

THE POLISH ECONOMIST





THE POLISH ECONOMIST

A MONTHLY REVIEW OF TRADE, INDUSTRY AND ECONOMICS IN POLAND

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and cover

IN AUGUST, the economic life of Poland continued to be under the cloud of depression which has been in evidence since the beginning of last winter, though, it is true, signs of improvement, due for the most part to seasonal factors, were apparent in several directions.

In agriculture, the outstanding feature was a shortage of ready cash for, although the harvest was effected during favourable weather and turned out to be much better than last year, it naturally necessitated a considerable outlay of cash. Further, the farmers have only just begun to market the new crops and as the prices were, and still are, unremunerative the sales have contributed but slightly towards an improvement in the financial position of this class and towards an amelioration of the economic situation of the country generally. Under these circumstances, the purchasing capacity of the rural population, which has an enormous influence on conditions in the other branches of production, only showed a slight betterment. The state of the winter sowings and the root crops was satisfactory.

In industry, August is usually characterised by brisk activity, but in the current year there were little signs of this, though the coal industry, owing to the good demand from both the local and foreign markets, increased production. Manufacturers of articles of direct consumption were well supplied with orders.

The situation on the labour market showed further improvement which is reflected in a fall in the number of unemployed especially in the textile industry in the Łódź area.

Wholesale and retail prices showed a downward trend.

Railway traffic was at approximately the same level as in the preceding month.

The money market was easier and accounts were met more regularly, due apparently to a shrinkage in turnover.

The foreign trade was closed with a larger favourable balance than in July, due to a fall in

imports and a rise in exports. Similarly as in the past months the Treasury showed an excess of revenue over expenditure.

The bullion and foreign currency reserves at the Bank of Poland increased further.

REVIEW OF THE GENERAL ECONOMIC SITUATION IN POLAND
AUGUST 1929

	UNIT	AUGUST 1928	JULY 1929*)	AUGUST 1929
STATE OF EMPLOYMENT:				
UNEMPLOYED		88.593	97.191	91.512
PRODUCTION:				
COAL	thousand tons	3.413.0	4.023.9	3.942.0
OIL		65.5	58.7	57.7
PIG IRON		56.8	65.7	64.8
AGRICULTURAL INDEXES:				
(CROPS)				
RYE	thousand tons	5.900	.	6.260
WHEAT		1.460	.	1.640
BARLEY		1.900	.	1.370
OATS		3.650	.	2.540
PRICES:				
WHOLESALE PRICE INDEX	(1914 = 100)	118.4	113.3	112.7
INDEX OF COST OF LIVING IN WAR-SAW		122.1	123.4	122.6
FOREIGN TRADE:				
IMPORTS	million <i>zł</i>	255.9	266.4	226.5
EXPORTS		196.3	276.4	280.7
EXCESS OF EXPORTS (+) OR IM-PORTS (-)		- 59.6	+ 10.0	+ 54.2
TRANSPORTS:				
RAILWAY TRAFFIC	truck loaded (15 tons) reg. ton	567.114	603.357	573.750
PORT TRAFFIC (DANZIG AND GDYNIA)		446.944	548.505	562.770
BUDGET:				
RECEIPTS	million <i>zł</i>	233.8	251.8	233.1
EXPENDITURE		230.6	251.0	231.8
MONEY CIRCULATION:				
BANK OF POLAND NOTES	million <i>zł</i>	1.206.7	1.293.4	1.359.4
COVER IN GOLD AND FOREIGN CUR-RENCIES	% %	61.71	61.93	61.69
TOKEN MONEY	million <i>zł</i>	248.6	240.1	254.5
CREDIT:				
(BANK OF POLAND)				
BILLS DISCOUNTED	million <i>zł</i>	633.3	699.6	716.2
OFFICIAL DISCOUNT RATE	% %	8.0	9.0	9.0
FOREIGN CURRENCIES:				
(WARSAW STOCK EXCHANGE-AVERAGE RATES)				
U. S. A. DOLLAR	<i>zł</i>	8.90	8.90	8.90
POUND STERLING		43.28	43.28	43.25

THE PROBLEM OF PARTICIPATION OF THE STATE IN THE ECONOMIC LIFE OF POLAND

FOR OVER a year there have been discussions on the subject as to whether there is in Poland a tendency for the Government to participate in the economic life of the country and, if so, whether it is justified. In reply it should be stated that there are in the Republic of Poland both State and communal undertakings, but there is no direct

policy for the nationalisation of the economic life though, of course, there is a group of members in the Polish Parliament, just as there are in other parliaments, who adhere to the programme adopted by the Second International.

The question is, therefore, confined to the causes responsible for the establishment and operation of the different State undertakings, for communal enterprises, though kindred to State undertakings, have not been the object of discussion and for this reason we shall not touch upon them.

*) Corrected figures.

The policy of a modern State cannot be expressed in a single formula for there is not a single country which can isolate itself from the economic, financial and political factors, which are so apparent throughout the world under present conditions; it is even impossible to think of a state without associating with it the material and moral influences which came into existence before and during the war.

The Great War brought with it a train of circumstances which affected the rights and

that they realised that wounds would not heal by themselves, that houses would not build themselves, that the deficiency in gold at the banks of issue could not be filled by the philosopher's stone, that pre-war equilibrium in tonnage would not restore itself, that little children left behind by the fallen soldiers could not maintain themselves, that war debts would not be squared by international arrangements, and that unemployed would not relinquish their rights to work.

As a result of this an international, class and



A PORTION OF THE STAND OF THE UNITED ROYAL AND LAURA FOUNDRIES AT THE POLISH NATIONAL EXHIBITION, POZNAŃ (PHOT. S. PLATER)

privileges of individuals and the production, distribution and consumption of commodities.

In some areas of the world it destroyed material wealth and disorganised the means of production. In others, which were fortunate enough not to be the scene of military operations, it called into being vast centres of production. The same war was responsible for a decline in the number of mercantile vessels in some countries, and a sudden increase in others. Tons and tons of gold from the nations and countries which suffered most were transferred to other countries and banks.

After the war, nations and countries did not return to the principles propounded at the beginning of the nineteenth century for the simple reason

State intervention atmosphere came into existence. All who had suffered on account of the war, the debtors, the creditors, the unemployed, the disabled soldiers, in short — everybody, whose interests were either directly or indirectly prejudiced, looked for assistance and intervention either to their local government, their government, the international social organisations, or the law courts instituted by International Law.

It should be added in this connection that long before the outbreak of the war, the world had forgotten the principles of pure liberalism, which, by the way, has never been universally recognised as an international school of economic thought. To confirm this statement, it is sufficient to recall

the labour legislation which was the outcome of the conflict between liberalism and labour, or the Sugar Convention and Cartel which was the outcome of State intervention, or the programme for the nationalisation of production of articles of the first necessity which came into being at Manchester, or the grain policy of the German government, or, finally, the development of State monopolies and enterprises.

A post-war country was faced with an infinite number of requirements and, to cope with them, it had an administration with, for the most part, but a few years experience, organised during the war, and furnished with powers exceeding by far the means for their execution.

Against this universal intervention a reaction became apparent; it has been gaining in strength as the ill-effects of the war wore off and as the reasons for intervention became more and more satisfied. There grew up a neo-liberal, anti-intervention movement. At conferences of economists, bankers, representatives of chambers of commerce and associations of businessmen, currency inflation, foreign currency restrictions and budget deficits were strongly condemned and fought against.

This reaction also appeared in Poland as soon as conditions became more stabilised. The discussion, which was mentioned at the beginning of this article, is, as it were, a result of the reconstruction work which has been carried out by the Polish Government during the last ten years. It was, so to speak, the outcome of the stronger beating of the pulse of the economic organism.

This pulse, however, was not very distinct during the initial stages of the existence of the Republic of Poland. Immediately after the conclusion of the war, Poland was deprived of the foundations on which a sound monetary system could be based for: 1) she had to fight against the Bolshevik invasion in 1920, 2) she has not inherited a single bar of gold for the establishment of a monetary system, 3) she possessed no credit with foreign banks of issue (the notes issued by the German occupation authorities were guaranteed by German Reichsmarks in the form of banknotes. This asset, however, could not readily be realised, owing to the lack of a treaty with Germany and also to the strong inflation of the German currency which began in 1921).

As regards the currency, Poland had to commence from the very foundations, that is, from nil, and as regards the organisation of her economic activities, she was faced with an almost impossible situation, which becomes apparent when the value of the national resources is compared with the productive capital.

All classes of productive capital were destroyed during the war: 1) raw materials and technical accessories, 2) machinery and other means of production (owing to war requisitions, which, after the war represented liabilities, which, for the most part, were not met by the occupation authorities, or else, were paid in depreciated paper currency, as happened in the case of cotton), 3) industrial plants (devastated by the war), 4) transport ap-

pliances (requisitions or forced sale), 5) railways, bridges, wells, which were destroyed by war operations.

In order to better realise the lack of productive capital in its largest sense, the above enumeration should be supplemented by the following; the war inflation and the fact that the currency was devoid of cover, had a damaging effect on credit conditions, while the want of working capital combined with negotiations with foreign creditors, together with the effect of these negotiations, resulted in a further decrease of productive capital and affected its structure. All these factors rendered the situation still more difficult.

This state of affairs created favourable conditions for Government intervention in the following: food, &c., supplies to the towns (potatoes, grain, coal, &c.); the regulation of the movement of foreign currency; state loans to industry; reconstruction of the country; the utilisation of land allowed to go fallow (4 million ha in 1919-1920 — none at present); the supply of grain, seeds, agricultural machinery to farmers, &c. With the gradual alleviation of the ill-effects of the war, the whole of the above intervention disappeared little by little and exists no longer. Of the results of the war there remained still one — namely, shortage of capital, which is closely bound up with post-war financial exhaustion. Neither foundation capital nor working capital can be created in an artificial way. They grow slowly with the economic progress of the country and with the development of connections with foreign capitalists.

For this reason it would be difficult to expect private undertakings, instead of rebuilding their damaged plants, to engage in new industries to meet the steadily growing demand of local consumers, or that the capital gradually accumulated at the banks, instead of meeting the needs of their old clients, would be devoted to financing new ventures, designed to cover needs of a more general character in agriculture or in any other branch of production.

This was a rôle destined for foreign capital or for the Government. Foreign capitalists came in and relations with them make steady progress in different ways. Thus, for instance, the Polish Treasury has recently paid the last instalment for locomotives bought in the United States of America in 1919. French capitalists took a financial interest in the exploitation of the State coal, zinc and lead mines. The large rice husking plant at Gdynia was constructed and is operated by foreign capitalists. In the electrical industry, large capital has been invested by English financiers. Marine traffic is, for the most part, carried on under foreign flags. The reconstruction of public utilities (Warszawa, Poznań, Katowice, &c.) has been, to a large extent, performed by means of loans raised in the United States or the United Kingdom. The production of artificial silk has made good progress thanks to the confidence of foreign capital in the Polish market; the same remark applies to the oil industry.

However, not all the needs of the Polish market have been covered by means of local or foreign

capital. International competition and the natural requirements of the population made calls upon the budget, calls, which the State could not ignore. This explains the causes for the establishment of several State enterprises.

Of the coal mines, the Treasury operates only one, namely Brzeszcze (pre-war State mine), not on account of its present production, which represents only 1·2 per cent of the total, but owing to its containing rich deposits, which, as has been stated, was already Government property before the war. The salt mines and evaporating plants, the chemical factory at Chorzów, the "Polmin" refinery, the forests, the railways a number of watering places such as Busk, Ciechocinek and Krynica, and a few minor undertakings — all of them were owned and operated before the war by the alien governments.

Among the undertakings, which were either shut down or changed their legal status, are the Polska Krajowa Kasa Pożyczkowa (The Polish National Loan Bank), which was transformed into a Joint Stock Company, the Bank of Poland; the State Printing Works, which was transformed into a limited liability company in conjunction with the Bank of Poland, which is represented on the Board of Directors; the vast coal mines ("Skarboferme") in Upper Silesia have been leased to a private firm in which the Treasury has only a financial interest; the same was done with the zinc and lead mines at Strzybnica; the Blachownia foundry has also been leased to a private concern. We leave out of account a number of small financial interests in undertakings of minor importance, which have been either shut down or leased.

Among the post-war acquisitions are two groups: in the first group are included the parcels of shares, which the Treasury received (or transferred to the Bank Gospodarstwa Krajowego) as compensation for credits granted. In some of these undertakings the Treasury is represented on the Board of Directors, in others, it confines itself to looking after its own interests. In the group, in which Treasury takes an active part, are the Starachowice Company, and the "Ursus" Company. The latter is engaged in the production of machinery and motor cars. In this group also may be mentioned the "TESP" Company, operating the potassium salt mines and concentrating plant. This company has increased its scope of operations, due principally to post-war issues of shares.

To the second group of post war enterprises belong: the construction of the port of Gdynia, the erection of the cold storage plant at Gdynia, the construction of the nitrate works at Tarnów, the acquisition of the Polish Airlines Company "LOT" (in partnership with the municipalities concerned), a share in the Polish Telephone Company (P. A. S. T.), the construction of the Telephone and Telegraph Apparatus Factory, and a few others of lesser importance. All this, however, can hardly be regarded as a tendency on the part of the Government to participate in the economic life of the country.

THE DEVELOPMENT OF SHORT-TERM CREDITS IN POLAND 1924—1929

IN THIS article we shall deal in the first place with short-term credits distributed by banks. Nevertheless, we shall also consider other forms of short-term credit of a commercial character, such as bills of exchange, which play an important rôle in Poland, being the most popular means of payment. The technical side of credit allocation is well developed in Poland. Private banks, for the most part, are engaged in the distribution of short-term loans, thanks to which they are in close contact with both industry and commerce. Of not lesser importance are the banking institutions working with credit and commercial co-operative societies, or those specially engaged in giving credit facilities to farmers. This network is completed by the State banks which are engaged in the short and long term credit business, the Postal Savings Bank, commercial savings banks and a whole system of small loan and savings associations; all these institutions constitute a reservoir for capital. The Polish banking system differs in its details from practically all the foreign types; it is unlike the English and French, but some of its features resemble the German.

Progress in credit expansion is measured by the productivity of the sources of capitalisation. The Polish inflation period (1920—1923) was not as destructive as the German; instead of billions of marks, at which the German currency was stabilised, the Polish monetary unit was fixed at 1,800,000 Polish marks to the złoty, which, at that time, represented the equivalent of 1 gold franc. Nevertheless liquid capital was destroyed. This result, which is a characteristic feature of currency inflation, was brought about by the shrinkage in the value of money which compelled people to invest their surplus capital in stable values, such as real property, industrial plants, raw materials, strong currencies, &c., in order to protect themselves against imminent losses.

Consequently, the first and foremost task of the Polish credit institutions was to accumulate the capital that had been hidden by private interests and to bring into circulation the reserves which, had been invested for long periods. The characteristic feature of the Polish currency reform of 1924 was that the bank of issue, the Bank of Poland, based it on the capital and foreign currencies collected within the country. This was done without undue difficulty. The value of deposits with banks shows a steady increase. Similarly the savings, accumulated at various small banks and the Postal Savings Bank, which employs all post offices for this purpose, grow almost from month to month. The rate at which savings are increasing in Poland is much quicker than in a great many other civilised countries.

The value of deposits at credit institutions is given in the following table (in millions of zł):

	Total	Clearing accounts	Cheque accounts	Time deposits	Balances on current accounts	Savings
June 30, 1925	621.8	53.9	216.4	86.7	153.0	111.8
Dec. 31, "	594.4	49.0	160.7	105.6	146.0	116.0
June 30, 1926	745.7	53.4	177.5	161.0	188.1	165.7
Dec. 31, "	1,218.3	125.0	326.7	254.1	266.2	256.8
June 30, 1927	1,469.9	113.4	429.4	319.3	250.1	356.5
Dec. 31, "	1,905.3	184.3	513.3	408.0	313.0	484.4
June 30, 1928	2,442.0	170.3	629.7	472.0	369.7	698.4
Dec. 31, "	2,553.4	182.4	715.7	510.0	311.0	832.0
March 31, 1929	2,656.5	198.2	714.4	521.3	296.3	923.2

Budget surpluses and Government Funds have contributed to a very large extent towards the restoration of credit in Poland. They provided the capital necessary for the foundation of the two State banks, namely the National Economic Bank and the State Land Bank, as also for the purchase of interest-bearing bonds issued by these institutions for long-term credit purposes. They were also utilised for advances to banks, which has helped considerably towards the improvement of conditions on the short-term credit market.

The inflow of foreign credits principally from France, Germany and the United Kingdom, showed a considerable increase, especially in 1927. They rose from zł 162.6 million on March 31, 1926 to zł 650.7 million on June 30, 1929. This flow continues, mostly in the form of fixed term deposits by foreign banking institutions having a financial interest in Polish banks.

The last of the more important sources of foreign capital is the re-discount business of the bank of issue, but we shall deal with this problem below, in connection with the activity of the Bank of Poland. The table given below shows the percentages of the total value of credits granted by all banks to the total deposits (with the exception of the deposits of correspondent banks):

June 30, 1925	189	Dec. 31, 1927	130
Dec. 31, "	210	June 30, 1928	132
June 30, 1926	188	Dec. 31, "	145
Dec. 31, "	136	March 31, 1929	154
June 30, 1927	150		

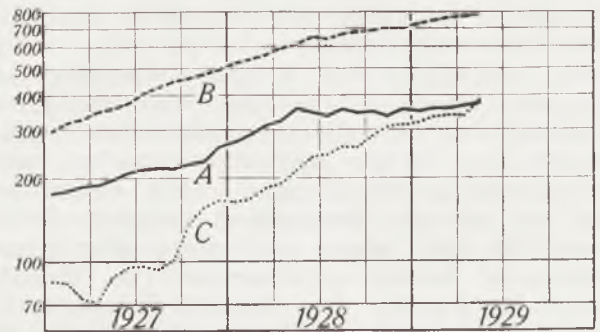
The above figures indicate, that the percentage ratio referred to is maintained at about a constant level, and that Polish banks operate on sound lines avoiding lending more than is consistent with the absolute safety of the deposits.

The comparative development of the three main component parts of foreign deposits with Polish banks is illustrated by the following diagram (in millions of zł):

(see next column)

The methods practiced by the Bank of Poland in regard to credit resemble most those employed by the Reichsbank. The bulk of the bills in portfolio consists of prime commercial paper. The drawers are sound undertakings, which are granted discount credits by the Bank at a rate of discount which is lower than at all other credit institutions. The rediscount of bills handed in by banks is on a much smaller scale. The total of each of the two varieties of bills depends on circumstances at a given time,

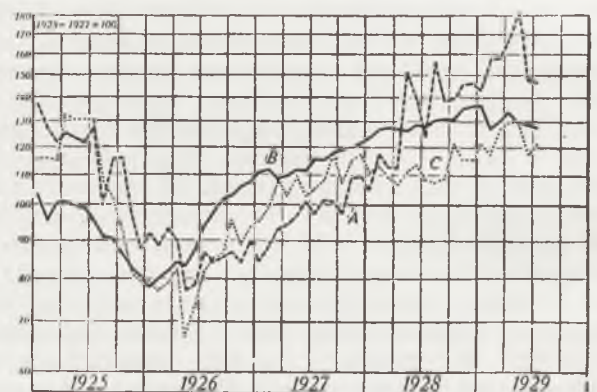
but it may be safely stated that, on the whole, the value of bills handed in for rediscount by the



A — rediscount
B — deposits
C — capital borrowed abroad on correspondents' accounts

private banks is decreasing as their reserves, which were destroyed during the inflation period, are being replenished; on the other hand, the Bank of Poland is thus in a position to expand its discount activity and increase the number of clients. The value of the bills in portfolio fluctuates according to the trend of business in general.

