traveller from foreign parts to visit the whole of Poland at very low cost, whilst a further facility is offered in the shape of circular tickets, valid for 15 days, which will enable tourists to travel by the Polish railway lines in any direction and for any number of miles at a cost of £ 250 (1st class) and of £ 150 (2nd class). In this connection it will not be amiss to add that quite a number of other countries have granted reduced rates upon their railway lines for passengers proceeding to Poznań.

That the Poznań Exhibition has made a good and favourable impression upon foreign visitors can be gathered from the unusually frequent items in the foreign press praising the Exhibition and its organisation. The most interesting among these are undoubtedly those inserted in the German press, which cannot be suspected of any prejudice in favour of Polish affairs. For example, the nationalist "*Ost-deutsche Morgenpost*" (No. 144, May 26, 1929) writes: "The newly inaugurated Polish National Exhibition at Poznań affords a gigantic review of the economic and cultural gains of the new Poland. The Exhibition facilitates the study of the various branches of Polish economic accomplishment and especially interesting are the Upper Silesian heavy industry exhibits and the unit comprising the agricultural section of the Exhibition." The correspondent of the "*8-Uhr-Abendblatt der Breslauer Zeitung*", who visited the Exhibition in June together with a group of German newspapermen from Breslau, describes his impressions as follows: "Proceeding through the Exhibition grounds, one is struck by the size, spaciousness and uniform architectural execution of the Exhibition. Enormous and imposing buildings with simple, modernly constructed pavilions. Attention is specially attracted by the very well-planned technique of exhibiting by means of graphs, posters and moving models, all of which present a cultural worth which cannot be too highly estimated and which could afford material for study for our artists and organizers of fairs and exhibitions. Very striking was the model of the Port of Gdynia, which as recently as during the World War was a small fishing village and to-day is a modern town rapidly growing into a large port-city." Then the "*Volksmacht*" (No. 135, June 15th.) writes regarding the Exhibition as follows: "Poland to-day is working in almost every branch of production. A whole series of manu-

factures which up to recent times had been imported exclusively from Germany (electrical equipment, chemical products, tools, radio goods) are now being produced in Poland. Polish industry has grown remarkably, not only in volume but, also in scope of production. Poland's mining and founding industries exhibit extraordinary development and the industries of Upper Silesia have achieved splendid results. All this gives the lie to the baseless rumour current in Germany that the Upper Silesian industries are in a state of stagnation. The places of the German engineers and technical men have been taken by Poles and they can really be proud of the results of their work. The Germans, knowing the results achieved by the Poles, not only appear ridiculous but also act economically unwisely (*wirtschaftlich dumm*) by underestimating such a competitor. It is high time that we in Germany should realise how much the Poles have done within the last ten years."

The English press publishes numerous items regarding the Polish National Exhibition, all of which contain the most friendly remarks. Amongst others, "*The Chamber of Commerce Journal*" (issue of June 14th) and "*The Statist*" (June 8th) published lengthy articles regarding the Exhibition in which it was described by professionals who expressed themselves most favourably regarding its organisation and exhibits.

## TREATIES

**POLISH-GREEK PROVISIONAL COMMERCIAL AGREEMENT.**—The provisional commercial agreement between Poland and Greece which was to have expired on May 31, 1929 was duly prolonged on June 3rd by an exchange of notes between the Greek Legation in Warsaw and the Polish Ministry of Foreign Affairs. The agreement will remain in force until July 31st this year and as a result, Polish goods entering Greece will continue to benefit by the minimum customs duties, whilst Greek goods imported into Poland will be subject to the normal customs tariff. Convention tariff rates are not touched upon by the agreement in question.

## FOREIGN TRADE

— Imports to Poland (including the Free City of Danzig) during May 1929 amounted to 484.1 thous. tons, valued at £ 272.2 million, whilst exports were 1.611 thous. tons valued at £ 226.8 million.

The balance of trade for May was adverse to the extent of £ 45.4 million, thus showing an improvement of £ 61.4 million over the previous month. The value of the imports decreased by

£ 48.9 million whilst that of the exports increased by £ 12.5 million.

Imports, as already stated, showed a considerable drop during May and this would appear to indicate a certain limiting of consumption on the part of the public as a result of the economic retrogression which followed the transient activity in business circles after the increase in the discount rate. It must also be added that seasonal fluctuations likewise undoubtedly played a part in the decline.

In the foodstuffs division, the import of rice declined (by £ 4.0 million) as a result of a fall in the price of corn. Dried fruits fell off (by £ 0.7 million), as did also oranges and lemons (by £ 0.6 million), spices (by £ 0.5 million), coffee (by £ 0.8 million), fish (by £ 0.1 million), herring (by £ 1.7 million) and fodder (by £ 1.0 million). An increase occurred in the edible fats section which showed a gain of £ 0.5 million, animal fats and a like gain in vegetable fats. Tobacco imports increased by £ 1.7 million.

A decline in imports was also shown in the animal products division, as raw furs fell off by £ 1.0 million, raw hides and skins by £ 0.4 million and dressed hides by £ 0.6 million. An increase was registered in dressed furs, amounting to £ 0.6 million. Imports of footwear remained practically at the same level as during April.

In the plant and seed division, a seasonal drop in oil seeds, amounting to £ 2.7 million, was recorded.

A seasonal decrease in the imports of artificial fertilizers took place during May, the more so as in April this article reached record figures. Thus potassium salts fell off by £ 2.3 million, Chilean saltpetre by £ 5.5 million, Norwegian saltpetre by £ 7.8 million and Thomas slag by £ 1.9 million. The only exception was phosphate rock which gained £ 1.1 million as a result of delayed transports from other months.

In the metals and metal products group the gain in imports only amounted to £ 0.6 million but fluctuations in the various sub-sections of this group were quite considerable. Imports of copper declined by £ 3.0, but scrap-iron gained £ 1.8 million, rails, iron and steel goods £ 0.3 million and aluminium a like amount.

The import of machines and apparatus declined during May, the loss being especially noticeable in the engine section (a fall of £ 0.9 million) and in pumps (a fall of £ 1.0 million). The import of electrical machine





A QUIET CORNER OF THE EXHIBITION (PHOT. S. PLATER)

increased by  $\text{zł}$  0.5 million, but that of electrical tools and equipment declined by  $\text{zł}$  0.6 million. On the other hand an increase in automotive vehicles was noted, the gain being  $\text{zł}$  1.3 million, whilst  $\text{zł}$  1.2 million of this increase was accounted for by automobiles.

The greatest fluctuations took place in the textile raw materials and products division these having resulted directly from the present state of the textile industries. Imports in this division fell by  $\text{zł}$  17.5 million, the decline in the raw materials being especially very large: jute and jute-waste dropped by  $\text{zł}$  2.0 million, cotton by  $\text{zł}$  3.2 million, and wool by  $\text{zł}$  8.2 million; in addition the import of cotton fabrics decreased by  $\text{zł}$  0.9 million and that of woolen fabrics by  $\text{zł}$  1.1 million.

The remaining items of import showed no important fluctuations.

On the export side a growth in value was shown above all by foodstuffs which increased by  $\text{zł}$  15.2 million, then followed timber with a gain of  $\text{zł}$  11.5 million whilst metals dropped by  $\text{zł}$  7.3 million, and animal products decreased by  $\text{zł}$  2.3 million. In the

foodstuff division, an important increase was noted in the case of eggs — a typically seasonal article of export, the gain being  $\text{zł}$  10.7 million. The export of sugar likewise showed an important increase in value, which grew by  $\text{zł}$  5.7 million and which is likely still further to increase as new markets are found. A favourable symptom is the increased export of bacon which is making steady progress and showed a gain of  $\text{zł}$  1.6 million over the April figure. This article already accounts for up to 50 per cent of the meat exports of Poland. Exports of barley declined considerably in comparison with those for the previous months, falling by  $\text{zł}$  4 million; it must be borne in mind, however, that exports of barley during the first months of this year have been three times greater than during the corresponding period of last year. The export of pod-plant products (peas and beans) fell off by  $\text{zł}$  0.3 million but that of fodder gained by  $\text{zł}$  0.6 million. The export of live animals, especially pigs, was quite lively and a gain of  $\text{zł}$  0.8 million was shown in this division.

An improvement was noted in the export of timber following the gains

reported for the preceding month. Semi-worked wood was prominent in the gains recorded, thus: battens, boards and laths gained  $\text{zł}$  7.0 million and railway sleepers  $\text{zł}$  1.1 million; trunks and logs increased by  $\text{zł}$  0.5 million. Special attention must be drawn to the rapidly growing export of plywoods which in May increased by  $\text{zł}$  2.3 million.

In the plant and seed division a decline in exports was noted, seeds falling by  $\text{zł}$  3.1 million.

Coal exports showed little change as compared with the preceding month, as only a slight decrease amounting to  $\text{zł}$  0.7 million was reported.

A seasonal decline in the export of artificial fertilizers made itself felt in May, the value of same falling off by  $\text{zł}$  0.9 million.

In the metals and metal products group a drop occurred in almost every branch; zinc exports declined by  $\text{zł}$  2.8 million, lead by  $\text{zł}$  0.7 million, zinc sheets by  $\text{zł}$  0.4 million, iron and steel sheets and plates by  $\text{zł}$  0.7 million, rails, iron and steel products by  $\text{zł}$  0.3 million and, finally, those of pipes dropped by  $\text{zł}$  1.9 million.

In the textile division a general drop amounting to  $\text{z}$  0.8 million was accounted for by a decrease in cotton fabrics to  $\text{z}$  0.7 million. The remaining items contained in this division showed no change as compared to the preceding month.

