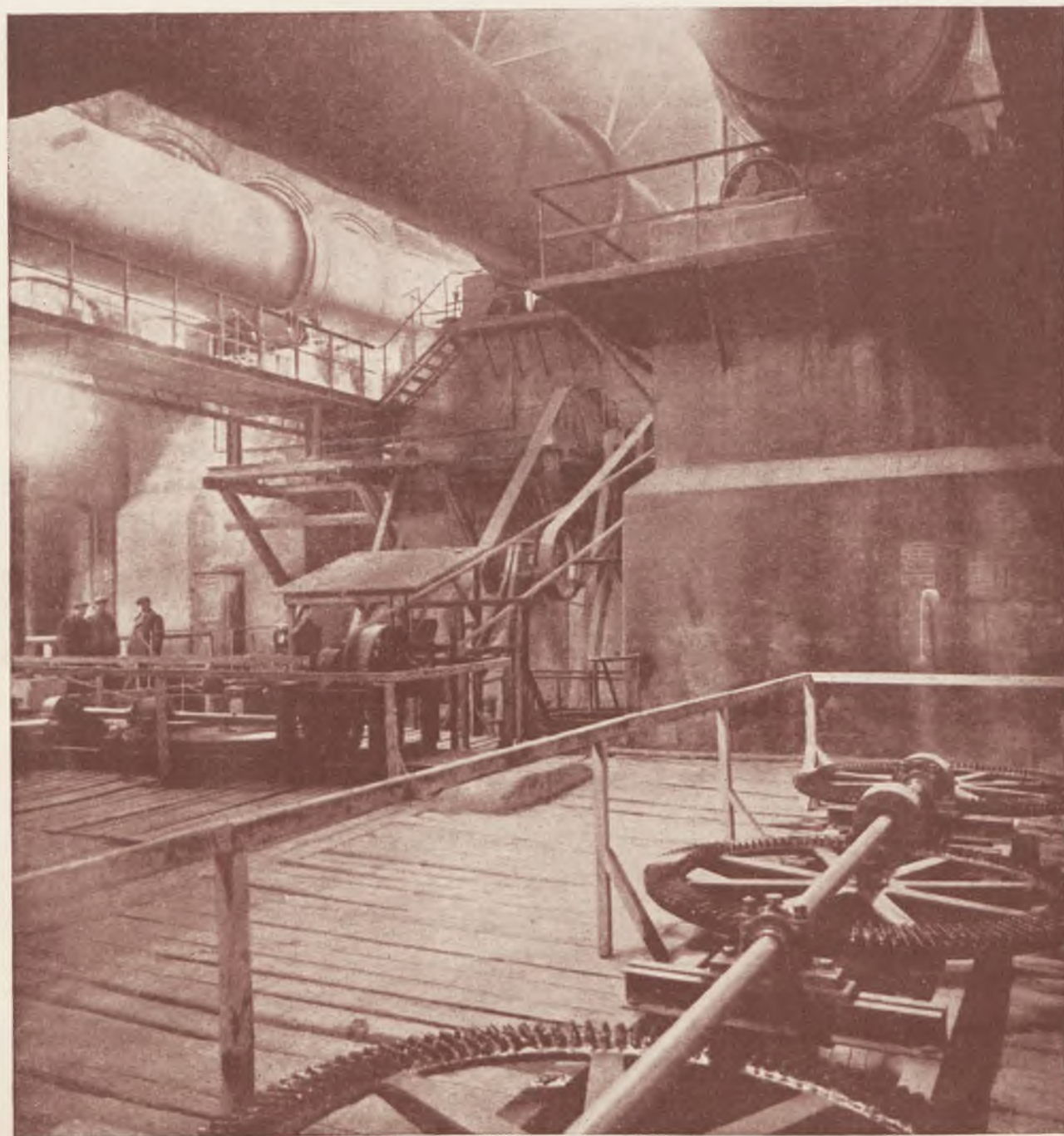