The graph given below illustrates the discount and rediscount activity of the Bank as compared with the index of production and that of bills issued made out by the Polish Institute for Economic Research (after elimination of seasonal variations):



A — value of bills discounted by the Bank of Poland
B — general index of production
C — index of bills issued

The activity of the Bank of Poland, similarly as that of all banks of issue, aims at the regulation of conditions on the money market. Its influence on the state of the market is considerable, for it has in its portfolio about 20 per cent of the total value of bills in circulation. The corresponding percentage for the Reichsbank is slightly higher. In accordance with its statutes, the Bank of Poland generally discounts bills with maturities up to 3 months, but it may also discount bills up to 6 months, provided they do not represent more than 20 per cent of the total of bills in portfolio; the bulk of these latter bills originate in transactions with farmers.

The following table shows the extent of the credits granted by the main groups of banking institutions operating in Poland (in percentages of total credits):

	Bank of Poland	National Economic Bank	State Land Bank	Postal Savings Bank	Total	Private banks	Branches of foreign banks	Total private banks
Dec. 31, 1925	34·8	16·7	5·2	2·5	24·4	34·8	4·3	40·8
" " 1926	26·0	24·2	7·4	1·8	33·4	35·1	4·0	40·6
" " 1927	25·6	12·1	10·9	2·0	25·0	40·8	6·6	49·4
" " 1928	26·0	9·9	13·0	1·1	24·0	40·6	6·6	49·1
" " 1929	27·2	8·3	12·9	0·8	22·0	42·1	5·7	50·8

It will be seen that while during the first two years (1924 — 1925) following the inflation period,

banking institutions specialising in this class of transactions (in millions of zł):

	Total credits	Discount credits	Open credits	Time loans
June 30, 1925	1.004·9	507·1	397·2	100·6
Dec. 31, "	1.039·9	427·5	548·8	63·6
June 30, 1926	1.150·9	464·5	605·8	80·6
Dec. 31, "	1.383·7	562·1	694·6	127·0
June 30, 1927	1.748·8	782·3	796·4	170·1
Dec. 31, "	1.949·4	989·1	747·3	213·0
June 30, 1928	2.446·9	1.288·6	847·9	310·4
Dec. 31, "	2.709·1	1.381·7	950·2	377·2
March 31, 1929	2.907·4	1.463·0	1.024·4	420·0

There was an increase from zł 1.005·9 million at the end of June 1925 to zł 2.907·4 million at the end of February 1929. This figure does not, however, include all short-term credits and the following also should be accounted for.



THE BREWING AND MALTING INDUSTRY PAVILION AT THE POLISH NATIONAL EXHIBITION, POZNAŃ
(PHOT. S. PLATER)

the credits granted by the Bank of Poland played a predominant rôle and, later on, during the year 1926, which was marked by heavy economic crisis, the State banks rendered assistance to industry and trade; of late, private banks have increased their credit activity, from 40·8 per cent to 50·8 per cent, thanks to an increase in their working capital, which continues to grow at a rapid pace. On the other hand, the branches of foreign banks only slightly expanded their activity. Thus, while the short-term credits, granted by the branches of foreign banks, were 4·3 per cent in 1925 and 5·7 per cent in 1928, the value of the short-term credits given by the Polish private banks rose from 34·8 per cent on December 31, 1925 to 42·1 per cent on March 31, 1929.

The first column of the following table gives the total sum of short-term credits granted by the

The Polish money market, like the French, is insufficiently organised. The share of the banks in the distribution of credits is relatively small, as compared with that of other countries. It is, therefore, necessary to take into account the bills in circulation, which are discounted by private bill brokers, and the bills which are accepted in payment for goods bought on credit and are not discounted. The value of bills in circulation in 1924 may be estimated at from zł 1·0 to zł 1·3 milliard, while in 1929 the corresponding figure is placed at from zł 3 to 4 milliard. Of this sum only about 20 to 25 per cent passes through the banks. Bills of exchange are the principal source of credit and, at the end of 1926, they represented 40·5 per cent of the total credits granted by the private banks, whereas credits on open accounts, mostly secured, were 53 per cent; at the present moment

the corresponding percentages are 50.5 and 35. The balance represents the remaining classes of credits. On a detailed analysis being made, it will be found that the respective percentages of the two forms of credits referred to above are closely related to the general trend of business apparent at a given time.

Thus, in periods of favourable business conditions and prosperity, the value of the bills in circulation show an upward trend, and in periods of slackness the open credits rise. The total of the bills is increasing thanks to the legal regulations facilitating their collection, but the extension in sales on the instalment system is the main cause for the popularity of this form of short-term credit.

We shall now pass to the consideration of the rate of interest. As has already been stated, the Polish money market is insufficiently organised and its structure differs from the London money market. Consequently, there are no daily quotations of the rate of interest for call money, which would reflect the demand and supply. Sporadic quotations in the press, concern, in the main, a comparatively small number of transactions. In the same way, the rate of interest charged by the banks, fluctuates between 9 and 13 per cent, which is the legal maximum and varies according to the intergity of the banks' customers. During the inflation period the rate of interest was very high as it included a sort of insurance premium against the depreciation of the currency during the term of the credit, but since the year 1924 it continues to show a strong downward tendency. In 1924, the "street" rate at Łódź was 54 per cent per annum, but since then it has declined to 15 — 20 per cent, and the time does not appear to be far distant when the rate of interest will decline to the level ruling on the other Western European money markets.

The comparatively high rate of interest seems to be warranted by the profitableness of business in Poland, which, in contrast to the rate of interest, continues to exhibit an upward tendency. The actual profits earned by industrial undertakings are much larger than they appear in the balance-sheets.

In summing up, it should be stated that short-term credits have expanded at a rapid pace since the stabilisation of the Polish currency in 1924. The total value of credits granted by credit institutions at the end of March, 1929 represented 200 per cent of the figure for the end of June, 1925. During the past ten years, the number of private banks has decreased, but they have broadened their scope of activity and gained in strength. The steady growth in savings deposits, combined with a more widespread use of cheques, an expansion of advances against securities and merchandise, together with activities at the clearing houses — are responsible for the banking operations becoming more and more important a factor in the economic life of the country.

The capital entrusted to banks by their clients shows a steady growth since the stabilisation of

the currency and an uninterrupted inflow of foreign capital has been apparent only in recent years.

The degree of security of credit, though depending to a large extent on business conditions in general, fluctuates according to the integrity of the individual. Generally speaking, short-term credit facilities in Poland are growing at a rapid pace and are developing along sound lines. Nevertheless, in the opinion of businessmen, the pace of progress is too slow, as compared with the potential possibilities for economic employment of capital within the country.

THE DEVELOPMENT OF POLISH EXPORTS OF ARTICLES OF ANIMAL ORIGIN

THE AGRICULTURAL policy of Poland tends towards the increase of stock breeding, which arises from the necessity of increasing the production as a result of the density of population and the need of providing employment for a large number of country people, who can be most economically employed in this section of agriculture. The foreign trade of Poland in live animals and the products of animal origin constantly shows a favourable balance. The movement of live animals and meat products between Poland and other countries during the last three agricultural years is illustrated below (in millions of zł):

Years	Imports	Exports	Balance
1926/27	134.2	435.5	+ 301.3
1927/28	195.6	559.4	+ 353.8
1928/29	179.4	576.5	+ 397.1

It will be seen from the above figures that the balance of trade is not only favourable but also that the volume of exports as well as the balance are growing steadily.

The chief import articles are fats of animal origin and hides. Of the export commodities dealt with in this article, the largest items, apart from pigs, are meat, eggs and butter.

During the three years under review, the export of meat was as follows (weight in tons, value in thousands of zł):

Years	Weight	Value
1926/27	30.359	71.362
1927/28	24.438	58.190
1928/29	31.239	89.081

Poland's meat exports are, for the most part, composed of pork, veal and bacon. Other products play a secondary rôle. The export of pork was as follows (weight in tons, value in thousands of zł):

Years	Weight	Value
1926/27	18.289	47.490
1927/28	16.603	42.156
1928/29	17.888	47.780

It is seen from the above table that the export of pork constitutes an important and more or less

permanent item in the Polish meat trade and that it is directed principally to Austria, although England also absorbs fairly large quantities.

In recent months fairly large quantities of pork have been placed in France.

The exports of veal are on a smaller scale and during the past three agricultural years were as follows (weight in tons, value is thousands of zł):

Years	Weight	Value
1926/27	7.479	11.532
1927/28	6.551	13.310
1928/29	5.478	13.336

Here, too, a certain steadiness in the volume of business is apparent and the bulk of the meat is placed on the Austrian market. Finally, as regards bacon it has become an important article of export only in the current year. In the 1926/27 agricultural year, the exports amounted to 590 tons, valued at zł 1,773,000; in the following year they decreased to 407 tons, valued at zł 1,155,000. The volume of the export was also comparatively small up to March 1929, but since then exports have risen to such a large extent that the total effected during the 1928/29 agricultural year amounted to 5,858 tons, valued at zł 22,208,000. When it is taken into account that really the export business has only recently been started, and that the figures given above cover practically only the last four months of the agricultural year, it is apparent that the Polish production of bacon for export has shown enormous progress. The production is designed almost entirely for export to the United Kingdom. Polish bacon, though confronted with severe competition from Denmark which supplied the market for many years, is gaining ground rapidly thanks to its high quality.

As regards the egg export trade, it is worthy of note that at the present time Poland is the second largest importer of eggs in the world, and comes after China. In this way Poland has filled the deficiency on the world egg market, which has arisen through the withdrawal of Russia. During the last three years Polish exports of eggs were as follows (weight in tons, value in thousands of zł):

Years	Weight	Value
1926/27	65.284	149.143
1927/28	55.916	153.590
1928/29	50.371	130.892

It results from the above figures that despite the growing competition, especially of late, from Russia, Poland succeeded in maintaining the volume of her egg exports at a very high level. At the same time measures have been taken for the standardisation of the eggs, which has beneficially affected the quality of those destined for export, though the introduction of standardisation has naturally decreased the quantity available for foreign markets. In addition, the intense cold of last winter brought about a decrease in production. More than one half of the exports are absorbed by Germany. The next largest importers of Polish

eggs are England and Austria and also, in the current year, Italy.

As regards butter, the foreign trade has shown steady progress which is confirmed by the figures given below (weight in tons, value in thousands of zł):

Years	Weight	Value
1926/27	6.924	32.311
1927/28	10.157	60.068
1928/29	12.149	72.127

It is significant that not only a growth in the volume of the exports can be seen, but also the quality of the butter has gradually been adapted to the requirements of the foreign consumers, which is reflected in the increase in export to the United Kingdom where it is gaining favour though, as is well known, English people are accustomed to high grade butter.

Export to England rose from 980 tons in the 1927/28 agricultural year to 1,786 tons in the current year. Nevertheless, Germany continues to be the chief customer as she absorbs about three-fourths of the total exports.

It is seen from the above review that Poland is already an important exporter of products of animal origin, but it does not give the possibilities for further expansion in this business. It should be observed, however, in this connection that, before the war, the country was prevented from making proper use of its possibilities in the sphere of both production and distribution.

The war against Russia in 1920, combined with currency inflation during the following years, made it impossible to increase production, and the three years which have been reviewed may be regarded as the beginning of the rational organisation of production and distribution. During the period from 1921 to 1927 the number of horned cattle rose from 8.0 to 8.6 million, and that of pigs from 5.3 to 6.3 million. It is seen, therefore, that Poland is now in the very act of reconstructing its stock breeding industry. Independently of the increase in the number of live stock and pigs, considerable progress has been achieved in the quality of the animals bred, for instance, in improving the milk production of the cows.

As regards poultry, the statistical data are not complete and for this reason we refrain from dealing with this branch, but it may be stated that conditions have greatly improved in recent years and that further progress has been ensured by the installation of modern poultry farms throughout the country, which, no doubt will bear fruit in due course.

The expansion apparent in stock breeding indicates that Poland, within a short time, will become one of the chief suppliers of meat products to the international markets and that she will be in a position to further increase the volume of her exports. It is also gratifying to note a constant improvement in the organisation of the distribution machinery, especially as regards the meat products. Among the more practical efforts in that direction the introduction of standards for butter and eggs



BUTTER FOR EXPORT IN COLD STORAGE AT GDYNIA
(PHOT. S. PLATER)

which were put in force recently and the extensions made in the bacon industry, which is provided with modern appliances, should be mentioned. The construction of cold storages, which has of late been commenced on a large scale, will, no doubt,

stimulate the improvement of the quality of meat products, butter and eggs. The cold storage plant which has recently been constructed at Gdynia will enable the Polish exporters to supply the United Kingdom with high quality goods.

SUMMARY OF LAWS, ACTS AND EXECUTIVE DECREES

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

from August 15th to September 15th, 1929

Polish-Italian Agreement concerning the supplement of the loan received by Poland from the Italian Government ("Dz. Ust. R. P." No. 58, items 454 and 455).

Regulations concerning the drafting and confirmation of building plans ("Dz. Ust. R. P." No. 58, item 456).

Granting relief to partly employed operatives in the textile industry in the Łódź area ("Dz. Ust. R. P." No. 58, item 457).

Aerial communication ("Dz. Ust. R. P." No. 59, items 459 to 463).

Reimbursement of customs duty when exporting finished textile products ("Dz. Ust. R. P." No. 59, item 464).

Customs duty on Chilian saltpetre and amonium nitrate ("Dz. Ust. R. P." No. 59, tem 465).

Executive decree concerning communal unions ("Dz. Ust. R. P." No. 60 item 469).

Polish-German Convention relative to the administration of frontier sections on the Noteć and Głda rivers ("Dz. Ust. R. P." No. 61, items 470 and 471).

Granting facilities to the Lwów Eastern Fair in connection with the protection of inventions, patterns and trade marks ("Dz. Ust. R. P." No. 61, item 473).

The organisation of control over foodstuffs and articles of first necessity ("Dz. Ust. R. P." No. 64, item 495).

Provisional sugar contingents for the period from October 1, 1929 to September 30, 1930 ("Dz. Ust. R. P." No. 64, item 498).

PRODUCTION AND TRADE

STATE OF EMPLOYMENT.— The situation on the labour market in August showed further improvement, which is reflected in the decline in the number of unemployed from 97,191 at the beginning of August to 91,512 at the beginning of September.

The decline is accounted for by increased activity in certain branches of the manufacturing industry, namely, in those in which, owing to better trade, the output was increased as, for instance, in the textile industry.

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	91,512
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	38,837
October	28,147	
November	25,189	
December	26,143	

Of the partly employed, 264 worked 1 day per week, 2,074—2 days, 8,762—3 days, 12,535—4 days and 15,202—5 days per week; thus, the average time worked by part-time workers was 4.0 per week in August as compared with 4.1 days in July.

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

	August	September	+ Increase — decrease
mining	2,553	2,406	— 147
foundries	1,064	1,012	— 52
metal	7,479	7,833	+ 354
textile	24,600	22,579	— 2,021
building	5,650	5,230	— 420
clerical	11,182	11,021	— 161

In coal mining, the situation was favourable. In addition to a better demand for house coal, the sales of industrial coal on foreign markets showed an amelioration. As regards the home market, there was a consider-

able increase in demand, which is partly to be attributed to the tendency on the part of wholesalers to replenish their stocks before the introduction of the higher railway rates. As a result of the better demand, the output was increased which, in turn, was responsible for a rise in the number of workmen employed at the mines, from 124,500 in July to 125,500 in August.

The situation in the oil industry remained unchanged. The output of crude oil remained at last month's level; the natural decline in production was compensated for by newly completed wells. The total number of unemployed miners was 1.6 per cent of those at work.

In the iron and steel industry, the sudden and large increase in production, which was recorded in July, was not fully maintained in August; nevertheless, it was larger than in June. In the zinc industry no changes were recorded as compared with July, but there was a considerable increase in the production of lead. The unemployed foundry workers represented 2 per cent of those at work.

The situation in the metal industry in August continued to be difficult, which is confirmed by a falling off in the number of employed workers from 115,391 at the beginning of July to 109,914 at the beginning of August, a drop of 5 per cent. During the same period, the number of workman-hours declined by 8 per cent. Nevertheless, the large plants worked for the most part normally, while the smaller reduced their operations to 3 days per week. Makers of agricultural machinery reduced work owing to sales difficulties. Producers of textile machinery as well as those of building materials were less busy than in the preceding month. The same remark applies to the bolt and screw trade. On the other hand, manufacturers of electrical motors and cement machinery worked at full capacity. The unemployed metal workers represented about 9 per cent of those employed.

In the textile industry, production has increased, due mainly to large orders having been received for the winter season. In the large cotton mills in the Łódź area there were 56,273 workers employed in August; the average time worked was 39.1 hours per week, which in relation to a full

week represents a reduction of 15 per cent as compared with 24.8 per cent in July, when the number of operatives at work was 45,371.

Similarly as in the previous month, the situation in the woolen manufacturing industry was better than in the cotton. Thus, in the large woolen mills in the Łódź area, 18,380 operatives worked on the average 42 hours per week throughout the month, the reduction, as compared with a full week, being about 8.7 per cent. In the Bielski area, manufacturers of woolen products operated on a smaller scale, as compared with the past few years, due mainly to a certain amount of pessimism as regards sales in the current year. As usual in the autumn season, trade in heavy winter fabrics showed signs of improvement, but as the conditions of sale are less favourable to the manufacturers than they used to be under normal conditions, the sales were on a comparatively small scale. A slight amelioration was noticeable in the working conditions of the jute industry. Owing to the exhaustion of stocks of knitted ware, the prospects for this industry are good. Manufacturers of ready-made clothing and hats enjoyed good business. Unemployed textile workers in August were 17 per cent of those at work.

In the building trade the situation was about the same as in the preceding month, most of the work being confined to finishing off buildings which were commenced some time ago.

Wages remained at their stabilised level, and no collective agreements between employers and employees were reported during the month.

GRAIN

— Despite hail storms in various localities and excessive rains, the weather conditions on the whole were favourable so that the farmers did not suffer any losses during the harvest.

According to the crop estimates effected for the second time by the Chief Statistical Office, the harvest was as follows (in tons):

wheat	1,640,000
rye	6,260,000
barley	1,370,000
oats	2,540,000

This year's crops as compared with the average returns for the last five years were as follows: wheat 109.9 per cent, rye 113 per cent, barley 109.2 per cent and oats 124.3 per cent, and as compared with last year: wheat 101.7 per cent, rye 102.4 per cent, barley 83.1 per cent and oats 101.6 per cent.

The above figures indicate that the crops this year for the four varieties

of grain were very good and especially as regards oats and rye. In all probability this year's crops will not only cover the local needs for rye, oats and barley, but there will be also a certain quantity available for export.