**POLAND'S TRADE WITH THE BALTIC STATES.** — Conditions for the development of Poland's commercial relations with the countries upon the Baltic sea-board are shaping very favourably. An examination of Poland's foreign trade figures covering transactions with those countries during the past three years, will demonstrate that the export trade to the markets in question is an important item in the gross export turnover of the Polish Republic.

The following table will illustrate the importance of the Baltic-Scandinavian markets as compared with the total of foreign trade (in thous.  $\text{z}$ ):

Year	Total foreign trade	Trade with Baltic and Scandinavian countries	%
1926	3,785.218	396.814	10.5
1927	4,406.712	437.283	9.9
1928	5,870.154	444.424	7.6

The balance of Poland's trade with the Baltic and Scandinavian states is decidedly favourable. It can further be stated without fear of contradiction that this desirable state of affairs is due to the fact that Poland has

unhindered access to the sea at her disposal, whilst harmonious economic co-operation between Poland and Danzig cannot but benefit both parties concerned.

For that matter it is self-evident that were it not for Poland's free access to the sea, the balance of Poland's foreign trade would assume an entirely different form and would be incomparably smaller both in point of exports and of imports.

The following table shows the relation existing between Polish exports to the Scandinavian and the Baltic markets

Country	1 9 2 6			1 9 2 7			1 9 2 8		
	Imports to Poland	Exports from Poland	Balance	Imports to Poland	Exports from Poland	Balance	Imports to Poland	Exports from Poland	Balance
Denmark	23,958	88,992	+ 65,034	52,176	74,200	+ 22,024	53,207	76,404	+ 23,197
Estonia	187	12,761	+ 12,574	1,393	8,027	+ 6,634	2,294	6,233	+ 3,939
Finland	725	44,384	+ 43,659	2,268	19,537	+ 17,269	2,524	25,374	+ 22,850
Lithuania	179	16,254	+ 16,075	1,314	21,036	+ 19,722	451	20,618	+ 20,167
Latvia	6,383	55,874	+ 49,491	21,162	41,891	+ 20,729	17,936	59,799	+ 41,863
Sweden	18,973	128,108	+ 109,135	58,032	146,247	+ 88,215	69,853	109,731	+ 39,878
Total	50,405	346,373	+ 295,968	136,345	300,938	+ 163,173	146,265	298,159	+ 151,894
Germany	363,359	568,481	+ 205,122	736,712	804,706	+ 67,994	903,095	858,761	+ 44,334
Norway	5,744	12,362	+ 6,618	10,661	9,244	- 1,420	16,383	21,215	+ 4,832
Total of Polish Trade Balance	1,358,909	2,246,309	+ 707,400	2,891,972	2,514,740	- 377,232	3,362,164	2,507,990	- 854,174

Poland exports to the Scandinavian States: coal, corn, metallurgical products, seeds, timber, dairy produce, sugar, salt &c. Exports to the Baltic states proper consist of: coal, petroleum, timber, flax, textile machinery, metal products, yarn and textile products, sugar, alcohol, cement, skins and hides &c.

Polish imports from Denmark, Estonia, Finland, Latvia and Sweden comprise such goods as: artificial manures, linoleum, rubber footwear,

and the aggregate of the Republic's export trade (in thous.  $\text{z}$ ):

Year	Total	Exports to Baltic and Scandinavian countries	%
1926	2,246.309	346.373	15.4
1927	2,514.740	300.938	11.9
1928	2,507.990	298.159	11.8

In order to secure a complete picture of the commercial relations between Poland and the Baltic-Scandinavian countries, it will not be amiss to examine statistics covering Poland's trade with the individual countries in question during the last three years; the figures are given below (in thous.  $\text{z}$ ):

fresh, salted and canned fish (in large quantities), furs, scrap iron, iron ore, electrical machinery, automobiles (from Denmark), fats and greases, &c.

## OPENINGS FOR TRADE AND BUSINESS WITH POLAND

Particulars of any of the under-mentioned offerings may be secured on applying to the Editor, "The Polish Economist", and quoting the respective Ref. No.

The Editor accepts no responsibility for the consequences of the transactions concluded.

**Ref. No. 214:** Manufacturers of paper goods and boxes of all kinds seek foreign buyers.

**Ref. No. 215:** Manufacturers of glass products offer medical ampules to foreign dealers in this line.

**Ref. No. 216:** Producers of fire extinguishers are desirous of extending their foreign connections.

**Ref. No. 217:** Manufacturers of scales seek foreign buyers.

**Ref. No. 218:** An old established factory of wire and nails is desirous of appointing agencies abroad.

**Ref. No. 219:** Timber exporter is desirous of entering into relations with foreign firms in this line.

~ Visit ~  
the Polish  
National  
Exhibition  
~ 1929 ~

**CUSTOMS DUTIES AND FOREIGN TRADE REGULATIONS**

**DUTY FREE EXPORT OF RYE AND RYE FLOUR.** — In accordance with a resolution passed by the Cabinet on May 31, 1929, the Ministers of Finance, of Industry and Commerce and of Agriculture issued an Order on June 4, 1929 whereby export duties on rye and rye flour have been repealed, the order becoming effective on June 11, 1929.

The rye export system hitherto consisted in the maintenance of prohibitive export duties on rye (zł 15 per 100 kg.) and in the control of duty-free exports by the granting of individual export licenses within the limits of contingents fixed by the Government. The old system was therefore decidedly adverse to the development of Polish rye and rye flour export.

For the time being there is little opportunity for the export of rye from Poland and for that reason it cannot be expected that the repeal of the export duties will affect exports to any great extent. On the other hand it may well be that the unhindered export of rye will attract the attention of foreign buyers and will encourage them to undertake transactions with Polish exporters, and this in turn cannot but have a favourable influence upon the Polish corn market.

**TRANSPORTS**

**RAILWAY TRAFFIC IN MAY.** —

Traffic on the Polish State Railways during May was smaller than during the preceding two months as the result of the seasonal slackening in goods transport which is always noted in the spring. Further, a considerable drop in the work of the railways is to be expected during the coming summer months; the cause for this lies in the very great increase in loadings after the severe frosts and which had brought down the carrying capacity of the railways to a minimum during the winter; this dislocation in transport resulted in many goods, normally shipped during the winter months, being loaded during the first two months of spring. At present, however, all the winter arrears have been disposed of.

The average daily car loadings of 15 ton wagons were as follows:

	May 1928	April 1929	May 1929
loaded on the Polish State Railways:			
destined for local stations	10.760	12.680	11.661
destined for abroad	3.116	3.522	3.267
Total:	13.876	16.202	14.928
received from abroad	638	699	587
transit via Poland	1.081	1.316	1.035
Total:	15.595	18.217	16.548

As the above table shows, a decrease in loadings took place in all types of



ENTRANCE TO THE TEXTILE SECTION  
(PHOT. S. PLATER)

transport and especially in the case of loadings at Polish stations, which fell from 16.202 wagons daily in April to 14.928 during May. Loadings for home destinations also fell considerably, from 12.680 wagons daily to 11.661 in May, whilst export shipments to foreign stations fell from a daily average of 3.522 to 3.267 wagons. The number of wagons received loaded from foreign lines dropped from 699 daily to 587, whilst transit shipments fell from 1.316 wagons daily to 1.035.

The average daily car-loadings destined for home stations are given below according to the category of goods transported (in 15-ton wagons):

	May 1928	April 1929	May 1929
coal, coke and briquettes	2.839	3.907	3.604
crude oil and petroleum products	160	161	187
timber	1.093	1.145	953
agricultural products	792	945	877
raw materials and industrial products	2.172	2.386	2.206
miscellaneous	3.704	4.136	3.834
Total:	10.760	12.680	11.661

The decline in the transport of goods between points in Poland has, as will be seen from the above, been brought about principally by the seasonal fall in loadings of coal and timber.

The following table shows the daily car-loadings destined for foreign stations sub-divided according to the category of goods carried (in 15-ton wagons):

	May 1928	April 1929	May 1929
coal, coke and briquettes	2.172	2.618	2.434
crude oil and petroleum products	45	36	45
timber	639	553	510
agricultural products	46	61	63
miscellaneous	214	254	215
Total:	3.116	3.522	3.267

Amongst the shipments to foreign destinations, a distinct drop is shown only in coal and to a lesser extent in timber; in both cases there can be no doubt that this decline is due to seasonal factors the more so as in the remaining groups only very slight changes are apparent.

**TRANSPORT POLICY OF THE POLISH STATE RAILWAYS.**—The Foreign Trade Commission, appointed in accordance with instructions issued by the Economic Committee of the Cabinet and having for its purpose the ascertaining of means for improving the trade balance of Poland, passed the following resolutions during its session of May 31st, 1929 following the reading of a paper by Prof. J. Gieysztor entitled: "Transport policy as a means for improving the Balance of Trade".

It is affirmed that two factors must enter into the program of every transport policy, viz.:

1.—a due care for the proper development of the railway system appropriate to the economic needs of the country and the maintaining of the system in an adequately equipped technical condition sufficient to meet all the requirements of business;

2.—the framing of a suitable tariff policy adapted to the transport needs of home agriculture, industry and commerce and attracting transit goods-traffic to the Polish lines, the interest of the Polish railways as a common carrier being duly borne in mind.

It is admitted that the general tariff policy of the Polish State Railways have so far made possible a considerable growth in home production and in the development of goods traffic, these facts being confirmed by the existence of a steady increase in freight carried in all directions. Nevertheless, the provisional tariffs in force have not assured to the railways such receipts as would suffice to cover essential investment outlays for railway rolling-stock and equipment and for the maintenance of the lines on a level of technical efficiency, adequately advanced to meet the growing exigencies of the business life of the country.

