

THE POLISH ECONOMIST



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THE POLISH ECONOMIST

A MONTHLY REVIEW OF TRADE, INDUSTRY AND ECONOMICS IN POLAND

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In JULY, the depression, which had prevailed for some months, was still in evidence, but lost a great deal in intensity, due to seasonal influences and factors of a more general character. Indeed, improvement was noticeable in practically all the basic branches of industry, transport and finance, but little, if any, amelioration was apparent in commerce.

In agriculture, the state of the spring sowings showed an improvement over June, and the harvest, which was completed under favourable atmospheric conditions, is estimated to be larger than last year. Nevertheless, farmers suffered from the shortage of ready cash for financing operations on the land, and their purchasing capacity was on a low level.

In industry, there was greater activity especially in the mining, foundry, building, and textile sections, and in other branches of lesser importance, but there was no improvement in the engineering section.

Conditions on the labour market were favourable to the working classes and unemployment figures fell as compared with June, due to a large extent to seasonal factors — operations on the land, and increased industrial activity.

Prices, both wholesale and retail, showed very little change; the former rose and the latter declined very slightly.

Railway traffic, showed considerable expansion as compared with June of this year and July 1928.

Foreign trade was very much better and closed with a favourable balance. There was an increase in exports and a decrease in imports.

The money market, though still suffering from lack of capital, was easier during the period under review, which is corroborated by a decline in protested bills.

State revenue in July reached the highest monthly level in the current year and exceeded the expenditure.

The bullion and foreign currency reserves at

the Bank of Poland increased, and the percentage cover for the notes in circulation rose during the month from 60·33 to 61·93.

REVIEW OF THE GENERAL ECONOMIC SITUATION IN POLAND

JULY 1929

	UNIT	JULY 1928	JUNE 1929*)	JULY 1929
STATE OF EMPLOYMENT:				
UNEMPLOYED		97.976	106.622	97.191
PRODUCTION:				
COAL	thousand tons	3.247·0	3.500	4.023·9
OIL		64·9	58·9	58·7
PIG IRON		56·0	58·3	65·7
AGRICULTURAL INDEXES:				
(CROP ESTIMATES)				
RYE	5 points system	3·1	3·6	3·6
WHEAT		3·2	3·5	3·6
BARLEY		3·6	3·2	3·6
OATS		3·3	3·5	3·7
PRICES:				
WHOLESALE PRICE INDEX	(1914 = 100)	120·6	112·6	113·3
INDEX OF COST OF LIVING IN WARSAW		122·6	123·3	123·4
FOREIGN TRADE:				
IMPORTS	million zł	288·2	271·7	266·4
EXPORTS		201·5	237·9	276·4
EXCESS OF EXPORTS (+) OR IMPORTS (-)		- 86·7	- 33·8	+ 10·0
TRANSPORTS:				
RAILWAY TRAFFIC	truck loaded (15 tons) reg. ton	547.243	543.600	603.353
PORT TRAFFIC (DANZIG AND GDYNIA)		453.432	550.359	548.505
BUDGET:				
RECEIPTS	million zł	233·9	232·6	251·8
EXPENDITURE		224·0	232·1	251·0
MONEY CIRCULATION:				
BANK OF POLAND NOTES	million zł	1.159·3	1.298·5	1.293·4
COVER IN GOLD AND FOREIGN CURRENCIES	%	63·73	60·33	61·93
TOKEN MONEY	million zł	246·0	234·0	240·1
CREDIT:				
(BANK OF POLAND)				
BILLS DISCOUNTED	million zł	591·1	741·4	699·6
OFFICIAL DISCOUNT RATE	%	8·0	9·0	9·0
FOREIGN CURRENCIES:				
(WARSAW STOCK EXCHANGE-AVERAGE RATES)				
U. S. A. DOLLAR	zł	8·90	8·90	8·90
POUND STERLING		43·38	43·24	43·28

*) Corrected figures.

*Don't miss the last opportunity
of visiting the Polish National
Exhibition*

THE GROWING RÔLE OF THE POLISH NATIONAL EXHIBITION

THE ENTHUSIASM of the Polish community regarding the Polish National Exhibition at Poznań is growing from day to day. The public opinion has unanimously and without reservation recognised that the venture is a great success in every respect. There is not a single person who does not come from Poznań full of admiration for what has been achieved there. Even the most obstinate pessimist has

countries: Belgium, Estonia Sweden and Rumania, while those of Bulgaria, Czechoslovakia, Denmark, France, Finland, Norway, and Latvia, are expected in the near future. It is seen, therefore, that most of the visitors are persons who are desirous of obtaining first hand information about Poland or who wish to see relations between their country with the Polish Republic extended. There is no doubt that numer-



THE POTATO PRODUCTS INDUSTRY PAVILION AT THE POLISH NATIONAL EXHIBITION, POZNAŃ (PHOT. S. PLATER)

been compelled to capitulate. So far, Poland has not been able to attract the attention of foreign tourists, despite the fact that the country possesses great many historical and architectural monuments and picturesque landscapes. There are, comparatively speaking, few visitors to the Polish Exhibition who can be regarded as tourists in the generally accepted sense of the word. For the most part, the foreign visitors are specially invited and organised into excursions and are, or seek to be, connected with Poland in some way or another.

In addition, the Exhibition is visited by foreign pressmen and official representatives of the economic life of the different countries. The City of Poznań had the privilege to be the host of four Ministers of Industry and Commerce of the following

ous Polish problems, which have been insufficiently known or improperly understood have, been made clear. In this way, Poland has gained new and sincere friends. There is some reason to fear that the moderate publicity and advertising of the Exhibition in foreign countries, which is to attributed to the necessity of exercising far-reaching economy in Poland, has failed to reach many people who would have been interested in the Exhibition. For this reason there is a project for preserving the most representative sections of the Exhibition in the form of a museum of the economic development of Poland which may be visited for some time to come.

The Exhibition as it is at present will be open only to September 30th.

THE DEVELOPMENT OF LONG-TERM CREDIT IN POLAND

THE CURRENCY reform of 1927 brought about, for the first time in Poland, favourable conditions for the development of long-term credit. Previous to this, the activity of the long-term credit institutions was confined to the conversion of the pre-war liabilities, for the issue of new bonds on a large scale was only commenced in 1926. The capacity of the local market for securities of this kind has been limited, due mainly to the fact that the bulk of the surplus of the national income has been, in the first place, used for the increase of the working capital of trade and industry. The most striking proof of the disproportion between the demand for short-term credit and the amount available is the rate of interest, which is so high that it makes the normal development of mortgage operations almost impossible. Consequently, despite the existence of several types of long-term mortgage credit institutions with old-established pre-war traditions, the working of these is to a very large extent dependent on the sales possibilities of the bonds on foreign markets. It is possible that this dependence will continue for some time to come for the rapid growth of production calls for an increasingly growing amount of short term credits, which also must partly be satisfied by the inflow of foreign capital to the country.

Until, however, the situation on foreign markets becomes more favourable and there is a radical improvement on the internal market, the Government has decided to devote a large portion of its funds to be used for long-term credits. This policy is calculated to enable pressing capital investments to be made without delay. The Stabilisation Loan raised in 1927 also provided a large amount for these purposes. In addition, there is a steady growth in the demand for mortgage bonds in connection with the building up of reserves by various social organisations, insurance societies, pension funds, health insurance, foundations, &c.

There are in Poland five groups of long-term credit institutions engaged on mortgage operations, namely: a) State banks, b) land credit associations, c) municipal credit societies, d) private mortgage banks and e) the Credit Society of the Polish Industry.

Up to the end of 1928 about half of the credits granted were in bonds and debentures issued by the two State banks. The credit activity of one of them, the Bank Gospodarstwa Krajowego (the National Economic Bank), is illustrated by the following figures (in millions of zł):

Dec. 31, 1926	Dec. 31, 1927	Dec. 31, 1928	Issued in 1928	Placed abroad
206.1	391.7	583.8	198.4	24.3

The bonds and debentures are issued in gold Złoty and United States Dollars, the rate of interest ranging from 7 to 8 per cent. The dates of repayment of the bonds and debentures vary according to the nature of the credit from $13\frac{1}{2}$ to $36\frac{1}{2}$ years. About half of the credits granted on the basis of

these securities was employed for urgent municipal improvements. The needs for these are enormous and for the next 10 years can be estimated at about zł 5 milliard. From the beginning of the Great War up to a few years ago, local governments and municipalities were not in a position to finance any improvement schemes, their attention being concentrated on making good the war damages. The second half of the credits was used in the form of loans, for the rationalisation and introduction of modern methods in agriculture, the financing of various building schemes, for capital investments in industry, &c.

The second State institution, the State Land Bank, devotes the whole of the proceeds obtained by way of bond issues to granting financial assistance to small holdings and medium-sized landed estates as also to the financing of land improvement companies. The issues of this bank are shown in the following table (in millions of zł):

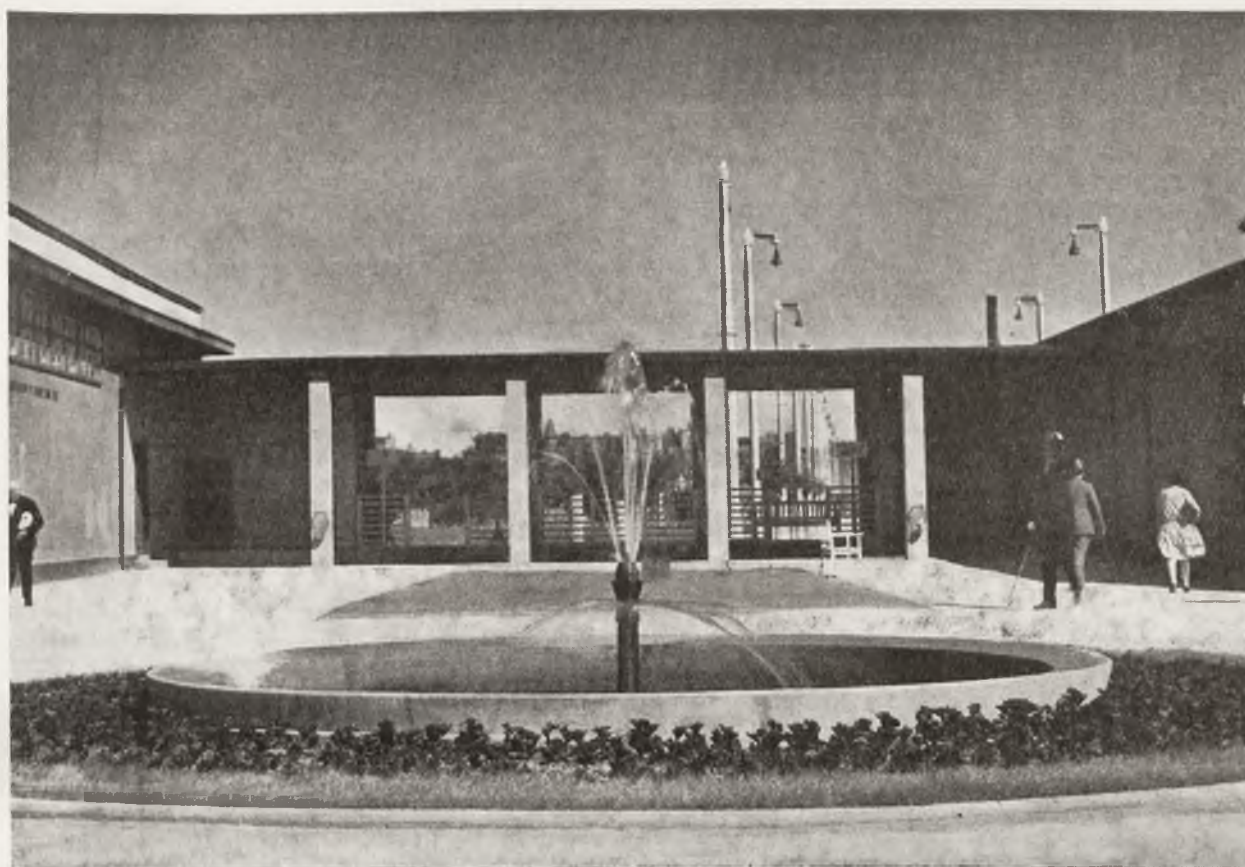
Dec. 31, 1926	7.8
" 1927	41.4
" 1928	154.6
Issued in 1928	113.2
Placed abroad	0.5

The bonds pay from 7 to 8 per cent per annum and their term of amortisation is from 10 to 30 years. The total of the issues of this bank is smaller than that of the National Economic Bank, but the rate of growth is much quicker. It is worthy of note that the object pursued by these issues is the improvement of agricultural production, and bears an essentially productive character. Each of the three associations forming the group of the land credit societies has behind it old traditions, and their activity covers each of the former three sections of Poland. At the end of 1928, of the total sum of bonds in circulation amounting to zł 1.5 milliard, the issues of these institutions were responsible for zł 452 million (about 30 per cent).

The bonds are for the most part issued in Dollars, the rate of interest varying from 8 to 10 per cent. The Poznań Land Credit Association was the first after the War to resume operations. During the inflation period, it began its activity by the issue of 6 per cent rye bonds, the value of which is based in every case on the price of rye as quoted on the stock exchange. The most important of these associations is the Warsaw Land Credit Association, which can be seen from the comparative statement of bonds issued during the past three years (in millions of zł):

	Dec. 31, 1926	Dec. 31, 1927	Dec. 31, 1928
Warsaw Land Credit Association	166.8	222.2	244.9
Poznań Land Credit Association	140.7	152.6	155.7
Lwów Land Credit Association	13.2	33.8	51.5
Total:	320.7	408.8	452.1

These associations grant credits only to the owners of large landed estates. Thanks to the old-established reputation of these bonds, almost a half of the 1928 issue was placed abroad.



ONE OF THE ENTRANCES TO THE POLISH NATIONAL EXHIBITION, POZNAŃ (PHOT. S. PLATER)

The urban credit associations, before the war, existed only in former Russian Poland for in the remaining two sections there were powerful mortgage banks which entirely met the demand for credits on the part of urban real estate owners.

These institutions are of a local character as the ground covered by them is confined to their cities and the adjoining areas. Of the associations of this type those of Warsaw and Łódź are the most important. The total value of the mortgage bonds of the 11 institutions at the end of the years 1926 to 1928 is given below (in millions of *zł*):

Dec. 31, 1926	Dec. 31, 1927	Dec. 31, 1928	Issued in 1928
90.4	136.5	196.8	63.4

The bonds are issued only in *Złoty*, the nominal rate of interest being 10 per cent per annum, but the actual revenue is much higher because they are quoted much below par. In most cases the term of amortisation is 20 years. These bonds are placed on the local markets because the companies are comparatively small and are not sufficiently known on foreign markets.

Before the War, long-term credits granted by private mortgage banks assumed large proportions. Some two years ago, these institutions resumed again their activity. The year 1928 was particularly favourable for their development and among others the Wileński Bank Ziemiński (The Wilno Land Bank) and the Akcyjny Bank Hipoteczny (The Joint Stock

Mortgage Bank) succeeded in making very satisfactory progress, which is confirmed by the following figures (in millions of *zł*):

	Dec. 31, 1926	Dec. 31, 1927	Dec. 31, 1928
Wileński Bank Ziemiński (The Wilno Land Bank)	39.0	38.2	53.9
Akcyjny Bank Hipoteczny (Joint Stock Mortgage Bank)	13.4	18.3	29.7
Polski Bank Komunalny (The Polish Communal Bank)	0.2	8.7	9.5
Various small banks	2.1	2.1	2.0
Total:	54.7	67.3	95.1

The Credit Society of the Polish Industry bears a totally different character from the credit institutions dealt with above. It was created by the Law of July 20, 1920 as before the War, there were no special institutions on Polish territory for granting credit assistance to industrial undertakings.

Therefore, right at the beginning of the re-birth of the country, the Government decided to fill this gap and granted to this society a whole range of privileges, and in particular in regard to the bonds, which had already been issued and placed abroad, the Government guarantee the regular payment of interest and amortisation installments. The business transacted by this institution bears an essentially productive character. It is organised on the same principle of

co-operation and responsibility of the members as the Land Credit Association. Up to the year 1924, this association did not develop its activity on a large scale, owing mainly to the disorganised currency conditions and the reluctance of the industrialists to borrow money in foreign currency. Commencing, however, with 1927 the institution succeeded in overcoming all difficulties and placed bonds to the amount of zł 60 million, of which zł 33 million were sold during the period from 1924 to 1926 and zł 28.3 million during the

years 1926, 1927 and 1928. The bonds are issued in Dollars and Pounds Sterling and up to the year 1928 were mostly placed abroad. During the year 1928, the association did not place its bonds abroad through foreign financial groups, but it is possible that individual concerns, which raised loans by means of the bonds, sold a part of them on foreign markets.

After having dealt with the activity of the five groups of mortgage institutions it may be of interest to give the following comparative statement:

	Dec. 31, 1926		Dec. 31, 1927		Dec. 31, 1928		Issued in 1928		Placed abroad in 1928
	thous. of zł	%	thous. of zł	%	thous. of zł	%	thous. of zł	%	
I. State banks	213.870	30.0	433.137	39.9	738.391	47.8	311.593	62.8	24.825
II. The land credit associations	320.824	45.0	408.137	37.6	452.081	29.3	66.999	13.5	27.581
III. The urban credit associations	90.434	12.7	136.520	12.6	196.761	12.7	63.356	12.8	—
IV. Private mortgage banks	54.800	7.7	67.228	6.2	95.138	6.2	30.606	6.7	3.922
V. Credit Society of the Polish Industry	33.105	4.6	40.749	3.7	61.365	4.0	23.558	4.2	—
Total:	713.033	100.0	1,086.427	100.0	1,543.736	100.0	496.112	100.0	56.328

During the year 1926 and 1927 the total sum of bonds issued rose from zł 713 million to zł 1,544 million, an increase of zł 830.7 million. Of the new bond issues 40 per cent were made in 1927 and 60 per cent in 1928.