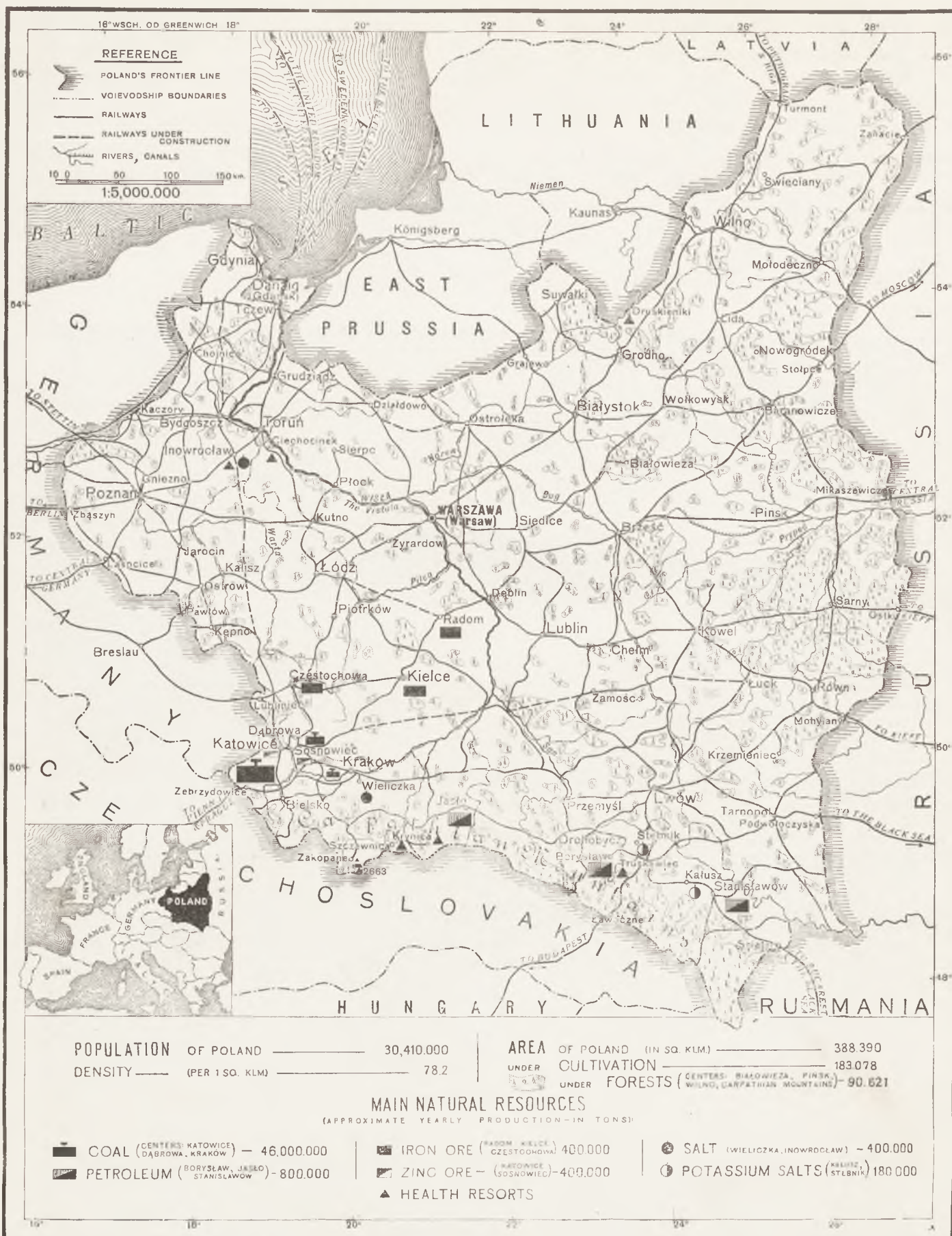