This shortage in receipts has resulted in the basic feature of a transport policy being neglected—that of the extension of the railway network and its proper equipment.

Foreseeing a serious danger in the further disproportion in the development of the needs of business life and those of transport facilities—one which may especially react unfavourably on an improvement in the balance of trade as a result of inability to augment exports—the Commission resolves the achievement of the following as essential:

1.—That higher tariff-charges be levied in order to increase receipts accruing from goods transport, the increase to be such as to permit, within the shortest possible space of time, of the bringing up of the number of rolling-stock, the state of the permanent ways and of station equipment to such a standard as would fully meet the requirements of economic life; the increase in revenue should also be such that it should be possible to complete the reconstruction of war-devastation in the event that money for this purpose could not be received from other sources;

2.—That the construction of the coal railway-lines already commenced be completed within the time-limit fixed

by the Ministry of Communication and that further extension of the railway network be undertaken with particular attention being paid to those areas of the country at present deficient in communication facilities;

3.—That such extension works be executed not by means of further increases in the freight tariffs, but by the attraction of new capital for this purpose.

The foregoing resolution must be welcomed as one which expresses a proper understanding of the necessity of raising the tariff rates with a view to increasing the technical efficiency of the railway system.

Serious reservations can be raised only with regard to the last paragraph of this resolution—that recommending the extension of the railway network solely by attracting special capital for this purpose. This recommendation is based on a quite sound theoretical basis and on the experience on other railways, but it fails to take into consideration those special conditions governing Polish railway affairs. Having taken over from the partitioning powers the system of railways to be found on Polish soil without the acceptance of any obligations in the shape of sinking-fund or interest payments, the Polish State Railways do not at present introduce any items covering such expenditure into their working budget. Should the Polish railway system, following the example of all other railways include in its budget an item of only 4 per cent to allow for sinking fund and interest payments, then in view of the £ 8 milliard appraisal value of the Polish lines, a sum of £ 320 million would have to be entered on the expenditure side of their budget and this expense would have to be met by an appropriate increase in revenue from freight traffic. By avoiding this measure, the Polish State Railways could earmark a part of the exploitation revenue received for freight transport (i. e. from freight charges) and use such funds for the extension of the railway system in Poland, which in other conditions would have been financed by Treasury grants or by special loans.

**POLISH - RUMANIAN RAILWAY CONVENTIONS.**—Railway Communication between Poland and Rumania has so far been inadequately developed. One of the chief causes for the existence of this state of affairs is to be found in the fact that for some considerable time past the final delimitation of the frontier line has been continually put off, which in turn resulted in all railway traffic between the two countries being directed through a single frontier post viz. Sniatyn—Zalucze—Grigore Ghica Voda. Before the War, south-eastern Poland was connected with Bukowina (the present Rumanian province of that name) by several railway lines which crossed the frontier at different points thus naturally giving an impetus to the economic life of that part of Poland.

It is for this reason that the failure to restore completely pre-War railway facilities has been the cause of considerable losses to the population of

south-eastern Poland. These losses have arisen not only as a result of obstacles placed in the way of traffic with the neighbouring Rumanian centres, but also because the post-War Polish-Rumanian boundary line almost entirely cuts off the more distant districts of south-eastern Poland from railway communication; in addition the shortest and most convenient railway connection between Zaleszczyki and Kołomyja (via Stefanówka, in Rumanian "Stefanesti") has been closed to communication.

Rumania in turn is interested in securing transit facilities through Poland and Czechoslovakia to those points lying to the south of Woronienka.

Thus when it became possible to open negotiations between the Polish, Rumanian and Czechoslovakian governments, as far as communication through Woronienka was concerned, an understanding was quickly attained, as the necessity of concluding appropriate communication agreements was well realised as being essential for economic reasons.

The basic railway traffic agreement between Poland and Rumania provides for the operation of four railway lines crossing the frontier as against the single one now operated. These lines will cross the frontier between the following stations:

1. Zaleszczyki and Stefanesti
2. Jasieniowo Polne and Stefanesti
3. Sniatyn—Zalucze and Grigore Ghica Voda
4. Kutry and Vijnita.

Three stations will be operated on these sectors to serve as mutual delivery and receiving centres, i. e., Stefanesti, Sniatyn and Kutry. Since Sniatyn is not, for the present, suitably equipped for the purpose in view, Grigore Ghica Voda will also be used until October 1, 1931.

Customs and passport examinations on all sectors will, in principle, take place upon the territory of the government interested, but both signatories have agreed to extend further facilities wherever possible and in fact on the Sniatyn—Grigore Ghica Voda sector. These examinations have already been simplified and facilitated.

As regards passenger and goods tariffs, no changes or amendments have been introduced by the agreement.

In addition to the above-mentioned agreement, drafts of the following agreements have also been prepared:

- a) an agreement covering transit traffic between Zaleszczyki and Jasieniowo Polne via Rumania;
- b) an agreement in respect of railway transit traffic via Rumania between Kutry and Sniatyn—Zalucze and between Zaleszczyki and Kutry;

c) an agreement covering railway transit traffic between Grigore Ghica Voda and Vales Visaului and Woronienka via Poland by the Sniatyn—Zalucze sector and via Czechoslovakia via the Jasina—Trobusany route.

Although the third draft was framed so as to meet the desires of the Polish, Rumanian and Czechoslovak delegates, the last-named reserved the right to bring up certain points again for dis-

cussion, and whilst these may be cleared up by correspondence, it seems more probable that a second conference will have to take place before the final wording of the agreement is decided upon.

**PORT TRAFFIC IN MAY.** — Movement of ships in the port of Danzig varied little from that of April. Arrivals at the port numbered 523 ships of a total tonnage of 386,658 net reg. tons (390,422 net reg. tons<sup>1</sup>), whilst departures numbered 550 vessels of a total tonnage of 414,400 net reg. tons (370,391 net reg. tons last month). According to provisional data, the goods turnover was for 671,914 tons. As in April, the movement of ships in the port was smaller than during the corresponding period of last year, although an increase of 13 per cent was noted in May over the April traffic. The utilisation of cargo space was less than in April having been in the case of imports only 20 per cent and in that of exports 67 per cent of the space available.

The nationalities of the ships calling at the port of Danzig is given below:

	Arrivals:		Departures	
	ships	net reg. tons	ships	net reg. tons
Poland & Danzig	30	33,054	24	26,722
Germany	161	87,285	165	100,171
Sweden	115	58,107	131	70,781
Denmark	87	69,991	89	73,122
England	15	22,218	15	23,688
Latvia	21	19,820	17	16,843
Finland	8	14,786	8	10,830
Estonia	9	3,708	11	4,204
Lithuania	6	2,775	7	3,213
Norway	39	33,760	40	32,757
Holland	9	5,500	10	5,843
Belgium	—	—	—	—
France	6	4,316	5	2,850
Italy	3	8,595	4	12,376
U. S. A.	3	7,071	4	10,252
Greece	8	15,059	7	14,247
Austria	1	260	1	260
Czechoslovakia	2	353	3	669
<b>Total:</b>	<b>523</b>	<b>386,658</b>	<b>550</b>	<b>414,400</b>

Out of 18, the Polish flag occupied fifth place. This is the first time that post-War statistics of the port of Danzig have shown the Polish flag in such prominence. First place was occupied by the German flag, second by the Danish, third and fourth by the Swedish and Norwegian and sixth by the English flag.

Provisional data of goods movements in the Port during May as compared with April are quoted below (in tons):

	Imports:		Exports:	
	April	May	April	May
grain	100	310	18,330	8,070
sugar	—	—	6,364	17,137
herring	10,729	1,100	—	—
groceries and foodstuffs	2,585	1,422	5,047	4,004

<sup>1</sup> The figures in the brackets are for the month of April.



AN EXHIBIT IN THE PHYSICAL CULTURE PAVILLION (PHOT. S. PLATER)

artificial fertilizers and chemicals	59,284	39,604	1,990	1,030
timber	—	—	44,451	63,999
cement	—	—	6,200	8,190
building materials	780	4,830	—	—
coal	2,050	3,740	390,698	409,415
mineral oils	3,040	1,948	7,617	1,830
ores	42,130	36,130	—	—
scrap iron	51,707	53,034	—	—
iron	1,727	2,285	—	—
various	7,378	2,949	3,667	10,887
<b>Total:</b>	<b>181,510</b>	<b>147,352</b>	<b>484,364</b>	<b>524,562</b>

The above table, whilst showing May turnover to have been almost equal to those for April, exhibits nevertheless considerable fluctuations in the figures covering the various individual items and these must be considered on the whole not to be very favourable. The import of herring showed a marked decline, quite normal for that matter, since this import is a seasonal one and is subject to frequent fluctuations. The import of artificial fertilizers dropped by as much as 20,000 tons; this is explained by the conclusion of import of fertilizers for spring operations on the farms, whilst autumn transports will only commence to appear later in the year. Metal ore imports decreased slightly in volume but those of scrap-iron increased. Imports as a whole declined by over 30,000 tons.

Amongst goods exported, coal again occupied first place, its export having increased by 20,000 tons. Another favourable feature is a gain of almost 20,000 tons shown by timber exports; for the time being, it is impossible to state if this gain was caused by a coincidence of circumstances, or if conditions for the export of wood through Danzig have improved so considerably. The export of sugar and cement also showed gains whilst that of corn and mineral oils declined.