The largest rate of increase was recorded in the case of the State banks, the issue of which represented about a half of the total credits granted. The aggregate amount of securities issued by the State banks rose during the two years by zł 524.5 million or 250 per cent. The value of the bond issues of the three land credit associations rose during the same period by zł 131.3 million or 40.9 per cent. In actual figures the urban credit association showed an increase of zł 106 million which was an increase of over 117.7 per cent. The activity of the last two groups of long-term credit institutions, that is, of the private banking institutions and of the Credit Society of the Polish Industry, taken together, showed an increase of zł 50 million.

The division of the bonds and debentures according to the rate of interest they pay is interesting. Pre-war conversion bonds pay for the most part 4½ per cent per annum. Among the new post-war bond issues those paying 8 per cent predominate (47.6 per cent of the total), and then follow the 7 per cent (24.1 per cent).

Mortgage bonds and debentures according to the interest paid:

	1927		1928	
	thous. of zł	%	thous. of zł	%
Converted pre-war mortgage bonds:				
4 per cent	75.781	7.0	75.584	4.9
4½ per cent	202.936	18.6	194.552	12.6
5 per cent	71.729	6.6	69.755	4.5
Post-war mortgage bonds:				
6 per cent	68.360	6.3	54.086	3.5
7 per cent	224.619	20.7	372.274	24.1
7½ per cent	2,565	0.2	24,532	1.6
8 per cent	426.933	39.3	734.700	47.6
10 per cent	13.503	1.2	18.253	1.2
Total:	1,086.427	100.0	1,543.736	100.0

The amount of long-term credits in the form of amortisation bonds and debentures in circulation before the War totalled about zł 6.6 milliard, while the present total is 22.7 per cent of this figure.

The years 1927 and 1928 were marked by considerable progress as during this period it was possible to place a fairly large amount of bonds on the local market. The largest purchaser was the Government which used the Treasury reserves and the Investment Fund known as fund "F" originating in the Stabilisation Loan. Insurance companies both private and public, saving banks and stock joint companies, which have reserve and pension funds for investment, are also a considerable source of long-term credit. The termination of the negotiations for the establishment of a central rural bank may exercise a beneficial influence on the regulation of long-term credit. The new institution would be called upon to centralise and render more uniform the sale of the bonds and debentures abroad. It is to be organised with the aid of local and foreign capital. The bonds issued by this bank would be superior to those at present because they would be guaranteed by a) the real estate or the industrial undertakings raising the loan, b) the bank or the credit institution granting the loan, c) the central rediscount institution, which would possess large capital and e) the State which will take part in the financing of this institution. The realisation of this scheme will bring about the standardisation of the Polish bonds and make them more secure and will remove the disadvantages arising from the endeavours of the individual concerns to place their bonds abroad. But the problem of long term credit will not be solved satisfactorily until adequate surpluses of capital are available. These must be sufficiently large in order that they may not, if withdrawn for long-term loans, affect adversely the short-term credits.

Having dealt with the state of long-term credit in Poland at the present time, it may be of interest to state what are the requirements of the Polish Republic for new capital. In the first place short

and long term credits must be brought up to the pre-war level, that is, to zł 13 milliard. For this purpose about zł 8 milliard are wanted. The most pressing needs of the municipalities may be satisfied by zł 5 milliard. The drainage of Poland alone is estimated at zł 12 milliard. These sums should be increased by the money required for building houses, which is estimated at zł 12 milliard, the cost of road construction, river regulation, capital investments in industry, &c.

Counting conservatively, the total requirements of Poland for capital investments may be estimated at zł 50 milliard, while the aggregate annual income represents about zł 20 milliard.

POLAND'S GRAIN BALANCE-SHEET

THE PRODUCTION of grain in Poland does not exceed to any large extent the local consumption and therefore does not leave large quantities available for export. The foreign trade in grain is, as a rule, closed either with a small surplus or a small deficit, which in each case depends upon the harvest. The value of the imports and exports of grain during the last few years are given below (in millions of zł).

	Import	Export	Balance
1924/25	120.0	46.2	- 73.8
1925/26	7.3	230.3	+ 223.0
1926/27	229.4	79.7	- 149.7
1927/28	213.5	42.4	- 171.1
1928/29 (11 months)	58.7	83.9	+ 30.2

The above figures do not account for the trade in flour and meal, but as the imports and exports of these are very small, the figures may be regarded as showing the true position.

It will be seen that there was an adverse balance in grain in the agricultural year of 1924/25, 1926/27, 1927/28. In the year 1925/26, which was marked by good harvest, the balance-sheet showed a surplus; similarly, the last year will show a slight excess of exports over imports.

On analysing the returns of the foreign trade in grain, we find that some varieties of grain show favourable balances while some show deficits. Among the grains which practically always exhibit a surplus of export, barley and buckwheat should be mentioned, whereas wheat, maize, oats and millet show an excess of imports over exports. Rye gives favourable or unfavourable balance, varying according to the results of the harvest. As regards the imports of the different varieties of grain, about 50 per cent is represented by wheat, and 25 per cent by rye. In addition, Poland imports considerable quantities of maize and slightly smaller quantities of oats. The remaining varieties of grain are imported on a small scale. On the other hand, the chief grain for export is barley and then comes rye. The exports of other grain are limited.

We shall now pass to a closer analysis of the movement of the different varieties of grain for the last agricultural years (the data for 1928/29 cover only 11 months). The movement, both

outward and inward, covering the last three years is illustrated below (in thousands of q):

	Imports	Exports	Balance
1926/27	2.270	170	- 2.100
1927/28	2.295	55	- 2.240
1928/29	650	14	- 636

It is seen that the export of wheat plays an insignificant rôle in the grain balance-sheet of Poland, whereas the reverse is the case in import. Only in the 1927/28 year, which yielded a comparatively large quantity of wheat, did imports show a considerable falling off. Wheat is chiefly imported from Germany and Hungary, but in 1926/27 and 1927/28 fairly large quantities came from the Argentine, Australia, Russia and the United States of America. It should be stated that a large portion of the wheat, showed in the statistical returns as imported from Germany, came actually from other countries through the intermediary of that country.

The movements of rye covering the last three years are illustrated below (in thousands of q):

	Imports	Exports	Balance
1926/27	1.240	817	- 423
1927/28	1.052	87	- 965
1928/29	178	314	+ 136

The agricultural years 1928/29 showed a favourable balance in rye, though, on the whole, the business transacted with abroad was comparatively small. In the previous years, the deficit was considerable. Rye is mainly imported from Germany and also from Hungary, and the United States of America, whereas exports are chiefly directed to Germany and smaller quantities to Finland and, of late, to England.

The movement in barley which, as stated above, is the chief grain exported from Poland, makes, of course, a different showing to wheat and rye, and is illustrated in the following table (in thousands of q):

	Imports	Exports	Balance
1926/27	31	934	+ 903
1927/28	28	675	+ 647
1928/29	18	1.734	+ 1.716

It is seen that imports of barley into Poland are insignificant, whereas exports are on a large scale. It is steadily exported mostly for brewing, and having an old-established reputation it is very much sought after on foreign markets, the chief consumers being Belgium, Latvia, Austria, Czechoslovakia, Denmark and Holland. In recent years Estonia and Finland have been relying to a large extent for their supplies on the Polish market.

The movement of oats does not assume large proportions which is apparent from the following figures (in thousands of q).

	Imports	Exports	Balance
1926/27	445	85	- 360
1927/28	237	95	- 142
1928/29	146	36	- 110

The last three years have shown a distinct downward tendency in the imports of oats. The bulk of the import and export trade is effected with Germany,

Buckwheat plays an inconsiderable rôle in Poland's foreign corn trade. Exports of this commodity amounted to 178,000 q in 1926/27, 50,000 q in 1927/28, and 77,000 q in 1928/29. The chief customers are Germany and Czechoslovakia. Imports of buckwheat are negligible.

The foreign trade in millet is also on a small scale, the imports being 70,000 q in 1927/28, 30,000 q in 1927/28, and 17,000 q in 1928/29: here also, the import trade has shown a steady falling off. The chief supplier is Germany. Exports are insignificant.

As to maize, it is drawn from abroad in considerable quantities, namely: 1,199,000 q in 1926/27, 722,000 q in 1927/28 and 142,000 q in 1928/29. The decline in the import of maize is to be attributed, to a certain extent, to the increased prosperity among the peasants of the south-eastern parts of the country. This commodity is chiefly imported from Rumania also, though to a lesser extent, from Germany and the Argentine.

This review of Poland's foreign trade in grain gives an idea of its structure at the present time. As regards the prospects for the future development of the trade, the problem of an increase in production and that of local consumption must be investigated. In view of the rapid growth of the population of Poland and the steady increase in the consumption of grain, the possibilities for an expansion of the export trade are not very great. On the other hand, it should be observed that the yield per hectare is, so far, comparatively small, especially in the eastern regions where, for the most part, the methods employed are still backward. In addition, there are in the country extensive stretches of land which, after improvement, may be employed for the cultivation of grain. The rapid progress apparent in Poland's agriculture, due to the introduction of modern methods of farming and the realization of land improvement schemes, fully justify the statement that the increase in grain production, and especially as regards barley and rye, will grow at a more rapid pace than the consumption. This year's crops, which are good, will leave certain quantities of barley and rye available for export.

It is not likely that Poland's surpluses of grain will ever exercise any great influence on the world's corn trade. Polish agriculture tends rather in the direction of stock breeding, the products of which form the most important part of the country's exports of farm products and they are gaining in favour on the chief international markets.

Nevertheless, for the European grain importing countries, Poland, thanks to her central position, may be regarded as an important factor in supplying their deficiency in grain.

VEGETABLE OIL INDUSTRY AT GDYNIA

TOWARDS the end of last year, the producers of vegetable oils in Poland investigated the possibilities of developing the vegetable oil industry

at Gdynia where, thanks to tax reductions and low railways rates, it would be possible to reduce the costs of production and, in this way, compete with foreign producers.

The first attempts in that direction were made by the Danzig vegetable oil factory. The Polish Government granted to this firm a concession for the erection of a large oil extracting plant at the first basin of the Gdynia harbour. This was followed by further requests for concessions from various firms and private persons for the erection of oil plants.

The creation and rational organisation of the vegetable oil industry at Gdynia, on a sufficiently large scale to cover, in the future, the total requirements of the country, is a vital and important problem for Poland.

The data given below concerning the vegetable oil industry in Poland and the brief account of the attitude of the Polish vegetable oil producers to the new scheme, are designed to throw some light on this important problem as a whole.

The Polish Republic imports large quantities of technical fats of both vegetable and animal origin. They are the basic raw materials for the fat derivative and edible fat manufacturing industries, which, thanks to the judicious customs policy of the Government, have considerably developed, and rationalised and increased their production.

The home supply of technical fats comes to about 12,000 tons per annum and is far from sufficient for the fat derivative industries. The bulk of it is composed of waste fats, such as tallow, the fat of dead animals, old and rancid lard, butter, &c. These fats are utilised by small factories, for the most part for the manufacture of soap and greases; these factories, numbering about 600, are scattered throughout the country.

The medium and large factories cover their needs by importing animal fats, such as tallow, whale oil in solid form, &c.

The imports of these products were as follows:

	Weight (tons)	Value (thous. of £)
1926	14.817	25.691
1927	18.690	30.540
1928	14.416	25.019

The supply of vegetable oils for technical purposes, obtained from oil-bearing seeds of local production, is confined to linseed, rapeseed and hempseed oils, and amounts to about 10,000 tons per annum. The greater portion of the requirements of the Polish industry for vegetable oils in both liquid and solid form at 15 ° C (cocoanut oil, palm oil, soya-bean oil), is covered by imports. The imports of these oils were as follows:

	Weight (tons)	Value (thous. of £)
1926	25.687	43.770
1927	36.886	61.186
1928	35.627	58.691

The imports of the most important varieties of vegetable oils are as follows:

	1 9 2 6			1 9 2 7			1 9 2 8		
	Quantity (thous. of tons)		Value (thous. of £)	Quantity (thous. of tons)		Value (thous. of £)	Quantity (thous. of tons)		Value (thous. of £)
Palm and cocoanut oils	12.693	49.4	22.147	17.957	48.7	30.960	19.237	54.0	31.879
Technical oils not separately designated	5.269	20.5	8.943	6.638	18.0	10.866	3.315	9.3	5.191
Soya-bean oil	6.866	26.7	11.228	11.411	30.9	17.991	12.358	34.7	20.561
Other oils	859	3.4	1.452	880	2.4	1.369	717	2.0	1.060
Total:	25.687	100.0	43.770	36.886	100.0	61.186	35.627	100.0	58.691

The proportions in which the vegetable oils are imported is as follows (in percentages):

	1926	1927	1928
Technical oils not separately designated	49.4	48.7	34.0
Cocoanut and palm oil	20.5	18.0	9.3
Soya-bean oil	26.7	30.9	34.7
Other oils	3.4	2.4	2.0

The shares of the different countries supplying the chief varieties of vegetable oils to the Polish industry are given below (in tons and in percentages of the total):

	1 9 2 6		1 9 2 7		1 9 2 8	
	Palm and Cocoanut oils	Technical oils not separately designated	Soya-bean oil	Palm and Cocoanut oils	Technical oils not separately designated	Soya-bean oil
	tons	%	tons	%	tons	%
England	2.183	17.2	773	14.7	379	5.5
Austria	2.173	17.1	—	—	2.784	15.5
Denmark	3.118	24.6	520	9.9	2.975	43.3
Holland	979	7.7	381	7.2	1.472	21.4
Germany	3.190	25.1	2.852	54.1	1.456	21.2
Other countries	1.050	8.3	743	14.1	583	8.6
Total:	12.693	100.0	5.269	100.0	6.865	100.0

The above figures clearly indicate that Germany is the chief supplier of vegetable oils to Poland.

The export of locally produced oil-bearing seeds (for the most part rape and lin seed) is not subject to any restrictions; oil cakes of local manufacture, however, are subject to export duty amounting to £ 10 per 100 kg.

The movement of oil-bearing seeds is given below:

	Imports:		Exports:	
	tons	thous. of £	tons	thous. of £
Total for 1926	12.896	9.775	11.524	7.575
including:				
linseed	1.413	622	6.191	3.510
rapeseed	6.681	4.588	—	—
Total for 1927	22.619	16.442	25.353	16.542
including:				
linseed	1.541	759	14.033	8.212
rapeseed	15.849	10.393	—	—
Total for 1928	17.726	13.631	30.663	25.353

The vegetable oil industry based on local raw material, despite adequate customs protection, has had difficulty in organising its production on rational lines owing to competition from abroad, lack of contact with the agricultural circles concerned (the vegetable oil industry under Polish conditions should be treated as an essentially agricultural industry) and above all, owing to the shortage of credits for financing the oil industry and the trade in oil-bearing seeds.

The Republic of Poland is an important producer of oil-bearing seeds. In flax seeds it occupies the second place in Europe.

In 1926, the total crops amounted to 147.700 tons and in 1927 158.619 tons; exports were 12.896 tons in 1926, and 22.619 tons in 1927; the quantity retained was 134.874 in 1926 and 135.611 tons in 1927. Assuming that the total quantity of oil bearing seeds retained in the country is 135.000 tons, and that about 40 per cent i. e., 54.000 tons is employed for sowing and the needs of the farmers themselves, there remain 81.000 tons which are treated by the oil industry.

The following table shows the approximate output which would be required from the oil factories to be erected at Gdynia.

Year 1926	Import		Quantity of raw material		Output of oil cake	
	tons	%	tons	%	tons	
I. Cocoanut and palm oil	12.693	50	25.386	58	14.724	
II. Technical oils not sep. designated	5.269	30	17.563	67	11.767	
III. Sesam and Soya-bean oils	6.866	15	45.767	82	37.529	
IV. Other vegetable oils	859	30	2.865	67	1.920	
Total:	29.687		91.581		65.940	

Plus imports of oil-bearing seeds, which corresponds to . . .	3.457	30	11.524	67	7.721
Total:	<u>29.144</u>		<u>103.105</u>		<u>73.661</u>
Year 1927					
I. Coconut and palm oils	17.957	50	35.914	58	20.830
II. Technical oils not sep. designated . . .	6.638	30	22.126	67	14.824
III. Sesam and Soya-bean oils	11.411	15	76.073	82	62.380
IV. Other vegetable oils	880	30	2.933	67	1.965
Total:	<u>36.886</u>		<u>137.046</u>		<u>99.999</u>
Plus imports of oil-bearing seeds, which corresponds to . . .	7.606	30	25.353	67	16.968
Total:	<u>44.492</u>		<u>162.399</u>		<u>116.985</u>
I. Coconut and palm oils	1.237	50	38.474	58	22.315
II. Technical oils not sep. designated . . .	3.315	30	11.050	67	7.404
III. Sesam and Soya-bean oils	12.358	15	82.386	82	67.557
IV. Other vegetable oils	9.199	30	30.663	67	20.544
Total:	<u>44.826</u>		<u>164.963</u>		<u>119.421</u>

The above tables indicate that in order to cover the needs of the Polish market for vegetable oils, the following quantities of raw materials would have had to be imported: 103.105 tons in 1926, 162.399 tons in 1927 and 164.966 tons in 1928.