THE POLISH ECONOMIST





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IN OCTOBER the usual autumnal seasonal activity in production and turnover was smaller than in former years and in addition the trend of business failed to show any noteworthy progress.

Agriculture found it difficult to market its crops, the prices attained setting record low marks in spite of the fact that export was relatively large and greater than during the corresponding period last year; conditions in the various breeding industries likewise were far from favourable especially as regards export sales. The necessity of meeting obligations incurred and of paying taxes during October caused a further deterioration in the state of the farmers and this resulted in the purchasing ability of the agricultural classes failing to rise as it should at this time of the year, whilst it had the further effect of inhibiting the growth in fluidity on the money market.

Industry had been showing a distinct tendency to increase production and sales but during October this process appeared to be slackening. The seasonal growth in unemployment commenced towards the end of the month. Production in coal-mining, in the founding and petroleum industries increased. In the manufacturing industries employment remained constant on the whole and only slightly decreased in certain branches.

Commerce did not exhibit any noteworthy liveliness as regards home trade although seasonal buying for the winter season should have been in full swing during October. Prices continued to fall, this applying especially to the wholesale trade. The prices of raw materials continued to decline. The prices of finished products dropped in sympathy although transient causes in this case also exerted their influence.

Foreign trade during October resulted in a growth of imports (caused chiefly by enhanced import of raw materials) and in a slight drop in exports. The balance of trade remained favourable.

Railway traffic increased as is usual at this time of the year, chiefly owing to mass transports of of coal, sugar-beets, potatoes, and corn.

The money market maintained the unsatisfactory state reported in September in spite of a rise in bank deposits. The flurry which took place on the foreign exchange market during September died out altogether during October, turnovers decreasing largely as a result. The

foreign currency reserves of the Bank of Poland increased. The credit policy of that institution was directed towards the inhibition of the great growth in its bill portfolio. Solvency in Poland remained at the level of the previous month.

State revenues were kept in equilibrium with disbursements. The income of the State, especially that deriving from public levies showed an increase.

REVIEW OF THE GENERAL ECONOMIC SITUATION IN POLAND OCTOBER 1930

	UNIT	OCTOBER 1929	SEPTEMBER 1930*)	OCTOBER 1930
STATE OF EMPLOYMENT:				
UNEMPLOYED		93.800	167.454	167.349
PRODUCTION:				
COAL	thousand tons	3.399·0	3.417·0	3.662·0
OIL		57·2	56·9	56·2
PIG IRON		57·7	38·4	39·4
AGRICULTURAL INDEXES:				
(CROP ESTIMATES)				
RYE	5 points system			
WHEAT				
BARLEY				
OATS				
PRICES:				
WHOLESALE PRICE INDEX	(1914 = 100)	110·4	94·5	92·9
INDEX OF COST OF LIVING IN WAR- SAW		123·5	116·8	118·2
FOREIGN TRADE:				
IMPORTS	million zł	257·2	190·4	202·2
EXPORTS		259·4	211·8	207·9
EXCESS OF EXPORTS (+) OR IM- PORTS (—)		+ 2·2	+ 21·4	+ 5·7
TRANSPORTS:				
RAILWAY TRAFFIC	truck loaded (15 tons) reg. ton	661.137	517.170	579.607
PORT TRAFFIC (DANZIG AND GDYNIA)		521.344	545.285	561.401
BUDGET:				
RECEIPTS	million zł	270·8	222·6	234·4
EXPENDITURE		267·3	222·1	233·7
MONEY CIRCULATION:				
BANK OF POLAND NOTES	million zł	1.392·2	1.373·0	1.408·4
COVER IN GOLD AND FOREIGN CUR- RENCIES	‰ ‰	60·80	56·47	54·15
TOKEN MONEY	million zł	269·6	232·7	238·7
CREDIT:				
(BANK OF POLAND)				
BILLS DISCOUNTED	million zł	745·0	704·8	710·4
OFFICIAL DISCOUNT RATE	‰ ‰	9·0	6·5	7·5
FOREIGN CURRENCIES:				
(WARSAW STOCK EXCHANGE-AVERAGE RATES)				
U. S. A. DOLLAR	zł	8·90	8·91	8·91
POUND STERLING		43·68	43·36	43·34