Coal exports were shipped to the following countries, the figures shown excluding bunker coal (in tons):

Sweden	154,146
Denmark	104,121
Italy	58,225
France	49,594
Norway	34,525
Finland	33,064
Latvia	21,747
Belgium	12,287
Holland	10,300
Lithuania	6,607
Germany	5,204
Spain	4,607
Algeria	4,581
Russia	4,360
Estonia	2,078
<b>Total:</b>	<b>505,446</b>

Passenger traffic during May in the Port of Danzig is illustrated by the following table:

	Arrivals:	Departures:
	passengers	
Gulf coastal traffic	1,001	1,619
Copenhagen	81	477
London	121	2,602
Hull	40	323
New York	75	989
Libau	55	16
Helsingfors	5	—
Stockholm	1	—
Total:	1,379	6,026

In Gdynia, the traffic increased slightly as compared with April. There arrived 152 ships with 140,782 net reg. tons (149 ships with 40,689 net reg. tons) and 149 ships with 133,410 net reg. tons (159 ships with 125,099 net reg. tons) left the harbour. The amount of cargo handled showed only a slight increase, from 252,858 tons in April to 287,459 tons in May. Imports rose from 36,945 tons to 44,865 tons and consisted of Thomas slag (21,290 tons), rice 12,452 tons), scrap iron (5,947 tons) and phosphate rock (4,750 tons). Exports amounted to 242,594 tons, the bulk of which was, as usual, coal (240,934 tons). Among the other articles should be mentioned sugar (1,600 tons) and furniture (41 tons).

The nationality of ships calling at Gdynia was as follows:

	Arrivals:		Departures:	
	April	May	April	May
Poland & Danzig	7	14	12	13
Sweden	41	56	43	56
Germany	20	31	20	29
Norway	15	14	14	15
Denmark	11	15	13	14
Latvia	5	9	16	10
Finnland	2	1	5	1
France	4	4	4	4
England	1	2	1	1
Holland	2	2	1	2
Greece	1	—	—	1
U. S. A.	—	1	—	1
Estonia	—	1	—	1
Lithuania	—	1	—	1
Italy	—	1	—	—

**DIRECT SAILINGS BETWEEN GDYNIA AND NORTH AMERICA.** — It is a matter of common knowledge that the United States is one of the chief sources of supplies for Polish industry and for this reason the necessity of maintaining direct communication between Poland and the Atlantic ports of the United States has for long been understood. The introduction of direct sailings was all the more important since American goods and products destined for Poland were almost exclusively shipped through Hamburg. The desirability of breaking away from Germany's virtual monopoly in Polish commercial relations with North America and the vital necessity of developing the Polish ports have made the organisation of direct and regular marine communication between New York and Gdynia a matter of the first importance.

It was early realised that the organisation of an all-Polish line with ships under the Polish flag would entail enormous expense considering the number, size and operating costs of ocean-going vessels. The only way out of

the difficulty was therefore to enter into negotiations with existing American navigation companies with a view to having them extend their services so as to include calls at the Polish ports.

These negotiations resulted in the Polish Government signing an agreement with the American Scantic Line during April of this year. The agreement is for a term of five years and upon its expiration, a new contract can be signed.

The American Scantic Line guarantees to maintain a service of 26 calls per annum at Gdynia both on the outward and homeward voyages with New York as the home port. The number of these calls can only be reduced if during the last five months of the preceding year the vessels of the Line carry less than 8,000 tons of goods from America to Poland or for transit through Poland. Emphasis is laid on the necessity for maintaining a permanent and regular service, and the round trip of the vessels will be: New York, Copenhagen, Gdynia, Stockholm, Helsingfors, Gdynia, New York. Nine vessels have been assigned for the maintenance of this service, their average tonnage being 5,400 reg. tons each.

The Polish Government has in turn agreed to lease out to the American Scantic Line for the period of the contract, a portion of the harbour front (Piłsudski Basin) in the Port of Gdynia, as also a suitable site for the construction of a large warehouse. This warehouse will be built by the Polish Government at the expense of the Line and will become the property of the Government upon the expiration of the contract. Electric power and water supply will be installed and appropriate railway sidings will connect up the warehouse and harbour front with the main railway lines. The Polish Government will be empowered to use the quay space concerned for the berthing of other vessels provided that it is not required for ships of the American Scantic Line.

The Line will charge such freight rates that goods transported from New York to Gdynia will be able to compete with goods shipped via Hamburg. Special attention has been paid to through rates so that charges for goods shipped via Gdynia from New York to Katowice will not be higher than if shipped via Hamburg. Goods shipped from Gdynia to New York or other U. S. Atlantic sea-ports will be transported on the basis of a tariff not exceeding the freight charges for similar goods shipped from Hamburg to New York or other eastern U. S. ports.

A through tariff between inland points in Poland and in the United States will be compiled: the application of such a tariff will enable goods to be shipped from the interior of Poland to inland points of the United States under through negotiable bills of lading.

**MARINE COMMUNICATION BETWEEN GDYNIA, RIGA, LENINGRAD AND HELSINGFORS.** — The Compagnie Générale Transatlantique has for some years past maintained a regular passenger service from

Gdynia to Havre, having for its chief object the transport of Polish agricultural workers to France. One of the ships owned by this company, the s. s. "Pologne", has been permanently detailed off to extend her sailings so as to call in addition at Riga, Leningrad and Helsingfors on her outward and homeward voyages. The object of this innovation is to arrange for the conveyance of passengers from Poland and the U. S. S. R. to Havre for trans-shipment to New York.

**AERIAL COMMUNICATION IN MAY.** — During this month aerial traffic was considerably greater than in the preceding month and in the corresponding period of last year.

The number of flights (scheduled and extra) was 473, the regularity being 95.5 per cent (330 flights in April). The distance covered rose from 74,740 km. in April to 120,657 km. in May and the number of passengers increased to 1,181 as against 624 in the preceding month, that is by about 100 per cent. Similarly, the amount of mail carried grew from 2,348 kg. to 4,371 kg. and that of freight from 22,058 kg. to 25,406 kg.

**INAUGURATION OF NEW AIR-ROUTES.** — Permanent aeroplane communication between Poznań and Katowice was inaugurated by the "Lot" Airlines Co. on May 27th. This line, connecting Poznań with the industrial heart of the Republic, will undoubtedly be of great service to local manufacturers and merchants especially in connection with the Polish National Exhibition.

The same company introduced on June 1st a direct air service between Poznań and Danzig via Bydgoszcz. In both cases the planes used are of the Junkers type.

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# FINANCE AND BANKING

**STATE REVENUE AND EXPENDITURE IN MAY** were as given in the table below (in millions of  $\text{zł}$ ):

Revenue during May was maintained almost exactly on the same level as in April, showing a decrease of only 2.3 per

from the State Enterprises arose as a result of smaller payments having been made by the State Forests Administration ( $\text{zł}$  10 million as against  $\text{zł}$  13.3 million); nevertheless, it must be added that the amounts paid in by the State Forests came to 29 per cent of the quota estimated in the 1929/30 Budget.

Receipts for May during the current year differ very little from those for the same month last year. Yet whilst the Civil Service receipts were almost identical, those from the State Enterprises were almost twice as great ( $\text{zł}$  12.4 million as against  $\text{zł}$  6.2 million), and revenue from the State Monopolies were 8 per cent less ( $\text{zł}$  61.9 million as against  $\text{zł}$  67.1 million).

Expenditure during May this year was 1.9 per cent lower than in the case of April and 4.4 per cent higher than during May a year ago. Larger decreases as compared with April are shown by: pensions and grants to disabled soldiers which were paid during April on two occasions — for April and in advance for May. In June only the current payments were made. Expenditure in connection with the service of the National Debt declined greatly.

Expenditure during the first two months of the current fiscal year came to  $\text{zł}$  485.9 million ( $\text{zł}$  443.5 million in the corresponding period of last year) which is 16.55 per cent of the sum estimated for the whole fiscal year; it was therefore somewhat below the quota fixed by the Budget (16.67 per cent).

The surplus for May this year amounted to  $\text{zł}$  4.7 million, whilst for the period April - May it was  $\text{zł}$  10.3 million.

**TAXES IN MAY.** — State revenue from the public levies and monopolies declined during May as compared with the preceding month: this drop was, it is true, a slight one, receipts having been  $\text{zł}$  219.9 million in April and  $\text{zł}$  215.7 million in May. The last-named figure was also lower, though to a smaller extent, than the returns for May last year ( $\text{zł}$  219.0 million). As can be seen, the bad conditions in business and the great tightness of money have not affected the flow of Treasury receipts, in spite of the fact that the Government, realising the difficult situation of the tax-payers, had already in May granted certain relief to the public as regards the prolongation of tax-payments.