The imports for 1928 were still larger, owing to an increase in the imports of soya-bean oil.

At the beginning, the output of the projected oil industry at Gdynia should correspond to the yield from at least 200.000 tons of oil-bearing seeds per annum. Apart from this, arrangements should be made for the possibility of extending the works for it is certain that the consumption of vegetable oils both edible and for technical purposes, will grow steadily with the economic development of Poland, and especially with the growth of the fat derivative industry.

The last few years have seen a decline in the supply of fats of animal origin which is a natural consequence of the improvement in the breeding of domestic animals in order to meet the needs of the meat industries. The supply of fish fats and whale fat which, sometimes, are used as substitutes for tallow, depends on the results of the whale fishing. It is logical to assume that the catches of whales will be smaller and, therefore, the supply of whale fat will decrease.

On the other hand, the production of oil-bearing seeds shows an increase and compensates for the decline in the supply of fats of animal origin and grows parallel with the increase in the consumption of fats in the different countries.

The edible fat industry in Europe is almost entirely based on vegetable oils. Of course, the Polish industry will develop along the same lines. There is no reason to believe that the number of cattle in Poland could be increased to such an extent as to change the tendency so apparent in the fat industry. On the contrary, it is more likely that the process of rationalisation in stock breeding will lead towards the standardisation of meat products, butter, cheese, &c.

The prospects for the development of the fat derivative industry in Poland are most encouraging. The consumption of fats in Poland is comparatively small amounting to 8.8 kg. per head per annum, which represents about 40 per cent of the quantity required for the regular sustenance of human organism. With the development of the economic life of the country and an increase in prosperity, the consumption of fats will tend to reach the same proportions as in western European countries. In any case, the increase in the demand for fats cannot be met solely by an increase in the local production. Similarly as in all European countries, the bulk of the consumption of fats will be covered by imports of foreign fats, mostly of vegetable origin.

The organisation of a vegetable oil industry at Gdynia will, no doubt, lead to a rapid development of the fat derivative industry and especially of the edible section.

**Polish National Exhibition-
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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 July 15th to August 15th, 1929

Official forms for bills of exchange ("Dz. Ust. R. P." No. 52, item 423).

Relief for part-time workers at Łódź ("Dz. Ust. R. P." No. 52, item 424).

Customs rebates on certain classes of goods ("Dz. Ust. R. P." No. 53, item 428).

Notice of cancellation given by Turkey of the Polish-Turkish Commercial Agreement ("Dz. Ust. R. P." No. 54, item 432).

Import prohibitions of wheat and rye flour ("Dz. Ust. R. P." No. 55, item 438).

Traffic regulations for motor

omnibuses on public highways ("Dz. Ust. R. P." No. 55, item 439).

Export duty on wheat ("Dz. Ust. R. P." No. 56, item 446).

Registration of mercantile ships ("Dz. Ust. R. P." No. 57, item 450).

Customs rebate on apples ("Dz. Ust. R. P." No. 57, item 452).

PRODUCTION AND TRADE

STATE OF EMPLOYMENT.

In July, the situation on the labour market was favourable; the demand for workers continued to grow with the result that the number of unemployed further decreased. Nevertheless, it should be observed that the rate of the decrease was smaller than in the previous months.

The number of registered unemployed during the last 4 years is given in the following table (figures for the 1st 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	106,622
August	223,474	147,713	103,451	97,191
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	30,299
August	32,996	36,044
September	25,911	
October	28,147	
November	25,189	
December	26,143	

Of the partly employed 384 worked 1 day per week, 1717 2 days, 7,089 3 days, 12,368 4 days, and 14,546 5 days; thus, the average time worked by part-time workers was 4.1 days per week in July as compared with 4.0 days per week in June. The following table shows the number of unemployed by trade groups (as on the first day of the months quoted):

	July	August	+ increase - decrease
mining	3,425	2,553	- 873
foundries	1,349	1,064	- 285
metal	6,555	7,479	+ 924
textile	25,648	24,600	+ 1,048
building	7,594	5,650	- 1,944
clerical	11,446	11,182	- 264

The coal mining industry showed further progress in July and the output increased considerably both as compared with June of this year and July of last year (an increase of 24 per cent). At the same time home and foreign deliveries increased so that the number of miners employed rose from 123,819 to 124,536. There was no change in the petroleum industry. Unemployed miners of all categories represented about 2 per cent of those at work.

After a short period of depression, the situation in the iron and steel industry improved during the period under review. Larger orders were placed, in consequence of which much more activity was shown, especially in the blast furnace and rolling mill sections. On the other hand, owing to the existence of large stocks of steel at the foundries, some of the undertakings curtailed operations and reduced the number of working days. In the zinc and lead industry the situation was unchanged. The unemployed foundry workers were 1.5 per cent of those at work.

In the metal industry, the seasonal improvement affected only a few undertakings. On the whole, the state of employment in this section is unsatisfactory, and workmen were either discharged or the number of days worked per week was considerably reduced. In the agricultural machinery and implement section a change for the better was apparent as soon as the autumn sales began. At the end of July, orders commenced to flow in more

freely and most of the factories were able to work full time again. Producers of electrical machinery also enjoyed good trade. The same remark applies to the wire and nail trade. Unemployed metal workers were 8 per cent of those at work.

As usual in July, the operatives in the Łódź textile industry were given holidays and, as a result, the number of workers employed in the cotton mills was smaller than in June. Nevertheless, the state of employment as regards the number of days worked per week was larger than in the previous month for in the middle of July 29.4 per cent of the operatives were employed 6 days per week and only 14.7 per cent less than 4 days, whereas a month earlier 8.6 per cent worked 6 days and 35.5 per cent less than 4 days per week. In the woolen section distinct signs of improvement were noticeable which is accounted for by the commencement of work for the winter season. At the large mills, the reduction in the time worked in relation to full time was 18.2 in July as against 23.2 in June. In the Bielsk area, second and third shifts were cancelled owing to a falling off in sales. The total number of the unemployed textile operatives was 17 per cent of those at work.

In the building trade there was not much improvement, due, in the main, to the dearth of long-term credit, and work was almost exclusively confined to finishing of the buildings which were begun some time ago.

Wages on the whole remained unchanged, but an upward tendency was apparent.

No important collective agreements between employers and employees were reported in July. In the coal industry,



A GROUP OF PAVILIONS IN THE FOODSTUFFS SECTION OF THE POLISH NATIONAL EXHIBITION
(PHOT. S. PLATER)

miners demanded an increase, and negotiations are in progress.

The lock out in the Bielsk metal industry, which lasted for a month, came to an end, and the men resumed work on the old terms.

THE WORKMEN'S UNEEMPLOYMENT INSURANCE FUND.—The year 1928 witnessed a further considerable improvement not only in the revenue of the Workmen's Unemployment Insurance Fund, but also in the number of insured which was accompanied by a decrease in unemployment.

The year in question yielded a surplus of revenue over expenditure amounting to zł 24,879.794'16, and this sum added to the 1927 surplus (excluding the Brain Workers' Unemployment Insurance Fund) makes the total reserve of the Workmen's Unemployment Insurance Fund on January 1st., 1929 zł 42,754.991'49.

The number of insured workmen on January 1, 1928 was 866.401 which figure rose to 1,004.666 by December 31, 1928. The monthly average of workmen insured came to 932.637 persons.

The comparative data quoted for the past years, showing the growth of the Institute, has been limited to that covering the revenue accruing from subscriptions to manual workers' insurance, since the administration of the brain workers' insurance, although

carried on in 1926 and 1927 by the Institute was, as from January 1, 1929, turned over to the Brain Workers' Unemployment Insurance Institute.

The revenue from employers' and workmen's subscriptions during 1928 came zł 50,286.342.78 and to zł 41,197.852'44 during 1927: the income from this source therefore increased by zł 9,088.490'34.

New subscriptions received during 1928 amounted to zł 32,072.772'79. This figure was in excess of those for previous years by:

zł 6,494.505'53	over the 1927 figure
zł 16,131.015'89	" " 1926 "
zł 18,282.258'27	" " 1925 "

The continued increase in subscriptions received is explained by the following factors:

- 1.— an increase in the wages paid;
- 2.— the raising of the maximum insurance subscription from zł 6'60 to zł 7'50;
- 3.— an increase in the number of insured persons as a result of improved business conditions; and
- 4.— increased activity shown in controlling and registering all workshops, factories, &c., which are obliged according to law, to insure their workers against unemployment.

Perhaps the most important factor quoted above is the last named. General checking up by zones of establishments

employing workmen proved to be most effective in increasing membership. The visits of the Institute's inspectors were made with the following objects: to disclose and register delinquent establishments evading the law in respect of compulsory insurance against unemployment; to audit and check up the correctness of the deductions made from wages and that of the amounts paid into the Unemployment Fund; also to give general instruction and explain to employers their duties under the Insurance Act.

The Treasury paid in zł 16,036.386'40 during the period under review, this sum being equal to 50 per cent of the subscriptions paid in by employers and workmen together. Compared with the amount paid in by the State in 1927, there was an increase of zł 3,247.252'77.

Fines for dilatory members yielded zł 1,965.097'58 during 1928, i. e., zł 662.334'16 less than in 1927. This drop is explained by a reduction in the scale of fines imposed (from 5 to 2 per cent per month) as from March 3, 1928, in accordance with an Executive Order of the President dated February 24, 1928 ("Dz. Ust. R. P." No. 22, 1928, item 199). The same order likewise envisaged considerable reductions in the fines already imposed in previous years.

Revenue from interest on reserve funds showed an increase, whilst bank

interest payments during 1928 yielded a total of zł 207,016'27.

Besides the operations foreseen by the Insurance Act, the Workmen's Unemployment Insurance Institute also administers the working of emergency unemployment relief for the account of the State: doles are paid out to unemployed manual and brain workers for whom allowance was not made in the Insurance Act.

This relief work is conducted solely for the account of the Treasury and in accordance with instructions furnished by the appropriate Government authorities.

During 1928, this work was conducted on a smaller scale than during previous years. Thus in 1928, zł 13,199,783'67 were paid out to manual workers in the form of doles, whilst brain workers received zł 2,756,490'94, the total, therefore, amounting to zł 15,956,274'61. In 1927 the aggregate sum paid out to the two categories of workers amounted to zł 31,478,773'77: the 1928 figure is therefore zł 15,522,499'16 less than in the previous year.

This drop in the sum of doles paid out was the sole cause for a decrease in the gross balance-sheet figures as compared with for the year before. Excluding income received for the account of the Brain Workers' Unemployment Fund and amounting to zł 6,574,945'83, the gross balance sheet total for 1927 came zł 74,084,187'01, whilst the corresponding figure for 1928 came to zł 66,957,736'39—a decrease of zł 7,126,450'62.

The average number of unemployed receiving compensation rose in 1928 to 28,259 persons monthly, from 25,293 persons monthly in 1927.

In spite of the increase in the number of unemployed receiving compensation, the insurance risk of the Fund (relation of unemployed receiving compensation to those insured) was barely 2.99 per cent in 1928 as against 3.21 per cent in 1927, and 5.88 per cent in 1926. It will be observed that the proportion of unemployed receiving compensation continued to improve during 1928 since the insurance risk declined by 0.22 per cent as compared with 1927.

The total amount paid out under the unemployed workmen's insurance plan during 1928 was zł 20,680,480'05 whilst in 1927 zł 16,055,170'97 was disbursed (in both cases, excluding sums paid to brain workers).

The gross expenditure during 1928 for costs of administration and overhead charges came to zł 5,422,796'96 (8.1 per cent of all revenue) as against zł 5,254,871'01 in 1927. Compared with the growth in turnover, the increase is very small.

GRAIN

— According to the calculations of the Chief Statistical Office on July 20th, that is, before the beginning of the harvest, the state of the sowings on the five point system, as compared with the corresponding date of last year, was as follows:

	End of July 1928	End of June 1929	End of July 1929
wheat (winter)	3.2	3.3	3.6
rye	3.1	3.4	3.6
barley	3.5	3.0	3.4
wheat (spring)	3.3	3.2	3.4
rye	3.0	3.2	3.3
barley	3.6	3.4	3.6
oats	3.6	3.3	3.7

The state of all the sowings with the exception of barley was much better

this year than last. The harvest operations have been completed under favourable conditions and it is generally expected that the crops will turn out to be larger than in 1928.

Prices of grain on the local market were subject to slight fluctuations during the period under review, which is illustrated in the following table:

		HOME EXCHANGES								Berlin	Chicago
		Warsaw		Poznań		Lwów		Av. of 3 exch.			
		zł	\$	zł	\$	zł	\$	zł	\$	\$	\$
W H E A T											
July	1—8	49.10	5.51	47.37	5.32	47.00	5.28	47.82	5.37	5.73	4.41
"	9—15	50.75	5.70	50.00	5.62	48.25	5.42	49.66	5.58	5.82	4.51
"	16—22	51.50	5.78	50.75	5.70	48.25	5.42	50.16	5.63	6.11	5.18
"	23—31	50.35	5.65	48.50	5.45	46.00	5.16	48.28	5.42	6.18	5.20
August	1—8	49.83	5.59	48.25	5.42	46.50	5.22	48.19	5.41	6.22	5.01
"	9—15	49.80	5.59	48.83	5.48	46.50	5.22	48.37	5.43	5.97	4.69
R Y E											
July	1—8	28.91	3.24	26.31	2.95	26.25	2.94	27.15	3.05	5.07	3.68
"	9—15	27.98	3.14	26.91	3.02	26.25	2.94	27.05	3.03	4.78	—
"	16—22	27.64	3.10	26.00	2.92	25.75	2.89	26.46	2.97	4.72	4.33
"	23—31	25.92	2.91	24.87	2.79	25.25	2.83	25.35	2.84	4.63	4.28
August	1—8	27.98	3.14	27.12	3.04	27.75	3.11	27.62	3.10	4.74	4.27
"	9—15	27.87	3.13	27.65	3.11	28.50	3.20	28.00	3.15	4.62	4.06
B A R L E Y (brewing)											
July	1—8	—	—	—	—	—	—	—	—	—	—
"	9—15	—	—	—	—	—	—	—	—	—	—
"	16—22	—	—	—	—	—	—	—	—	—	—
"	23—31	—	—	—	—	—	—	—	—	—	—
August	1—8	—	—	—	—	—	—	—	—	—	—
"	9—15	28.33	3.8	—	—	—	—	—	—	5.30	—
B A R L E Y (feeding)											
July	1—8	—	—	28.50	3.20	—	—	—	—	4.37	2.75
"	9—15	—	—	28.50	3.20	24.25	2.72	—	—	4.40	3.04
"	16—22	—	—	28.50	3.20	24.37	2.73	—	—	4.43	3.12
"	23—31	—	—	28.75	3.23	—	—	—	—	4.36	3.10
August	1—8	29.75	3.34	29.50	3.31	—	—	—	—	4.25	2.88
"	9—15	30.75	3.46	29.81	3.35	—	—	—	—	4.11	2.66
O A T S											
July	1—8	28.50	3.20	26.62	2.99	24.45	2.74	26.52	2.97	4.56	3.26
"	9—15	28.50	3.20	26.79	3.01	24.25	2.72	26.51	2.97	4.50	3.24
"	16—22	28.50	3.20	26.37	2.96	23.75	2.65	26.20	2.94	4.51	3.44
"	23—31	27.70	3.11	25.69	2.88	23.25	2.61	25.55	2.87	4.42	3.45
August	1—8	26.75	3.00	25.75	2.89	23.25	2.61	25.25	2.83	4.38	3.46
"	9—15	26.44	2.97	25.75	2.89	23.00	2.58	25.06	2.81	4.37	3.08

Prices of local wheat showed an upward trend in July and were maintained at a high level, but they were below those which ruled in July 1928, when the average price amounted to \$ 6.32 as compared with \$ 5.66 per 100 kg. in the current year. Despite the import duty, the prices of local wheat were lower than those ruling at Berlin and Liverpool. The existing stocks of wheat from last year will cover the needs up to the end of the agricultural year, and the carry over

for the next year will be comparatively small.

Already in the middle of August, business in wheat was transacted on the Warsaw Stock Exchange at zł 48, that is, \$ 5.39 per 100 kg.

As a contrast to the wheat prices, the average price of rye in July was low, as it amounted to only \$ 3.13, which was 2.8 per cent lower as compared with June of this year. During the week ending July 31st, the price of rye fell to \$ 2.91 on the Warsaw Corn Exchange, and to

£ 2.79 on the Poznań Corn Exchange. The first transactions in new rye were recorded at the end of July. The carry over for the 1929/30 year is considerable and it is very probable that a large surplus will be available for export. During the harvesting of the rye the weather was fine, but the reports coming from various part of the country concerning the threshings are not uniform, although it is anticipated that the yield will be greater than last year. The rye which has appeared on the market is fairly heavy (about 120 Dutch lbs).

Prices of oats were also low; the average price in July quoted on the Warsaw Stock Exchange was 42.7 per cent below that quoted in July of last year. The requirements of the army having been covered before the harvest, the decline in demand generally has depressed the market and although the export prohibition was repealed in July, it did not bring about the desired result, that is, an increase in prices. The trade in brewing barley was very small during the period under review, but exports of barley for fodder and milling were fairly large. On the whole, the prospects for barley are better than for rye.