SILESIA AND POMERANIA

BY
HON. EUGENE KWIATKOWSKI,
MINISTER OF INDUSTRY AND COMMERCE

IT CANNOT too often nor too emphatically be stated what a vital and fundamental importance the consolidation of Poland's position on her own sea-board has not only for the Republic but also

for each and every individual citizen inhabiting its territories. Words fail adequately to express the pressing urgency of Poland's utilising to the full every yard of land regained by her on the Baltic coast. For every Pole two supremely vital and essential tasks exist, and those of the present as also of future generations must bear their full measure of responsibility for their due execution.

*) Corrected figures.

Of these the first must naturally be the maintenance and assurance of the political and economic independence of Poland; the other is the raising of the level of prosperity of the average Polish citizen, — too poor at present to consume more than a small fraction of what is enjoyed by the inhabitants of the western countries of the world.

These two ideals form an indivisible whole. The Poles have found to their cost that a subject nation must yield up a considerable portion of its

valued for they confirm patriotism and strengthen resistance against any attacks on the independence of a country.

Poland's sea-board province, Pomerania, is an essential part of the economic and, therefore, of the political independence of the Polish Republic. Just as the sea-coast is considered to be Poland's most-prized possession in the north, so is Polish Upper Silesia in the south the corner-stone of her prosperity and of the future well-being of every



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MINISTER OF INDUSTRY AND COMMERCE

national wealth to the dominant power which paralyses every step taken towards the achievement of economic progress if such appears incompatible with the interests of the invaders. The citizens of a nation deprived of its political independence can hardly attain real prosperity. At the same time there is no stronger and more assured foundation for an independent state than a steady growth in the prosperity of its workers, for this process fuses and identifies the interests of the state with those of its citizens. The existence of such a link between nation and state and a proper realisation of its worth cannot be too highly

man, woman and child in Poland. In order to destroy the Polish Republic politically and to ruin its inhabitants economically, it would suffice to deprive Poland of her provinces of Pomerania and Upper Silesia.

Pomerania and Upper Silesia are psychically Poland's most-Polish provinces and their inhabitants have maintained their Polish character and allegiance in the face of the prolonged and ruthless efforts of an unparalleled and systematic oppression. Unaided, isolated, during many generations, they fought for their national ideals and liberty with remarkable courage and

determination until they achieved union with the remaining Polish territories. Those voices which suggest that Poland should relinquish these cherished provinces of hers are proposing nothing more nor less than the perpetuation of human misery in the very heart of Europe; the sowing of the seeds of an ever-menacing social revolution; the creation of a great colony for the grinding down of man and his labour; the foundation of a vast, political prison incarcerating one of the largest and most-rapidly growing nations of Europe.

It is an historic and positive fact that during the times when Poland faced the west rather than the east, she was always powerful and even economically prosperous.

Whilst Silesia with its enormous natural riches, with its coal, iron, zinc, lead, its many chemical products and above all with its organised army of skilled workers, can be said to be the basis of Polish industrial development, then it must also be stated that Pomerania with its ports of Danzig and Gdynia (through which pass almost 50 per cent of Poland's foreign trade) was and is destined naturally to become the keystone of Polish commerce. Just as the fundamental factors needed for the development of the home market of Poland are in a great measure to be found in Upper Silesia, so must Poland's whole attention be directed to Pomerania as an essential factor for the expansion of foreign trade and economic contact with the rest of the world.

If it be assumed that agriculture is the basis of Poland's national economy, then it must be stated that the raising of its methods of work are closely bound up with Upper Silesia, and if Poland is to assure the marketing of its surplus farm products at prices compatible with those ruling in the rest of the world, then, as the painful lessons of history have taught us, this would be impossible had not Poland her own, unhindered access to the sea and her own, efficient overseas-trade organisation.