	Revenue		Expenditure	
	actual	estimated for 1929/30	actual	estimated for 1929/30
A) Civil service ... ..	171.0	1.885.8	238.1	2.913.9
The President of the Republic. ...	0.0	0.3	0.4	4.1
The Parliament... ..	0.0	0.3	1.0	11.5
State Control ... ..	—	0.1	0.5	7.9
Council of Ministers . . . . .	0.0	0.0	0.2	3.1
Ministry of Foreign Affairs ... ..	2.4	12.2	10.2	58.5
" " War. ... ..	0.2	3.5	71.1	845.9
" " the Interior ... ..	1.5	15.6	20.5	251.2
" " Finance ... ..	156.3	1.706.7	10.2	154.7
" " Justice ... ..	3.7	43.2	9.2	133.0
" " Industry and Commerce	0.8	12.4	6.2	57.2
" " Transport ... ..	0.0	0.5	1.3	19.2
" " Agriculture ... ..	0.8	11.4	3.5	61.8
" " Religious Cults and Education .. . . .	0.5	10.8	35.0	472.1
" " Public Works. ... ..	2.7	35.1	12.1	163.2
" " Labour and Social Protection .. . . .	0.1	0.9	4.4	66.2
" " Land Reform.. ... ..	0.1	5.1	2.7	73.9
" " Posts and Telegraphs...	0.0	0.0	0.2	3.0
Pensions ... ..	1.8	27.7	10.7	127.2
Grants to invalids ... ..	—	—	11.1	153.1
State liabilities ... ..	—	—	27.7	247.3
B) State enterprises.. ... ..	12.4	164.6	2.5	21.9
C) Monopolies ... ..	61.9	904.5	—	—
<b>Total A + B + C:</b>	<b>245.3</b>	<b>2.955.0</b>	<b>240.6</b>	<b>2.935.8</b>

cent and, as in the case of April, exceeded by very little (only 0.5 per cent) the receipts reported for the corresponding months of last year. During the last two months of the current budgetary year, the total revenue amounted to  $\text{zł}$  496.2 million as against  $\text{zł}$  466.5 million during the 1928/29 fiscal year. The increase in income is explained by greater receipts from the public levies ( $\text{zł}$  304.4 million as against  $\text{zł}$  276.0 million) and larger payments made by the State Enterprises to the Treasury ( $\text{zł}$  27.8 million as against  $\text{zł}$  12.9 million). The receipts for these two months came to 16.79 per cent of the amount estimated, i. e., rather more than the allocated one-sixth share.

The income from the Civil Service came to 17.9 per cent of the quota estimated for the whole fiscal year; payments made by the State enterprises came to 16.9 per cent of the amount estimated, and payments from the Monopolies came to 16.8 per cent of the estimated revenue.

The slight decline in the May revenue as compared with those for April is accounted for solely by a drop in the receipts from the State enterprises ( $\text{zł}$  12.4 million as against  $\text{zł}$  15.4 million) and by the receipts from the State Monopolies ( $\text{zł}$  61.9 as against  $\text{zł}$  69.3 million), whilst revenue from the Civil Service showed an increase (from  $\text{zł}$  166.2 million to  $\text{zł}$  171.0 million). The decline in the revenue



ONE OF THE FOUNTAINS AT THE EXHIBITION  
(PHOT. S. PLATER)

The decline in receipts during May this year, both as compared with the April figures and those for May last year, is explained solely by smaller payments made to the Treasury by the State monopolies. This statement is borne out by the fact that public levies yielded more in May than in April and in May of last year (£ 153.8 million as against 150.6 million in April and £ 151.9 million in May, 1928).

Direct taxation, occupying first place amongst the public levies, yielded £ 73.2 million in May as against £ 64.3 million in April and £ 65.6 million in May 1928. Receipts from the Land Tax which were for the most part payable in March this year, declined further (£ 15.4 million in March, £ 5.0 million in April and £ 2.7 million in May). Revenue from the Income Tax declined slightly, falling from £ 34.5 million in April to £ 31.6 million in May, this drop being explained by the fact that half-yearly payments of Income Tax were payable before May 1st and therefore larger sums were paid into the Treasury Cash Offices during April. Receipts from the Real-Estate Tax, however, increased during May (from £ 2.0 million to £ 3.0 million) as a result of this tax being payable in May for the first quarter of the year. The Industrial Tax also yielded more in May than in April, rising from £ 18.6 million to £ 31.9

million since the remainder of the tax due from 1928 became payable.

Indirect taxation during May, as in the case of direct taxes, showed larger receipts than in April, the increase being, however, a smaller one (£ 14.5 million as against 14.0 million). Compared with May last year, there is a slight decrease due to smaller receipts from the Sugar Tax. Taking the component items of this taxation, it is seen when comparing receipts for April and for May last year with those for the month under review, that a slight increase has taken place: thus the Beer Tax rose from £ 0.7 million to £ 1.1 million and the Mineral Oil Tax from 1.7 million to £ 2.3 million; the Sugar Excise Tax, however, decreased from £ 100 million to £ 9.5 million.

Receipts from stamp duties fell slightly during May both as compared with April and with May last year, amounting to £ 16.9 million as against £ 17.5 million and £ 17.8 million.

Receipts from customs duties, following the increase noted in April, fell from £ 43.2 million to £ 36.0 million, this being due to a fall in imports during May. This year's May return were also below those for May last year (£ 40.2 million).

Receipts from the Property Tax (payments on account of arrears) declined somewhat during May as com-

pared with April (£ 1.4 million as against £ 1.7 million) and as against May 1928 (£ 2.4 million). On the other hand the 10 per cent Extraordinary Supplementary Tax as a result of larger receipts from taxation, yielded more in May than in April, the figures being £ 11.9 million and £ 9.9 million, whilst those for May 1928 were £ 10.4 million.

Payments made to the Treasury by the Monopolies during May fell from £ 69.3 million to £ 61.9 million in April. The Spirits Monopoly yielded a smaller amount than in April (£ 28.2 million as against £ 36.1 million). The monopolies paid in £ 67.1 million to the Treasury in May last year.

Total receipts paid in for the account of the Government during the last two months of the current year came to £ 435.6 million and were therefore greater than those paid in for the corresponding period last year (£ 411.1 million) and comprise 17.4 per cent of the total budgetary sum estimated for the whole current year. In other words, these receipts have already passed the quota set for them and which had been fixed at 16.7 per cent. Revenue from taxation yielded during April and May 19 per cent of the gross State income, direct taxation comprising 22.1 per cent of this sum. Monies paid in by the State Monopolies accounted for 14.5 per cent of the State revenue as estimated

by the Budget for the whole current budgetary year.

The revenue for May 1929, as compared with the budget estimates and the revenue for April of this year and for May of last year, is given in the following table (in million  $\text{zł}$ ):

	Actual revenue:			$\frac{1}{12}$ th of the yearly budget for 1929/30
	April 1929	May 1929	1928	
Direct taxes	64.3	73.2	65.6	51.7
Indirect taxes	13.9	14.5	15.4	14.4
Customs duties	43.2	36.0	40.2	35.4
Stamp fees	17.5	16.9	17.8	16.3
<b>Total of the ordinary public levies:</b>	<b>139.1</b>	<b>140.5</b>	<b>139.0</b>	<b>117.8</b>
10 per cent Extra-ordinary Tax	9.9	11.9	10.4	8.2
Property Tax	1.7	1.4	2.4	7.5
<b>Monopolies</b>	<b>69.3</b>	<b>61.9</b>	<b>67.1</b>	<b>75.4</b>
<b>Total of public levies and monopolies:</b>	<b>219.9</b>	<b>215.7</b>	<b>219.0</b>	<b>208.9</b>

**EXEMPTION OF THE CAPITAL LEVY AND UNEARNED INCOME TAX FROM THE 10% EXTRA-ORDINARY SUPPLEMENTARY TAX.** — An order of the Ministry of Finance dated May 14th, 1929 has announced that the Extraordinary 10 per cent Supplementary Tax affecting certain taxes and stamp dues, as fixed by the Order of the same ministry dated March 30, 1929, will not be levied on the Capital Levy and Unearned Income Tax as from July 1, 1929.

Amounts payable in connection with this Tax but not paid by June 30, 1929 will continue to be subject to this tax.

## STOCK EXCHANGE

### FOREIGN CURRENCIES

— Quotations for foreign currencies on the Warsaw Stock Exchange showed on the whole, a rather weaker tendency

during May as is borne out by a comparison of the quotations noted on the last days of April and of May.

London fell off by  $\text{zł}$  0.03 (to the pound sterling), Zurich by  $\text{zł}$  0.08, Milan by  $\text{zł}$  0.085, Amsterdam by  $\text{zł}$  0.17 and Vienna by  $\text{zł}$  0.02. Gains were shown on the other hand by Brussels ( $\text{zł}$  0.06), Prague ( $\text{zł}$  0.025) and Stockholm ( $\text{zł}$  0.075). New York remained constant as usual.

Złoty quotations upon some of the foreign stock exchanges underwent certain unimportant changes towards the end of May. The złoty was quoted somewhat lower in Vienna, Prague and Berlin than in Warsaw, but the London rate was in agreement with the Warsaw sterling rate. The złoty retained its former quotations on the New York and Zurich stock exchanges and in the case of the Danzig Stock Exchange even advanced slightly.