Foreign trade in grain in July was closed with a favourable balance of zł 18,810,000. Exports amounted to zł 20,241,000, and imports to zł 1,431,000. The movement of grain was as follows (in tons):

	July 1928	June 1929	July 1929
<i>I m p o r t s</i>			
wheat	38,386	2,372	3,022
rye	8,297	15	16
barley	424	5	15
oats	5,327	211	180
<i>E x p o r t s</i>			
wheat	145	35	100
rye	97	16,665	42,520
barley	564	8,651	14,751
oats	280	311	6,923

Germany supplied 57.8 per cent and Hungary 31.2 per cent of the total wheat imports. The imports of rye, barley and oats were supplied exclusively by Germany.

The bulk of the Polish wheat exported in July was placed on the German market. The export of rye was as follows: Germany 33.6 per cent, Denmark 19.7 per cent, Latvia 17.5 per cent, Estonia 10.4 per cent, England 6.5 per cent, Finland 6.3, and Holland 3.1 per cent. Smaller quantities were directed to Belgium, India, Lithuania, France, Switzerland and Sweden. Barley exports were distributed as follows: Holland 32.3 per cent, Denmark 18.5 per cent, Germany 11.7 per cent, Latvia 9.4 per cent, England 9.3 per cent, Belgium 8.1 per cent, and

Switzerland 4.3 per cent. Oats were chiefly exported to Germany, which took 38.6 per cent, Denmark (21.0 per cent), Holland (5.3 per cent) and Switzerland (5 per cent).

BUTTER

In the second half of July, the butter market was quiet, but prices were maintained at the same level as in the previous month. In the first half of August, the tendency for prices was firmer as a result of a falling off in supply, owing to the increased consumption of milk during the harvest period. For this reason the Farm Products Commission increased the prices of butter by zł 0.20 per kg.

The local consumption of butter in June fell slightly, but there was a fair demand from Germany. Of late, the production of butter has been remunerative as the prices compare favourably with those for grain; it is probable that the existing stocks of grain will be used as fodder which, of course, will increase the output of butter. It is not unlikely, therefore, that prices, later in the season, will be weaker.

Prices of butter in the wholesale trade during the period under review were as follows (in zł per kg):

	July 16th-31st	August 1st-15th
Warsaw	5.60	5.80
Lwów	5.40-5.60	—
Katowice	5.90-6.40	5.90-6.40
Lublin	5.40	—

Exports of butter in July amounted to 2,355.0 tons (valued at 13,120,000), of which Germany took 1,450.1 tons, England 778.3 tons, Danzig 57.9 Holland 34.1 tons, and Austria 28.9 tons. Smaller quantities were sent to Denmark, Russia, Czechoslovakia, France and Belgium.

During the same period 0.9 tons of butter were imported from Denmark.

EGGS

During the second half of July and the first half of August, prices of eggs on the Polish markets were subject to considerable fluctuations, and at the end of July and in the middle of August a distinct downward tendency was noticeable. This is explained by the dependence of the Polish egg markets on conditions obtaining on foreign markets.

On account of the harvest the supply of eggs during the period under review showed a falling off as compared with

the month ending July 15th. The home demand was irregular and, on the whole, eggs were not readily obtainable.

Prices were as follows (in zł per case of 1440 eggs):

	July 16th-31st	August 1st-15th
Warsaw	235-245	235-245
Bochnia	235	—
Kraków	218-220	264-230
Rzeszów	220	216
Tarnopol	215-220	228-235
Lublin	255-285	225

Exports in July were 5,939.2 tons (valued at zł 14,420,735), of which Germany took 3,066.2 tons, Austria 1,017.4 tons, England 974.7 tons, Czechoslovakia 392.8 tons and Italy 249.7 tons. Smaller quantities of eggs were delivered to Switzerland, Latvia, Hungary and Holland.

During the same period imports amounted to 3.2 tons, the bulk of which came from Germany.

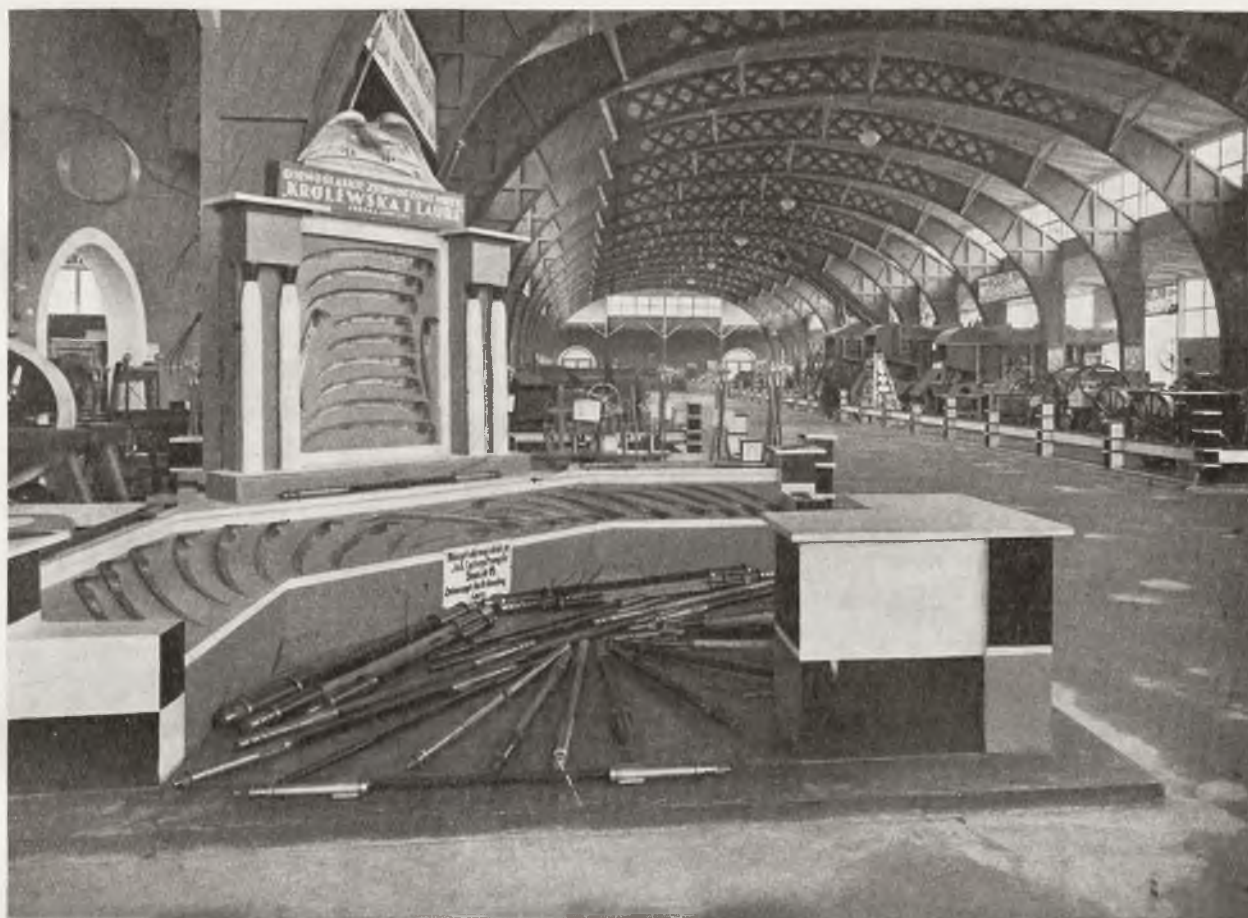
TIMBER

Similarly as in June the timber industry was depressed in July. The home demand was comparatively small due in the main to building operations being on a comparatively speaking small scale with the result that stocks at the sawmills increased and work was curtailed.

The selling prices at the different Forest Directorates showed very little difference as compared with the preceding month, which can be seen from the following table (in zł per stacked or cub. m. ex loading station):

		June	July
pine logs for saw mills (per cub. m.)	Warsaw	63'—	60'—
	Radom	53'—	51'—
	Siedlce	50'—	48'—
	Wilno	49'—	46'—
	Białowieża	50'—	50'—
	Poznań	50'—	54'—
" " " "	Bydgoszcz	56'—	53'—
	Toruń	64'—	64'—
pine logs for building purposes (per cub. m.)	Siedlce	45.50	42'—
	Białowieża	42'—	44'—
	Wilno	36'—	—
pine pit props (per cub. m.)	Warsaw	37'—	37'—
	Radom	37'—	37'—
	Siedlce	33.20	30.50
	Poznań	—	30.70
	Bydgoszcz	33'—	30'—
	Toruń	30'—	30'—
spruce logs for saw mills (per cub. m.)	Siedlce	44'—	42'—
	Lwów	44'—	44'—
oak logs for joinery (per cub. m.)	Białowieża	90'—	90'—
	Luck	155'—	155'—
pulpwood (per stacked cub. m.)	Siedlce	30'—	(28.10')
	Wilno	29'—	29'—
	Białowieża	28.50	28'—

¹⁾ For export.



THE AGRICULTURAL MACHINERY AND IMPLEMENTS PAVILION AT THE POLISH NATIONAL EXHIBITION, POZNAŃ, (PHOT. S. PLATER)

pine fire wood			
(per stacked cub. m.)	Warsaw	16'—	16'—
" " "	Radom	16'—	16'—
" " "	Siedlce	13'—	13'—
" " "	Wilno	10'—	10'—
" " "	Białowieża	15:50	16:30
" " "	Poznań	16:50	18:50
" " "	Bydgoszcz	18'—	17:50
" " "	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'—

As regards the export trade, apart from a seasonal increase, there was not much difference as compared with June. Pulpwood and railway sleepers showed considerable increases, but in the remaining classes of goods there were smaller or larger falls with the exception of pit props which increased slightly. The following table gives the exports of unworked and worked timber effected in June and July (in tons):

	June	July
Pulpwood	103.985	128.030
Pit props	40.826	41.029
Telegraph poles	11.249	7.074
Logs and trucks	64.977	47.109
Deals and battens	107.510	101.424
Railway sleepers	23.396	34.185
Total unworked timber	221.037	223.242
Total worked timber	130.906	135.609
Total:	351.943	358.851

Exports to England were on a small scale due principally to competition from Russia. The German market continued to be unfavourable and especially the terms of payment have deteriorated. France, Holland and Czechoslovakia made small purchases during the period under review, but, on the other hand, some of the less important markets absorbed larger quantities than in the past few months.

COAL

-- The situation in the Polish coal mining industry in July was more favourable than in June due to an increase in consumption both at home and abroad.

The state of the industry in July in the three basins is illustrated by the following table (in tons):

Coal mining districts	Extraction	Home consumption	Exports	Stocks at pit-heads ¹⁾
Upper Silesia	3,027,611	1,600,472	1,136,328	596,554
Dąbrowa	776,805	446,741	233,608	250,728
Kraków	219,476	190,775	938	67,190
Total:	4,023,892	2,237,988	1,370,874	914,472

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

June ¹⁾ :	3,503,010	1,908,178	1,232,858	859,383
in relation to + June	+520,882	+329,810	+138,016	+55,089

The above figures show that the output rose by 520,882 tons to 4,023,892 or by 15 per cent.

The total deliveries amounted to 3,609,000 tons, or 468,000 tons more than in June. Of this quantity 2,238,000 tons, or 333,000 tons more were consumed locally, and 1,371,000 tons or 138,000 tons more than in June were exported. Stocks at the pit heads increased during the month by 55,089 to 914,472 tons. Exports to the different countries effected in July are given below (in thousands of tons):

Countries	1926 1927 1928 1929				July ¹⁾ Increase (+) or decrease (-) in relation to June
	July				
Northern European:					
Sweden	285	211	274	290	288 — 2
Norway	26	6	31	79	63 — 16
Denmark	100	126	145	188	170 — 18

¹⁾ Corrected figures.
²⁾ Provisional figures.

Finland	22	18	41	59	45	-14
Latvia	27	19	39	47	53	+ 6
Lithuania	1	16	12	12	17	+ 5
Estonia	—	—	—	2	—	- 2
Memel	1	4	7	11	6	- 5
Total:	462	400	549	688	642	- 46

Succession States:

Austria	177	217	174	190	261	+ 71
Hungary	62	57	57	74	101	+ 27
Czechoslovakia	45	7	77	70	76	+ 6
Total:	284	281	308	334	438	+104

Other countries:

Rumania	11	13	15	11	10	- 1
Switzerland	8	13	12	12	12	—
Yugoslavia	21	43	37	21	22	+ 1
Italy	122	99	45	27	47	+ 20
France	61	10	21	67	76	+ 9
Holland	11	—	9	5	24	+ 19
Belgium	13	5	1	—	—	—
Algeria	—	—	—	—	—	—
Germany	5	1	—	—	—	—
England	506	—	—	—	—	—
Russia	6	—	—	3	—	3
Iceland	1	—	—	5	—	5
Brazil	—	—	—	—	4	+ 4
Total:	765	184	140	151	195	+ 44

Danzig Bunker coal	47	36	28	31	44	+ 13
	275	26	64	48	52	+ 4
Total:	1.833	937	1.089	1.252	1.371	+ 119

Loaded at:

Danzig	268	313	496	519	516	- 3
Gdynia	35	85	171	238	258	- 20
Other ports	70	20	—	5	5	—
Total:	373	418	667	762	779	+ 17

It will be seen that the northern European markets absorbed 642,000 tons or 46,000 tons less than in June, whereas the Succession States (Austria, Hungary and Czechoslovakia) received 438,000 tons or 104,000 more. The remaining countries, together with bunker coal, took 247,000 tons or 48,000 more; the Free City of Danzig obtained 44,000 tons or 13,000 tons more than in the preceding month.

The shares of the different countries in the Polish coal export trade in July as compared with June are set out in the following table (in percentages):

	June	July
Northern European countries	54.95	46.83
Succession States	26.68	31.95
Other countries	12.06	14.22
Danzig	2.48	3.21
Bunker coal	3.83	3.79
Total:	100.00	100.00

The number of workmen employed in coal production rose during the month by 2,109 to 124,536.

In connection with the increase in the number of workmen employed at the coal mines the number of unemployed miners in general decreased to 2,772, a fall off 19.06 per cent as compared with the preceding month.

The average output per workmen per day increased during the month by 13 kg to 1.274 kg.

Workmen's wages remained unchanged. The average wage in the Upper Silesian coalfield in June was zł 9.82 as compared with zł 9.88 in the preceding month.

Prices of coal for the local and the convention markets were not subject to any changes. Export prices f. o. b. the Polish ports, Danzig and Gdynia, showed an upward tendency and amounted to 15 sh per ton for Upper Silesian large, and 13 sh 6d for Dąbrowa large.

On July 15th, the Polish-Austrian railway rates for export consignments for Italy, directed via Tarvisio and St. Candido were prolonged to January 14, 1930. The rates (per 100 kg) are: zł 2.63 to Tarvisio and zł 3.11 to St. Candido.

Shipping rates were maintained at last month's level.

The output of coke in July rose by 9,581 tons to 158,151 tons, and deliveries by 15,512 tons to 159,202 tons.

The production of briquettes in July amounted to 35,516 tons, an increase of 9,962 tons over the preceding month. Similarly, the deliveries rose by 11,254 tons to 36,203 tons. There were 265 workmen employed in this industry.

The extraction of brown coal was 6,070 tons, or 867 tons more than in June. The local deliveries of this commodity rose by 727 tons to 5,662 tons. The number of workmen employed in brown coal production at the end of July was 295.

PETROLEUM

— The output of crude oil in July according to provisional figures amounted to 58,730 tons of which the Borysław area yielded 41,650 tons or 280 tons more than in the preceding month. In the remaining petroleum basins the output was not subject to any considerable changes.

During the period under review two new wells, that is, "Fanto" at Mraznica, and "Basiówka" at Daszawa, were brought into production. The former gives about 10 tons of oil per day and 60 cub. m. of gas per minute, and the latter about 100 cub. m. of gas per minute, which indicates that there are still large reserves of natural gas in the country.

Prices of crude oil in July remained unchanged and amounted to \$ 20.5 per ton of Borysław standard crude.

Wages were increased during the month by 4.069 per cent, and ranged according to the category of work, from zł 2.88 to zł 9.07 per day. In addition,

the monthly bonus varied from zł 8.55 to zł 39.80

In June the output of oil was about the same as in May; several new wells were completed among the more important being "Cesia" at Borysław (50 tons per day and 7 cub. m. of gas per minute), "Chrobry" at Piaseczno (30 tons per day) "Galicja-Horodyszcze" at Mraznica, and at Załęże and Rzepiennik. In the Drohobycz area two new areas were proved, while at the same time 9 new wells were registered (5 at Mraznica and 4 at Schodnica). Moreover, 7 new wells and 4 old ones, at which operations had been suspended for a time, were brought into production. In addition, 4 new wells are being drilled at Mraznica, one at Tustanowice and one at Schodnica.

The stocks of crude oil held by the storage companies and at the wells decreased during June by 3,000 tons to 30,486 tons. The situation in the natural gas industry is illustrated by the following figures:

output of gas (in thous. of cub. m.)	39,100
throughput of gas (in thous. of cub. m.)	22,011
output of gasoline (in tons)	2,781
home consumption	2,447
exports of gasoline	144
number of workmen employed	208

There were 19 gasoline works in operation. The output of gas increased owing to the completion of the "Fanto" well at Horodyszcze.

The production of ozokerite amounted to 81.5 tons; exports totalled 75.7 tons, of which 54.6 tons went to Germany and 15.2 to the United States of America. Prices remained unchanged; there were 583 workmen employed in this industry.