Prices of grain in Poland continued to be on a low level, which is illustrated by the following table:

	HOME EXCHANGES								Berlin	Chicago
	Warsaw		Poznań		Lwów		Av. of 3 exch.			
	zł	\$	zł	\$	zł	\$	zł	\$		
W H E A T										
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
" 16—22	49.50	5.56	48.50	5.45	46.12	5.18	47.84	5.39	5.81	4.78
" 23—31	43.87	4.92	41.22	4.63	44.12	4.95	43.07	4.83	5.46	4.67
Sept. 1—8	39.12	4.39	39.00	4.38	42.00	4.71	40.04	4.49	5.54	4.76
" 9—15	40.12	4.51	39.25	4.41	42.00	4.71	40.45	4.54	5.43	4.85
R Y E										
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
" 16—22	26.95	3.03	26.75	3.00	26.83	3.01	26.84	3.01	4.57	4.13
" 23—31	25.40	2.85	25.80	2.89	26.54	2.98	25.91	2.92	4.48	3.92
Sept. 1—8	25.25	2.84	25.93	2.91	25.20	2.83	25.46	2.86	4.64	3.94
" 9—15	25.21	2.83	25.10	2.82	24.75	2.78	25.02	2.81	4.51½	4.02
B A R L E Y (brewing)										
August 1—8	—	—	—	—	—	—	—	—	—	—
" 9—15	28.33	3.18	—	—	—	—	—	—	5.30	—
" 16—22	31.00	3.48	31.00	3.48	—	—	31.00	3.48	5.34	—
" 23—31	30.00	3.37	30.10	3.38	—	—	30.05	3.37	5.21	—
Sept. 1—8	29.75	3.34	30.00	3.37	—	—	29.87	3.35	5.20	—
" 9—15	29.00	3.26	30.00	3.37	—	—	29.50	3.31	5.20	—
B A R L E Y (ordinary)										
August 1—8	29.75	3.34	29.50	3.31	—	—	29.62	3.32	4.25	2.88
" 9—15	30.75	3.46	29.81	3.35	—	—	30.28	3.40	4.11	2.66
" 16—22	26.83	3.01	28.37	3.19	—	—	27.60	3.10	4.23	2.68
" 23—31	26.50	2.97	26.30	2.95	24.50	2.75	25.76	3.89	4.20	2.50
Sept. 1—8	26.50	2.97	25.50	2.86	21.25	2.37	24.41	2.74	4.23	2.64
" 9—15	25.87	2.91	25.50	2.86	—	—	25.68	2.88	4.24	3.03
O A T S										
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
" 16—22	26.33	2.96	25.25	2.84	—	—	25.79	2.90	4.16	3.14
" 23—31	23.62	2.65	23.60	2.65	22.50	2.52	23.24	2.61	4.03	3.00
Sept. 1—8	23.00	2.58	22.00	2.47	22.25	2.50	22.42	2.51	4.07	3.34
" 9—15	24.00	2.70	22.33	2.51	21.75	2.44	22.69	2.55	4.10	3.50

Prices of wheat and rye declined steadily throughout the month of August, that is, ever since the new crops appeared on the market. During the first week of September, the prices of wheat showed a further fall; there was also a decline in rye, though to a smaller extent. Owing to a decrease in the price for wheat, the difference between the prices of wheat and those of rye has diminished, but it is still very large as

compared with the average differences noted during the past few years. The prices of barley were also weak, but a distinct downward trend was noticeable in the prices of oats particularly during the last week of August and at the beginning of September.

The foreign trade in grain in August was closed with a favourable balance amounting to zł 19,406.857 and was zł 596.857 larger than the favourable

balance for July. The total value of the grain exported was zł 20,720.767 and the total imports amounted to zł 1,313.910. The foreign trade in grain effected in August is shown in the following table (in tons):

	August 1928	July 1929	August 1929
	I m p o r t s		
wheat	14,495	3,092	2,839
rye	7,264	16	7
barley	174	15	60
oats	3,498	180	358
E x p o r t s			
wheat	145	100	15
rye	97	42,520	40,477
barley	565	14,751	18,385
oats	280	6,923	8,724

Over a half (55 per cent) of the wheat imported came from Germany, 18.8 per cent from the Argentine, 12.7 per cent from Canada, 10.5 per cent from Hungary and the remainder from Czechoslovakia and the United States of America. Imports of rye, barley and oats came almost exclusively from Germany.

The bulk of the exports of wheat was directed to Germany. Rye was placed on the following markets: Germany, (29.6 per cent), Latvia (19.5 per cent), Finland (16.9 per cent), Estonia (8.1 per cent), Sweden (6.8 per cent), England (6.6 per cent), Denmark (5.3 per cent), Holland (4.3 per cent), Belgium (1.6 per cent) and the remainder was forwarded to East Prussia and Switzerland.

Barley was forwarded to England (29 per cent), Holland (17.4 per cent), Latvia (15 per cent), Germany (12.1 per cent), Denmark (9.6 per cent), Belgium (4.9 per cent), Switzerland (3.5 per cent), East Prussia (2 per cent), Finland (1.9 per cent), Estonia (1.6 per cent), Norway (1.4 per cent) and smaller quantities to Austria and Czechoslovakia.

Of the exports of oats England absorbed 32.6 per cent, Germany 20.6 per cent, Denmark 11 per cent, Latvia 8.2 per cent, Belgium 6.4 per cent, Switzerland 6.2 per cent, Finland 4.1 per cent, Holland 3.7 per cent, East Prussia 3.6 per cent, Sweden 2.2 per cent, and the balance went to Estonia and Austria.

BUTTER

— During the second half of August the home butter market was marked by brisk activity, which was still more accentuated in the first half of September. At the beginning of the period under review, the production of butter declined due principally to the deterioration

in the pastures which, of course, adversely affected the output. The result was that supplies to the market declined and, in consequence, the prices exhibited an upward trend. Prices were increased by the Farm Product Committee by zł 0.40 per kg at the beginning of September. Nevertheless, prices in the current year are from zł 0.50 to zł 0.70 below those ruling during the same period of last year. The situation on both the home and foreign markets is generally regarded as being favourable to the producers. The prices ruling on the chief butter markets in Poland are given below (in zł per kg of first quality butter):

	August 16th-31st	September 1st-15th
Warsaw	5.20-6.00	5.60-6.00
Lwów	5.40-5.60	5.50-5.60
Katowice	6.20-6.40	6.20-6.40
Lublin	5.80-6.00	

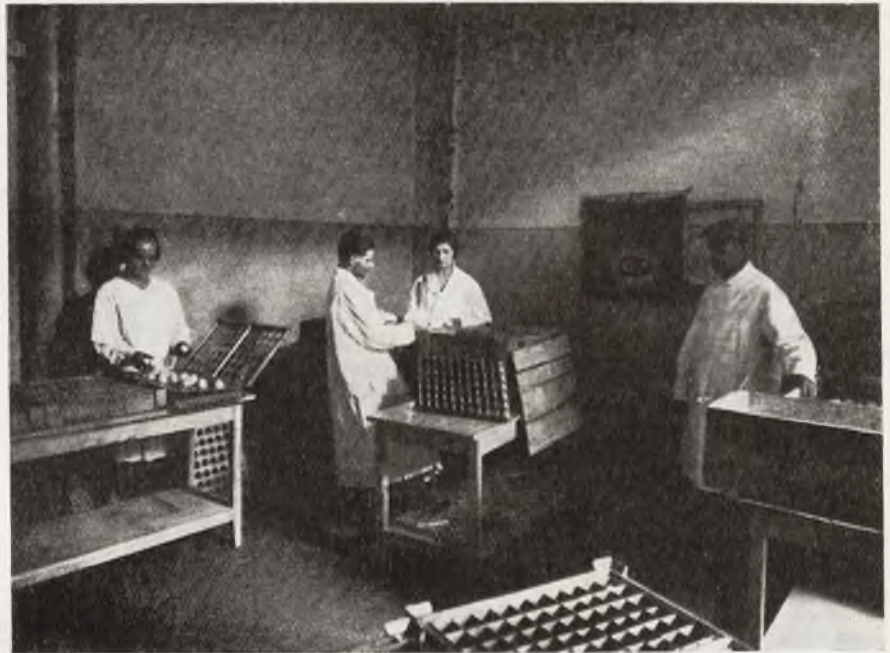
Exports of butter effected in August amounted to 1.603.5 tons, valued at zł 8,904,000, of which Germany took 1.017.6 tons, Holland 13.6 tons; smaller quantities were forwarded to Austria, Denmark, Sweden, Czechoslovakia and Italy. Imports were insignificant (3.2 tons) and came from Germany and Denmark.

EGGS

Owing to the large supplies and comparatively small demand, the situation on the home egg markets during the second half of August and the first half of September was not satisfactory. Most of the sales were made below the average prices and a downward trend in quotations was the outstanding feature. Under these conditions, sales were on a small scale and the bulk of the goods went to storage. During the period under review the prices of eggs were as follows (in zł per case of 1.440 eggs):

	August 16th-31st	September 1st-15th
Warsaw	225-235	220-235
Bochnia	228	200
Kraków	220-225	205-210
Rzeszów	198-200	
Tarnopol	—	180-185
Katowice	270	240-248

In August, the export of eggs from Poland represented 7.254 tons, valued at zł 18,122,400, of which 4.152 tons went to Germany, 1.756.2 tons to England, 567.3 tons to Austria, 359 tons to Czechoslovakia, 148.8 tons to Italy, 129.7 tons to Switzerland, 55.2 tons to France and 51 tons to Latvia. Among the smaller customers were Hungary, Holland and Belgium.



GRADING EGGS FOR EXPORT
(PHOT. S. PLATER)

During the same period imports totalled 26.2 tons, the bulk of which came from Germany.

TIMBER

The month of August did not bring with it any considerable changes in the situation on the timber market. As is usual at the end of the season, sales of unworked timber were on a small scale. The decrease in prices which, as a rule, is reported at this time of the year, affected, for the most part, logs for the sawmills and building material in the central regions of the country, for, in the eastern and western parts they were stable with a slight upward tendency. Pit props showed increases, which is accounted for by the favourable conditions ruling in the coal mining industry and the consequent heavy demand. On the other hand, stocks of pit props are low, especially in the western area, where the stocks of the timber affected by the *Panolis Flammea* are exhausted. It is probable also that the increase in prices for fire wood in the western area to zł 19 per stacked m. is accounted by the exhaustion of the diseased timber. The decrease in the prices of pulpwood, similarly as in the preceding month, is to be attributed to the comparatively large supply of timber from forests in the Siedlce and Wilno districts which were damaged last year by the winds. In addition,

buyers of pulpwood for export had made successful efforts to throw the increase in the railway rates to be introduced on October 1st, on to the producers.

The sales of sawn timber encountered some difficulties. Despite a decline in production sawmills have still fairly large stocks of round wood which they hoped to dispose of in the autumn season. The local building trade has, however, consumed a comparatively small quantity of sawn timber so far. On the other hand, the sales of low grade timber showed some improvement on the local market. The export trade was on about the same level as in the corresponding period of last year and exceeded 100,000 tons per month.

The largest increases were noted in the exports to the markets of secondary importance. During the months of July and August, Germany absorbed more than in the previous months, but much less than a year ago. The demand from the United Kingdom was fairly large, especially for special sizes, but owing to a considerable difference between the prices asked and proposed, the transactions did not assume large proportions.

The exports of sleepers continued to be large and exceeded last year's level. The same remark applies to pulpwood, the export season for which is in the summer. The plywood industry enjoyed good trade.

The prices quoted at the different State Forest Directorates in August

were as follows (in zł per stacked and cub. m.):

	July	August
pine logs for saw mills		
(per cub. m.) Warsaw	60—	58—
" " Radom	51—	—
" " Siedlce	48—	46—
" " Wilno	46—	46—
" " Białowieża	50—	50—
" " Poznań	54—	55:20
" " Bydgoszcz	53—	54—
" " Toruń	64—	60—
pine logs for building purposes		
(per cub. m.) Siedlce	43:50	42—
" " Białowieża	42—	42—
" " Wilno	35—	35—
pine pit props		
(per cub. m.) Warsaw	37—	37—
" " Radom	37—	—
" " Siedlce	30:50	33—
" " Poznań	30:70	30:80
" " Bydgoszcz	30—	31:40
" " Toruń	30—	30—
spruce logs for saw mills		
(per cub. m.) Siedlce	42—	42—
" " Lwów	44—	44—
oak logs for joinery		
(per cub. m.) Białowieża	155—	155—
" " Łuck	90—	90—
pulpwood		
(per stacked cub. m.) Siedlce	28:10	28:35
" " Wilno	28:50	28:50
" " Białowieża	29—	29—
pine fire wood		
(per stacked cub. m.) Warsaw	16—	16—
" " Radom	16—	—
" " Siedlce	13—	13—
" " Wilno	16:30	16:30
" " Białowieża	10—	10—
" " Poznań	18:50	15:40 ¹⁾
" " Bydgoszcz	17:50	19—
" " Toruń	17—	17—
spruce fire wood		
(per stacked cub. m.) Lwów	17—	17—
beech fire wood		
(per stacked cub. m.) Lwów	11:50	11:50

COAL

— The situation in the coal mining industry in August continued to be favourable due to a considerable increase in exports and the maintenance of local deliveries at about the same high level as in July.

The state of the industry during the period under review in the three basins is illustrated by the following table (in tons):

Coal mining districts	Extraction	Home consumption	Exports	Stocks at pit-heads ²⁾
Upper Silesia	2,971	1,567	1,198	597
Dąbrowa	742	445	229	224
Kraków	229	200	1	66
Total:	3,942	2,212	1,428	887
July	4,024	2,238	1,371	914
in relation to July	- 82	- 26	+ 57	- 27

The above figures show that the output declined by 82,000 tons, i. e., 2 per cent to 3,942,000 tons.

The total deliveries in August rose by 31,000 tons to 3,640,000 tons, of

which 2,212,000 tons, or 26,000 tons less, were absorbed by the local market, and 1,428,000 tons, or 57,000 tons more than in July, were exported. Stocks at the pit heads decreased by 27,000 tons to 887,000 tons.

Exports to the different countries effected in August are given below (in thousands of tons):

Countries	1926				1927				1928				1929			
	July	Aug.	Sept.	Oct.	July	Aug.	Sept.	Oct.	July	Aug.	Sept.	Oct.	July	Aug.	Sept.	Oct.
Northern European:																
Sweden	252	217	273	288	272	—	16									
Norway	28	18	54	63	63	—	—									
Denmark	67	149	152	170	169	—	1									
Finland	19	41	63	45	68	—	+23									
Latvia	35	21	51	53	56	—	+3									
Lithuania	4	8	13	17	5	—	-12									
Estonia	—	—	—	—	—	—	—									
Memel	2	5	9	6	8	—	+2									
Total:	407	459	615	642	641	—	+1									

Succession States:	1926				1927				1928				1929			
	July	Aug.	Sept.	Oct.	July	Aug.	Sept.	Oct.	July	Aug.	Sept.	Oct.	July	Aug.	Sept.	Oct.
Austria	207	262	226	261	306	—	+45									
Hungary	68	64	69	101	110	—	+9									
Czechoslovakia	47	6	82	76	72	—	-4									
Total:	322	332	377	438	488	—	+50									

Other countries:	1926				1927				1928				1929			
	July	Aug.	Sept.	Oct.	July	Aug.	Sept.	Oct.	July	Aug.	Sept.	Oct.	July	Aug.	Sept.	Oct.
Rumania	15	19	17	10	12	—	+2									
Switzerland	8	12	10	12	11	—	-1									
Yugoslavia	28	46	37	22	31	—	+9									
Italy	118	93	40	47	54	—	+7									
France	58	18	31	76	74	—	-2									
Holland	7	—	2	24	6	—	-18									
Belgium	8	4	14	—	—	—	—									
Algeria	—	—	5	—	—	—	—									
Germany	12	1	—	—	1	—	+1									
England	779	—	—	—	—	—	—									
Russia	131	—	—	—	—	—	—									
Iceland	1	—	—	—	4	—	+4									
Brazil	—	—	—	4	9	—	+5									
Total:	1,165	193	156	195	202	—	+7									

Loaded at:	1926				1927				1928				1929			
	July	Aug.	Sept.	Oct.	July	Aug.	Sept.	Oct.	July	Aug.	Sept.	Oct.	July	Aug.	Sept.	Oct.
Danzig	29	42	34	44	39	—	-5									
Bunker coal	210	18	70	52	58	—	+6									
Total:	2,133	1,044	1,252	1,371	1,428	—	+57									

Loaded at:	1926				1927				1928				1929			
	July	Aug.	Sept.	Oct.	July	Aug.	Sept.	Oct.	July	Aug.	Sept.	Oct.	July	Aug.	Sept.	Oct.
Danzig	286	348	503	516	528	—	+12									
Gdynia	40	84	169	258	242	—	-16									
Other ports	65	17	1	5	5	—	—									
Total:	391	449	673	779	775	—	-4									

It is seen that the Northern European markets absorbed 641,000 tons, which is about as much as in July, while the Succession States (Austria, Hungary and Czechoslovakia) received 488,000 tons or 50,000 tons more. The remaining countries, together with bunker coal, took 260,000 tons or 20,000 tons more. The exports to the Free City of Danzig declined by 5,000 tons to 39,000 tons.

The shares of the different countries in the export trade in August, as compared with July, are given in the following table in percentages:

	July	August
Northern European countries	46:83	44:89
Succession States	31:95	34:17
Other countries	14:22	14:14
Danzig	3:21	2:73
Bunker coal	3:79	4:07
Total:	100:00	100:00

The number of workmen employed at the mines rose in August by 1,259 tons to 125,795. The average daily output per workman per day rose during the month by 4 kg to 1,278 kg. In Upper Silesia the Miners' Unions gave notice to determinate the Agreement as from September 1st 1929. The Unions claim a general increase in wages amounting to 17 per cent, as well as the granting of separate bonuses for the skilled categories of workmen. In the Dąbrowa basin, the Unions have also given notice to cancel the collective Agreement as from October 1st, and demand an increase of 20 per cent on the present wages.

The average wage per day in the Upper Silesian basin was zł 9.75 in July, zł 9.82 in June, and zł 9.88 in May. These figures show that wages in the coal mining industry have been practically stable since April.

Prices of coal for the local and Convention markets have remained unchanged. Export prices f. o. b. the Polish ports, Danzig and Gdynia, continued to show an upward tendency and amounted to 15sh 6d per ton for Upper Silesian large and 14sh for Dąbrowa large.

On October 1st, a new railway tariff will come into force. The rates in respect of coal destined for export will not be subject to any change, but internal rates from the Silesian and Dąbrowa basins will be increased by about 18 per cent, and from the Kraków basin by about 14 per cent. These new rates will be applied to all classes of coal, with the exception of coal dust the rates for which will be increased by 42 per cent.

PETROLEUM

— The situation in the petroleum industry in August was not subject to any considerable changes as compared with the preceding month. There was a very slight decline in the output of crude oil in the Borysław area. In the other basins there were no changes worthy of note. According to provisional figures the output of crude oil in August was as follows (in tons):

Drohobycz district	{ Borysław basin	40,730
	{ other basins	6,750
Jasło		6,200
Stańsławów		4,090
Total:		57,770

¹⁾ Price for timber affected by the "Panolls Flammea".