		30.4	1—11.5	13—17.5	21—25.5	27—29.5	31.5	par value
<b>Warsaw Exchange</b>								
London	£ 1	43.27 $\frac{3}{4}$	43.27 $\frac{7}{8}$	43.26 $\frac{5}{8}$	43.25 $\frac{1}{2}$	43.25 $\frac{1}{2}$	43.24 $\frac{3}{4}$	43.38
New York	\$ 1	8.90	8.90	8.90	8.90	8.90	8.90	8.90
Paris	Fr. Fr. 100	34.86	34.85	34.85	34.85 $\frac{1}{4}$	34.86 $\frac{5}{8}$	34.88	172.00
Brussels	Belg. 100	123.87 $\frac{1}{2}$	123.81 $\frac{3}{4}$	123.84 $\frac{1}{8}$	123.84 $\frac{2}{5}$	123.90	—	123.95
Zurich	Sw. Fr. 100	175.75	171.78	171.76	171.77 $\frac{1}{2}$	171.69 $\frac{2}{3}$	171.67	172.00
Milan	Lir 100	—	46.73 $\frac{1}{2}$	46.71	46.69 $\frac{2}{5}$	46.69 $\frac{1}{4}$	46.68	172.00
Amsterdam	Fl. 100	358.50	358.60 $\frac{1}{2}$	358.61	358.58 $\frac{3}{4}$	358.60	—	358.31
Vienna	Sh. 100	—	125.25 $\frac{1}{2}$	125.27	125.24 $\frac{3}{5}$	125.23	125.23 $\frac{1}{2}$	125.43
Prague	Kc. 100	26.38 $\frac{1}{2}$	26.38 $\frac{1}{5}$	26.38 $\frac{1}{2}$	26.40	26.40 $\frac{1}{2}$	26.41	180.62
Stockholm	Kr. 100	—	238.33 $\frac{3}{4}$	238.22	238.39 $\frac{7}{10}$	238.52 $\frac{1}{2}$	—	238.89
<b>Foreign Exchanges</b>								
London	£ 1	43.28	43.28 $\frac{3}{8}$	43.26 $\frac{7}{8}$	43.25 $\frac{4}{5}$	43.25	43.26	43.38
New York	$\text{zł}$ 100	11.25	11.25	11.25	11.25	11.25	11.25	11.22
Zurich	$\text{zł}$ 100	58.25	58.24 $\frac{3}{8}$	58.25	58.25	58.25	58.25	58.14
Vienna	$\text{zł}$ 100	79.80	79.77 $\frac{1}{2}$	79.78 $\frac{1}{8}$	79.81 $\frac{7}{8}$	79.78	79.78	79.55
Prague	$\text{zł}$ 100	—	378.25	378.43 $\frac{3}{4}$	378.15	378.37 $\frac{1}{2}$	377.7 $\frac{1}{8}$	55.36
Berlin	$\text{zł}$ 100	47.275	47.26 $\frac{1}{2}$	47.23 $\frac{3}{4}$	47.07	47.04	47.—	47.09
Danzig	$\text{zł}$ 100	57.785	57.80 $\frac{3}{8}$	57.83 $\frac{1}{3}$	57.85 $\frac{1}{10}$	57.81 $\frac{1}{3}$	57.81	57.63

Transactions in foreign exchange continued to be few in number and for small amounts. In this connection we mentioned a few of the causes leading to the steady shrinkage of transactions in foreign exchange in our last number. It should also be borne in mind that official quotations for cable transfers are not announced since such transactions cannot be concluded on the floor of the Stock Exchange. On the other hand, the arbitrage transactions conducted by the banks with the help of cable-transfers and constituting the bulk of inter-bank business are put

through either before or after the official hours of the Stock Exchange.

### SHARES

— During the period under review, as is usual at this time of the year, most of the larger joint stock companies made public the results of their activities during the past operating year. The so-called "dividend period" was therefore in full swing during May. The first balances and reports to appear were as usual those of the private joint stock banks. Their reports showed that

the past operating year was closed with larger profits earned than during preceding years. The major items of the balance sheets indicated a considerable development in the activities of the banks, this being especially the case as regards the bills discounted and the deposits items. Lack of space prevents a detailed analysis of the balance sheets of these institutions, but the growth in deposits must be emphasized, showing as it does the continued confidence of the public in the banks.

After transferring important sums to





ENTRANCE TO THE AMUSEMENT PARK OF THE EXHIBITION (PHOT. S. PLATER)

review a dividend of 12 per cent for the year 1928. A temporary increase in the supply brought about a drop in Ostowieckie shares. Amongst the remaining shares the only changes worthy of note were those in the case of the Warsaw Coal Mining Co. and Haberbusch, which recorded slight gains.

As regards other shares not specifically mentioned in this article, as will be seen from the table quoted, transactions were few and changes in quotations were insignificant.

#### STATE, MUNICIPAL AND LAND LOANS

In the Government scrip section, the 7 per cent Stabilisation Loan showed a gain, part of which, however, was lost, towards the end of the month. The 4 per cent Premium Investment Loan regained a considerable portion of the loss sustained during the previous month. Quotations for the 5 per cent Dollar Premium Loan declined by about 8 per cent, following the increased supply available after the drawings. No changes in the other Government securities are to be reported.

Private bonds and securities were much in demand and towards the middle of the month their quotations had mounted considerably. In spite of a drop at the end of the month, a net gain was shown as compared with April. The securities most sought for were the  $4\frac{1}{2}$  per cent bonds of the Land Credit Association and the 8 per cent bonds of the Credit Society of the City of Warsaw. The turnover, although uneven, was often quite large.

#### BANK OF POLAND

— The considerable deficit resulting from the turnover in foreign exchange at the Bank of Poland during April was caused by large sales by the Bank as a result, without doubt, of the situation prevailing on the foreign money markets and the consequent check to the inflow of short-term foreign loans or the refusal to prolong same. In May, however, as a result to a certain extent of the increase in the Bank-rate, a considerable improvement became apparent: sales of foreign notes and drafts, which

had reached the record figure of  $\text{zł}$  190.5 million in April, dropped heavily to  $\text{zł}$  130.3 million. On account of a simultaneous fall in the purchases of currencies from  $\text{zł}$  118.0 million to  $\text{zł}$  95.9 million, there was still a deficit of  $\text{zł}$  34.4 million, but it showed a decline of over one half, compared with April. This drop in currencies purchased, whilst caused mainly by lack of offers from private parties, was also accounted for to a certain extent by a drop in foreign currency receipts from Government institutions (from  $\text{zł}$  19.9 to 13.4 million). The only position in this branch of activity which showed an increase was that of purchases of bank-notes which rose from  $\text{zł}$  5.8 million to  $\text{zł}$  9.0 million. As regards foreign currency sales, i. e., to Government institutions (chiefly for the service of loans), no decline was reported, a slight increase even being apparent as sales rose from  $\text{zł}$  47.3 million to  $\text{zł}$  49.1 million. The demand for foreign currencies for the purchase of silver for the State Mint also increased, mounting from  $\text{zł}$  1.7 million to  $\text{zł}$  5.1 million. The whole decrease shown by currency sales was accounted for by a drop in sums sold on the

	A P R I L 30th		M A Y 10th		M A Y 20th		M A Y 31st	
<b>Assets:</b>								
<b>Bullion:</b>								
gold in vaults - - - - -	427,634,585·89		427,831,358·78		428,113,586·51		429,026,920·32	
„ abroad - - - - -	195,401,922·66		195,401,922·66		195,401,922·66		195,401,922·66	
silver (gold value) - - -	1,156,925·46		1,172,536·33		1,252,411·98		1,345,752·17	
	624,193,434·01		624,405,817·77		624,767,921·15		625,774,595·15	
Foreign currency, drafts and assets - - - - -	482,588,005·79	1,106,781,439·80	484,293,337·23	1,108,699,155·—	465,305,507·95	1,090,073,429·10	455,863,724·66	1,081,638,319·81
Foreign currency, drafts and assets not included in the cover - - - - -		93,822,327·84		92,697,553·59		92,289,809·53		82,614,906·57
Silver and token coins - -		132,527·80		601,413·57		228,087·89		885,970·76
Bills of exchange - - - -		697,539,174·89		695,381,669·67		716,611,048·22		742,207,453·07
Loans against securities -		85,059,517·61		85,897,087·51		86,243,342·08		88,651,542·06
Own interest-bearing securities - - - - -		4,502,994·29		4,330,054·85		3,909,078·30		3,804,288·01
Reserve funds invested in securities - - - - -		68,957,178·50		68,949,065·10		68,949,065·10		68,948,240·10
Loans to Government - - -		25,000,000·—		25,000,000·—		25,000,000·—		25,000,000·—
Property - - - - -		20,000,000·—		20,000,000·—		20,000,000·—		20,000,000·—
Other assets - - - - -		92,813,032·41		87,899,640·38		75,811,090·87		97,497,512·13
		2,194,608,193·18		2,189,455,639·67		2,179,114,951·09		2,211,248,232·51
<b>Liabilities:</b>								
Capital - - - - -		150,000,000·—		150,000,000·—		150,000,000·—		150,000,000·—
Reserve fund - - - - -		100,000,000·—		100,000,000·—		100,000,000·—		100,000,000·—
<b>Sight liabilities:</b>								
current accounts of State institutions - - -	323,271,530·15		331,182,058·19		365,699,028·02		341,524,617·18	
outstanding current accounts - - - - -	120,237,926·77		159,098,182·98		160,128,444·32		148,511,598·23	
silver purchases a/c - - -	23,000,000·—		23,000,000·—		23,000,000·—		23,000,000·—	
State credit fund a/c - -	14,932,030·30		9,232,030·30		9,232,030·30		9,232,030·30	
various accounts - - - -	9,791,351·94		9,029,839·52		8,106,174·94		9,864,159·34	
	491,232,839·16		531,542,110·99		566,165,677·58		532,132,405·05	
Notes in circulation - - -	1,274,240,160·—	1,765,472,999·16	1,227,210,990·—	1,758,753,100·99	1,182,846,640·—	1,749,012,317·58	1,244,495,720·—	1,776,628,125·05
Special account of the Treasury - - - - -		75,000,000·—		75,000,000·—		75,000,000·—		75,000,000·—
Other liabilities - - - - -		104,135,194·02		105,702,538·68		105,102,633·51		109,620,107·46
		2,194,608,193·18		2,189,455,639·67		2,179,114,951·09		2,211,248,232·51

Stock Exchange to the private banks, these having declined from  $\text{z}$  115·6 million to  $\text{z}$  66·6 million, whilst sales to other countries declined from  $\text{z}$  21·1 million to  $\text{z}$  11·4 million.