The state of the refining industry in June is shown by the following figures (in tons):

throughput of crude oil	54,850
output of petroleum products	49,602
home consumption	26,508
exports	25,946
stocks of petroleum products on June 30th	241,230
number of workmen employed	4,476

The local consumption of petroleum products in June showed an increase which is confirmed by the following table (in tons):

	1928	1929
benzine	5,079	8,086
kerosene	6,076	6,370
gas oil	3,331	4,070
lubricating oil	3,924	4,498
raffined wax	162	597

During the last year the consumption of petroleum products rose considerably which can be seen from the following table covering the first six months of 1928 and 1929 (in tons):

	1928	1929
benzine	29.031	35.655
kerosene	58.589	63.570
gas oil	24.997	32.519
lubricating oil	25.874	28.834
paraffine wax	1.682	2.522
total consumption	157.658	179.216

The stocks held by the storage companies were about the same as in May amounting to 241.230 tons.

Exports of petroleum products rose considerably as compared with the average monthly figures for 1928 (21.710 tons) and were as follows (in tons):

benzine	4.604
kerosene	8.657
gas oil	4.918
lubricating oil	4.994
paraffine wax	995
other products	1.778
Total:	25.946

The distribution of the exports is given below (in tons):

Czechoslovakia	5.018
Austria	2.612
Switzerland	1.665
Germany	1.136
Hungary	262
other countries	96
Danzig	13.399

IRON

— The situation in the iron and steel industry in July was slightly better than in June. The amount of orders increased, while at the same time, sales showed an improvement especially as regards credit. The improvement is to be attributed to several causes, but the most important factor was the prospects of a good harvest, and a slight amelioration in the financial situation of the farming community as a result of better prices for agricultural products and a rise in exports of farm products which, in turn, beneficially influenced conditions on the money market. The improvement was also helped by revival in the building trade which absorbed a portion of the stocks of iron which had been accumulated. The anticipated increase in prices also contributed towards more active trade. As a result of these factors the production of iron and steel products increased as compared with the average monthly output for 1913, which is shown in the following table:

	April ¹⁾	May ¹⁾	June ¹⁾	July ²⁾
blast furnaces	71.1	74.0	68.0	76.8
steel works	90.0	87.4	84.4	82.0
rolling mills	84.5	76.0	75.6	83.5

It is seen from the above table that, only the output of steel showed a decrease. Although the situation has improved lately, operations are curtailed and confined to five days per week.

¹⁾ Corrected figure.
²⁾ Provisional figures.

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The paying ability of customers also improved, but the foundries were still compelled to grant five to six months credit. As a result, even the large foundries suffered from shortage of working capital. It is gratifying, however to note a certain falling off in the amount of protested bills.

The situation in iron ore mining underwent an improvement. The output of ores showed an increase, while imports and exports decreased slightly. This is shown in the following table (in tons):

	June 1929	July 1928	June 1928	July 1928
Extraction	59.124 ¹⁾	65.553 ²⁾	62.607	44.141
Imports	65.682	55.265	44.141	11.327
Exports	12.216 ¹⁾	12.000	11.327	

It is seen that the output of iron ore rose during the month by 6.329 tons or by 10.7 per cent, while imports declined by 10.417 tons or 15.9 per cent, but they were still 11.124 tons or 25.2 per cent larger than in July 1928. Imports of manganese ores totalled 4.583 tons as against 3.256 tons in June. The number of workmen employed in iron ore mining declined from 6.373 in June to 5.875 in July a decrease of 7.8 per cent.

The output of foundry products is given below (in tons):

	June 1929	July 1928	June 1928	July 1928
Pig Iron	58.349 ¹⁾	65.659 ²⁾	56.089	122.238
Steel Ingots	116.691 ¹⁾	113.520 ²⁾	89.419	10.310
Rolled products	78.813 ¹⁾	87.249 ²⁾	10.053 ²⁾	53.020 ²⁾
Pipes	11.117 ¹⁾	10.053 ²⁾	10.053 ²⁾	53.020 ²⁾
Number of workmen employed	53.338 ¹⁾	53.020 ²⁾	51.273	

It results from the above table that the output of pig iron rose during the month by 7.310 tons and that of rolled products by 8.436 tons or 10.7 per cent; on the other hand the production of steel decreased by 3.171 tons or 2.7 per cent, and that of pipes by 1.054 tons or 9.6 per cent.

¹⁾ Corrected figure.
²⁾ Provisional figure.

Orders on both home and foreign accounts were more plentiful than in June. Local orders which are accounted for in the returns of the Syndicate of Polish Iron Foundries, but which do not include pig iron and pipes, rose from 27,388 tons in June to 60,441 tons. The bulk of the increase was in respect of private orders, which rose by 24,914 tons for orders placed by the Government increased by only 8,139 tons.

The foreign trade in foundry products is given below (in tons):

	Imports:			Exports:		
	1929 June	1928 July	1929 July	1929 June	1928 July	1929 July
pig iron	615	432	1.104	300	110	515
rails, iron and steel articles	5.001	1.049	3.690	10.054	3.724	10.023
iron and steel sheets	1.110	1.412	1.229	3.937	2.457	4.076
pipes	282	139	161	6.094	5.879	6.928
Total:	7.008	3.032	6.184	20.385	12.170	21.542

Exports in July were 5.7 per cent larger than in June, and 77 per cent greater than in July 1928. The total value of the exports was z 10,878,000 as compared with z 9,916,000 in June and z 6,116,000 in July 1928.

ZINC AND LEAD

— In July the world zinc markets experienced sales difficulties and a slight downward trend in prices, but this had little effect on the Polish zinc and lead smelting industry. Work was pursued under normal conditions and exports showed an increase as regards quantity.

The output of zinc ores and imports of zinc and lead ores in July as compared with June and the corresponding period of last year are given below (in tons):

		Extraction:		Imports:	
		ores gross amount	enriched ores	zinc ores	lead ores
June	1929	92.770 ¹⁾	28.700	16.405	2.102
July	1928	107.071 ²⁾	33.200	21.757	1.744
June	1928	92.836	28.000	14.903	1.304

It is seen from the above figures that the output of zinc and lead ore in July rose by 14.301 tons or by 15.5 per cent as compared with June. Imports of zinc ore rose during the month by 53.52 or by 32.5 per cent, and by 6,854 tons or 46 per cent as compared with July 1928. Imports of lead ore declined by 358 tons or 17 per cent as compared with June, but they were 440 tons or 33.8 per cent larger than in July 1928. Old

¹⁾ Corrected figure.
²⁾ Provisional figure.

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dumps yielded about 2,300 tons of zinc ore, which was transformed into zinc oxide. The number of workmen engaged in zinc ore production and at the roasting plants rose from 7,433 in June to 7,507 in July.

There were three zinc oxide works in operation.

The output of zinc products rose slightly, but is was still below the monthly average for 1913 (taken as 100), which is confirmed by the following table:

	May ¹⁾	June ¹⁾	July ²⁾
Raw zinc	89.5	86.9	91.3
Zinc sheets	38.9	43.7	44.8
Raw lead	88.2	80.6	75.4

¹⁾ Corrected figures.

²⁾ Provisional figure.

The output of the zinc and lead smelters (in tons) and the number of the workmen employed were as follows:

	Sulphuric acid 50% Be	Raw zinc	Zinc sheets	Raw lead	Number of workmen employed
June 1929	28 178	13,042	1,665	2,882	12,438
July 1928	29,273	13,676	1,704	2,694	12,525
" 1928	24,786	13,739	1,743	3,568	13,113

Apart from raw zinc, 931 tons of electrolytic zinc were produced in July as compared with 864 tons in June. The output of raw zinc rose by 634 tons or 49 per cent as compared with June, while that of zinc sheets rose by 39 tons or 2.3 per cent; lead, however, declined by 188 tons or 6.5 per cent.

Exports of zinc and lead products are shown in the following comparative table (in tons):

	Exports:			
	June		July	
	1929	1928	1929	1928
Raw zinc, dust incl.	13,240	14,795	13,001	14,086
Zinc sheets	1,264	1,780	1,146	1,202
Refined lead	732	742	1,270	1,792
Total:	15,236	17,317	15,417	17,080

Exports increased by 181 tons or 1.2 per cent, but decreased in point of value by £ 237,000 or 1.4 per cent. In July 1928, the exports amounted to 13,472 tons valued at £ 14,868,000, so that this year's exports were 1,945 tons or 14.4 per cent larger in point of quantity and £ 2,212,000 or 14.8 per cent greater in point of value.

VARIOUS

FORD MOTOR-CAR ASSEMBLING FACTORY. — It is understood that the Ford Company intend to erect an assembling plant in Poland. In this connection Mr. Carlston, General Manager of the Ford Company for Europe, recently paid a visit to Poland.

MOVEMENT OF PRICES. — The month of July is one of the least favourable to business. On account of the summer holidays and the fact that the farmers are actively engaged in connection with the harvest, trade is small and payments in cash are rather rare. Under these conditions, the situation of traders continued to be difficult and the market was under a cloud of depression. The seasonal deterioration in business conditions was aggravated in the current year by a decline in the consumption capacity of the local market. It is generally expected, however, that with the completion of the harvest, which is very promising, the situation will improve. There are already some signs of this. Despite a heavy demand for cash on the part of the farmers for financing operations on the land, the money market appeared to be less tight. This is confirmed *inter alia* by a fall in the number of protested bills held by the Bank of Poland from 5.81 per cent in June to 5.37 per cent in July.

The small turnover generally was not conducive to an increase in prices and if, despite this, the prices for certain commodities did rise, it is to be entirely

attributed to the influence of the movement of prices on the world markets.

The price-indexes are given in the following table (January 1914 = 100):

	Wholesale price index:	Retail price index:	Cost of living index:
July 1928	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
June "	112.6	162.3	123.3
July "	113.3	162.2	123.4

It is seen from the above table that the index of wholesale prices rose by 0.4 per cent, while that of retail prices decreased by 0.1 per cent; the cost of living increased by 0.2 per cent.

The increase in wholesale prices was caused by a rise of 1.0 per cent in the prices of farm products and a decrease of 0.7 per cent in those of groceries for the index for manufactured articles remained unchanged. Similarly as in the previous month, the increase in the prices of farm products was accounted by a rise in foodstuffs of vegetable origin (by 1.7 per cent, as a result of an

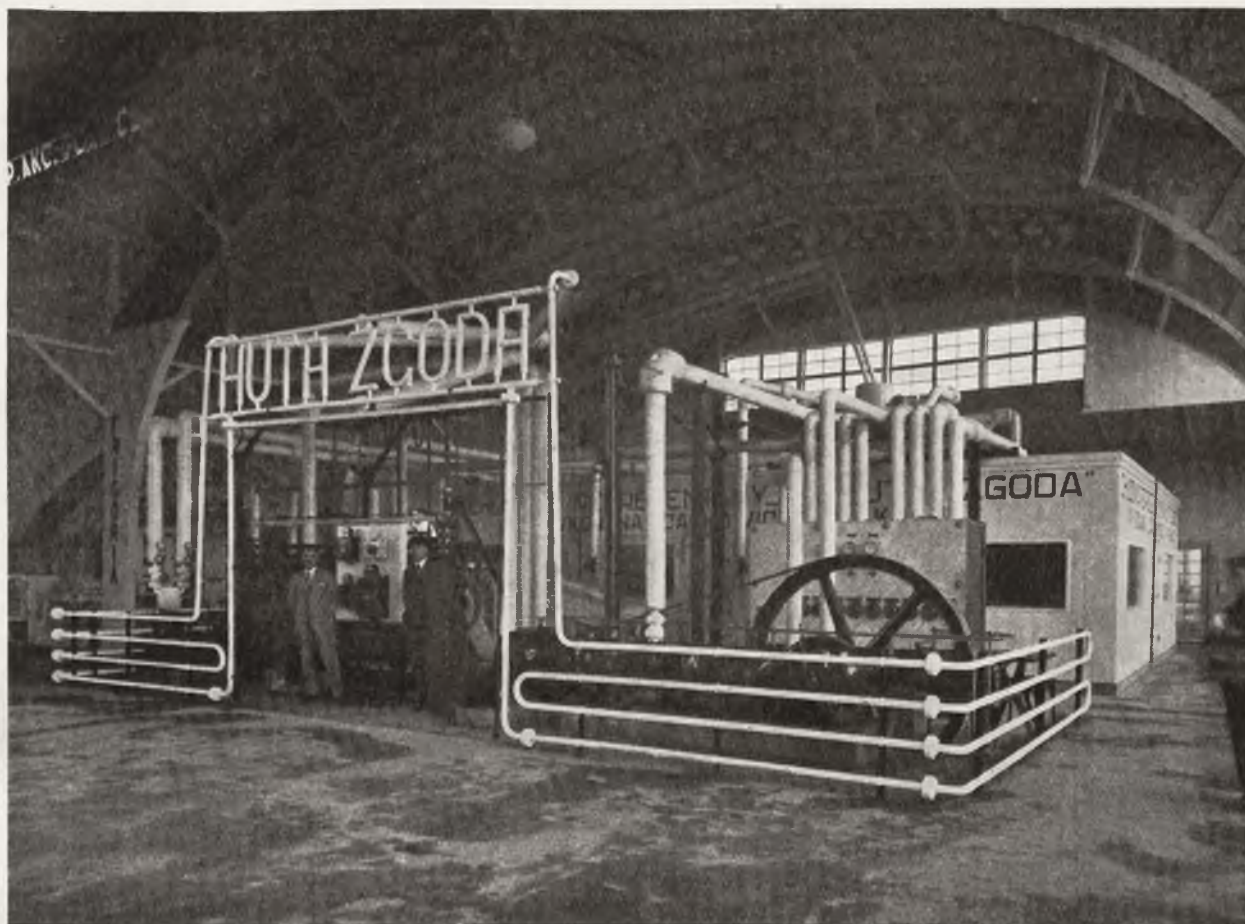
increase in the prices of certain agricultural products), although there was a slight fall in the prices of farm products of animal origin by 0.1 per cent.

In the group of industrial materials, prices of timber and coal were at last month's level, while those of textile products declined by 1.0 per cent, due to a slight downward tendency in the prices of wool, and a fall in semi-finished products including those containing cotton, despite a slight rise in the prices of raw cotton.

Prices of metals showed a drop of 0.2 per cent due to a fall in zinc and lead. Finally, the "various" group showed an increase of 1.3 per cent owing to a rise in the prices of a number of articles including certain building materials (bricks and glass).

The slight decrease in the index of retail prices was the result of a decline of 0.2 per cent in the prices of farm products and a simultaneous slight rise, by 0.1 per cent, in the prices of manufactured articles.

The increase in the index of the cost of living is accounted for by a rise in foodstuffs by 0.4 per cent, a rise in the cost of fuel by 0.3 per cent, no change



A COLD STORAGE PLANT IN THE FOODSTUFFS PAVILION AT THE POLISH NATIONAL EXHIBITION (PHOT. S. PLATER)

in the cost of clothing and lodging, and a rise in the remaining items taken into consideration — by 0.1 per cent.

TREATIES

THE POLISH-RUMANIAN ECONOMIC CONFERENCE which was held in Warsaw from August 10th to 21st was a continuation of the negotiations which took place at Bucarest at the end of May.

The object was to regulate provisionally, i. e., until the conclusion of a regular commercial treaty, a number of questions requiring immediate attention. The delegations came to an agreement concerning various problems pertaining to communication, customs formalities, &c. Certain points which, owing to their nature required supplementary instructions from the respective Governments, will be dealt with in near future.

The negotiations for a regular commercial treaty will probably begin in January 1930.

FAIRS AND EXHIBITIONS

THE IX LWÓW INTERNATIONAL FAIR. — The Annual fair will be held this year from September 7th to 19th.

The interest displayed in the Fair by both, local and foreign commercial and industrial circles, is greater than in the previous years, which is reflected in the number of enquiries for stands. It is generally anticipated that the Fair will prove as great a success, if not greater, than in former years.

In order to facilitate foreign guests visiting the Fair, the Ministry of Foreign Affairs, in conjunction with Ministry of Finance, has instructed the Consulates to grant visas free of charge to all foreigners who take an active part in the Fair.

Similarly as in the past years, the Polish State Railways will give a 50 per cent reduction on return tickets to any point in Poland to visitors to the Fair.

APICULTURAL SHOW AT THE POLISH NATIONAL EXHIBITION. —

This show was held from August 15th to 25th. It comprised 126 exhibits, which illustrated the progress that has been made in this branch in the course of the last few years. The show was very complete and instructive for practically all the types of modern bee-hives employed in Poland have been exhibited.

DISTINGUISHED VISITORS TO THE POLISH NATIONAL EXHIBITION.

— In August, the Exhibition was visited by a large number of foreign guests including Cabinet Ministers of Rumania, Sweden, Estonia and Belgium and the representatives of industry, agriculture and science.

The Rumanian Minister of industry and Commerce, M. Madgearu, arrived in Poznań on August 6th in the company of the Polish Minister of Industry and Commerce and high officials of the Ministry.

After visiting the Exhibition M. Madgearu spent 2 days at Gdynia and a further 2 days at Warsaw.