²⁾ After deduction of the coal utilised by the mines themselves and for workmen, and after correcting the stock on hand.

¹⁾ Corrected figures.
²⁾ Provisional figures.

Of this quantity, the Borysław Standard Crude represented 40,730 tons and other special marks — about 6,750 tons. There were no new wells completed with the exception of well No. 6 at Męcinka, where at a depth of 1.130 m. a production of 5 tons per day was obtained. The decline in oil production in the Borysław area was caused by the natural exhaustion of wells and the absence of new producing wells. The well No. 1 of the "Fanto-Horodyszcze" mine, at a depth of 1.340 m. is now giving a production of 34 tons per day.

As a result of the decline in the cost of living, wages were decreased by 4.52 per cent and in the Borysław area ranged from zł 2.79 (4th category) to zł 8.66 (1st category). The monthly bonuses were zł 8.16 (4th category) and zł 38.08 (1st category).

As regards the drilling activity, four wells were drilled (three at Mrażnica and 1 at Bolechów), while at the same time 6 new wells were registered (including 3 at Mrażnica and 2 at Rypno). Moreover, 9 new and 4 old ones at which operations had been suspended, were brought to production point. In addition, 10 new wells are being drilled (6 at Borysław).

Stocks of Borysław Standard Crude held by the storage companies and at the mines in the Drohobycz area were 5,050 tons at the end of August, as compared with 7,779 tons at the end of July, a decrease of 2,729 tons.

Stocks of crude oil in the Stanisławów area were 3,142 tons at the end of August which was less than at the end of the preceding month (3,352 tons).

Prices of crude oil remained unchanged.

The situation in the gasoline industry in August is illustrated by the following figures:

output of gas (in thous. of cub. m.)	38.000
throughput of gas (in thous. of cub. m.)	23.295
output of gasoline (in tons)	2.773
home consumption "	2.628
exports of gasoline "	49
number of workmen employed	209

There were 19 gasoline works in operation. The output of natural gas in the Borysław area showed a slight decrease in some of the boreholes, especially at Mrażnica. On August 23rd, well No. 3, of the "Małopolska" group gave at a depth of 1.073 m an initial production of gas amounting to 240 cub. m. which at the end of the month stabilised at 35 cub. m. per minute.

On August 9th, the pipe line from Daszawa to Lwów 90 km. long, for the

transfer of gas, was completed. The gas line is operated by the "Gasolina" Company. It is hoped that this gas pipe line will contribute towards the further industrialisation of the city of Lwów and the adjoining areas.

The output of ozokerite in August was 80.9 tons. Exports totalled 70 tons, of which 61 tons went to Germany and 8 tons to Austria. The stocks of ozokerite totalled 78 tons at the end of the month. Prices remained unchanged, but the situation in the industry as a whole continued to be less favourable than a year ago.

The number of workmen engaged in this industry declined slightly during the month (to 527).

The state of the refining industry in August, according to provisional figures, may be seen from the following table (in tons):

throughput of crude oil	52.800
output of petroleum products	47.580
home consumption	34.995
exports	22.418
stocks of petroleum products on August 31st	236.920
number of workmen employed	4.305

The throughput of crude oil was smaller as compared with the preceding month, and the average monthly figure for 1928 (60,450 tons).

The consumption of petroleum products within the country, and especially of kerosene and benzine, rose considerably as compared with August of last year and is given below (in tons):

	August	
	1928	1929
benzine	7.048	9.280
kerosene	11.422	11.600
gas oil	4.450	5.150
lubricating oil	6.502	5.360
paraffine wax	489	723

Exports of petroleum products were larger than the average monthly figure for last year (21,710 tons) and consisted of the following items (in tons):

August	
benzine	3.413
kerosene	6.483
gas oil	5.728
lubricating oil	3.457
paraffine wax	1.720
other products	1.617
Total:	22.418

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

Czechoslovakia	7.147
Austria	2.623
Switzerland	1.599
Germany	1.535
Hungary	394
other countries	3.082
Danzig	6.038
Total:	22.418

IRON

— The improvement, which was reported in the iron and steel industry in July, ceased to be evident in August. The volume of orders showed a falling off. The amelioration in the purchasing capacity of the farmers was so far very small for the crops have not as yet been marketed. The building season is drawing to a close, and an inflow of orders for this class of material can hardly be expected. It is true that Government orders were slightly greater than in July, but their volume was insufficient to keep the workshops, which are almost entirely based on Government orders — well employed. The position of the more important sections of the iron and steel industry is given in the following table showing the percentage ratio of output as compared with the average monthly production for the year 1913, which is taken as 100:

	May	June	July	August
blast furnaces	74.0	68.0	76.5	75.5
steel works	87.4	84.4	81.1	80.0
rolling mills	76.0	75.6	81.0	75.8

It will be seen that the rolling mills were most affected by the unfavourable conditions and that pig iron was affected the least, for only a very slight decline was observed. Nevertheless, the prospects for this section of the industry do not appear to be encouraging.

Iron mines began to curtail operations owing to a decline in the demand from local foundries. The position cannot be improved by the export trade because exports are maintained at a stabilised level amounting to about 20 per cent of the total production. Imports of iron ore declined. The following table gives the extraction, imports and exports of iron ore (in tons):

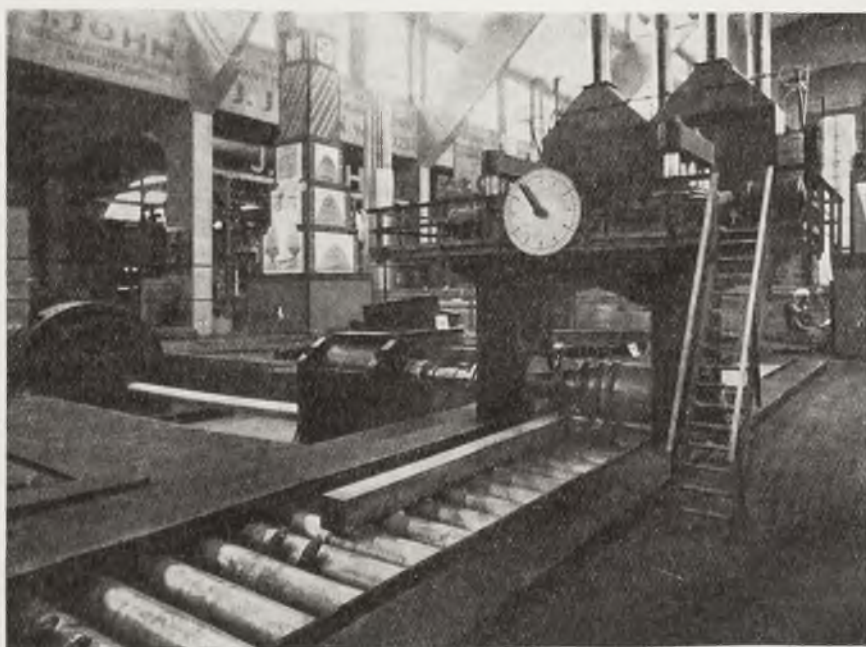
	Extraction	Imports	Exports
July 1929 ¹⁾	65,925	55,265	11,145
August " "	56,238	42,839	11,000
" 1928	61,433	39,281	7,188

The output of ore in August declined by 9,687 tons or by 14.7 per cent as compared with July, and by 8.5 per cent as compared with August 1928. Imports of iron ore decreased by 12,426 tons or 22.5 per cent as compared with July, but they were 3,558 tons or 9.1 per cent larger than in August, 1928.

Imports of manganese ore aggregated 6,996 tons as against 4,583 tons in July. The number of workmen employed in iron ore production declined during the month from 6,019 tons to 5,330 tons or by 11.4 per cent.

¹⁾ Corrected figures.

²⁾ Provisional figures.



INTERNAL VIEW OF THE METAL INDUSTRY HALL AT THE POLISH NATIONAL EXHIBITION (PHOT. S. PLATER)

The production of the iron and steel foundries (in tons) as well as the number of workmen employed is given below:

	Pig iron	Steel ingots	Rolled products	Pipes	Number of workmen employed
July 1929 ¹⁾	65,660	112,883	84,863	9,927	52,995
August 1928 ²⁾	64,845	111,997	79,063	8,970	52,112
1928	56,722	128,474	91,257	9,443	52,120

It is seen that there were slight decreases in all the sections of the industry. Pig iron production declined by 815 tons or 1·2 per cent, steel by 886 tons or 0·8 per cent, and the output of rolled products by 5,800 tons or 6·8 per cent. The decline in pipes amounted to 957 tons or 9·6 per cent. Compared with August of last year, only the output of pig iron was larger. Foreign orders were about the same as in the past month, whereas local indents declined. According to the figures compiled by the Syndicate of Polish Iron Foundries, which do not account for foreign orders, pig iron and pipes, the total volume declined from 60,441 tons in July to 46,652 tons in August. Private orders decreased by 16,896 tons while Government orders rose by 3,107 tons. Orders from the trade decreased by 21·2 per cent and those from industry by 55 per cent. The foreign trade in iron and steel products in August, as compared with the preceding month

and August 1928, is given in the following table (in tons):

	Imports:			Exports:		
	July 1929	August 1928	1929	July 1929	1928	1929
pig iron	1,104	424	338	515	250	517
rails, iron and steel articles	3,690	1,407	4,225	10,023	6,517	10,385
iron and steel sheets	1,229	992	1,085	4,076	2,396	3,115
pipes	161	156	193	6,928	5,527	4,538
Total:	6,184	2,979	5,841	21,542	14,690	18,555

Exports effected in August declined by 2,987 tons or 13·9 per cent as compared with July, but they were 3,865 tons or 26·2 per cent larger than a year ago. The total value of the exports amounted to zł 8,752,000 as against zł 9,916,000 in July and zł 6,657,000 in August 1928.

ZINC AND LEAD

— The situation in the Polish zinc and lead industry in August was on the whole favourable, despite a downward tendency of prices and sales difficulties on the world market. The local demand showed an increase, which is confirmed by a decline in the stocks of zinc and products thereof, from 11,581 tons in July to 9,480 tons in August. As for lead, the position has undergone a change for the better, due principally to less competition from abroad. Stocks of raw and refined lead, taken together, declined from 3,677 tons in July to 3,235 tons in August.

Work in August proceeded under favourable conditions which can be seen from the following table showing in percentages the output for the month, as compared with the average monthly production for 1913 which is taken as 100:

	May	June	July	August
Raw zinc	89·5	86·9	91·3	91·4
Zinc sheets	38·9	43·7	44·8	44·8
Raw lead	88·2	80·6	75·4	88·0

It is seen that the output of lead rose considerably as compared with June and July.

The output of zinc and lead ore as well as the imports for August, as compared with the preceding month and August 1928, is given below (in tons):

		Extraction:		Imports:	
		ores gross amount	enriched ores	zinc ores	lead ores
July 1929 ¹⁾	107,033	33,200	21,757	1,744	
August 1928 ²⁾	86,729	27,000	13,623	1,722	
1928	95,996	29,800	14,343	1,739	

The output of zinc and lead ore declined by 20,314 tons or 18·9 per cent as compared with July, and by 9·7 per cent as compared with August 1928. This decrease is accounted for by strike at one of the largest mines in Upper Silesia. Imports of zinc ore also decreased by 8,134 tons or 37·4 per cent as compared with July, and by 5 per cent as compared with August 1928.

On the other hand, the imports of lead ore declined only but slightly (by 1·3 per cent).

The extraction of zinc ore from old dumps was about the same as in July and amounted to 2,400 tons which was used for the production of zinc oxide. The total output of zinc oxide was 3,666 tons as against 3,385 tons in July.

The number of workmen employed in zinc and lead ore mining including the roasting plants was 6,960 in August as compared with 7,112 in July, a decrease of 2·1 per cent.

The output of zinc and lead smelters (in tons) and the number of workmen employed are given below:

	Sulphuric acid 50°Bé	Raw zinc	Zinc sheets	Raw lead	Number of workmen employed
July 1929 ¹⁾	29,429	13,655	1,604	3,088	12,521
August 1928 ²⁾	28,063	13,612	1,703	3,143	12,566
1928	25,678	13,678	1,481	3,760	13,224

The figure under the heading of raw zinc does not include electrolytic zinc, the output of which was 1,006 tons in

¹⁾ Corrected figures.
²⁾ Provisional figures.

¹⁾ Corrected figures.
²⁾ Provisional figures.

August, as compared with 931 tons in the preceding month.

The output of raw zinc showed only a slight decrease. The output of zinc sheets rose during the month by 99 tons or 6.2 per cent and was 222 tons or 15 per cent larger than in the corresponding month of 1928, while that of lead rose by 55 tons or 1.8 per cent, but it was 617 tons or 16.4 per cent less than in August 1928. The output of sulphuric acid declined by 4.6 per cent, but it was larger than in 1928.

The exports of zinc and lead products are given in the following table (in tons):

	Exports:			
	July value in tons thous. of zł		August value in tons thous. of zł	
Raw zinc, dust incl.	13.001	14.086	13.309	14.488
Zinc sheets	1.146	1.202	1.317	1.749
Refined lead	1.270	1.792	1.192	1.217
Total:	15.417	17.080	15.818	17.454

The total exports of these products rose by 401 tons or by 2.6 per cent, but in point of value they decreased by zł 374,000 or 2.2 per cent. In August 1928, the exports aggregated 12,868 tons, valued at zł 13,549,000, so that the exports effected in August of the current year were 2,950 tons or 23 per cent larger, while in point of value they were zł 3,905,000 or 28.8 per cent greater.

VARIOUS

THE ACTIVITY OF THE POLISH STATE TOBACCO MONOPOLY.

The Monopoly was introduced in Poland by the Law of June 1, 1922. However, owing to financial difficulties arising from the inflation of the currency it was not until March, 1924 that the Law was actually put into practice, and this was made possible by the Polish Government raising in Italy a loan amounting to Lira 400 million (at 7 per cent per annum, repayable in 30 years). Of this sum the Polish Government granted to the Tobacco Monopoly zł 30.2 million in 1924 and zł 7.0 million in 1925. A portion of the two amounts, namely zł 22.1 million was utilised for the purchase of private factories of tobacco products, while the remainder was employed as working capital, the bulk of which being utilised for the acquisition of the raw material.

The capital of the Monopoly, which amounted to zł 42.6 million at the end of 1924 was gradually increased, and at the end of the 1923/24 fiscal year it represented over zł 95.2 million. During the period from 1924 to the 1927/28 fiscal year the net profit of the Monopoly amounted to about 400 per cent per annum of the total capital. The net profit includes the monopoly tax derived from the sale of tobacco products and is payable to the Treasury. The monopoly tax, levied on the different tobacco

products is as follows: for cigarettes 50 per cent, for cut tobacco and snuff 40 per cent, for cigars 30 per cent, and for tobacco extract 10 per cent.

In order to ensure the maximum revenue efforts are constantly being made to completely control the local consumption of tobacco products by combating smuggling, illegal consumption and the sale of locally grown tobacco outside the Monopoly. In order to check smuggling which, for the most part, was traced to the territory of the Free City of Danzig, the Polish Government came to an understanding with the Senate whereby the Polish Monopoly has been introduced in that territory. As compensation, the Polish Monopoly has undertaken to purchase 100,000 kg of tobacco products manufactured within the Free City of Danzig and, in exchange, the Danzig Monopoly has undertaken to purchase 25,000 kg of tobacco products manufactured by the Polish State Tobacco Monopoly.

The State Tobacco Monopoly is operated on commercial lines and, in accordance with the regulations, it is under the obligation to show in its accounts the taxes, both State and municipal, which it would have to pay if it were a private enterprise. These taxes taken together would have come to zł 11.0 million in 1925, zł 43.4 million in 1926/27 (15 months) and zł 42.8 million in 1928/29.

In order to calculate the net profit made by the Monopoly if it were a private undertaking, the amount shown in the balance-sheet as net profit, should be decreased by the amount of taxes which it would have had to pay, and increased by the sums devoted to the service of the Italian loan, and the amount transferred to reserves. The net profit in that case, i. e., if the Monopoly were a private undertaking, would be as follows: zł 35.8 million in 1924, zł 54.6 million in 1925, zł 105.9 million in 1926/27 (15 months) and zł 87.9 million in the 1927/28 fiscal year.

The Monopoly is an important source of revenue to the Treasury and of the 5 State Monopolies (Tobacco, Alcohol, Salt, Matches and Lottery) it returned in the year 1928/29 the largest amount. The revenue from this source as compared with the total State revenue since the year 1924 is given below (in percentages):

1924	8.2
1925	9.3
1926/27	13.1 (15 months)
1927/28	12.3
1928/29	12.6

The above figures indicate, that the revenue from the Monopoly plays a very important rôle in the finances of the Polish Republic.

The economic conditions prevailing in the country exercise a considerable influence on the revenue of the Treasury derived from all the monopolies, and especially is this so in the case of the State Tobacco Monopoly. The consumption of tobacco products fluctuates according to the general prosperity of business. At the time of the introduction of the Monopoly, the economic situation of the country was distinctly unfavourable; this continued up to 1926 which was marked by an all-round improve-

ment in trade and industry, and was accompanied by an amelioration in the standard of life of the population in general. At the beginning, the revenue from the Monopoly was fixed very conservatively in view of the difficult position of the population and also because the Monopoly was at that time being organised. Nevertheless, the revenue was larger than that which accrued to the Treasury before the introduction of the Monopoly.

It is evident that the revenue from this institution depends to a very large extent on the consumption of tobacco products, which is very low as compared with other countries. This is corroborated by the following figures showing the consumption per head of population per annum (in grammes):

Poland	500
Italy	685
Portugal	740
Bulgaria	1.100
Spain	1.360
France	1.440
Czechoslovakia	1.507
Sweden	1.546
Austria	1.710
Germany	1.900
U. S. A.	2.600
Holland	3.000

It should be stated that the consumption of tobacco in the Republic of Poland is growing steadily, but it is still far behind its neighbours — Germany, Austria and Czechoslovakia and even behind Russia where the consumption in 1927 was 707 gr. per inhabitant.

In Poland, the consumption is uneven territorially and fluctuates between 301 gr. (Kowel) and 1.031 gr. (Warsaw) per inhabitant per annum, which in terms of money represents zł 9.23 and zł 31.61, respectively. The consumption is the lowest in those parts in which the cultivation of tobacco is permitted, and also in those which are little developed from the economic point of view. Among the latter areas are the eastern and south-eastern districts of the Republic, which contain the following towns: Wilno, Równe, Kowel, Kołomyja and Jagielnica. The consumption is the largest in the industrial areas and large towns (Warsaw, Łódź, Poznań, Lwów, Kraków, Katowice).

The State Tobacco Monopoly is making efforts to concentrate the production of tobacco in well defined areas possessing good natural conditions for the growth of the plant, and aims at a steady increase of the individual plantations. This policy has already given good results for, while the crop in 1928, amounting to 6.5 million kg, rose by 35 per cent as compared with 1927, the number of plantations declined by over 200.

As regards the future of the Tobacco Monopoly it has excellent prospects for development, as with the natural increase of the population, which is one of the largest in Europe, and with the amelioration in the prosperity of the masses, the consumption will grow further. At the same time there is every reason to believe that consumers will pass from the lower grades of tobacco to the higher which, of course, will contribute to a greater turnover both in point of quantity and value thus increasing the revenue of the State.