The situation which arose as a result of these transactions had its effect upon the foreign currency reserves of the Bank: these decreased during May although not to such a large extent as had been the case in April. Thus the foreign currency reserves forming part of the bullion and currency cover for bank notes in circulation and sight liabilities shrank during May from  $\text{z}$  482·6 million to  $\text{z}$  455·9 million, whilst reserves not included in the cover, declined from  $\text{z}$  93·8 million to  $\text{z}$  82·6 million so that the total decline in the reserves came to  $\text{z}$  37·9 million.

The second component forming the bullion currency cover for bank-notes and sight liabilities — bullion reserves — showed an increase during May of  $\text{z}$  1·6 million, accounted for by purchases of gold and silver (mostly in the form of coins) by the provincial branches of the Bank. The gold stocks of the Bank

increased during May from  $\text{z}$  623·0 million to  $\text{z}$  624·4 million, whilst gold-stocks deposited abroad ( $\text{z}$  195·4 million) remained without change in their figure, so that only the gold stocks in the Bank increased, i. e., from  $\text{z}$  427·6 million to  $\text{z}$  429·0 million. The silver stocks of the Bank increased during May from  $\text{z}$  1·2 million to  $\text{z}$  1·3 million.

The changes in the bullion and foreign currency reserves of the Bank which took place in May and since the beginning of the current year are given below (in million of  $\text{z}$ ):

	January 1st	April 30th	May 31st
gold	621·1	623·0	624·4
silver	0·5	1·2	1·3
foreign currencies and liabilities	527·1	482·6	455·9
<b>Total:</b>	<b>1,148·7</b>	<b>1,106·8</b>	<b>1,081·6</b>

In relation to the value of bank-notes in circulation and sight liabilities, the above-mentioned reserves were 60·88 per cent at the end of May, as compared with 62·69 per cent at the end of April (the statutory minimum

for the cover being 40 per cent). The decrease in the percentage of cover was relatively larger than that of the drop in the cover, this being due to the fact that during May a slight increase in the amount of banknotes in circulation and of sight liabilities took place (from  $\text{z}$  1,765·5 million to  $\text{z}$  1,776·6 million).

This increase was accounted for solely by a greater sum of sight liabilities which rose from  $\text{z}$  491·2 million to  $\text{z}$  532·1 million, since banknotes in circulation declined during the period in question, falling from a total of  $\text{z}$  1,274·2 million to  $\text{z}$  1,244·5 million.

The increase in the amount of sight liabilities resulted from larger deposits on current accounts, these having risen by  $\text{z}$  46·5 million; this would tend to indicate a slight improvement of the situation on the money market. Deposits on Treasury Cash Office accounts rose from  $\text{z}$  323·3 million to  $\text{z}$  341·5 million. A further payment of  $\text{z}$  5·7 million was made from the State credit fund (Fund "F" of the Stabilisation Loan, destined for economic development). The Silver

Purchase Account remained constant at the figure of  $\text{zł}$  23.0 million.

The drop in banknote circulation during May was mainly a result evoked by the increase in current account deposits already mentioned, but also to a large extent resulted from receipts accruing from the sale of foreign exchange.

The credit activities of the Bank were much increased during May; the total amount of credits granted (bills in portfolio) rose from  $\text{zł}$  697.5 million during the course of the month to  $\text{zł}$  742.2 million, whilst on-call loans (secured mostly by stocks and bonds) mounted from  $\text{zł}$  85.1 million to  $\text{zł}$  88.7 million. Since the total of credit contingents allowed (excluding State bank credits) showed an increase of only 3.3 million (from  $\text{zł}$  839.5 million to  $\text{zł}$  842.8 million), the whole increase can be attributed to greater advantage being taken of the credit facilities of the Bank.

With regard to other items forming part of the notes in circulation and sight liabilities cover, the total of interest-bearing securities purchased by the Bank showed a further drop during May, whilst the silver and token coin stocks held by the Bank gained, rising from  $\text{zł}$  0.1 million to  $\text{zł}$  0.9 million; the Treasury debt (for account of the statutory non-interest bearing credit) remained without change at the figure of  $\text{zł}$  25.0 million.

The total cover of the Bank for bank-notes in circulation and sight-liabilities was as follows (in millions of  $\text{zł}$ ):

	January 1st	April 30th	May 31st
bills	640.7	697.5	742.2
Polish silver coins and token money	1.0	0.1	0.9
loans against securities	91.2	85.1	88.7
own interest-bearing securities	4.1	4.5	3.8
liability of the Treasury	25.0	25.0	25.0
<b>Total:</b>	<b>761.9</b>	<b>812.2</b>	<b>860.5</b>

**VI REPORT OF THE FINANCIAL ADVISER.** — Mr. Charles S. Dewey, foreign member of the Bank of Poland and Financial Adviser to the Polish Government has submitted to the Bank of Poland his VI quarterly report covering the first three months of 1929.

In part I of the report, Mr. Dewey discusses budgetary, Treasury and administrative measures connected with the execution of the Stabilisation Plan, the service of the Stabilisation Loan and the use made of the proceeds of that Loan. In part II, Mr. Dewey presents the problem of public capital expenditure and private reserves. Part III, as in previous reports, reviews the economic situation of Poland during the period covered by the current report.

The Adviser states that the budgetary

year ending March 31, 1929 was a favourable one for the Polish Treasury. The budgetary surplus estimated at only  $\text{zł}$  126.8 million, actually came to  $\text{zł}$  200.2 million. Discussing the main sources of revenue and the main items of expenditure, the Adviser emphasizes that the service of the National Debt called for only  $\text{zł}$  228.1 million during the year under review, i. e., 8 per cent of all expenditure; this sum is considerably below that paid to disabled ex-service men and to pensioners. The Adviser points out that the characteristic feature marking the past budgetary year was the expenditure of large sums for investment purposes.

Pursuant to the Stabilisation Plan, all the free funds of the Treasury continued to be deposited by the Minister of Finance with the Bank of Poland, the balance on hand being  $\text{zł}$  266.9 million on December 31, 1928 and  $\text{zł}$  269.0 million on March 31st, 1929 with the exception of sums in the Treasury Cash Offices ( $\text{zł}$  105.4 million on Dec. 31, 1928 and on March 31, 1929  $\text{zł}$  81.6 million) and in the Postal Savings Bank (on Dec. 31, 1928  $\text{zł}$  40.2 million and on March 31, 1929  $\text{zł}$  34.2 million).

The study of the Polish railway system and its future requirements with a view to formulating a plan for its reorganisation on an autonomous basis continued throughout the first quarter of the current year.

The Banking Committee of the Ministry of Finance, appointed in accordance with the Stabilisation Plan and having as its object the preparation of plans for the improvement of the commercial banking situation, continued to examine the sub-committee reports presented, but found it impossible as yet to form definite resolutions regarding final recommendations.

The Treasury Act for 1928/29 included a provision permitting of loans of not more than 12-month maturity to municipalities, provided that such advances would not exceed 20 per cent of the total funds collected as taxes for the account of the local government bodies during the whole year. During the past budgetary year, such loans came to only 7 per cent of the taxes collected for the municipalities.

During the three months under review, no new foreign loans were contracted by the Government or by any of the local government bodies.

Analysing customs receipts assuring the service of the Loan, Mr. Dewey states that although the object of the adjustment of the customs rates in March 1928 was not primarily intended to augment the revenue of the Treasury, the first ten months following that reform showed an increase of 32 per cent in customs receipts, whilst the tonnage and actual value of imports mounted by only about 7 per cent. It further appeared that the value of goods imported, on which higher duties had been imposed, rose more (by 10 per cent) than that of goods subject to the lower schedules.

The increased rates thus failed to reduce the import of luxury and semi-luxury goods which are not produced in Poland.

The use of the proceeds of the Stabilisation Loan as on March 31, 1929 is given by Mr. Dewey in the following table (in millions of  $\text{zł}$ ):

	Amount of Fund	Amount utilised	Balance on hand at Bank of Poland
1. Increase in capital of Bank of Poland . . . .	75	75	—
2. Assumption by Bank of Poland of one half net Treasury note issue	140	140	—
3. Conversion of one half of the net Treasury note issue into silver coin:			
Original amount . . . .	90		
Transferred to Fund "F" . . . . .	11		
Balance . . . . .	79	45	34
4. Discharge of Treasury floating debt . . . . .	25	25	—
5. Treasury Reserve . . . .	75	—	75
6. For economic development:			
Original amount . . . .	141		
Transferred from item 3 . . . . .	11		
Balance . . . . .	152	142	10

Items 1, 2 and 4 have been entirely utilised for the purposes for which they were designated. The  $\text{zł}$  75 million stock of the Bank of Poland taken over by the Government is to be sold to the public and the proceeds to be added to Fund "F" for economic development.

In accordance with Part II, section 3 of the Stabilisation Plan, the Bank of Poland took over half of the Treasury note issue, i. e., for a sum of  $\text{zł}$  140 million; the Government is now commencing to withdraw from circulation the remaining  $\text{zł}$  140 million and is to replace them by 28 million 5-zloty silver coins 750 fine. The Government has placed orders abroad for 5 million ready struck coins and 10 million discs which will be struck into coins at the Polish State Mint whilst the remaining 13 million coins will be entirely minted in Poland. Part of the silver needed for these 13 million coins has already been purchased by the Government from the Bank of Poland, whilst the remainder (about 6/7 will be secured by withdrawing the present one zloty silver coins and replacing them by nickel coins, and further by replacing the present two-zloty coins by others of a smaller silver content. This change will result in an economy of the silver required, so that a balance of about  $\text{zł}$  23 million will be left over from the Silver Purchase Fund (provided for by the Stabilisation Plan) and will be utilised for general purposes. Of this balance,  $\text{zł}$  11 million have already been transferred to Fund "F". Up to the end of the first quarter of the current year,  $\text{zł}$  56 million were spent from the  $\text{zł}$  90 million Silver Purchase Fund.