On August 16th the City of Poznań had the privilege of being the host to three distinguished foreign guests, namely — M. W. Lundwig the Swedish Minister of Industry and Commerce; M. Johannes Zimmerman, the Estonian Minister for Economic Affairs; and M. Heyman, the Belgian Minister of Industry and Labour. M. Heyman was accompanied by a number of the leaders in Industry, Commerce and Finance in Belgium, including M.M. Baron Leon Greindl, Georges Laloux, Felix Depresseux, President Pesein, Louis Solvay, President Schramme, Consul Georges Vaxelair, Remy de Pillecyn, Senator Laboulle, Malengret-Lebrun, Paspers and Van Maylan.

After spending the 16th and 17th at the Exhibition, the visitors went to

Gdynia accompanied by M. Nosowicz, Director of the Marine Dept at the Polish Ministry of Industry and Commerce. On the 19th the party arrived at Warsaw.

On August 16th a Czechoslovakian excursion composed of well-known agriculturists also visited the Exhibition.

PUBLICITY MEN AT THE POLISH NATIONAL EXHIBITION. — An excursion composed of 12 persons, representing between them England, France, Germany and Holland, members of the International Congress of Publicity, held recently at Berlin, arrived in Poznan on August 15 for a two-day visit to the Exhibition.

FOREIGN TRADE

— Imports to Poland, including the Free City of Danzig, in July amounted to 473,000 tons, valued at £ 266.4 million and exports to 2,139,900 tons valued at £ 276.4 million. There was thus a favourable balance of £ 10.0 million, due to an increase in exports by £ 38.9 million and a decrease in imports by 5.0 million as compared with the preceding month. It is seen that the improvement in foreign trade was almost entirely due to an increase in exports.

The changes in imports are comparatively small. The largest fall was shown by the foodstuffs group, which declined by £ 9.5 million. There were declines in practically all the items, which seems to indicate a certain falling off in the purchasing capacity of the population. Imports of rice declined by £ 1.6 million, fruits and berries by £ 0.6 million, spices by £ 0.4 million, herrings by £ 0.3 million, animal fats by £ 1.5, vegetable oils by £ 0.4, and tobacco by £ 4.3 million.

The group of animal products decreased by £ 3.6 million, which is explained by the unfavourable conditions in the tanning industry. Thus, raw hides declined by £ 0.5 million, undressed furs by £ 1.0 million leather by £ 0.5 million and leather footwear by £ 0.9 million.

Timber products registered a fall of £ 1.7 million and oil-bearing seeds £ 0.3 million.

Of the metallurgical raw materials, zinc ore fell by £ 1.5 million, while at the same time, iron ore rose by £ 0.4 million and lead ore by £ 0.1 million.

The rubber group showed an increase of £ 0.9 million which affected practically all the items included under this head. Imports of automobile tyres rose by £ 0.4 million.

There was an increase in artificial

fertilizers amounting to £ 4.0 million, Norwegian saltpetre rose by £ 3.9 million, and Thomas slag by £ 1.5 million, but phosphate rock decreased by £ 1.5 million.

In the group of organic chemicals, fats and oils for technical purposes, both of vegetable and animal origin, declined by £ 1.4 million and £ 1.2 million, respectively. Owing to a depression in the tanning industry, the imports of tanning extracts declined by £ 0.4 million.

The group of metals and products thereof also showed a decrease; thus rails, and iron and steel decreased by £ 0.4 million, copper products by £ 0.8 million, copper alloys and products thereof by £ 0.2 million, tin and tin products by £ 0.3 million, and aluminium by a like amount. It is gratifying to note that the import of scrap iron registered a rise of £ 2.6 million.

It is equally interesting to see that imports of machinery and apparatus rose by £ 7.9 million, indicating that the process of modernisation of industrial plants which slowed down during the past few months, is again showing signs of revival; thus, motors rose by £ 1.5 million, pumps by £ 0.6 million, electrical machinery by £ 0.8 million, metal and woodworking machinery by £ 2.6 million, textile machinery by £ 0.7 million, agricultural implements by £ 0.7 million, and boilers and central heating parts by £ 0.6 million.

There were also increases in electrical wares (by £ 1.7 million), the largest rise (£ 0.6 million) being in telephone apparatus.

In the group of means of communication, vehicles rose by £ 0.2 million, and motor cars by £ 1.0 million.

The largest decrease on the import side was that registered by the textile group, which was £ 9.2 million. The declines affected both raw materials and finished products; raw cotton fell by £ 4.8 million, wool by £ 1.4 million, cotton yarns by £ 0.9 million, woolen yarns by £ 0.5 million, cotton fabrics by £ 1.0 million and silk fabrics by £ 1.7 million.

The remaining groups did not show any changes worthy of note.

On the export side the largest increases were recorded in the foodstuffs (by £ 20.7 million), fuel (by £ 7.5 million), textile products (by £ 4.8 million), live animals (by £ 2.3 million), and timber products (by £ 1.7 million).

In the foodstuffs group, the largest increase (£ 7.6 million) was registered

by rye, and smaller increases took place in wheat (by £ 2.0) and oats (by £ 2.1 million). It is interesting to note a rise of £ 4.6 million in sugar. Bacon increased by £ 5.1 million, despite an apparent glut on the English market and a downward trend in prices.

Exports of butter showed an increase of £ 4.5 million, but this commodity encountered some difficulties, owing to severe competition which brought about lower prices; moreover, exporters have to keep the goods in cold storage which unfavourably affects the business.

Potatoes and potato products decreased by £ 0.8 million, which is normal at this time of the year. Eggs declined by £ 6.1 million, which is to be attributed to excessively high prices and the recent fall in prices on the international markets. The group of live animals increased by £ 2.3 million, of which £ 1.4 million falls to pigs and £ 0.6 to geese; products of animal origin also showed an increase, which is explained by the rise in raw hides by £ 1.2 million.

The timber group exhibited an increase of £ 1.7 million; pulpwood rose by £ 2.0 million, railway sleepers by £ 1.6 million, and coopers' wares by £ 0.2 million; on the other hand, logs and stumps dropped by £ 1.7 million and plywood and products thereof by £ 0.2 million.

Exports of seeds and grasses showed a decrease of £ 0.6 million which, in view of the end of the season, can be regarded as normal.

Cement displayed some improvement, which was reflected in an increase of £ 0.3 million.

Considerable improvement took place in the fuel group in which coal increased by £ 7.7 million.

Petroleum products showed a decline: kerosene by £ 0.9 million, benzine by £ 0.6 million, and paraffine wax by £ 0.2 million.

In the chemical group, it is significant to note a rise in artificial fertilizers by £ 0.2 million.

The metal group registered a slight increase of £ 0.1 million; lead increased by £ 0.4 million, pipes by £ 0.5 million, but zinc declined by £ 0.7 million.

Considerable changes took place in July in the textile group which rose by £ 4.8 millions; thus, woolen yarns by £ 3.9 million, woolen fabrics by £ 0.7 million, and cotton fabrics by £ 1.3 million.

The remaining groups on the export side did not show any considerable changes.



THE LANDED ESTATES HALL AT THE EXIBITON,
POZNAN, (PHOT. S. PLATER)

It is difficult to state at the present moment whether the favourable position in the foreign trade of Poland will be maintained in the coming months, but experience of the last few years has shown that business with foreign countries, and especially the export trade, assumes larger proportions in the second half of the year, and there is no reason believe why this year should be an exception.

CERTIFICATES OF ORIGIN. — In August, the Ministry of Industry and Commerce issued an order enumerating the institutions which are authorised to issue certificates of origin in regard to goods destined for export. In accordance with this order the following authorities are given the right: the Voievodship Authorities, the Commissary General of the Polish Republic at

Danzig and the Chambers of Commerce and Industry.

This order comes into force on September 1, 1929.

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. 225: Polish producers of high grade glass for the manufacture

of tiles for stoves are desirous of getting into touch with foreign buyers,

Ref. No. 226: Polish manufacturers of metal and porcelaine accessories for electrical installations are desirous of extending their foreign connections.

Ref. No. 227: Polish chemical works offer for export sulphuric acid for industrial and pharmaceutical purposes and amyl alcohol 128/132⁰ and 130/132⁰, and special grades for milk analyses.

Ref. No. 228: Manufacturers of potato meal, potato flakes glucose, sweet lupine in grain and milled are desirous of entering into relations with foreign firms interested in this line.

Ref. No. 229: Chemical works producing bone glue and skin glue are desirous of entering into relations with foreign firms interested in this line.

Ref. No. 230: Polish manufacturers of raw and refined zinc, zinc sheets, zinc dust, and pig lead offer their products for export.

Ref. No. 231: Polish manufactures of fire resisting earthenware wish to get into touch with importers interested in this line.

Ref. No. 232: Manufacturers of nitric and sulphuric acids and fluorium silicate seek foreign buyers.

Ref. No. 233: Manufacturers of colours, graphic oils, and paints are desirous of getting into touch with importers of these products.

Ref. No. 234: Manufacturers of locomobiles, steam threshers, sowing machines, horse rakes, &c., wish to extend their foreign connections.

Ref. No. 235: Polish growers of pedigree grains and field seeds offer their products for export.

Ref. No. 236: Polish producers of fruit juices and liqueurs wish to get into touch with foreign importers.

Ref. No. 237: Manufacturers of coffee extracts are desirous of getting into touch with foreign buyers.

CUSTOMS DUTIES AND FOREIGN TRADE REGULATIONS

EMBARGO ON WHEAT AND RYE-FLOUR IMPORTS. — An executive order issued by the Cabinet and dated July 26, 1929 regarding an embargo on wheat and rye-flour imports has been recently announced. ("Dz. Ust. R. P.", No 55, 1929, item 438).

This order plans an embargo on the import of wheat flour and rye flour until further notice. The execution of this order has been entrusted to the Ministers of Finance, Industry and Commerce, and of Agriculture, each to act within the limits of his competence. The order in question enters into force as from August 1st, but is in effect merely a prolongation of the embargo on wheat and rye flour imports which was already in force.

TRANSPORTS

RAILWAY TRAFFIC IN JULY exhibited a considerable increase as compared with the preceding month and July 1928. The average daily car-loadings amounted to 19,463 as compared with 18,122 in June of this year, and 17,653 in July 1928. The increase is accounted for by larger transports of coal to local and foreign stations and an increase in the local traffic of farm products and industrial materials. As regards the latter group the increase was caused by a rise in building materials. It is worthy of note that a considerable increase took place in the consignments destined for abroad.

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

	July 1928	June 1929	July 1929
Loaded on the Polish State Railways:			
destined for local stations	12,007	12,488	13,435
destined for abroad	3,417	3,852	4,182
Total:	15,424	16,340	17,617
received from abroad	701	604	576
transit via Poland	1,158	1,178	1,270
Total:	17,635	18,122	19,463

It results from the above figures that the increase in the traffic in July was caused by a rise in transports despatched from local stations from average of 12,488 to 13,435, and from 4,852 to 4,182 in the average daily loading for foreign stations. At the same time the average daily number of loaded wagons received from abroad declined from 604 in June to 575 in July, while that for transit traffic increased from 1,178 to 1,270.

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

	July 1928	June 1929	July 1929
coal, coke and briquettes	3,171	3,442	3,874
crude oil and petroleum products	150	184	174
timber	1,156	1,140	1,097
agricultural products	760	765	935
raw materials and industrial products	2,712	2,699	2,936
miscellaneous	4,058 ¹⁾	4,258	4,419 ¹⁾
Total:	12,007¹⁾	12,488	13,435

Visit the Polish National Exhibition 1929

There was an increase in all classes of goods with the exception of timber which, however, was due to the difficulty in obtaining trucks. The following table shows the daily car-loadings of the different groups of merchandise despatched to foreign countries (in 15 ton wagons):

	July 1928	June 1929	July 1929
coal, coke and briquettes	2,302	2,444	2,911
crude oil and petroleum products	50	62	57
timber	921	617	821
agricultural products	50	62	133
miscellaneous	216	267	260
Total:	3,417	3,852	4,171

The rise in the transport of coal and timber is significant. It is also interesting to note an increase in the despatch of agricultural products, the exports of which exhibited a considerable augmentation as a result of the large grain reserves from last year being available for sale on foreign markets.

PORT TRAFFIC IN JULY. — Port traffic in the Polish ports in July showed an increase over the preceding month.

In Danzig, arrivals numbered 558 of 372,059 net reg. tons (348,501 net reg. tons), and departures 561 of 372,185

net reg. tons (348,501 net reg. tons). The total freight traffic according to provisional figures amounted to 770,690 tons, which was 46,716 tons larger than in June. The employment of cargo space on the import side was smaller, amounting to 11.6 per cent, which is explained by a fall in imports. The employment of cargo space in the case of exports continued to be large and amounted to 98 per cent.

The nationality of the vessels which called at Danzig in July is shown in the following table:

	Arrivals: ships net reg. tons	Departures: ships net reg. tons
Poland & Danzig	32 31,925	28 30,187
Germany	173 101,160	186 101,560
Finland	10 8,268	9 6,382
Estonia	5 2,329	6 2,510
Latvia	37 19,417	35 19,331
Lithuania	1 437	1 437
Sweden	125 63,524	128 65,949
Norway	23 19,586	24 19,386
Denmark	100 65,814	93 68,526
England	19 23,282	19 23,282
Holland	12 8,394	9 5,767
Belgium	1 3,072	—
France	6 5,233	7 6,231
Italy	1 1,563	2 4,396
Greece	8 14,119	7 13,923
U. S. A.	1 3,094	1 3,094
Austria	1 136	1 136
Czechoslovakia	2 577	4 959
Hungary	1 129	1 129
Total:	558 372,059	561 372,185

Out of 20, the Polish flag, similarly as in June, occupied the 4th place coming after Germany, Denmark and

Sweden. The fact that the Polish flag has occupied for 2 successive months such a prominent place in the Danzig traffic is worthy of note, and proves that Poland has made considerable progress in shipping in the course of the last few years.

According to provisional figures the goods traffic in Danzig in July as compared with June was as follows (in tons):

	Imports:		Exports:	
	June	July	June	July
grain	—	475	8,730	25,232
sugar	—	—	13,500	14,060
herring	1,080	4,890	—	—
colonial products and foodstuffs	2,328	2,009	3,773	4,449
artificial fertilizers and chemicals	40,963	19,564	715	—
timber	—	—	53,705	52,174
cement	—	—	4,910	4,910
building materials	2,850	2,640	—	—
coal	2,870	—	498,892	580,941
mineral oils	1,170	1,382	9,527	5,211
ores	31,520	20,186	—	—
scrap iron	43,112	28,395	—	—
iron	225	951	—	—
various	1,036	879	2,478	2,342
Total:	127,754	81,371	596,230	689,319

During the period under review, imports declined by 46,383 tons or 36 per cent as compared with June. Such a large fall has not been witnessed for over a year, if the 2 winter months of the current year are left out of account as being exceptional. A decline in imports has been apparent for some time. In April they amounted to 181,000 tons, in May to 147,000 tons, in June to 81,000 tons; of course, the declines in certain groups of commodities are seasonal, and they may increase again. Of the different groups of merchandise, herrings showed an increase of about 4,000 tons, while all the other groups of commodities fell to a larger or smaller extent. The largest fall was in fertilizers, by over 50 per cent, and in scrap iron and ores.

On the other hand, the volume of exports rose during the month by over 90,000 tons, due principally to a rise in coal from 498,000 tons to 580,000 tons, though other groups also showed considerable increases. Thus, grain increased from 8,000 tons to 25,000 tons, sugar from 13,000 tons to 14,000 tons, and foodstuffs from 3,773 tons to 4,500 tons. Timber and cement were at last month's level, but mineral oils declined slightly. On the whole the position on the export side was quite satisfactory.

The exports of coal (bunker coal excluded, (are given below (in tons):

Sweden	157,545
Denmark	96,501
France	56,403
Norway	31,276
Italy	29,732
Finland	28,562

Latvia	28,172
Holland	11,810
Belgium	9,710
Brazil	6,273
Germany	5,850
Russia	3,400

Total: 465,997

The passenger traffic in July is illustrated by the following figures:

	Arrivals: Departures:	
	p e r s o n s *	
Gulf coastal traffic	7,679	10,818
Copenhagen	39	366
London	306	1,636
Hull	65	451
N. York	21	1,065
Helsingfors	11	—
Libau	45	13
Stockholm	16	620
Pilau	—	—
Göteborg	2	—
Total:	8,184	14,969

In Gdynia, both the goods and ship traffic grow from month to month with the progress in the construction of the port. July saw a further increase in the amount of goods handled, namely from 301,908 tons to 335,446 tons thus establishing a new record.

During the period under review, 174 vessels (169) of 178,650 net reg. tons (174,555 net reg tons) called at the port, and 180 vessels (173) of 176,320 net reg. tons (179,211 net reg. tons) departed (The figures in the brackets are for June).

The nationality of the ships which called at Gdynia in July, as compared with the preceding month is given below:

	Arrivals:		Departures:	
	June	July	June	July
Poland & Danzig	23	26	22	24
Sweden	57	41	64	38
Denmark	21	25	20	23
Germany	20	31	21	34
Latvia	16	11	14	10
Norway	8	14	9	13
England	7	3	7	3
France	6	8	6	8
Estonia	4	4	3	4
U. S. A.	2	3	1	4
Finland	1	2	—	3
Holland	1	1	2	1
Lithuania	1	1	1	1
Belgium	1	1	1	1
Czechoslovakia	1	—	1	—
Greece	—	3	—	3

As has already been stated, the volume of freight rose considerably.

Imports aggregated 73,856 tons as compared with 50,223 tons in June, an increase of 23,634 tons, and as usual, for the most part, were composed of bulk cargoes, such as Thomas slag (39,711 tons), saltpetre (6,021 tons), phosphate rock (4,750 tons), iron ore (5,600 tons), and scrap iron (1,502 tons). The imports also included 15,586 tons of rice and about 200 tons of general cargo.