A VIEW OF ONE OF THE FORESTS OF MESSRS. THE STARACHOWICE Co.,
WARSAW (PHOT. S. PLATER)

MOVEMENT OF PRICES. — In August, the general trend of business was about the same as in the preceding month, but owing to the approach of the autumn when, as a rule, the requirements of the population show an increase, the position in certain branches of commerce, and principally in the retail section, exhibited signs of improvement. The fact that the purchasing capacity of the rural population has not improved much, justifies the view that a radical change in business conditions will not take place in the near future. Despite the good harvest, farmers are short of ready cash owing to the low prices for agricultural products. It is hoped, however, that the Government's policy, which is to bring the prices of grain in Poland up to the levels ruling on the world markets, will bear fruit within a short time.

It should be added that there was an improvement in the situation prevailing on the money market. Nevertheless, the private rate of discount was maintained at a high level. The percentage of protested bills continued to decrease.

Prices of commodities exhibited a downward tendency which is reflected in the following statement (1914 = 100):

	Wholesale price index:	Retail price index:	Cost of living index:
August 1928	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
August	"	112.7	160.3	122.6

The index of wholesale prices dropped by 0.4 per cent, that of retail prices by 1.2 per cent and the cost of living by 0.7 per cent. The decrease in the index of wholesale prices was caused by a drop of 0.9 per cent in the index of agricultural products and by 0.2 per cent in that of manufactured articles, while there was a rise by 1.7 per cent in the index of groceries. The decrease in the index of farm products was brought about by a fall in the prices of vegetable products as a result of a decrease of 4.1 per cent in grain prices and a simultaneous increase of 3.5 per cent in the prices of foodstuffs of animal origin. In the latter group, the prices of eggs, cattle, pigs and milk showed an upward trend.

Of the industrial articles, the prices of timber displayed a slight downward tendency. The same was observed in the case of textile products as a result of a considerable fall in the prices of cotton and wool. It is characteristic that in consequence of the better demand for finished products, the prices of cotton yarn, which were at

times sold at a slight loss, showed an increase.

A slight increase, amounting to 0.1 per cent, took place in the index of metal prices in connection with a rise in the prices of lead and a decrease in those of zinc.

The index for the coal group and other articles remained unchanged.

The decrease in the index of retail prices is accounted for by a considerable increase in the index of manufactured articles (by 0.3 per cent) and a marked decline in the index of agricultural products.

Finally, the decrease in the index of the cost of living is accounted for by a fall in foodstuffs of 1.4 per cent, while there was no change in the cost of clothing, fuel, lodging and the other items accounted for in the index.

TREATIES

POLISH-TURKISH NEGOTIATIONS FOR A COMMERCIAL TREATY.

— The Polish-Turkish Commercial Treaty now in force expires on October 3rd and representatives of the Polish Government left Warsaw for Angora on September 8th.

It is expected that the negotiations will last about a month, as the commercial treaty to be signed will be based on similar agreements concluded lately between Turkey and Rumania and France.

Similarly as the present Polish-Turkish Commercial Treaty the new one will be founded on the principle of the most favoured nation clause. There is every reason to believe that the negotiations will proceed smoothly, in an atmosphere of mutual understanding.

FAIRS AND EXHIBITIONS

CLOSING OF THE IX LWÓW EASTERN FAIR.—As announced in our last issue this fair was held from September 7th to 19th. It has its own sphere and the National Exhibition in Poznań has in no way affected its business. The number of stands as well as that of visitors was about the same as in the previous years. The total number of stands was about 1,500, of which 500 represented foreign firms. Among the local exhibitors the firms operating in the south of Poland formed the majority. The heavy Upper Silesian industry was particularly well represented. The following branches of industry were among the most prominent: agricultural machinery, foodstuffs, clothing and furniture. The chemical, electrotechnical, the paper as well as the textile and haberdashery sections came second.

Of the foreign countries, Austria occupied the first place and was followed by Czechoslovakia, Germany, the United Kingdom, the United States of America, &c.

Among the foreign exhibits, machinery, technical accessories, precision instruments and means of communication, predominated. The motor car section was exceptionally large.

A novelty was the participation of Japan. There were about a hundred Japanese firms who exhibited brushes, buttons, preserved fruits, cotton, woolen and silk products, paper, porcelaine, &c. On the other hand, Japanese raw materials were not quite so well represented.

During the period from September 12th to 17th a show of horses, horned cattle, pigs, poultry, pigeons and rabbits were held within the grounds of the Fair.

Similarly as in the previous years, the Fair was visited by numerous excursions composed of merchants, industrialists and the representatives of the press both local and foreign.

HOP FAIR AT LUBLIN.—The hop growing industry in Poland has good natural conditions and, therefore, good prospects for future development.

In order to facilitate the marketing of the product, the Lublin Chamber of Agriculture has decided to revive the hop fairs which, before the Great War, were regularly held in that place. In the current year the fair will be held from September 30th to October 4th. The fair will be representative of the Polish hop growing industry as a whole, for, it may be recalled that about 80 per cent of the total production of hops is grown in the Lublin area. As already mentioned, the object of the fairs is to facilitate the marketing of

hops, the expansion of the present foreign markets and the acquisition of new ones.

The fair will be held every year after the harvest and will afford an opportunity for foreign buyers to come into direct touch with the Polish growers which, no doubt, will promote the export of this commodity.

VISITS OF MINISTERS OF FOREIGN COUNTRIES TO POLAND.

In connection with the Polish National Exhibition a number of foreign ministers visited Poland in the course of September.

On September 11th the Latvian Minister of Finance M. Petrewics accompanied by M. Skujeneeksa the former Prime Minister of Latvia, Celnis, Calms and the representative of the Finnish Government, the former Minister Professor Järvinen arrived in Warsaw and left for Poznań on the following day. On the same day arrived M. Anderssen-Rysst the Minister of Industry and Commerce of Norway arrived there direct.

On September 12th M. Georges Bonnefous, the French Minister of Industry and Commerce, arrived in Poland and on the following day M. Novak, the Czechoslovakian Minister of Industry and Commerce.

M. Bonnefous remained a few days and after a visit to Warsaw made a trip to Poznań to the Exhibition from whence he went to Chorzów, Królewska Huta and Kraków.

M. Novak, after paying a visit to Poznań and Gdynia, returned to Czechoslovakia via Warsaw on September 15th.

FOREIGN TRADE

—The foreign trade of Poland, together with the Free City of Danzig, in August was as follows: imports amounted to 417,700 tons, valued at £ 226.5 million, and exports amounted to 2,298,600 tons, valued at £ 280.7 million. The favourable balance for the second month in succession rose to £ 54.2 million. Compared with July, the exports rose by £ 4.3 million, while at the same time all the items on the import side showed decreases which, taken together, amounted to £ 39.9 million.

On the import side, there were decreases in consumption articles and in raw materials, semi-finished and finished manufactured articles. Of the more important foodstuffs, rice declined by £ 6.4 million, edible fats of vegetable origin by £ 0.6 million, and dried plums by £ 0.3 million. Owing to the approach of the winter season, herring increased by £ 1.9 million. Similarly, there was an increase in tobacco, by £ 0.5 million. In the tanning industry conditions have improved, with the result that the consumption of hides

of local production increased and, as this was insufficient, an increase in imported raw hides, amounting to £ 0.7 million, was recorded. There were also increases in tanned leather and tanning materials amounting to £ 1.7 million and £ 0.9 million, respectively. As usual at this time of the year, considerable changes as compared with the preceding month were observed in artificial fertilizers, the imports of which decreased by £ 5.1 million. The largest decrease was in lime saltpetre (by £ 4.0 million) and Thomas slag (by £ 3.3 million). On the other hand, potassium salts showed an increase amounting to £ 1.9 million. As regards organic chemicals there was a rise in organic tanning extracts (by £ 6.9 million), a drop in vegetable oils for technical purposes of £ 1.4 million and in technical fats of animal origin of £ 0.4 million. Rubber goods declined by £ 1.5 million, the largest decline being in guttapercha (by £ 0.1 million) and tyres and tubes (by £ 1.4 million).

The raw materials for the smelting industries showed decreases. The imports of iron ore declined by £ 0.5 millions and of, zinc ore by £ 2.4 million, but manganese ores showed a slight increase amounting to £ 0.6 million. There was a considerable decline in scrap iron by £ 4.3 million, copper and copper alloys and products thereof by £ 1.6 million, and in tin by £ 0.3 million.

Imports of machinery declined by £ 8.2 million. Nearly all types of machinery showed a drop; for instance, motors decreased by £ 1.1 million, pumps by £ 0.4 million, electrical machinery by £ 1.3 million, metal and wood working machinery by £ 2.7 million, textile machinery by £ 0.9 million, and boilers and heating apparatus by £ 1.1 million.

Falls were also reported in electrical cables by £ 2.1 million, watches, &c. by £ 0.4 million, musical instruments by £ 0.3 million, fire arms and ammunition by £ 0.2 million and precision instruments by £ 1.5 million.

Means of communication showed an increase of 1.6 million, although motor cars decreased by £ 1.8 million.

Imports of paper, books, pictures, &c. declined by £ 1.2 million. Raw materials for the manufacture of paper, such as rags and waste paper, dropped by £ 0.8 million; cardboard and products thereof by £ 0.3 million.

Textile products declined by £ 3.9 million, of which wool and woolen rags fell by £ 3.4 million, and combed wool by £ 0.4 million. Imports of cotton fabrics decreased by £ 0.6 million, but

I M P O R T S

E X P O R T S

GOODS	August 1929	Jan.—August		August 1929	Jan.—August		GOODS	August 1929	Jan.—August		August 1929	Jan.—August			
	1929	1928			1929	1928		1929	1928			1929	1928		
		Volume — in tons				Value — in thousands of £			Volume — in tons				Value — in thousands of £		
TOTAL:	417 688	3 642 868	3 520 370	226 535	2 150 032	2 312 599	Foodstuffs TOTAL:	2 199 587	13 900 140	13 393 225	280 717	1 781 030	1 600 665		
Foodstuffs	29 475	295 799	625 618	26 619	308 875	485 448	including:	144 531	774 901	423 145	83 181	470 578	339 807		
including:							wheat	40 477	111 385	4 032	12 006	34 540	1 942		
rye	7	986	98 024	2	408	50 508	rye	18 385	132 422	40 220	6 156	48 716	17 532		
oats	358	5 056	19 697	106	1 783	8 441	barley	920	15 930	9 122	572	9 393	6 121		
maize	1 310	12 448	47 703	473	5 132	17 907	peas	193	8 513	10 181	130	6 395	5 452		
rice	3 967	50 226	77 021	2 035	26 376	46 988	beans	523	57 465	40 062	161	8 270	9 529		
plums and berries	863	11 797	12 326	567	9 537	9 793	potatoes and prod.	31 121	161 268	85 066	14 820	79 479	50 045		
nuts, almonds, spices	179	2 612	2 686	701	10 236	10 483	sugar	2 440	21 078	18 652	8 463	63 558	43 418		
tea	141	1 482	1 524	1 118	12 341	13 239	meat	1 540	7 081	387	5 952	27 206	1 090		
cocoa	492	3 895	3 969	1 197	10 361	12 521	including: bacon	1 604	9 497	8 062	8 905	54 503	47 822		
coffee	640	5 228	5 016	3 247	24 850	23 277	butter	7 255	38 095	40 818	18 122	93 692	104 371		
herring	6 751	58 827	44 269	3 418	33 525	27 478	eggs	23 485	135 834	123 498	5 341	32 445	29 279		
edible fats of animal origin	1 602	12 253	16 654	4 151	32 283	41 471	forage								
edible fats of veg. origin	756	12 570	7 613	1 326	20 413	18 367	Live animals (head)	356 490	1 296 840	1 520 455	26 759	147 003	149 785		
tabacco	1 808	11 709	7 684	4 292	40 043	25 975	including:								
forage	2 530	23 667	30 891	954	10 744	9 769	pigs	104 841	688 933	861 704	22 322	129 185	138 653		
Live animals (head)	81 287	209 629	231 514	535	2 899	1 896	Animal products (head)	1 950	11 787	14 015	4 539	39 800	39 299		
Animal products	2 452	20 283	29 466	19 482	154 489	185 270	including:								
including:							dried skins	443	3 554	5 291	1 469	12 631	17 445		
raw skins	260	2 390	1 878	2 082	28 635	18 208	raw furs	7	383	260	113	8 579	5 654		
furs (raw)	1 223	8 010	15 448	3 403	24 316	50 968	horse-hair, hogs bristles, feathers, down, and products thereof	220	1 807	1 825	1 819	12 338	9 549		
tanned hides	462	2 344	2 861	8 709	54 685	69 892	Timber and wood ware	410 570	2 450 225	3 412 420	52 267	318 047	396 599		
furs	28	161	192	3 891	20 391	20 456	including:								
footwear	11	183	216	494	9 670	9 799	pulpwood	152 857	718 029	806 440	10 501	48 237	51 393		
Timber and wood ware	3 784	37 850	25 854	1 771	17 810	13 526	pit props	40 235	281 450	456 891	2 244	15 563	23 685		
Plants and seeds	3 668	33 857	29 254	2 751	29 452	25 223	round wood and logs	47 043	386 530	782 667	4 932	41 678	78 804		
including:							planks, deals, battens	109 025	652 272	1 013 093	22 678	133 660	182 725		
oil seeds	2 863	24 110	22 191	1 915	16 640	14 940	railway sleepers	28 854	138 445	104 600	4 499	21 977	15 691		
Building materials, minerals, ceramic products, glass	128 108	867 648	943 215	9 752	51 246	50 250	coopers' wares	2 718	18 676	19 966	906	5 740	5 301		
including:							furniture	673	5 106	4 867	1 568	11 164	8 997		
ceramic products	9 822	90 532	88 052	2 445	20 028	19 720	Plants and seeds	4 791	69 863	50 899	2 797	47 129	41 563		
glass and glass ware	964	6 282	5 212	1 053	9 125	8 181	including:								
Fuel and petroleum products	37 985	220 071	174 487	1 692	13 268	11 823	grasses and pasture	1 666	51 565	33 766	754	33 677	29 423		
including:							plant seeds	3	3 260	2 247	10	4 796	3 855		
coke	29 371	155 800	119 517	796	5 805	4 202	sugar-beet seeds	2 082	7 568	6 780	1 505	5 611	5 405		
Rubber, rubber prod.	514	4 470	4 299	3 388	29 989	42 725	oil seeds								
including:							Building materials, minerals, ceramic prod., glass	57 909	437 187	539 281	1 448	11 456	13 561		
rubber	284	2 629	1 965	1 148	9 853	9 899	including:								
tyres and inner tubes	174	1 459	1 730	1 362	13 859	20 956	cement	7 510	55 472	73 646	544	4 121	5 313		
footwear, galoshes	24	127	392	372	2 178	7 824	Fuel	1 504 758	8 996 974	8 428 421	40 451	251 321	236 694		
Chemicals	81 421	756 214	570 647	25 066	245 169	217 462	including:								
including:							coal	1 489 204	8 910 687	8 332 591	39 767	247 688	232 847		
phosphate rock	16 309	173 616	91 943	927	9 133	5 400	petroleum prod.	17 000	123 564	138 393	5 363	41 692	51 301		
potassium salts	12 096	102 499	68 064	2 027	16 086	10 803	petroleum	3 778	26 450	19 604	717	5 337	4 869		
Chilian saltpetre	231	76 882	71 059	95	34 497	32 852	benzine	2 745	22 076	35 868	1 138	9 154	16 341		
Thomas slag	34 047	248 178	215 401	4 331	30 380	19 113	lubricating oils	8 457	59 674	69 900	1 580	11 682	12 498		
vegetable fats	2 674	19 751	15 139	3 354	30 182	25 166	paraffine wax	2 020	15 364	22 021	1 928	15 519	17 593		
animal fats	1 957	12 231	9 840	2 952	19 510	15 547	Rubber	181	859	20	1 551	6 397	202		
tanning extracts	2 076	8 989	14 565	1 739	8 811	14 647	Chemicals	13 080	112 226	115 413	5 717	39 458	34 052		
pharmaceutical and cosmetic products	162	1 383	1 286	1 850	16 391	17 240	including:								
Ores, metals and metal products	109 870	1 167 856	890 133	25 764	260 544	216 065	artificial fertilizers	7 247	47 531	52 799	1 279	10 450	8 164		
including:							organic chemicals	2 725	26 526	23 985	1 698	13 924	12 807		
iron and manganese ores	49 835	519 938	358 881	3 324	33 817	23 425	Metals and metal products	35 979	261 495	209 801	28 256	213 522	171 812		
zinc ores	13 623	129 347	1 5 352	3 241	32 783	28 514	including:								
scrap iron	36 266	426 113	337 804	5 869	62 302	48 156	iron and steel, rails	10 385	55 659	32 423	3 391	19 145	10 136		
iron, steel, rails	4 225	32 714	12 289	1 341	11 098	6 987	iron and steel sheets	3 115	26 898	24 457	1 703	15 826	14 771		
iron and steel sheets	1 085	8 256	11 508	890	6 538	8 369	pipes	4 538	46 308	35 564	3 340	30 767	21 621		
copper and copper prod.	890	9 961	10 665	4 182	43 518	36 480	zinc and zinc dust	13 309	94 590	84 456	14 488	104 555	93 129		
Machinery and electr. appliances	6 484	53 707	58 251	31 461	275 255	280 860	zinc sheets	1 317	9 008	7 564	1 749	12 430	10 538		
including:							Machinery and electr. appliances	362	4 180	2 792	828	11 853	6 074		
engines	551	4 502	3 930	2 558	18 121	14 747	Paper and products	1 778	9 444	10 960	785	5 048	4 866		
machinery	429	2 936	2 207	2 331	21 600	17 952	Paper, books and pictures	65	431	412	388	3 681	2 914		
wood and metal working machinery	365	4 722	4 084	1 490	21 159	15 011	Textiles and textile products	2 970	29 019	22 819	22 334	152 740	101 067		
textile machinery	662	6 268	7 084	3 662	37 922	39 371	including:								
agricultural machinery	1 287	8 069	10 345	3 411	20 243	29 128	flax and hemp	509	11 991	9 012	606	14 283	9 890		
boilers and heating appliances	451	6 186	3 997	2 497	26 548	18 142	woolen rags	166	1 148	1 469	589	5 897	8 211		
electrical wares	1 188	8 099	9 763	6 555	62 174	57 143	woolen yarns	247	1 804	1 197	4 635	36 045	24 796		
Means of communicat.	1 792	12 175	10 819	14 365	84 495	76 753	woolen fabrics	235	1 426	655	5 587	31 612	12 987		
including:							cotton yarns	128	927	1 033	552	5 296	6 330		
motor cars	1 429	8 566	7 513	7 062	50 216	53 789	cotton fabrics	468	2 015	2 314	4 625	21 659	23 748		
Paper books, pictures	5 891	53 795	63 636	6 743	63 072	67 368	artif. silk	20	260	24	401	4 979	500		
including:							webs and jute bags	595	4 036	1 917	1 394	9 864	4 392		
waste and rags	2 462	24 706													

those of raw cotton and cotton rags rose by z 2.6 million.