If it is desired to look tens of years ahead and to find ways and means for assuring work and a livelihood for the rapidly-increasing population of Poland, it must be borne in mind that the province of Upper Silesia is and will continue to be one of the most potent factors making for the economic development of the Polish Republic. Silesia is essential as a factor in the national defence and independence of Poland and its territories. Considerations of the possibility of economic and political cooperation with other nations, the defence and maintenance of peace, all direct attention to that exceptional boundary of the Republic which affords it unhampered contact with the whole world — a frontier which separates nothing but joins all — the Polish coast on the Baltic Sea.

Poland has no need to re-affirm her political rights to Silesia and to her own sea-board. The Poles are not newcomers on the shores of the Baltic: they have inhabited Pomerania for over a thousand years — since the birth of history in that quarter of the globe. That province was for many centuries an integral part of the Polish

Commonwealth and in spite of the fact that successive historical events caused the Polish sea-board to shrink to its present short length, none the less the Polish character of the province of Pomerania was so obvious and striking that the fact was continually confirmed by foreign impartial authorities and even by German official and scientific publications published before the Great War. To-day it is sufficient to traverse Pomerania to confirm that its natives are Polish through and through, and that the very small percentage of foreigners still to be found there are comparatively recent newcomers who have settled there amongst the native Polish population domiciled there still prehistoric times.

Poland's economic rights to her own gateway to the sea can currently be based on the history of the last decade. History teaches us that for hundreds of years the eyes of Poland had to be turned to the East in the defence of her own territories and of the rest of Western Europe; during that time industry and commerce could receive but scant attention, whilst later, as a result of successive partitions, she was deprived of the possibility of conducting her own independent economic policies.

It was only in the post-War years, after the historical crime against Poland had been set right, that it became concretely possible to prepare the basis for the development of a Polish maritime policy. Since, too, there is no better adviser or teacher than necessity, the Poles by the force of circumstances soon learned the vital importance and great value of having their own actively exploited sea-coast.

The first few years after the War saw Poland surrounded by enormous difficulties, by barriers and antagonisms on every side. Far-reaching changes had taken place on the natural selling-markets for Polish goods. Trade with the East fell to a minute fraction of the pre-War figure. The frontiers of most of Poland's northern and western neighbours were (and are still) closely barred against the import of Poland's chief products — corn, meat, dairy produce, coal, iron, timber and petroleum. The southern frontier with its impassable mountains is ill-suited to the exchange of goods on a large scale; the markets on that border, moreover, are small, less homogeneous and of a structure similar to that of Poland.

It must have appeared to many a foreign observer that the immature and at that time inadequately organised economic life of Poland would never emerge successfully from the apparently insurmountable barriers with which it was surrounded. Yet Poland has found a way out of her difficulties and has even turned many of them to advantage. Just as the population of Upper Silesia comprises an integral, indivisible part of the Polish nation, so also Silesian production, forced by circumstances to place its goods on the home market, within the course of a few years became an integral part of the economic system of Poland — a process which in other conditions would have taken much longer.

Another great advantage gained under the stress of these adverse conditions was the directing of

Poland's attention to its sea-board. It can confidently be stated that the rapidity with which the whole Polish nation was and is being bound up with Gdynia and Danzig would have been practically unattainable had it not been for those still irksome difficulties, which none the less proved to a certain extent to be blessings in disguise, the full benefits of which will be enjoyed by future generations.

It will be sufficient to quote only a few figures in order to illustrate the extremely rapid and decided progress made by Poland in this direction. In the years 1924-1925 only a few million zlotys were invested in the development of Gdynia, whilst the goods traffic crossing the whole Polish sea-board (including Danzig) was barely 2,000,000 tons per annum, i.e. somewhat under 15 per cent of the foreign trade of Poland. Up to and including the current year, the capital spent on the construction of Gdynia and on the development of the Polish sea-coast was over zł 300,000,000; a Polish merchant marine has arisen and is growing fast; the Polish navy is constantly being strengthened; Gdynia has become an important port with nearly 45,000 inhabitants; a new railway line of vast importance, directly connecting the Silesian coal-fields with Gdynia, has been constructed and is now open to traffic; finally, the annual traffic of Poland's two ports, Gdynia and Danzig, now exceeds 11,000,000 tons and accounts for 45 per cent of the total foreign trade of Poland.