Exports totalled 261,590 tons as compared with 251,686 tons in June, an increase of about 10,000 tons. The bulk of the outward cargo was composed of coal (243,578 tons and 13,770 tons of bunker

coal), sugar (3,738 tons), rice, machinery &c.

The passenger movement was less active than in June. There arrived 1,796 persons and 1,781 departed; the corresponding figures for the preceding month were 2,177 and 2,178.

PROGRESS IN THE CONSTRUCTION AND EXPLOITATION OF THE OF PORT GDYNIA — The exceptionally severe winter seriously held up building operations at the Port of Gdynia at the beginning of the current year. During January, February and March dredging work was considerably hampered and restricted, the amount excavated being only 439,632 cub. m. representing an outlay of Fr. 549,540.31.

The construction of the port could only be taken up in earnest after the prolonged frosts had ceased, and even so, the progress made thereafter was not so considerable as was the case during the corresponding months of last year. This is borne out by the data contained in the following table:

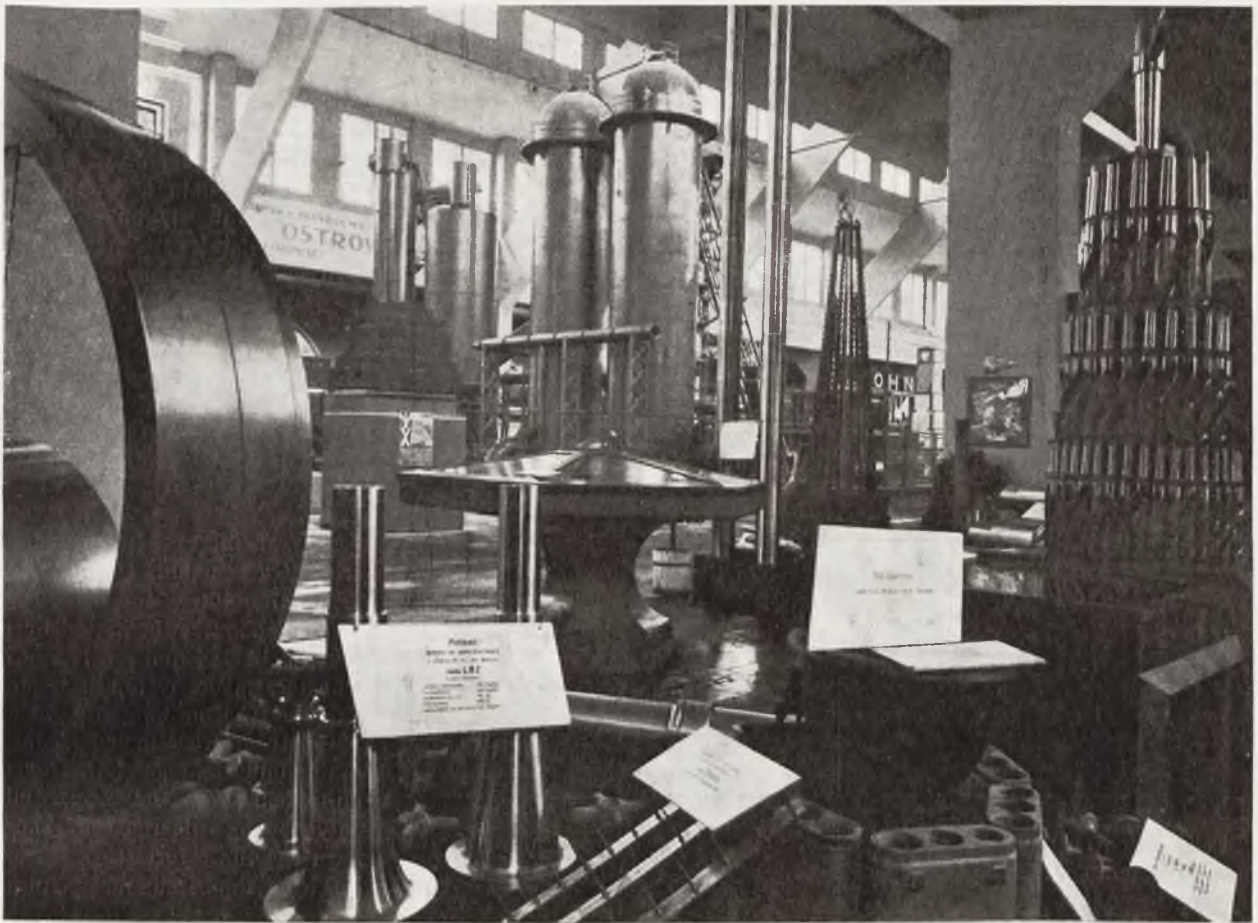
Month	Value of the work executed (In Swiss Francs)	
April	1,342,185.70	808,107.11
May	1,554,469.54	868,586.78
June	2,000,954.10	1,128,643.26
Total:	4,897,629.34	2,805,337.15

The construction of the Southern Basin (the fishing port, which is being built in accordance with the contract of August 8, 1928) made considerable progress as can be seen from the value of the work executed in the following months (in Swiss Francs):

April	999,615.68
May	495,487.79
June	424,857.04
Total:	1,919,960.51

As regards the construction of buildings and the installation of equipment, the following progress is to be reported for the half-year under examination: Warehouse No. 2 was completed and turned over to the Government; work on two new warehouses (Nos. 3 and 4) was commenced, their area to be 8,800 sq. m.; about 700 m. of additional railway track was laid on the Polish and Rotterdam Quays; the following bridge cranes (constructed by the International Shipbuilding and Engineering Co. of Danzig) were installed and commenced working: two 1 1/2 ton cranes at Warehouse No., 1 on the Pilot Quay, six 1 1/2 and 2 1/2 ton cranes on the Polish and Rotterdam Quays; over 400 m. of water-pipe lines were laid on the Swedish Quay Extension and a whole series of minor works were carried out.

The building of the State-owned cold storage warehouse, under the auspices of the State Land Bank, made gratifying progress: pile-driving under the foundations and walls for the administrative and machine room wings was duly completed and foundations and walls for these built up as far as the roof.



EXHIBITS IN THE FOUNDRY HALL, AT THE POLISH NATIONAL EXHIBITION, POZNAN
(PHOT. S. PLATER)

Building by private enterprise on sites leased from the State was confined to the construction of a coal-wagon tip by the "Polskarob" Co. during May and to the building of a second warehouse of 4,200 sq. m. storage space by the local rice-husking plant.

Another step forward towards the further equipment and exploitation of the port was taken on June 28th., when a contract was signed with the International Shipbuilding and Engineering Co. of Danzig for the delivery of mechanical equipment for loading bunker coal (600 tons per hour). The installation of this equipment will do much to advance Gdynia as a coaling-station.

The low price and high quality of Polish coal, Gdynia's favourable geographical position and easy access to the port, are all factors which justify the belief that Gdynia will become the natural coaling station for vessels sailing on the Baltic.

On July 17th, a further agreement was signed with the International Shipbuilding and Engineering Co. by virtue of which that enterprise is to commence the construction of a shipbuilding and repair yard at Gdynia within the course of six months; this yard will also contain slips for fishing trawlers and smaller ocean-going vessels. The ship-yard is to acquire a 3,000 ton floating dock in the very near future.

The progress shown in the construction of the port is accompanied by a growth in the port traffic. The following data will best show how goods and ship traffic have developed in the Port:

		<i>Ship traffic</i>			
		<i>Arrivals:</i>		<i>Departures:</i>	
		<i>ships</i>	<i>net reg. tons</i>	<i>ships</i>	<i>net reg. tons</i>
I quarter	1929	182	156,874	178	150,833
II "	"	440	430,553	451	437,681

		<i>Goods traffic</i>		
		<i>Imports</i>	<i>Exports</i>	<i>Total</i>
		<i>t o n s</i>	<i>t o n s</i>	
I quarter	1929	39,595	308,103	347,698
II "	"	132,031	710,194	842,225

The average daily loadings at the Port continue to increase steadily. The mean daily loadings in April were 916,000 tons, 11,000 tons in May and 11,600 tons in June. Several records were broken at Gdynia during June this year: the total loadings for the month rose to 302,000 tons — a record figure for one month; the figure of 115,000 tons during the last ten days of June exceeded all previous figures for a like period; finally, the record loading of 13,749 tons in one day took place on June 26 th. In the meantime even these records have been surpassed since

the July loadings came to 335,446 tons and those for the last ten days of that month came to 124,077 tons.

Goods imported into Poland through Gdynia came to 24,842 in March, to 36,944 tons in April, to 44,875 tons in May and to 50,222 tons in June. Exports through Gdynia are much in excess of the imports and the difference is continually, although slowly, increasing in size.

As the construction of the port makes headway, the tonnage of vessels entering it also advances: thus, for example one of the largest vessels that ever entered the Baltic, the s. s. "Pennland" (16,333 gross reg. tons) dropped anchor in Gdynia on June 3rd. The quay-sides at present can accommodate up to twenty steamers loading or un-loading at the same time.

POLISH LOADING APPLIANCE FOR BULK CARGOES TO BE INSTALLED AT GDYNIA.—

The Polish State Coal Mines "Skarboferme" have recently placed a contract with the Pohlig engineering firm of Cologne for the construction and installation at the port of Gdynia of a truck-hoist for loading bulk goods, invented by G. Willimek and W. Kozietulski of Grudziadz.

This appliance, which is known as the "Z", and which has been patented in England (291,395) is to be ready for use in the middle of 1920.

AERIAL COMMUNICATION. — In July, the atmospheric conditions in Poland were favourable to air traffic which, combined with the regularity of flights, induced the public to use the air services to a much larger extent, than in the preceding months.

The number of flights, scheduled and extra, was 689 as against 641 in June. The regularity of flights showed an improvement over the preceding

month, rising from 99.5 per cent to 99.8 per cent. The distance flown increased from 155,622 km. to 166,102 km., or by 10,580 km.

It is worthy of note that the number of passengers carried has, of late, been steadily increasing, namely from 1,181 in May and 1,882 in June to 2,380 during the period under review. The amount of mail transported has also shown a regular growth, increasing from 4,371

kg. in May to 5,257 in June and to 6,089 in July.

The reverse, however, is observed in the freight traffic, the figures being 25,406 kg. for May, 18,180 kg. for June and 15,283 kg. for July.

The above data indicate that air transport in the Republic of Poland is developing in the right direction — an increase in mail and passengers and a decrease in freight.

FINANCE AND BANKING

STATE REVENUE AND EXPENDITURE in July was as follows (in millions of zł):

The State revenue in July was the largest in the current fiscal year and amounted to zł 251.2 million as

for by an increase in the sums received from Government Departments (from zł 150.7 million to zł 163.2 million) brought about principally by a rise in taxes collected and an increase in the transfers made by the State Monopolies (from zł 68.5 million to zł 75.9 million).

The transfers effected in July by the State undertakings fell from zł 12.7 million in June to zł 13.3 million in July due to a decrease in the revenue from the State forests.

During the first four months of the current fiscal year, the State revenue has totalled zł 980.6 million, thus exceeding considerably that for the corresponding period of the 1928/29 fiscal year when it aggregated zł 915.3 million. The expenditure made since the beginning of the current fiscal year has risen to a still larger extent, totalling zł 968.9 million as compared with zł 873.7 million for the same period of the preceding fiscal year. As a result, the surplus of revenue has decreased from zł 41.6 million to zł 11.7 million. For the first four months of the current fiscal year (April—July) the State revenue represented 33.2 per cent of the budget estimates for the whole year. The revenue from the Government Departments was 34.5 per cent, that from the State undertakings—32.7 per cent, and that from the monopolies 30.5 per cent. On the other hand, the expenditure for the same period represented 33 per cent of the budget estimates for the whole year.

	Revenue		Expenditure	
	actual	estimated for 1929/30	actual	estimated for 1929/30
A) Civil service	163.2	1,885.8	248.6	2,913.9
The President of the Republic.	0.0	0.3	0.3	4.1
The Parliament.	0.0	0.3	0.9	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	0.1	12.2	3.0	58.5
" " War.	0.3	3.5	75.2	845.9
" " the Interior	2.5	15.6	19.9	251.2
" " Finance	148.7	1,706.7	11.8	154.7
" " Justice	4.2	43.2	9.9	133.0
" " Industry and Commerce	1.1	12.4	8.1	57.2
" " Transport	0.0	0.5	2.4	19.2
" " Agriculture	1.2	11.4	5.1	61.8
" " Religious Cults and Education	0.2	10.8	36.7	472.1
" " Public Works	2.0	35.1	19.1	163.2
" " Labour and Social Protection	0.0	0.9	6.5	66.2
" " Land Reform	0.2	5.1	4.7	73.9
" " Posts and Telegraphs	0.0	0.0	0.3	3.0
Pensions	2.4	27.7	10.2	127.2
Grants to disabled soldiers	—	—	8.4	153.1
State liabilities	—	—	25.4	247.3
B) State enterprises	12.7	164.6	2.4	21.9
C) Monopolies	75.9	904.5	—	—
Total A + B + C:	251.8	2,955.0	251.0	2,935.8

compared with 232.6 million in June and zł 232.2 million in July 1928. In accordance with the policy of the full employment of revenue and the avoidance of locking up capital, the expenditure in July was about equal to the revenue and amounted to zł 251.0 million as compared with 232.1 million

in the preceding month and zł 224.0 million in July of last year. The surplus of revenue over expenditure was zł 0.9 million against zł 0.5 million in June and zł 8.8 million in the corresponding period of last year.

The increase in the revenue in July as compared with June was accounted

TAXES IN JULY. — The revenue from taxes and monopolies in July rose considerably, establishing a record in the current fiscal year. The largest revenue in the first quarter of 1929/30 was in April when it amounted to zł 219.9 million; July yielded more — zł 220.4 million which was 11 per cent more than in June (zł 194.5 million),

and 6.1 per cent more than July 1928 (zł 207.8 million).

Both, taxes and monopolies showed increases as compared with the preceding month. The former rose from zł 126.1 million to zł 144.5 million and the latter from zł 68.5 million to zł 75.9 million. Of the taxes only indirect taxes and the Property Tax showed a falling off. The largest increase was recorded in direct taxes, despite the fact that, apart from the Turnover Tax, no other taxes were payable during the period under review.

The revenue from direct taxes increased from zł 49.9 million in June to zł 65.7 million in July, and was zł 8.8 million greater than in July 1928 (zł 56.9 million). The largest increases were shown by the Industrial Tax (from zł 25.7 million to zł 37.1 million), and the Income Tax (from 13.8 to zł 17.0 million).

After a large rise in June, the revenue from indirect taxes dropped slightly in July (from zł 17.5 million to 16.9 million), owing principally to a fall in the Sugar Tax from zł 12.2 million to zł 11.5 million. Compared with July 1928, the revenue from indirect taxes showed a rise of zł 1.5 million, due in the main to an increase in the Sugar Tax.

Customs duties yielded slightly more, zł 32.9 million in July and 32.6 million in June, but considerably less than in July of last year (37.8 million) due, of course, to a fall in imports. The revenue from stamps fees which may, to a certain extent, be regarded as a barometer of business generally, increased from 16.6

million to zł 18.1 million (zł 17.5 in July 1928).

The Property Tax showed a fall in July both as compared with June 1929 and July 1928 the respective figures being zł 1.0 million, zł 1.2 million and zł 1.3 million.

As a result of the increases in the revenue of most of the taxes, the 10 per cent Extraordinary Supplementary Tax yielded zł 10.1 million in July as, against zł 8.2 million in June and zł 8.7 million in the corresponding period of last year.

The monopolies yielded in July record sum in the current fiscal year; it was zł 5.7 million larger than in July 1928.

The State Tobacco Monopoly paid in to the Treasury zł 37.0 million as against zł 32 million in June.

During the first 4 months of the current fiscal year, the taxes and monopolies returned zł 850.5 million as compared with 810.0 million in the corresponding period of the 1928/29 fiscal year, and represented 33.9 per cent of the budget estimates for the whole year. During this period taxes yielded 35.9 per cent of the estimated amount for the whole year (the direct taxes 40.8 per cent), and monopolies 30.5 per cent.

The revenue for the year 1929 as compared with the budget estimates and the revenue for June of this year and July of last year is given (in millions of zł):

	Actual revenue:			1/11 th of the yearly budget for 1929/30
	June 1929	July 1928	July 1929	
Direct taxes	49.9	56.9	65.7	51.7
Indirect taxes	17.5	15.3	16.9	14.4
Customs duties	32.6	37.8	32.9	35.4
Stamp fees	16.6	17.5	18.1	16.3
Total of the ordinary public levies:	116.6	127.6	133.5	117.8
10 per cent Extraordinary Tax	8.2	8.7	10.1	8.2
Property Tax	1.2	1.3	1.0	7.5
Monopolies	68.5	70.2	75.9	75.4
Total of public levies and monopolies:	194.5	207.8	220.4	208.9

STOCK EXCHANGE

— Similarly as on most European stock exchanges, the majority of European currencies rose to a large extent on the Warsaw Stock Exchange in July than in the preceding month. Drafts on London rose by as much as zł 0.04 per pound sterling on Vienna and Brussels by zł 0.05. On the other hand, drafts on Amsterdam declined by zł 0.37, on Milan by about zł 0.05, and on Prague by zł 0.25. The Warsaw-New York exchange remained unchanged throughout the month and was zł 8.90.