The remaining articles appearing on the import side did not show any considerable changes.

On the export side, the outstanding feature was an increase in coal and pigs.

In foodstuffs, beverages and rye there were further increases amounting to 40,400 tons, but there was a decrease in value amounting to about z 1.0 million. Apart from the increase in rye there was a rise in barley (by z 1.1 million) and in oats (by z 0.4 million) the export of which is free since July.

Exports of fodder rose by z 2.1 million. Sugar rose by z 1.6 million, due to certain increase in prices as a result of an agreement between the manufacturers of the different countries engaged in export.

The sale of eggs to foreign markets in August rose by z 3.7 million as compared with July. The increase in prices, which was reported during the period under review, is accounted for by a temporary decline in supplies owing to the farmers being engaged on the land.

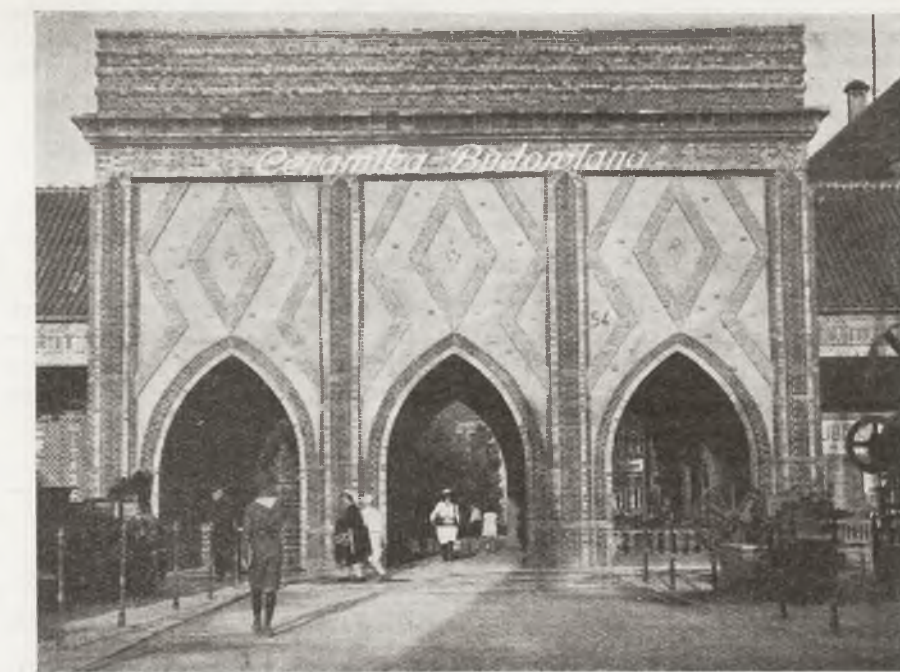
On the other hand, the export of butter to the United Kingdom and to Germany encountered certain difficulties, with the result that the total exports of this commodity declined by z 4.2 million.

There was also a drop in fresh and salted meat by z 3.2 million and in bacon by z 2.7 million. Pigs increased by z 4.5 million. It should be stated that on the Vienna and Prague markets the demand for Polish pigs is large and prices show an upward trend.

Animal products registered a decline of z 1.3 million, due to a drop in raw hides by z 1.5 million and undressed furs by z 0.5 million. At the same time, exports of horse hair and bristles rose by z 0.1 million and those of feathers and down and products thereof by z 0.6 million.

There was little change in the timber group as there was only an increase of z 0.9 million. The competition from Russia on the English market was responsible for the declines evident in certain classes of timber. Railway sleepers dropped by z 0.9 million, plywood by z 0.5 million, whereas pulpwood showed an increase of z 1.5 million; deals, boards and laths rose by z 1.7 million and furniture by z 0.2 million.

In the group of seeds, those of fodder plants and grasses declined by z 1.2



THE CERAMIC INDUSTRY PAVILION, BUILDING SECTION, AT THE POLISH NATIONAL EXHIBITION (PHOT. S. PLATER)

million, whereas oil-bearing seeds rose by z 1.3 million.

The sales of coal to foreign markets exhibited an increase of z 1.6 million.

The export of paraffine wax rose by z 0.5 million.

It is worthy of note that rubber goods rose by z 0.9 million.

As regards chemicals, there was a slight increase in artificial fertilizers of z 0.6 million, while the remaining items did not show any considerable changes.

A fairly large drop was recorded in the exports of metals and products thereof, especially of the rolled materials. Iron and steel sheets dropped by z 0.6 million, and pipes by z 1.4 million. On the other hand, zinc and zinc dust rose by z 0.4 million.

The export of textile products registered a fall of z 1.9 million; woolen yarns declined by z 3.6 million and wool and woolen rags by z 0.2 million. In the group of finished textile products, cotton fabrics dropped by z 0.7 million. There was an increase of z 0.2 million in fabrics and jute sackcloth.

In the remaining export groups no changes worthy of note took place.

The analysis of the foreign trade figures for August reveals a growing tendency for the maintenance of a favourable balance in the coming month. This is to be attributed to the growth of exports which will be favourably affected by the marketing of crops, and a decline in imports which is

a natural consequence of difficult economic situation through which Poland, similarly as other countries, is now passing.

THE INTERNATIONAL CONFERENCE OF CHAMBERS OF INDUSTRY AND COMMERCE AT POZNAŃ

— During the two days August 25th and 26th a Conference of the representatives of the Chambers of Industry and Commerce of Poland, Czechoslovakia, Greece, Jugoslavia, Rumania and Turkey was held at Poznań. This Conference constituted a step forward in the direction of an economic *rapprochement* between Poland and the above mentioned countries.

The keen interest in this Conference is reflected in the number of the foreign representatives who totalled over 150. The Czechoslovakian delegation was the most numerous being composed of 49 persons.

The programme of the Conference included, *inter alia*, two papers on: (1) The economic relations between the countries concerned and the Polish Republic in connection with the tendencies apparent in the international economic policy, read by Mr. S. Wartalski, General Manager of the Warsaw Chamber of Industry and Commerce, and (2) The possibilities of cooperation between the Chambers of the countries represented, read by Dr. Waschko; the speaker also submitted a project of association for "An agreement between the Chambers of Commerce and Industry of Central and Southern Europe". The project is to be regarded as a basis for the future consideration of the Chambers of the different countries.

The reading of the papers was followed by a discussion, in the course of which the necessity for close co-

operation between the Chambers of the different countries represented at the Conference was emphasised and it was shown that, what is needed is not so much the creation of a central organisation, but rather a direct exchange of views on all economic problems of mutual interest.

Apart from the plenary sittings, there were a number of committee meetings which were concerned principally with the development of trade between Poland and the respective foreign countries.

It is too early, as yet, to estimate the practical results of this Conference, but it is certain that the contact between the representatives of the institutions in question will favourably affect the economic intercourse between the countries for a number of points affecting vital interests of the business communities have been dealt with to their mutual satisfaction.

THE OPENING OF A SCHOOL OF COMMERCE AND PORT TECHNIQUE AT GDYNIA. —

With the steady development of Poland's sea-borne trade, there is a growing demand for properly trained men to fill the lower posts in the port administration and in private commercial undertakings at the Polish ports of Danzig and Gdynia.

In order to supply this need, a private society has been formed at Gdynia under the protection of the President of the Republic, Prof. Mościcki, and a College for Marine Commerce and Port Technique will be opened near Gdynia on October 1, 1929. The school is of the secondary type and is subdivided into two sections: Export and Import, and Banking.

The period of tuition is three years divided into six terms, of which the first two will be devoted to general business training. At the end of the first year, pupils will be granted certificates which will qualify them for entering the special sections.

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. 238: Polish manufacturers of cadmium are desirous of getting into touch with foreign buyers.

Ref. No. 239: Manufacturers of starch, white and yellow dextrine, vegetable glue, are desirous of entering into relations with foreign firms interested in this line.

Ref. No. 240: Polish chemical works producing bone flour and bone fats, wish to get into touch with importers interested in these lines.

Ref. No. 241: Polish manufacturers of complete equipment for sugar factories, rectifying works, distilleries, &c. are desirous of extending their foreign relations.

Ref. No. 242: Polish manufacturers of oleine, stearine and glycerine, are desirous of getting into touch with foreign importers of these products.

CUSTOMS DUTIES AND FOREIGN TRADE REGULATIONS

DECISIONS OF THE ECONOMIC COMMITTEE OF THE CABINET CONCERNING CUSTOMS DUTIES ON GRAIN AND GRAIN PRODUCTS. —

The Economic Committee at a meeting held on September 18th discussed the question of the grain policy and the following decisions were taken. In addition to the import duties on wheat and rye, which are now in force, it was decided to introduce import duty on barley and oats amounting to zł 11 per 100 kg, and a duty of zł 6 per 100 kg on maize, peas and beans and buckwheat also a duty on millet amounting to zł 3 per 100 kg which represents about 8 per cent *ad valorem*. At the same time it was decided to introduce customs duties on flour not separately designated and on groats. The duty on flour will be raised from zł 5 to zł 18 per 100 kg in order to bring it into proportion with those levied on grain. For the same reason the duty on barley groats is to be raised from zł 6.50 to zł 14 per 100 kg and on buckwheat groats and millet seeds from zł 6.50 to zł 11 per 100 kg while wheaten groats and those not separately designated will be from zł 14.30 to zł 18 per 100 kg.

Export duties also came under consideration. Thus, it was found necessary to impose on export duty on rye and wheaten bran during the period from December 1st to June 1st amounting to zł 5 per 100 kg but during the period from June 1st to December 1st export will be free on the above mentioned varieties of bran. The remaining classes of bran will be allowed to leave the country free of duty throughout the year.

Linseed and rapeseed oil cakes will pay an export duty amounting to zł 10 per 100 kg during the period from December 1st to June 1st, but they will be allowed to leave the country free of duty during the period from June 1st to December 1st. Linseed and rapeseed cakes containing only 2 per cent of oil or less, as well as all other classes of oil cakes will not be subject to any duty.

TRANSPORTS

RAILWAY TRAFFIC IN AUGUST. —

The freight traffic on the Polish State Railways in August was at practically the same high level as in the preceding month. The average daily car-loadings were 19.125 as compared with 19.643 in the preceding month and 18.294 in August of last year. The average daily car-loadings of 15 ton wagons were as follows:

	August 1928	July 1929	August 1929
Loaded on the Polish State Railways: destined for local stations	12.644	13.435	12.924
destined for abroad	3.737	4.182	4.223
Total:	16.381	17.617	17.147
received from abroad	711	576	640
transit via Poland	1.202	1.270	1.338
Total:	18.294	19.463	19.125

It will be seen from the above figures that the average daily number of car-loadings at the Polish stations showed a slight decrease, from 17.617 in July to 17.147 in August, the decline being due to the smaller number of car-loadings destined for Polish stations, from 13.435 to 12.924 per day for, at the same time, the number of loadings destined for exports rose by 141 per day. The slight decline in car-loadings in the home traffic should not be regarded as a decline in the demand for transport facilities for, on the whole, the railways worked at full capacity and many goods, the delivery of which was not urgent, had to be held over until free trucks became available. This state of affairs is characteristic of all agricultural countries during the period immediately following the harvest. On the other hand, there was an increase in the number of loaded trucks received from abroad and an increase in transit traffic.

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

	August 1928	July 1929	August 1929
coal, coke and briquettes	3.347	3.874	3.800
crude oil and petroleum products	185	174	199
timber	1.065	1.097	1.002
agricultural products	843	935	875
raw materials and industrial products	2.928	2.936	2.796
miscellaneous	4.821	4.419	4.252
Total:	12.644	13.435	12.924

The different groups of goods showed slight variations as compared with July. It is noteworthy that the amount of manufactured goods continued to increase, which is to be attributed to larger transport of industrial articles to be employed by farmers in the autumn season and also to the anticipation of better trade in the coming month.

The following table shows the daily car-loadings of the different groups of merchandise despatched to foreign countries (in 15 ton wagons):

	August 1928	July 1929	August 1929
coal, coke and briquettes	2.469	2.911	3.019
crude oil and petroleum products	61	57	52
timber	919	821	801
agricultural products	73	133	108
miscellaneous	215	260	243
Total:	3.737	4.171	4.223

The increase noticeable in export consignments is explained by a further rise in the export of coal.

PORT TRAFFIC IN AUGUST.—The traffic in the Polish ports, Danzig and Gdynia, was carried on in August under favourable conditions.

In Danzig, the movement of ships was slightly greater than in July. Arrivals numbered 570 of 395,198 net reg. tons (372,059 net reg. tons)¹⁾ and departures 585 with 406,218 net reg. tons (372,185 net reg. tons). Compared with August 1928, the traffic was 14 per cent greater. The cargo handled rose during the month by 14,535 tons to 756,155 tons. The employment of cargo space was 12 per cent on the import side, or about the same as in July, and 87 per cent on the export side, a fall of 11 per cent as compared with the preceding month.

The nationality of the ships which called at Danzig in August is given below:

	Arrivals:		Departures:	
	ships	net reg. tons	ships	net reg. tons
Poland & Danzig	41	34,048	45	38,003
Germany	175	84,972	178	88,890
Finland	11	10,154	11	10,421
Estonia	5	1,894	5	1,894
Latvia	27	19,455	30	22,232
Sweden	129	68,283	134	71,498
Norway	37	22,207	36	23,107
Denmark	90	71,492	93	70,063
England	22	47,873	21	47,634
Holland	9	7,532	12	9,517
Belgium	2	254	3	3,408
France	7	5,657	6	5,376
Italy	3	7,598	2	4,873
Greece	6	10,677	6	9,715
U. S. A.	1	393	—	—
Egypt	1	1,988	—	—
Austria	2	394	1	260
Czechoslovakia	2	327	2	327
Total:	570	395,198	585	406,218

Out of 19, the Polish flag occupied the 5th place coming after Germany, Denmark, Sweden and England. The share of the latter country rose by 100 per cent as compared with July.

The freight traffic, according to provisional figures, and as compared with July was as follows (in tons):

¹⁾ The figures in brackets are for the month of July.



THE MARINE OFFICE, GDYNIA

	Imports:		Exports:	
	July	August	July	August
grain	475	1,720	25,232	40,360
sugar	—	—	14,060	18,155
herring	4,890	12,450	—	—
groceries and foodstuffs	2,009	2,760	4,449	4,043
artificial fertilizers and chemicals	19,564	12,397	—	2,690
timber	—	—	52,174	52,112
cement	—	—	4,910	6,208
building materials	2,640	2,420	—	—
coal	—	4,890	580,941	530,971
mineral oils	1,382	1,465	5,211	3,865
ores	20,186	20,030	—	—
scrap iron	28,395	28,120	—	—
iron	951	301	—	—
various	879	2,744	2,342	8,444
Total:	81,371	89,307	689,319	666,848

Imports rose slightly, due principally to an increase of 8,000 tons in herrings, and of 5,000 tons in coal. As the latter increase plays an insignificant rôle, the imports, taken as a whole, may be regarded as unchanged. There was a fall of 7,000 tons in the imports of artificial fertilizers and chemicals, the remaining articles showing no change as compared with July. When it is taken into consideration that during the past few months and during the same period of last year, the imports of scrap iron exceeded 40,000 and even 50,000 tons and that those of ores were from 30,000 tons to 40,000 tons per month, and that

during the period under review imports of scrap iron and ores were about 30,000 and 20,000 tons respectively, it is clear that the two basic articles of imports make a poor showing.

On the whole, as we stated in our last report, the healthy growth of the import trade has been stopped since the middle of the current year and gives rise to some misapprehension.

On the other hand, the export trade, though smaller in volume by about 20,000 tons on account of a smaller import of coal, was satisfactory. The decrease of 50,000 tons in coal exports is not disquieting for it is subject to fluctuation. On the other hand, the export of grain rose considerably, to 40,000 tons, which is a very high figure. There were also increases in sugar and cement, but timber remained about equal to the average monthly figures for the past few months. The distribution of coal exports (bunker coal not included) is given below (in tons):

Sweden	176,739
Denmark	98,416
France	45,781
Norway	34,991
Finland	32,238
Latvia	32,644
Belgium	26,147
Italy	19,716

Brazil	12.550
Holland	10.600
Iceland	3.575
Germany	3.204
Total:	486.601

In Gdynia, the movement of ships in August was about the same as in the preceding month, but the amount of cargo handled showed a considerable falling off, namely from 335.446 tons to 271.126 tons, due practically to a fall in imports.

During the month under review there arrived 171 vessels (174) of 153.785 net reg. tons (178.650 tons) and 164 vessels (170) of 56.552 net reg. tons (176.320 tons) departed.

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

	Arrivals:		Departures:	
	July	August	July	August
Poland & Danzig	26	26	24	28
Sweden	41	37	38	33
Denmark	25	31	23	32
Germany	31	32	34	28
Latvia	11	12	10	13
Norway	14	10	13	9
England	3	1	3	1
France	8	8	8	8
Estonia	4	1	4	—
U. S. A.	3	4	4	4
Finland	2	4	3	4
Holland	1	1	1	—
Lithuania	1	1	1	1
Belgium	1	—	1	—
Greece	3	3	3	3

As has already been mentioned, the imports which amounted to 21.173 tons as compared with 73.856 in July, showed

a falling off, due *inter alia* to a decline in Thomas slag from 39.711 tons to 12.032 tons; the imports included scrap iron (6.266 tons), iron ore (2.800 tons) and small consignments of general cargo.

The exports totalled 249.953 tons as compared with 261.590 tons in July, a decrease of 12.363 tons. The greater portion of the outward cargo consisted of bulk goods, such as coal (228.719 tons), bunker coal (12.944 tons), salt (950 tons), &c., but of late the exports have become more and more diversified. Thus, in August, in addition to sugar (5.044 tons), rice (566 tons), rice meal (385 tons), paper (511 tons), bran (800 tons), a fair amount of rags, calf skins, agricultural machinery and general cargo was handled at this port. This tendency will, no doubt, be still more accentuated as the construction of handling appliances goes ahead.

As regards the passenger traffic, there arrived 796 persons in August as compared with 1.796 in the preceding month. The decline is apparently due to a falling off in the number of visitors from overseas, and chiefly from the United States, to the Polish National Exhibition. This seems to be confirmed by a large increase in the number of persons who left, which rose from 1.781 in July to 2.543 in August.

AERIAL COMMUNICATION.— Similarly as in July, the weather conditions in Poland in August were favourable to flying.

The number of flights, scheduled and extra, was 666 as against 689 in July. The regularity of flights declined from 99.5 per cent to 97.5 per cent and the distance covered diminished slightly, from 166.102 km. to 161.387 km. In our last report we stated that air traffic was developing in Poland on rational lines as the number of passengers carried and the weight of mail grew from month to month, but that the reverse was observed in the volume of freight. This tendency continued to be apparent in August for, although the number of flights and the distance covered were smaller than in July, the number of passengers rose by 131 to 2,511, and the weight of mail increased by 362 kg to 6.451 kg. On the other hand goods showed a further decline and amounted to only 14.526 kg as compared with 15.283 in July, 18.180 kg in June and 25.406 kg in May.

The public has grown accustomed to use more and more the aeroplane as a means of quick transport, which undoubtedly, should be put down to the risk of accidents being infinitely small, as no fatal or even serious accidents to passengers have been reported ever since the passenger air services were introduced in Poland.