In view of the consistent surplus of Treasury revenue over expenditure, the Treasury Reserve Fund has remained untouched.

A balance of  $\text{zł}$  10 million remained on March 31, 1929 out of Fund "F" for economic development (for agriculture and state enterprises). Up to that date the following sums were expended from that fund for investment purposes either through the medium of purchases of securities or by the grant of loans (in  $\text{zł}$ ):

	zł
8% loan to the State Factory of Nitrate Compounds at Tarnów . . . . .	29,300,000.00
8% loan to State Factory for Manufacture of Telegraph and Telephone Apparatus . . . . .	5,000,000.00
8% loan to State enterprise Post and Telegraph . . . . .	15,500,000.00
8% loan to State waterworks in Upper Silesia . . . . .	1,500,000.00
8% loan to State petroleum refinery "Polmin" . . . . .	1,500,000.00
8% loan to State Shipping Company "Zegluga Polska" . . . . .	2,479,458.65
8% mortgage bonds of the Warsaw Land Credit Association . . . . .	13,518,216.51
7% mortgage bonds of the State Land Bank . . . . .	12,000,063.05
7% land improvement bonds of the State Land Bank . . . . .	17,982,218.32
8% mortgage bonds of the State Land Bank . . . . .	12,731,420.65
7% mortgage bonds of the National Economic Bank . . . . .	5,803,960.00
8% mortgage bonds of the National Economic Bank . . . . .	10,882,283.48
8% mortgage bonds of the Lwów Land Credit Association . . . . .	3,964,950.00
8% mortgage bonds of the Wilno Land Credit Association . . . . .	7,128,899.99
8% mortgage bonds of the Poznań Land Credit Association . . . . .	2,570,957.24
	<u>141,862,427.90</u>

In part II, of his report, Mr. Dewey states amongst other remarks, that: "under the general policy of reconstruction out of earnings, the present generation not only pays the cost of government improvements, but suffers from low wages and the danger of business crises and unemployment due to lack of working capital and adequate reserves". He adds in another part of the report: "Such a reform of the taxation system as a whole should aim to correct inequalities and more evenly

spread the tax burden", and quotes a few examples of deficiencies to be found in the present fiscal system and calls for swift action in making these good.

Recapitulating his remarks, Mr. Dewey states that: "it is undoubtedly true that the Polish Government has maintained a wise policy of reconstructing the physical requirements of the country out of the country's savings and without borrowing too heavily in the foreign markets of the world. Borrowings in foreign markets for this purpose in the past would have been at such high interest cost as to have been extremely unprofitable. Now, however, from the viewpoint of the general economic welfare and because Poland may look forward to gradually lessening interest costs on foreign borrowings the old method should be modified."

Mr. Dewey considers it desirable that the "Government limit its investment program for some time, so that by reducing the tax burden it could aid Polish production in amassing working capital and reserves which can be attained only by increasing profits." "Private business", writes Mr. Dewey, "must be careful to employ its earnings to build up working capital and reserves and not divert them into fixed investment such as the purchase of additional machinery or factory buildings. There are enough of both of these for present requirements, but additional working capital and sufficient reserves will permit of manufacture on

a lower cost basis. At the same time business will advance upon a more even plane without so many depressions brought about by tightness of money".

In part III, describing the characteristic features of Poland's economic situation during the first quarter of the current year, Mr. Dewey writes amongst other remarks: "the first three months of 1929 witnessed a recession in business and industrial activity from levels attained at the end of last year, recovery from which may take a considerable number of weeks. This decline, partly seasonal, was greatly emphasised by protracted cold and heavy snowfalls in February exceeding anything in severity the country had experienced in the last hundred years. During this period rural communities were cut off from towns, communications both highway and railroad were more or less demoralised, and turnovers were much reduced in nearly all branches both wholesale and retail. Buyers refrained from placing orders and the population in general was obliged to postpone purchases of finished goods on account of the unexpected outlay for fuel."

**LONDON CREDITS FOR STATE LAND BANK.**—The State Land Bank has received a credit of £ 500,000 from the London branch of the Banca Commerciale Italiana. The credit is for a period of nine months and is destined for the purchase of artificial fertilizers. Interest will be charged at the rate of 8 per cent per annum.

## LATEST NEWS

### WARSAW EXCHANGE:

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### BANK OF POLAND:

ASSETS:	10.6.29	20.6.29
Gold and silver reserve . z	626,384,463.45	z 627,058,514.02
Foreign balances . . . "	438,173,529.51	" 434,107,631.96
" (not included in the cover) "	81,187,974.98	" 79,860,280.62
Bills of exchange . . . "	733,063,730.89	" 721,987,624.65
Loans against securities "	87,864,720.33	" 87,096,815.83
<b>LIABILITIES:</b>		
Notes in circulation . . . "	1,214,399,500.—	" 1,170,478,310.—
Current accounts . . . "	484,498,562.65	" 522,569,145.15
Other sight liabilities . . . "	41,102,816.02	" 39,934,920.04
<b>BANK NOTES COVER</b> (bullion & foreign currencies)	61.18%	61.29%

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# BALANCE-SHEET OF THE STATE LAND BANK

AS ON MAY 1ST 1929

ASSETS			LIABILITIES		
	₹	₹		₹	₹
1. Cash in hand and with banks . . . . .	4,531.203	37	1. Capital . . . . .	148,728.441	61
2. Foreign Exchange . . . . .	155.742	28	2. Funds allocated for social and scientific purposes . . . . .	686.527	54
3. Interest-bearing securities . . . . .	52,336.846	71	3. Sinking Funds . . . . .	561.784	37
4. Shares and stock . . . . .	2,195.215	17	4. Treasury time-deposits . . . . .	50,000.000	—
5. Securities drawn and coupons purchased . . . . .	727	07	5. Deposits . . . . .	24,584.648	38
6. Securities forming part of the Mortgage Bond and Improvement Debenture Bond Reserve Fund . . . . .	6,995.038	28	6. Current accounts . . . . .	20,960.680	46
7. Correspondents . . . . .	15,641.302	81	7. Bills re-discounted . . . . .	21,573.243	46
8. Bills discounted . . . . .	57,931.375	22	8. Correspondents . . . . .	34,733.417	50
9. Bills protested . . . . .	698.058	77	9. Mortgage and Debenture bonds issues . . . . .	203,753.172	—
10. Loans secured by bills and other documents . . . . .	133,056.048	79	10. 8 per cent mortgage bonds drawn . . . . .	1,191.996	—
11. Purchasers of fertilizers . . . . .	32,395.792	19	11. Mortgage Bonds Sinking Fund . . . . .	2.527	17
12. Purveyors of fertilizers (advances) . . . . .	8,267.017	85	12. Interest fund for mortgage and Debenture bonds . . . . .	7,483.407	46
13. Amounts due for land purchased . . . . .	1,813.408	79	13. Payable Coupons on Mortgage Bonds in circulation . . . . .	29.388	14
14. Sundry debtors . . . . .	30,245.477	32	14. Advance instalments of loans in Bonds . . . . .	47.050	44
15. Artificial fertilizers . . . . .	190.917	89	15. Creditors arising out of land purchased . . . . .	868.030	06
16. Amounts due subject to legal proceedings . . . . .	2,497.379	50	16. Payments on account and instalments due for land purchased . . . . .	455.121	50
17. Doubtful debtors . . . . .	409.777	92	17. Amounts due for fertilizers . . . . .	1,126.302	21
18. Loans in the form of mortgage and other bonds . . . . .	203,753.172	—	18. Sundry creditors . . . . .	35,148.700	47
19. Preliminary dues on loans in bonds . . . . .	488.724	81	19. Transitory entries . . . . .	4,961.905	76
20. Instalment of loans in bonds . . . . .	5,370.568	41	20. Provisional credit balances on various accounts . . . . .	5,128.001	22
21. Coupons of drawn mortgage and land-amelioration bonds . . . . .	426	56	21. Land Reform Working Fund . . . . .	4,112.389	86
22. Grain Reserve . . . . .	37,525.660	61	22. Funds arising from loans granted by the former State Land Banks of the partitioning powers . . . . .	14,088.734	55
23. Country-estates in course of Parcellation . . . . .	13,640.024	67	23. Obligations assumed arising out of the indebtedness of the former State Land Banks of the partitioning powers . . . . .	1,403.813	44
24. Real estate and buildings . . . . .	4,765.224	08	24. Interest and commission . . . . .	9,623.837	48
25. Movable Property . . . . .	2,385.105	13	25. Interest and commission on account of next year . . . . .	45.447	82
26. Transitory entries . . . . .	1,503.641	31	26. Balance of administered funds at disposal of the Treasury . . . . .	34,120.706	50
27. Overhead and other expenses . . . . .	6,568.682	63		625,419.275	40
28. Expenses incurred on account of next year . . . . .	56.715	26			
	625,419.275	40			
1. Administered funds . . . . .	237,734.388	78	1. Administrated funds (Treasury grants . . . . .	237,734.388	78
2. Collection . . . . .	1,198.467	58	2. Sundries for collection . . . . .	1,198.467	58
3. Debtors by virtue of granted guarantees . . . . .	442.322	33	3. Creditors by virtue of granted guarantees . . . . .	442.322	33
4. Deposits . . . . .	25,080.550	70	4. Sundries to deposits . . . . .	25,080.550	70
Total:	889,875.004	79	Total:	889,875.004	79

THE POLISH  
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MAY — SEPTEMBER

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