The quotations for the zloty on the world exchanges were not subject to any considerable fluctuations. In New York, Prague and Berlin they were stable. In London, the quotation was equivalent to that ruling in Warsaw

		28.6	1—5.7	8—12.7	15—19.7	22—30.7	31.7	par value
Warsaw Exchange								
London	£ 1	—	43.24 ² / ₅	43.26 ¹ / ₄	43.26 ⁰ / ₂₅	43.28 ¹ / ₈	43.28 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	34.92	34.88 ³ / ₄	34.91 ¹ / ₈	34.93 ¹ / ₅	34.95 ⁷ / ₈	34.96	172.00
Brussels	Belg. 100	—	123.81	123.94 ¹ / ₂	123.93 ⁷ / ₈	123.96 ¹ / ₄	124.02	123.95
Zurich	Sw. Fr. 100	171.59	171.54 ¹ / ₅	171.52	171.52 ⁵ / ₈	171.59 ¹ / ₄	171.63	172.00
Milan	Lir 100	—	46.67 ³ / ₄	46.66 ¹ / ₂	46.65 ³ / ₄	46.64 ⁵ / ₈	46.63	172.00
Amsterdam	Fl. 100	—	358.11 ¹ / ₄	358.23	358.10	357.79	357.74	358.31
Vienna	Sh. 100	—	125.36 ² / ₅	125.38 ¹ / ₄	125.51 ¹ / ₂	125.59 ¹ / ₃	125.69	125.43
Prague	Kc. 100	26.40	26.39	26.38 ¹ / ₂	26.38 ¹ / ₂	26.38 ¹ / ₅	26.39 ¹ / ₂	180.62
Stockholm	Kr. 100	—	239.01	239.10 ¹ / ₅	239.02	239.06 ¹ / ₂	—	238.89
Foreign Exchanges								
London	£ 1	43.25	43.24	43.25	43.25 ⁹ / ₁₀	43.26 ¹ / ₄	43.28	43.38
New York	zł 100	11.25	11.25	11.25	11.25	11.25	11.25	11.22
Zurich	zł 100	58.27 ¹ / ₂	58.25	58.30	58.29	58.30	58.30	58.14
Vienna	zł 100	79.69	79.71 ³ / ₄	79.62 ¹ / ₂	79.62 ⁵ / ₈	79.55 ³ / ₁₀	79.51	79.55
Prague	zł 100	378.25	378.28 ³ / ₄	378.36	378.27	378.24	378.25	55.36
Berlin	zł 100	47.02 ¹ / ₂	47.05 ¹ / ₄	47.06 ⁷ / ₈	47.035	46.99 ¹ / ₃	47.025	47.09
Danzig	zł 100	57.79 ¹ / ₂	57.81 ³ / ₄	57.80 ³ / ₅	57.82 ³ / ₁₀	57.74 ¹ / ₅	57.74 ¹ / ₂	57.63

A slight decline was recorded in Vienna and Danzig, while in Zürich a small increase took place.

The amount of business transacted in foreign currencies and drafts showed a further decline, for large dealings were made by the banks themselves.

SHARES

The shares market has been more active of late, especially as regards the popular securities. It is true that the volume of transactions was below the normal level, yet it was larger than in June. The quotations for certain shares

of important undertakings being still at a low level, they are much in favour with the public, but as they are in strong hands only small quantities are on offer from time to time, with the result that the amount of business actually done was on a small scale. Holders of shares do

S H A R E S	28.6	1-5.7	8-12.7	15-19.7	22-30.7	31.7	Nominal
Bank Polski	163'—	160'80	158'95	162'30	165'05	164'—	zł 100'—
Bank Dyskontowy Warszawski	126'—	126'—	126'—	126'—	126'—	—	zł 100'—
Bank Handlowy w Warszawie	—	116'—	116'—	117'—	117'—	—	zł 100'—
Bank Zachodni	70'—	70'—	—	73'—	73'70	73'—	zł 100'—
Bank Zw. Sp. Zarobkowych	78'50	78'50	78'50	78'50	78'50	78'50	zł 100'—
Warsaw Coal Mining Co.	—	—	—	67'90	69'20	71'25	zł 100'—
Chodorów	—	—	—	—	—	—	zł 100'—
Cegielski	—	36'50	36'50	—	—	—	zł 50'—
Zieleniewski	—	116'50	123'75	121'—	—	—	zł 100'—
Norblin, Buch & Werner	—	165'—	—	157'50	151'75	—	zł 100'—
Starachowice	25'75	26'15	26'75	26'90	28'25	—	zł 50'—
Lilpop, Rau & Loewenstein	29'—	28'40	28'75	29'55	33'10	31'50	zł 25'—
Ostrowiec (b. series)	—	79'50	80'10	80'—	81'80	—	zł 50'—
Modrzejów	24'25	24'75	25'15	24'50	25'—	24'50	zł 50'—
Rudzki	38'—	38'—	39'50	—	37'60	35'75	zł 50'—
Warsz. Sp. Akc. Budowy Parowozów	—	24'—	24'15	25'—	—	—	zł 25'—
Zawiercie	—	—	—	—	—	—	zł 60'—
Standard Nobel	—	—	—	—	17'25	—	zł 50'—
Borkowski (Elibor)	—	—	10'50	11'—	—	—	zł 25'—
Wysoka	—	—	235'—	—	—	—	zł 100'—
Siła i Światło	—	125'—	125'15	125'50	125'50	—	zł 50'—
Zakłady Chem. Ludwik Spiess & Syn	—	—	—	—	130'—	—	zł 100'—
Zjedn. Brow. Warsz. Habermusch & Schiele	—	240'—	—	—	—	—	zł 100'—

not appear to be inclined to realise, but are waiting for an improvement to take place in the conditions now ruling on the share market.

In the group of banking shares, the demand exceeded the supply. The

shares of the Bank of Poland, the Warsaw Discount Bank, the Bank Handlowy and the Bank Zachodni were very much sought after. The quotations for the Bank Dyskontowy and the Bank Związku Spółek Zarobkowych were

unchanged, whereas those for the remaining banking shares showed gains as compared with June.

The metallurgical section attracted a great deal of attention and was very active; with the exception of the

State, Municipal & Land Loans	28.6	1-5.7	8-12.7	15-19.7	22-30.7	31.7	Nominal
5% Conversion Loan	52'—	52'10	46'15	43'65	46'85	47'50	zł 100'—
7% Stabilisation Loan	—	91'50	91'50	91'70	91'50	91'50	\$ 100'—
6% External Dollar Loan 1920	83'50	83'50	83'15	83'—	83'—	—	\$ 100'—
4% Premium Investment Loan	106'50	106'25	106'40	107'05	112'85	115'—	gold zł 100'—
5% Premium Dollar Loan (2nd series)	65'—	59'50	61'80	61'45	65'25	67'—	\$ 5'—
10% Railway Loan (1st series)	102'50	102'50	102'50	102'50	102'50	—	gold Fr. 100'—
8% Bank Gospodarstwa Krajowego Bonds	94'—	94'—	94'—	94'—	94'—	94'—	gold zł 100'—
8% State Land Bank Bonds	94'—	94'—	94'—	94'—	94'—	94'—	gold zł 100'—
8% Com. Oblig. of the Bank Gospodarstwa Kraj.	94'—	94'—	94'—	94'—	94'—	94'—	gold zł 100'—
8% Land Credit Association Bonds	—	73'—	—	72'—	—	—	zł 100'—
4% Land Credit Association Bonds	—	42'—	—	41'—	—	—	zł 100'—
4½% Land Credit Association Bonds	—	48'80	48'55	48'70	49'—	50'—	zł 100'—
8% Credit Soc. of the City of Warsaw Bonds	68'—	67'50	66'90	66'55	65'55	67'—	zł 100'—
5% Credit Soc. of the City of Warsaw Bonds	52'50	52'—	52'15	52'25	53'45	—	zł 100'—
4½% Credit Soc. of the City of Warsaw Bonds	—	46'—	46'25	46'75	47'75	—	zł 100'—

shares of Norblin, Buch i Werner, in which small transactions at slightly lower prices were reported, and those of Cegielski, which remained unchanged, all the other shares enumerated in the table below showed increases. The shares of the Warsaw Coalmining Company, Borkowski, Wysoka, Siła i Światło, and Spiess i Syn, exhibited a strong tendency. Spiess shares are quoted together with the new bonus issue which is being distributed free of charge.

STATE, MUNICIPAL AND LAND LOANS.

In the Government securities, the most active were the premium loans, and the amount of business done in them was very large. The 4 per cent Premium Investment Loan has shown a steady upward tendency since the middle of July, whereas the 5 per cent Premium Dollar Loan was subject to considerable fluctuations and, finally, registered a gain, though not as large as the 4 per cent Premium Investment Loan.

Of the other Government securities, the 5 per cent Conversion Loan, which

declined at the beginning of the month, recovered towards the end owing to a decrease in the supply. The 6 per cent Dollar Loan, after some fluctuations, showed a small decrease.

As regards the bonds of private institutions, they had a better tone; the 8 per cent bonds of the Credit Society of the City of Warsaw lost a few points at the beginning of July, but they recovered towards the end owing to the better demand which, at times, exceeded the supply.

BANK OF POLAND

— For the four months ending June 30th, the currency reserves at the Bank of Poland have shown decreases, but in July an increase was recorded. The excess of purchases of foreign currencies and drafts over sales, amounting to about zł 20 million, was caused by the rise in purchases which had already begun in June (zł 95.7 million in May, zł 115.7 million in June and 123.7 million in July) and also to a considerable decrease in sales (zł 130.3 million in May, zł 130.6 in June, and zł 103.9 in July). As regards

the purchases, only those of drafts from Government Departments showed an increase (zł 13.4 in May, zł 11.0 in June and zł 27.4 in July), because the purchases from private source showed a decrease; as regards the sales, there was a shrinkage in the demand from banks and private persons (zł 68.1 million in May, zł 58.0 in June and zł 52.2 in July) and from abroad (zł 11.4 million in May zł 17.6 in June, and zł 4.0 in July; the demand from Government Departments, mostly in connection with the service of the foreign loans, also showed a decrease (zł 49.1 million in May zł 53.3 in June, and zł 46.1 in July).

The foreign currencies, which are included in the bullion and foreign currency reserve, i. e., the cover for the notes in circulation and sight liabilities of the Bank, rose from zł 437.7 million to zł 444.5 million, whereas the currencies which are not included in the cover remained unchanged at zł 82.4 million.

The bullion reserves of the Bank, as usual, rose, thanks to small purchases of gold and silver made by the provincial branches of the Bank. The total value

	J u n e 30th		J u l y 10th		J u l y 20th		J u l y 31st	
Assets:								
Bullion:								
gold in vaults - - - -	430,947.029.91		431,454.448.63		431,676.189.34		431,809.282.24	
" abroad - - - - -	195,401.922.66		195,401.922.66		195,401.922.66		195,401.922.66	
silver (gold value) - - -	1,495.914.99		1,598.738.69		1,624.244.09		1,809.888.84	
	627,844.867.56		628,455.109.98		628,702.356.09		629,021.093.74	
Foreign currency, drafts and assets - - - - -	437,709.493.08	1,065,554.360.64	440,004.261.16	1,068,459.371.14	441,352.017.26	1,070,054.373.35	444,485.683.14	1,073,506.776.88
Foreign currency, drafts and assets not included in the cover - - - - -		82,381.331.84		81,712.846.45		78,075.363.96		82,440.662.45
Silver and token coins - -		737.573.32		489.593.41		134.192.43		422.412.83
Bills of exchange - - - -		741,378.938.30		710,062.045.68		694,092.066.84		699,590.283.02
Loans against securities -		91,242.589.14		86,436.896.19		84,048.062.51		82,902.858.07
Own interest-bearing securities - - - - -		3,888.242.44		4,045.521.56		4,232.927.56		3,343.710.68
Reserve funds invested in securities - - - - -		68,895.371.10		68,826.222.10		68,826.222.10		68,671.737.18
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 - - - - -		107,123.295.14		111,282.806.30		109,204.532.16		127,297.417.95
		2,206,201.701.92		2,176,315.302.83		2,153,667.740.91		2,183,175.859.06
Liabilities:								
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.—
Sight liabilities:								
current accounts of State institutions - - -	289,376.189.72		268,949.540.34		306,763.237.42		277,289.765.92	
outstanding current accounts - - - - -	137,863.990.43		180,252.851.92		170,019.820.11		130,662.043.60	
silver purchases a/c - - -	13,000.000.—		13,000.000.—		13,000.000.—		13,000.000.—	
State credit fund a/c - -	18,160.991.13		17,704.412.76		8,704.475.02		8,704.476.02	
various accounts - - - -	9,232.463.43		8,178.940.44		9,410.124.52		10,535.189.05	
	467,633.634.71		488,085.745.46		507,897.658.07		440,191.474.59	
Notes in circulation - - -	1,298,473.770.—	1,766,107.404.71	1,245,387.750.—	1,733,473.495.46	1,200,306.780.—	1,708,204.438.07	1,293,364.140.—	1,733,555.614.59
Special account of the Treasury - - - - -		75,000.000.—		75,000.000.—		75,000.000.—		75,000.000.—
Other liabilities - - - - -		115,094.297.21		117,841.807.37		120,463.302.84		124,620.244.47
		2,206,201.701.92		2,176,315.302.83		2,153,667.740.91		2,183,175.859.06

of the bullion reserves rose from zł 627.8 million to zł 629.4 million; the value of the gold kept in the vaults of the Bank rose by zł 0.9 million, and that of the silver by 0.3 million. The value of the gold reserves deposited abroad has been kept for a considerable time at zł 195.4 million.

The changes in the bullion and foreign currency reserves of the Bank, which took place in July and since the beginning of the current year, are given below (in millions of zł):

	January 1st	June 30th	July 31st
gold	621.1	626.3	627.2
silver	0.5	1.5	1.8
foreign currencies and liabilities	527.1	437.7	444.5
Total:	1,148.7	1,065.6	1,073.5

In relation to the value of the banknotes in circulation and sight liabilities the above mentioned reserves were 61.93 per cent at the end of July as compared with 60.33 per cent at the end of June (the statutory minimum for the cover is 40 per cent).

The increase in the percentage of the cover was comparatively larger than the increase in the amount of the cover because in July the value of the notes in circulation and sight liabilities fell from zł 1,766.1 million to zł 1,733.6 million. This decrease only to a very small extent concerns the notes in circulation (from zł 1,298.5 million to

zł 1,293.4 million) as it was caused principally by the fall in the value of the sight liabilities from zł 467.6 million to 440.2 million.

The decrease in the sight liabilities was chiefly due to a fall in the deposits on current accounts from zł 427.2 million to zł 408.0 million, of which those of Government Departments fell by zł 12.1 million and those of private persons by 7.2 million. In addition, the sum of zł 9.5 million was disbursed from the Government credit fund "F" (originating in the Stabilisation Loan) which is destined for the development of national husbandry.

A slight decline in the value of the banknotes in circulation, despite a decrease in the deposits on current accounts and a rise in foreign currency reserves, is accounted for by a decrease in the credits granted by the Bank. The value of bills in portfolio decreased from zł 741.4 million to zł 699.6 million, while the sum of loans against securities dropped from zł 91.2 million to zł 82.9 million.

The other items of the bank cover for the notes in circulation and sight liabilities also showed a fall during the period under review. The value of the silver and token coins taken over by the Bank fell from zł 0.7 million to zł 0.4 million, and the interest-bearing securities from zł 3.9 million to zł 3.3 million.

The whole bank cover for the notes and sight liabilities is given below (in millions of zł):

	January 1st	June 30th	July 31st
bills	640.7	741.4	699.6
Polish silver coins and token money	1.0	0.7	0.4
loans against securities	91.2	91.2	82.9
own interest-bearing securities	4.1	3.9	3.3
liability of the Treasury	25.0	25.0	25.0
Total:	761.9	862.2	811.3

CREDITS FACILITIES FOR FARMERS. — The Bank of Poland has recently decided to devote a sum of zł 30 million for the purpose of granting to farmers short-term credits secured by grain. In addition, the Bank Handlowy w Warszawie has received a credit of zł 10 million from abroad for the same purpose.

The Bank of Poland will distribute the credits through the private banks, which have been authorised to transact this class of business. So far a sum of about zł 20 million has been given out in the form of short-term credits.

The farmers obtain 50 per cent of the value of the grain on which the loan is secured.

The value of the grain is calculated on the basis of the highest Corn Exchange, quotation on the day preceding the allocation of the loan.

LATEST NEWS

WARSAW EXCHANGE:

	10.8.29	20.8.29
\$ 1 = zł	8.90	8.90
£ 1 = „	43.24½	43.23½

BANK OF POLAND:

	10.8.29	20.8.29
ASSETS:		
Gold and silver reserve . zł	638,111,441.74	638,249,303.88
Foreign balances . . . „	436,535,755.61	438,823,509.68
„ „ (not included in the cover) „	81,946,450.40	82,621,469.82
Bills of exchange . . . „	695,531,337.67	686,811,935.40
Loans against securities „	80,400,279.23	80,162,317.91
LIABILITIES:		
Notes in circulation . . . „	1,265,714,730.00	1,236,255,860.00
Current accounts . . . „	431,872,679.07	449,338,343.81
Other sight liabilities . . . „	28,567,725.19	30,856,824.12
BANK NOTES COVER (bullion & foreign currencies)	62.26%	62.75%

Repeal of export duty on wheat. On August 29th the Government decided to repeal export duty on this commodity as from September 1st.

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