FINANCE AND BANKING

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

(see next page)

The usual decline observed in the summer months in the State revenue commenced in June (zł 232.6 million as against zł 254.3 million in May, and zł 250.9 million in April), but it was subsequently interrupted by a large increase in July to zł 251.8 million. In August, however, there was again a decrease to about the June level, namely to zł 233.1 million. Decreases, as compared with July, appeared both in the returns from the Civil Service where the revenue fell from zł 163.2 million to zł 150.2 million, of which the returns from the Ministry of Finance fell from zł 148.7 million to zł 135.3 million, and in those from the State undertakings, which fell from zł 12.7

million to zł 3.1 million. The transfers made by the Posts and Telegraphs rose from zł 2.0 million to zł 3.0 million, but at the same time the State Forests made no payments at all; the State monopolies showed an increase in August from zł 75.9 million to zł 79.8 million.

Parallel with the decline in the revenue, the expenditure fell from zł 251.0 million to zł 231.8 million. There was a decrease in the expenditure of the State Administration from zł 248.6 million to zł 230.5 million, brought about principally by the expenditure in connection with the service of foreign loans falling from zł 25.4 million to zł 10.8 million; apart from this, advances to State undertakings decreased from zł 2.4 million to zł 1.2 million.

Compared with August of last year, the revenue was zł 0.7 million less, and expenditure zł 1.2 million more. The

excess of revenue over expenditure amounted to only zł 1.3 million (due to the policy of the Government not to accumulate cash reserves), as against zł 3.2 million in August of last year.

During the past few months of the 1929/30 fiscal year, the revenue amounted to zł 1.213.7 million, which was considerably more than in the corresponding period of the 1928/29 fiscal year (zł 1.149.1 million). During the same period, the expenditure totalled zł 1.200.7 as against zł 1.104.3 million in the corresponding period of the preceding fiscal year. The excess of revenue over expenditure during the 5 months was zł 44.8 million this year, and zł 13.0 million last year.

In relation to the estimates for the whole year, the revenue for the 5 months represented 41.1 per cent (5/12 of the estimates, equals 41.7 per cent), and

	Revenue		Expenditure	
	actual	estimated for 1929/30	actual	estimated for 1929/30
A) Civil service	150.2	1.885.8	230.5	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	0.4	3.1
Ministry of Foreign Affairs	2.1	12.2	2.8	58.5
" " War	0.3	3.5	80.9	845.9
" " the Interior	1.9	15.6	20.8	251.2
" " Finance	135.3	1.706.7	11.4	154.7
" " Justice	3.5	43.2	10.5	133.0
" " Industry and Commerce	1.0	12.4	5.1	57.2
" " Transport	0.0	0.5	2.2	19.2
" " Agriculture	0.8	11.4	4.0	61.8
" " Religious Cults and Education	0.1	10.8	36.1	472.1
" " Public Works	2.0	35.1	15.2	163.2
" " Labour and Social Protection	0.0	0.9	4.1	66.2
" " Land Reform	0.1	5.1	4.1	73.9
" " Posts and Telegraphs	0.0	0.0	0.3	3.0
Pensions	3.1	27.7	9.9	127.2
Grants to disabled soldiers	—	—	10.3	153.1
State liabilities	—	—	10.8	247.3
B) State enterprises	3.1	164.6	1.2	21.9
C) Monopolies	79.8	904.5	—	—
Total A + B + C:	233.1	2.955.0	231.8	2.935.8

the expenditure 40.9 per cent. The revenue from the State Administration exceeded the estimates, being 42.5 per cent; the State undertakings gave only 34.6 per cent, and the State monopolies 39.3 per cent.

TAXES IN AUGUST. — After the record increase in the revenue from taxes and monopolies in July, there was a fall in August to $\text{z} 205.5$ million ($\text{z} 194.5$ million in June, and $\text{z} 220.4$ million in July). The revenue in August was slightly lower than that for the corresponding period of 1928, when it amounted to $\text{z} 213.5$ million. The decrease in August, as compared with July, was brought about by the taxes (from $\text{z} 144.5$ million to $\text{z} 125.7$ million), for the revenue from monopolies rose from $\text{z} 75.9$ million to $\text{z} 79.8$ million. Similarly, the decrease as compared with the corresponding month of 1928, was brought about by a fall in taxes (by $\text{z} 8.0$ million), for the revenue from the monopolies was practically the same.

The ordinary direct taxes play an important rôle in the State finances and, in August, they showed the lar-

gest fall (from $\text{z} 65.7$ million to $\text{z} 57.3$ million). All the items showed decreases: the Income Tax fell from $\text{z} 17.0$ million to $\text{z} 12.9$ million, the Industrial Tax from $\text{z} 37.1$ million to $\text{z} 34.3$ million, the Real Estate Tax from $\text{z} 3.9$ million to $\text{z} 3.2$ million, &c. Compared with August of last year, the revenue from direct taxes was $\text{z} 2.5$ million less, due to a fall in the Industrial Tax ($\text{z} 34.3$ million as against $\text{z} 37.2$ million).

The revenue from indirect taxes declined from $\text{z} 16.9$ million in July to $\text{z} 14.3$ million in August, due to a decrease in the revenue from the Sugar Tax from $\text{z} 11.5$ million to $\text{z} 9.3$ million; the returns from customs duties, which have shown a steady decline since the beginning of the budgetary year, fell from $\text{z} 32.9$ million to $\text{z} 30.0$ million, due to a decrease in imports. Finally, the Stamp Fees, which reached a very high level in July ($\text{z} 18.1$ million), gave $\text{z} 15.0$ million.

A comparison of the August revenue with that for the corresponding month of 1928 shows only a difference in the returns from the customs (a decrease of $\text{z} 3.8$ million); the revenue from

indirect taxes decreased in the current year and that from Stamp Fees rose by $\text{z} 0.3$ million. The revenue from the extraordinary sources also showed decreases as compared with August 1928. The 10 per cent Extraordinary Supplementary Tax declined from $\text{z} 10.0$ million in July to $\text{z} 8.4$ million in August, while the Property Tax dropped from $\text{z} 1.0$ million to $\text{z} 0.6$ million.

The revenue from the monopolies showed a further increase ($\text{z} 61.9$ million in May, $\text{z} 68.5$ million in June, $\text{z} 75.9$ million in July, and $\text{z} 79.8$ million in August). In 1928, the revenue from the monopolies was almost identical. During the 5 months of the 1929/30 fiscal year, the revenue from the monopolies has amounted to $\text{z} 1.056.0$ million and is larger than the corresponding figure for last year ($\text{z} 1.023.7$ million). In relation to the budget estimates for the whole year, the revenue for the 5 months represented 42.1 per cent ($5/12 = 41.7$ per cent) The monopolies have returned less, namely 39.3 per cent of the estimates for the whole year, but the ordinary taxes have exceeded the estimates, as the total amounts to 45.7 per cent. The revenue from direct taxes for the 5 months amounted to about a half of the estimated amount for the whole year (the Industrial Tax has given 59 per cent of the estimates).

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

	Actual revenue:			$\frac{1}{12}$ th of the yearly budget for 1929/30
	July 1929	August 1928	1929	
Direct taxes	65.7	59.8	57.3	51.7
Indirect taxes	16.9	15.1	14.3	14.4
Customs duties	32.9	33.8	30.0	35.4
Stamp fees	18.1	14.7	15.0	16.3
Total of the ordinary public levies:	133.5	123.4	116.7	117.8
10 per cent Extraordinary Tax	10.1	8.9	8.4	8.2
Property Tax	1.0	1.5	0.6	7.5
Monopolies	75.9	79.8	79.8	75.4
Total of public levies and monopolies:	220.4	213.5	205.5	208.9

STOCK EXCHANGE

— In contrast to the firm tone shown by the European currencies on the Warsaw Stock Exchange in July, most of them exhibited a downward trend during the period under review, which is confirmed by the table of quotations given below. The decline was apparently brought about by the increase in the rate of discount in New York in the first half of July. Drafts on London

fell by zł 0.06 (per pound), on Paris by zł 0.65, on Brussels by 0.02, on Zurich by zł 0.03, on Amsterdam by zł 0.39,

on Vienna by zł 0.125, and on Stockholm by zł 0.13. On the other hand, drafts on Milan and Prague rose slightly, by

zł 0.02 and zł 0.01, respectively (all per hundred).

The dollar - zloty exchange, as usual

		31.7	1—9.8	12.16.8	19—23.8	26—29.8	30.8	par value
Warsaw Exchange								
London	£ 1	43.28 ^{3/4}	43.26 ^{3/4}	43.23 ^{3/8}	43.23 ^{1/2}	43.23 ^{1/5}	43.22 ^{3/4}	43.38
New York	\$ 1	8.90	8.90	8.90	8.90	8.90	—	8.90
Paris	Fr. Fr. 100	34.96	34.94 ^{1/4}	34.88 ^{7/8}	34.91	34.90 ^{1/2}	34.89 ^{1/2}	172.00
Brussels	Belg. 100	124.02	124.00 ^{1/4}	124.02	124.01	124.—	124.—	123.95
Zurich	Sw. Fr. 100	171.63	171.57 ^{1/10}	171.52 ^{1/10}	171.61	171.64 ^{1/4}	171.60	172.00
Milan	Lir 100	46.63	46.64	46.63	46.65 ^{2/5}	46.64 ^{7/8}	46.65	172.00
Amsterdam	Fl. 100	357.74	357.41 ^{5/8}	357.35	357.35	—	—	358.31
Vienna	Sh. 100	125.69 ^{1/2}	125.64	125.57	125.57	125.57	—	125.43
Prague	Kc. 100	26.39 ^{1/2}	26.39	26.38 ^{3/4}	26.39 ^{0/8}	26.40 ^{5/8}	26.40 ^{1/2}	180.62
Stockholm	Kr. 100	—	239.06 ^{5/8}	238.90	238.92	238.94	—	238.89
Foreign Exchanges								
London	£ 1	43.28	43.27 ^{2/3}	43.24 ^{1/2}	43.23 ^{4/5}	43.23	43.24	43.38
New York	zł 100	11.25	11.25	11.25	11.25	11.25	11.25	11.22
Zurich	zł 100	58.30	58.30	58.30	58.29 ^{1/2}	58.27 ^{1/2}	58.27 ^{1/2}	58.14
Vienna	zł 100	79.51	79.55 ^{1/2}	79.59	79.59	79.59 ^{1/2}	79.59	79.55
Prague	zł 100	378.25	378.25	378.50	378.16 ^{5/8}	377.66 ^{2/3}	377.50	55.36
Berlin	zł 100	47.025	47.04 ^{1/8}	47.08 ^{1/8}	47.07 ^{1/2}	47.06 ^{7/8}	47.10	47.09
Danzig	zł 100	57.74 ^{1/2}	57.79 ^{1/2}	57.84 ^{7/8}	57.84 ^{1/3}	57.82 ^{1/2}	57.82 ^{1/2}	57.63

remained unchanged throughout the month. The quotations for the zloty on the world exchanges showed an irregular tendency. London, Zurich and Prague recorded slight falls against the zloty, whereas Vienna, Berlin and Danzig

registered small increases. In New York, the quotation was equivalent to that ruling in Warsaw.

The total business transacted in foreign currencies in August was approximately the same as in July. The

bulk of the transaction were in drafts on London.

SHARES

—Similarly as on all stock exchanges during the summer holidays, there was little business recorded in Warsaw

S H A R E S	31.7	1—9.8	12—16.8	19—23.8	26—29.8	30.8	Nominal
Bank Polski	164.—	165.15	165.60	165.80	164.60	166.75	zł 100.—
Bank Dyskontowy Warszawski	—	—	126.—	—	127.—	—	zł 100.—
Bank Handlowy w Warszawie	—	117.—	—	117.—	117.—	—	zł 100.—
Bank Zachodni	73.—	73.—	—	73.—	71.30	—	zł 100.—
Bank Zw. Sp. Zarobkowych	78.50	78.50	78.50	78.50	78.50	78.50	zł 100.—
Warsaw Coal Mining Co.	71.25	68.25	—	66.75	65.—	65.—	zł 100.—
Chodorów	—	—	—	—	—	—	zł 100.—
Cegielski	—	—	38.50	39.—	39.—	—	zł 50.—
Zieleniewski	—	113.—	116.50	114.—	—	—	zł 100.—
Norblin, Buch & Werner	—	—	139.70	157.20	138.—	139.50	zł 100.—
Starachowice	—	26.75	26.70	27.10	26.75	27.75	zł 50.—
Lilpop, Rau & Loewenstein	31.50	31.45	31.50	31.10	29.75	—	zł 25.—
Ostrowiec (b. series)	—	82.50	83.50	83.15	82.75	—	zł 50.—
Modrzejów	24.50	23.70	22.70	23.40	23.60	—	zł 50.—
Rudzki	35.75	35.65	—	31.80	31.50	—	zł 50.—
Warsz. Sp. Akc. Budowy Parowozów	—	—	—	25.—	25.50	—	zł 25.—
Borkowski (Elabor)	—	11.—	—	—	—	—	zł 25.—
Wysoka	—	—	—	—	—	—	zł 100.—
Siła i Światło	—	125.—	—	—	126.—	—	zł 50.—
Zakłady Chem. Ludwik Spiess & Syn	—	131.70	140.—	140.—	140.—	—	zł 100.—
Zjedn. Brow. Warsz. Habermusch & Schiele	—	237.—	236.—	220.—	212.—	—	zł 100.—

during August. Outside brokers also took advantage of the summer vacation as well as the general public, it is, therefore, natural that the stock exchange was quiet. Great importance is attached in stock exchange circles to the facts that there are exceptionally abundant crops and that the foreign trade balance for July was closed with a surplus of exports over imports, and it is generally anticipated that with the advent of the autumn, the share market will become more active. For this reason, holders of shares appear to be disinclined to realise and, when pressed for cash, raise loans against their holdings rather than dispose of them.

In the group of banking shares, the Bank of Poland and the Warsaw Discount Bank gained a few points, while the remainder, with the exception of the Bank Zachodni which showed a slight downward trend, remained at last month's level.

The shares of the Warsaw Coalmining Company declined owing to large parcels being offered. Chodorów shares were not on offer at all, although there was a fair demand for them. In the metallurgical section, a firm tone was apparent: Zieleniewski, Norblin, Cegielski, Starachowice, Ostrowiec and Parowóz gained a few points, but Lilpop, Modrzejów and Rudzki registered slight declines. Very little business was done in the other shares of this class.

"Siła i Światło", and Spiess showed an upward tendency, while Haberbush Schiele declined, which is to be attributed to a new issue to be allocated to old shareholders free of charge. Wysoka cement shares were difficult to obtain and were not quoted. The dividend on



NEW LINEN MILLS AT ŻYRARDÓW
(PHOT. J. MALARSKI)

these shares, amounting to 12 per cent for the year 1928, became payable on August 15th.

STATE, MUNICIPAL AND LAND LOANS

—In the section of Government securities, the 5 per cent Conversion Loan, which same time ago fell considerably, began gradually to recover and was in fair demand at the end of the month. Similarly, the 4 per cent Premium Investment Loan is becoming more and more popular with the public and, as a result of the better demand, quotations have risen considerably. On the other

hand, the 5 per cent Premium Dollar Loan showed a falling off, which was brought about by heavy selling. The remaining Government securities were not subject to any fluctuations during the month. As regards the bonds of private institutions, the 4½ per cent bonds of the Land Credit Association and the 8 per cent bonds of the Credit Society of the City of Warsaw showed declines, whereas the 5 per cent and 4½ per cent bonds of the last named Society showed slight increases. Towards the end of August the bonds of the Credit Society of the City of Warsaw were difficult to obtain.

State, Municipal & Land Loans	31'7	1—9.8	12—16.8	19—23.8	26—29.8	30'8	Nominal
5% Conversion Loan	47'50	47'75	48'—	46'75	48'25	48'50	£ 100'—
7% Stabilisation Loan	91'50	91'55	91'60	91'50	91'50	91'50	\$ 100'—
6% External Dollar Loan 1920	—	83'—	83'—	83'—	83'05	—	\$ 100'—
4% Premium Investment Loan	115'—	114'30	116'95	118'25	118'45	119'—	gold £ 100'—
5% Premium Dollar Loan (2nd series)	67'—	66'10	65'20	62'10	62'10	60'75	\$ 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 £ 100'—
8% State Land Bank Bonds	94'—	94'—	94'—	94'—	94'—	94'—	gold £ 100'—
8% Com. Oblig. of the Bank Gospodarstwa Kraj.	94'—	94'—	94'—	94'—	94'—	94'—	gold £ 100'—
8% Land Credit Association Bonds	—	—	—	—	—	—	£ 100'—
4% Land Credit Association Bonds	—	—	—	—	—	—	£ 100'—
4½% Land Credit Association Bonds	50'—	49'50	49'15	49'05	48'85	49'—	£ 100'—
8% Credit Soc. of the City of Warsaw Bonds ...	67'—	68'10	66'60	67'15	67'10	66'40	£ 100'—
5% Credit Soc. of the City of Warsaw Bonds ...	—	53'65	53'90	53'65	53'75	—	£ 100'—
4½% Credit Soc. of the City of Warsaw Bonds ...	—	47'25	—	—	—	—	£ 100'—

BANK OF POLAND

Commencing with April the unfavourable balance in the turnover in foreign currencies declined steadily (zł 72.5 million in April, zł 34.4 million in May, zł 18.4 million in June), until in July the balance became favourable (zł 19.8 million); in August it rose further to zł 29.4 million.

It may be of interest to note that the turning point in the transactions in foreign currencies effected by the Bank of Poland coincided with the change in the balance of foreign trade from adverse to favourable. The increase of the surplus of purchases over the sales of foreign currencies and drafts in August is accounted for by a considerable decrease in the sales, from zł 103.9 million in July to zł 82.1 million in August. The value of the sales effected on the Stock Exchange dropped from zł 52 million to zł 44 million, while those to Government Departments, for the most part in connection with the service of the foreign loans, declined to a still larger

extent, from zł 46.1 million to zł 32.8 million.

The purchases of foreign currencies and drafts which reached in July a particularly high level (zł 123.7 million) decreased slightly in August; the purchases of notes remained unchanged and the fall in the purchases affected principally the drafts received from Government Departments (in connection with transit traffic, &c.). The surplus of foreign currencies for August has not caused any increase in the foreign currency reserves of the Bank for it was utilized for the purchase of gold in foreign countries. The purchases of gold came to zł 23.2 million and as it was deposited abroad, the total value of the gold reserves held by the Bank in foreign countries rose from zł 195.4 million to zł 218.6 million. At the same time as a result of small purchases of gold and silver (coins for the most part) through the provincial branches of the Bank, the gold reserves of the Bank held in the vaults rose from zł 431.8 million to zł 432.1 million, and the silver reserves, calculated on a gold

basis, from zł 1.8 million to zł 2.0 million. The total bullion reserve rose during August by zł 23.6 million. The value of the currency reserves included in the cover for the notes in circulation and sight liabilities of the Bank, declined during August from zł 444.5 million to zł 441.1 million, whereas the value of the currencies not included in the cover rose from zł 82.4 million to zł 83.6 million.

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

	January 1st	July 31st	August 31st
gold	621.1	627.2	650.6
silver	0.5	1.8	2.0
foreign currencies and liabilities	527.1	444.5	441.1
Total:	1,148.7	1,073.5	1,093.7

In relation to the value of the banknotes in circulation and sight liabilities, the above mentioned reserves were 61.69 per cent at the end of August as compared with 61.93 per cent

	J u l y 31st		A u g u s t 10th		A u g u s t 20th		A u g u s t 31st	
Assets:								
Bullion:								
gold in vaults - - - - -	431,809,282.24		431,899,263.92		431,974,082.21		432,090,038.21	
" abroad - - - - -	195,401,922.66		204,318,943.66		204,318,943.66		218,558,943.66	
silver (gold value) - - -	1,809,888.84		1,893,234.16		1,956,278.01		1,994,048.71	
	629,021,093.74		638,111,441.74		638,249,303.88		652,643,030.58	
Foreign currency, drafts and assets - - - - -	444,485,683.14	1,073,506,776.88	436,535,755.61	1,074,647,197.35	438,823,509.68	1,077,072,813.56	441,063,280.04	1,093,706,310.62
Foreign currency, drafts and assets not included in the cover - - - - -		82,440,662.45		81,946,450.40		82,621,469.82		83,613,485.78
Silver and token coins - -		422,412.83		539,006.84		104,999.91		37,422.12
Bills of exchange - - - -		699,590,283.02		695,531,337.67		686,811,935.40		716,245,080.63
Loans against securities -		82,902,858.07		80,400,279.23		80,162,317.91		79,831,371.47
Own interest-bearing se- curities - - - - -		3,343,710.68		3,248,417.33		3,476,149.07		2,927,094.13
Reserve funds invested in securities - - - - -		68,671,737.18		68,469,833.18		68,469,833.18		69,002,839.74
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 - - - - -		127,297,417.95		126,706,888.90		125,855,359.90		139,823,518.67
		2,183,175,859.06		2,176,489,410.90		2,169,574,878.75		2,230,187,123.16
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 - - -		277,289,765.92		254,962,414.68		291,079,961.91		261,444,236.54
outstanding current ac- counts - - - - -		130,662,043.60		176,910,264.39		158,258,380.90		121,354,328.60
silver purchases a/c - - -		13,000,000.—		13,000,000.—		13,000,000.—		13,000,000.—
State credit fund a/c - -		8,704,476.02		8,204,476.02		8,204,476.02		7,204,476.02
various accounts - - - -		10,535,189.05		7,363,249.17		9,652,348.10		10,456,202.85
		440,191,474.59		460,440,404.26		480,195,167.93		413,459,244.01
Notes in circulation - - -	1,293,364,140.—	1,733,555,614.59	1,265,714,730.—	1,726,155,134.26	1,236,265,860.—	1,716,461,027.93	1,359,393,040.—	1,772,852,284.01
Special account of the Treasury - - - - -		75,000,000.—		75,000,000.—		75,000,000.—		75,000,000.—
Other liabilities - - - - -		124,620,244.47		125,334,276.64		128,113,850.82		132,334,839.15
		2,183,175,859.06		2,176,489,410.92		2,169,574,878.75		2,230,187,123.16

at the end of July (the statutory minimum for the cover is 40 per cent).

The decrease in the percentage of the cover, despite a rise in the value of the cover, is explained by the simultaneous increase in the sum of the banknotes in circulation and sight liabilities of the Bank (from zł 1.733.6 million to zł 1.772.9 million). As a matter of fact of the two items composing the above fund, only one showed an increase, namely: the value of the banknotes in circulation, from zł 1.293.4 to zł 1.359.4 million, because the value of the sight liabilities declined from zł 440.2 million to zł 413.5 million. The decrease in the sight liabilities was principally caused by a drop in the deposits on current accounts, from zł 408.0 million to zł 382.8 million. At the same time the balances on the accounts of the Government Cash Offices and those on private accounts decreased to about the same extent; apart from this, a sum of zł 1.5 million was disbursed from the State Credit Fund known as fund "F".

The comparatively large increase in the value of the notes in circulation is accounted for by a rise in the advances against securities, a rise in the value of the bullion and foreign currency reserves and a rise in the discount credits granted by the Bank. In the course of August the value of bills in portfolio rose from zł 699.6 million to zł 716.2 million, whereas advances against securities declined from zł 82.9 million to zł 79.8 million.

Of the other items of the Bank cover of the notes in circulation and sight liabilities the following showed decreases: silver and nickel coins bought by the Bank, from zł 422.0 to zł 37.000 and own interest-bearing securities from zł 3.3 million to zł 2.9 million; the debt of the State Treasury remained unchanged at zł 25 million (a half of the maximum sum).

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

	January 1st	July 31st	August 31st
bills	640.7	699.6	716.2
Polish silver coins and token money	1.0	0.4	0.0
loans against securities	91.2	82.9	79.8
own interest-bearing securities	4.1	3.3	2.9
liability of the Treasury	25.0	25.0	25.0
Total:	761.9	811.3	824.0

THE VII REPORT OF THE FINANCIAL ADVISER TO THE POLISH GOVERNMENT.

— Mr. Charles S. Dewey, the foreign member of the Council of the Bank of Poland and Financial Adviser to the Polish Govern-

ment has submitted to the Bank of Poland his 7th quarterly report dealing with the second quarter of the current year.

Similarly as in his previous reports, Mr. Charles S. Dewey deals with the budgetary policy pursued in connection with the execution of the Stabilisation Plan and the service of the loan and then with the utilisation of the proceeds from the Stabilisation Loan. The second part of the report Mr. Dewey has devoted to the Port of Gdynia. The third part contains a general survey of the economic situation of Poland during the period under review.

The Adviser states that the first quarter of the fiscal year 1929/30 showed greater revenue than in the corresponding period of last year. The total sum of revenue from taxes was 8 per cent larger. As regards the expenditure, the Government adopted a cautious policy, and during the quarter under review the disbursements were less than 1/4 of the estimated amount for the whole year. The Government intends to decrease the disbursements to be made in the current fiscal year in relation to the sum foreseen in the Budget: reductions will concern capital investments and particular new schemes. In this connection the Adviser states: "The marked tightening of money in most European countries in recent months has aggravated the stringency in Poland and as there is no assurance of improvement in the near future, the Government is taking steps to prepare for a continuation of present conditions. It is following the wise course of reducing investments for although tax collections have not yet decreased, the credit stringency might eventually have a depressing effect upon business and in turn upon tax receipts. If no such reduction occurs the Government will have a substantial surplus which can be utilized during the period of transformation should any tax reduction be decided upon".

As regards the revenue from the customs on which the loan is secured, Mr. Dewey states that during the first three half-yearly period (September 1, 1927 — March 1, 1929), it was 6 times larger than the amount required for the amortisation instalments and for the service of the Stabilisation Loan, and for the quarter under review it was about 7 times the amount.

The utilisation of the Stabilisation Loan up to June 30, 1929 is given by Mr. Dewey in the following statement (in millions of zł):

	Amount of fund	Utilized for designated purpose	Balance on June 30, 1929
a) Increase in capital of Bank of Poland	75	75	0
b) Assumption by Bank of Poland of one half net Treasury note issue	140	140	0
c) Conversion of one half net Treasury note issue into silver coin			
Original amount	90		
Transferred to fund f)	32		
Balance	58	45	13
d) Discharge of floating debt of Treasury	25	25	0
e) To provide Treasury Reserve	75	0	75

f) For economic development:

Original amount	141
Transferred from fund e)	32
Balance	173 173 155 18

The first, the second and the fourth items were completely utilised. The shares of the Bank of Poland to the value of zł 50,000,000 taken over by the Government for zł 75.0 million (item 1), will possibly be sold to the public and the proceeds transferred to fund "F", which is destined to be used for the promotion of the economic development of the country.

The replacement of 1 zloty and 2 zloty silver coins by new ones, containing less silver, constituted a saving which was not foreseen in the Stabilisation Plan.

A sum of zł 53 million will be necessary for the conversion; of this amount zł 45 million has already been used for this purpose. The balance is left at the disposal of the Government. The Financial Adviser in conjunction with the Government and the Bank of Poland has decided to transfer a portion of this sum amounting to zł 32 million to fund "F".

The balance appearing on the conversion account (item 3) represents zł 13 million, which is about 5 million more than is required for the realisation of the conversion.

As there has been a constant surplus of revenue over expenditure, the Treasury Reserve Fund (item 5) has remained untouched.

The disbursements made from fund "F" (item 6) up to and including June 30th amounted to zł 155 million of which zł 62.1 million were granted to State undertakings, while zł 89.1 million were employed for the purchase of long-term agricultural bonds.

In the second part, devoted to the Port of Gdynia, the Adviser, referring to the Port of Danzig, states:

"Being at the mouth of the partly navigable Vistula, which together with its tributaries is almost entirely in Poland and drains the greater part of the country, the port is a natural outlet for Polish commerce. Reciprocally, Poland is the natural hinterland for Danzig.

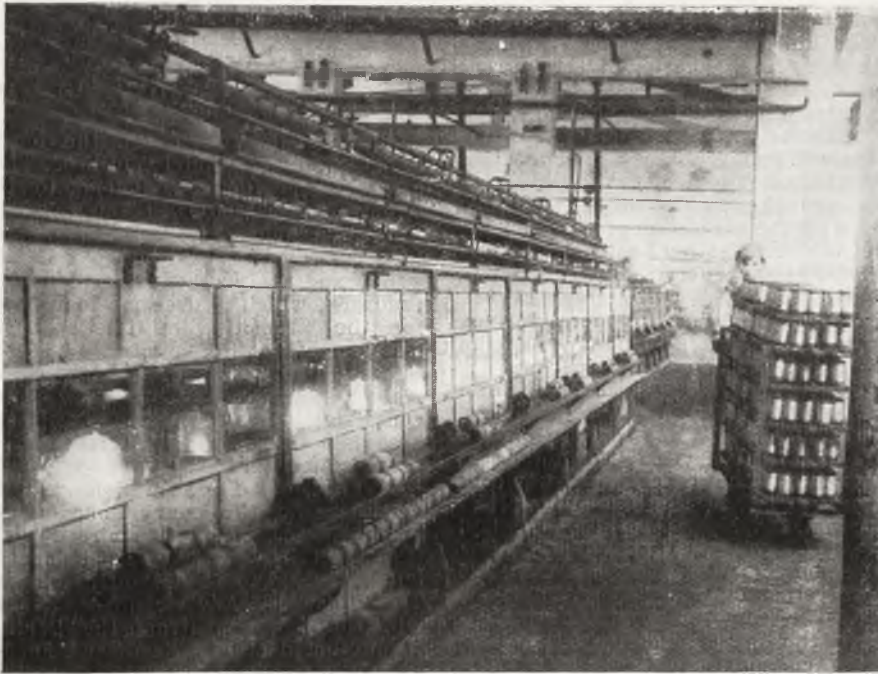
Inclusion in the Polish customs territory stimulated a rapid growth of Danzig's maritime traffic.

From a relatively small port with a cargo turnover (exports plus imports) of a little over one millions tons in 1913, Danzig has become one of the most important ports on the Baltic with a turnover of 8½ million tons in 1928".

In this connection Mr. Dewey says that, owing to unfavourable natural conditions, the possibility of further extension to the Port of Danzig is limited and, therefore, cannot meet growing needs of Poland and for this reason the Polish Government decided to construct a modern harbour at Gdynia.

Mr. Dewey also gives the chief features of the natural conditions of Gdynia, describes the construction of the Port, its development and its traffic.

In the third part of the report, while dealing with the economic situation of Poland in the second quarter,



ARTIFICIAL SILK WEAVING SHED AT THE TOMASZÓW FACTORY
(PHOT. S. PLATER)

Mr. Dewey states *inter alia*: "Evidences have become more definite that some recession has set in following the rapid pace at which business developed last year. The probabilities are that while the next few months even to the end of the year may see considerable slowing up, there are no grounds to warrant a fear that the country is

entering a critically difficult period. Production so far is being maintained at levels which compare favourably with a year ago and as yet there appears to be no great accumulation of stocks, though it is evident consumer demand is tending to become weaker. As has long been the case, it is on the credit side that the outlook is least encouraging".

GROWTH OF SAVINGS DEPOSITS IN THE POSTAL SAVINGS BANK.—

With the consolidation of internal conditions and the stabilisation of the currency, the saving spirit among the Polish population has, to a considerable extent, been revived and steady progress is being made in that direction. Thus, during the first half of the current year savings deposits at the Postal Savings Bank have increased by an average of zł 3.0 million per month. In July, however, they rose by zł 6,111,718. Similarly the number of new savings pass-books showed a considerable increase over the preceding months. The number of pass-books issued during July rose by 16,010 to 367,088 and the value of the savings to zł 148,128,529.

BIBLIOGRAPHY

ECONOMIC POLAND IN DIAGRAMS, by Michał Czarnota Bojarski, Warsaw, 1929. This work, which has recently been published represents a collection of diagrams in colours with explanatory notes in four languages: Polish, English, French and German. The diagrams are carefully arranged and cover the chief branches of the economic life of the country since 1925, namely: foreign trade, the State budget, the State revenue, public debts and deposits, currency, employment, agriculture, stock breeding, timber, coal, oil, metallurgy, textiles and transport.

This work will, no doubt, be found useful by all those, who are desirous of becoming acquainted at a glance with the main aspects of Poland's trade, industry, agriculture and finances.

LATEST NEWS

WARSAW EXCHANGE:

	10.9.29	20.9.29
\$ 1 = zł 8'90		zł 8'90
£ 1 = „ 43'22½		„ 43'22

BANK OF POLAND:

ASSETS:	10.9.29	20.9.29
Gold and silver reserve . zł	652,776.723'32	zł 652,915.426—
Foreign balances . . . „	428,563.839'39	„ 410,927.450'14
„ „ (not included in the cover) „	88,316.380'87	„ 106,545.165'57
Bills of exchange . . . „	702,322.442'94	„ 712,733.296'99
Loans against securities „	75,820.162'89	„ 75,247.648'85
LIABILITIES:		
Notes in circulation . . . „	1,293,007.350—	„ 1,255,520.050—
Current accounts . . . „	429,872.653'29	„ 471,171.830'37
Other sight liabilities . . . „	24,824.534'69	„ 14,579.910'61
BANK NOTES COVER		
(bullion & foreign currencies)	61'87%	60'75%

INDEX OF ADVERTISEMENTS

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BANKS		
Bank Związku Spółek Zarobkowych, Poznań	II	Warsaw Society of Coal-mines and Smelting Works, Warsaw II
State Land Bank, Warsaw	V	
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BALANCE-SHEET OF THE STATE LAND BANK

AS ON SEPTEMBER 1ST, 1929

ASSETS

LIABILITIES

	₹	p		₹	p
1. Cash in hand and with banks	3,450.925	06	1. Capital	148,806.971	85
2. Foreign Exchange	107.501	18	2. Funds allocated for social and scientific purposes	481.297	54
3. Interest-bearing securities	62,566.139	21	3. Sinking Funds	561.784	37
4. Shares and stock	2,195.215	17	4. Treasury time-deposits	50,000.000	—
5. Securities drawn and coupons purchased	26	90	5. Deposits	34,283.083	15
6. Securities forming part of the Mortgage Bond and Improvement Debenture Bond Reserve Fund	7,647.874	42	6. Current accounts	31,755.323	68
7. Correspondents	13,547.686	09	7. Bills re-discounted	16,432.659	79
8. Bills discounted	61,431.292	42	8. Correspondents	55,270.525	54
9. Bills protested	878.413	08	9. Mortgage and Debenture bonds issues	233,982.816	—
10. Loans secured by bills and other documents	140,593.205	01	10. 8 per cent mortgage bonds drawn	230.948	—
11. Advances secured by goods	52,668.844	01	11. Mortgage Bonds Sinking Fund	8.438	24
12. Purveyors of goods (advances)	9,665.847	10	12. Interest fund for mortgage and Debenture bonds	699.208	87
13. Amounts due for land purchased	1,705.771	69	15. Payable Coupons on Mortgage Bonds in circulation	703.922	88
14. Sundry debtors	38,677.566	42	14. Advance instalments of loans in Bonds	65.763	71
15. Goods	89.882	24	15. Creditors arising out of land purchased	498.973	78
16. Amounts due subject to legal proceedings	2,609.476	20	16. Payments on account and instalments due for land purchased	535.698	23
17. Doubtful debtors	369.611	75	17. Purveyors of goods	1,000.349	33
18. Loans in the form of mortgage and other bonds	233,982.816	—	18. Sundry creditors	42,995.491	42
19. Preliminary dues on loans in bonds	689.677	20	19. Transitory entries	5,874.259	54
20. Instalment of loans in bonds	3,977.677	09	20. Provisional credit balances on various accounts	7,580.460	02
21. Coupons of drawn mortgage and land-amelioration bonds	110	08	21. Land Reform Working Fund	2,031.707	49
22. Grain Reserve	27,405.201	95	22. Funds arising from loans granted by the former State Land Banks of the partitioning powers	14,565.685	44
23. Country-estates in course of Parcellation	14,885.348	75	23. Obligations assumed arising out of the indebtedness of the former State Land Banks of the partitioning powers	1,524.441	56
24. Real estate and buildings	5,280.809	56	24. Interest and commission	15,716.473	55
25. Movable Property	2,449.417	44	25. Interest and commission on account of next year	417.277	70
26. Transitory entries	1,343.758	06	26. Balance of administered funds at disposal of the Treasury	32,604.493	07
27. Overhead and other expenses	10,324.781	61			
28. Expenses incurred on account of next year	83.179	06			
	698,628.054	75		698,628.054	75
1. Administered funds	258,345.429	—	1. Administered funds (Treasury grants)	258,345.429	—
2. Collections	2,484.983	18	2. Sundries for collection	2,484.983	18
3. Debtors by virtue of granted guarantees	9,103.936	44	3. Creditors by virtue of granted guarantees	9,103.936	44
4. Deposits	30,573.712	63	4. Sundries to deposits	30,573.712	63
Total:	999,136.116	—	Total:	999,136.116	—

HOHENLOHE WORKS

JOINT STOCK COMPANY

WEŁNOWIEC (UPP. SILESIA)

Telegraphic address: "HOHENLOHE" WEŁNOWIEC ŚLĄSK POLAND

Head office telephone: K A T O W I C E 440 — 448, 454

DEPARTMENT I. — COAL

Flaming coal from "MAKS", "WUJEK" & "JERZY" mines and also the "Zjednoczona Kopalnia Hohenlohe Fanny"
Briquettes from "WUJEK" mine — trade mark "H. W."

DEPARTMENT II. — METALS

Zinc (spelter) sheets	Zinc (spelter) "H. Krone"
Zinc (spelter) Hohenlohe brand (refined and unrefined)	(double refined)
	Zinc (spelter) dust

EXCLUSIVE SELLING AGENTS:

"FULMEN" — Górnośląski Handel Węgla
Sp. z ogr. odp.
KATOWICE, 3, 5 & 7. JULJUSZA LIGONIA
TELEPHONE: 497, 498, 807, 2271, 2272

DEPARTMENT III. — ACIDS

Sulphuric acid (60% commercially pure)	
Sulphuric acid from 92 — 100%	
Oleum 12%	Oleum 20%