The foregoing will serve to demonstrate the unlimited possibilities possessed by every mile of sea-coast if rationally, freely and intensively employed, as against the cumbersome and difficult land frontier with all the obstacles it places in the way of unhampered economic intercourse.

If Poland is to enjoy actual and full freedom in her economic undertakings, she must possess at least two competitive commercial ports the mutual rivalry of which will lead to a sane and economic development. The existence of a port is not in itself the object but one of the tools of the economic policy of a country. A port possessing a virtual monopoly ceases to be a free frontier synonymous with unrestricted economic expansion. Such a port must in time, under the influence of its local prosperity, tend to a certain separatism and to care solely for its own profit, ignoring the interests of the state which it has to serve.

This was the case with the Danzig of pre-partition Poland; it must in fairness be added, however, that the state of affairs which then existed was less the fault of Danzig than of the exceptional conditions then reigning.

Arguing along these lines it can further be stated that should Gdynia have possessed a monopoly of Polish overseas trade, such a state of affairs would have likewise been harmful to the interests of the Polish Republic. For that reason, if the Port of Danzig had been non-existent, Poland would have been forced to undertake the construction of two ports—of Gdynia and of a new Danzig.

Direct contact with the sea cannot be too highly estimated; its value as a school of political and international cooperation cannot be lightly dismissed; its influence cannot be too highly recommended as

a factor making for the growth of culture and of civilisation.

The general public in Poland and the Polish Government have worked shoulder to shoulder on the Polish sea-board and they have freely given of their material wealth and forces in order to attain the commonly sought end: the Polish nation has shown that it can exhibit unparalleled energy and determination in overcoming even the greatest difficulties and in solving the most complicated problems. The united and harmonious effort of the whole nation has, it can be said, reproduced a piece of America on the shores of the Baltic. Gdynia has been and is a striking instance of Polish political instinct and abilities: it shows that the restoration to Poland of its ancient, unhindered direct access to the sea was a wise and far-seeing action, justified both politically and economically.

It seems very far-fetched and even absurd but there are voices which appear to consider that Pomerania and Upper Silesia should not have been restored to Poland. These malcontents seem to forget that Pomerania and Upper Silesia are Poland's oldest and best-cherished provinces, the most Polish provinces of the Republic, gages for the prosperity of the Polish people, for the economical freedom of Poland, guarantees for her liberty and independence and that they are as much Polish today as they were centuries ago. It may of course be presumed that these voices may have an ulterior motive: they may wish to divert attention from their own troubles and problems by attacking Poland. It can hardly be said, however, that such an attitude is compatible with the modern spirit of international cooperation and good-will.

The Polish nation proclaims openly and uncompromisingly that it will gauge the amity of its political friends by their attitude on this matter. Poland will stand by and shall fraternally cooperate with those who will recognise her incontestable right to existence and to life, to break through the barriers of poverty and misery and to enjoy political and economic freedom.

Poland is already a power. In fifty years time, she will have a population of double the present figure, and this quantitative increase is not the lot of all European nations. During the first decade of Poland's regained independence the growth in her national wealth has amounted to many milliards of zlotys. The rôles of nations often undergo great changes during the course of history. In the comparatively near future Poland can become an even more valuable and desirable friend, both politically and economically, than she is today.

To those who attack Poland openly or otherwise it can only be stated: she wishes sincerely for peace; she is working for the removal of all obstacles hindering the way of international coöperation, so necessary for the family of European nations. But there is no limit to the sacrifices which the Polish nation would make in the defence of its dearly gained independence, and that independence is based on her most-prized provinces: Pomerania and Upper Silesia.

FINANCIAL ADVISER TO THE POLISH GOVERNMENT CONCLUDES HIS MISSION

MR. CHARLES S. DEWEY, former Assistant Secretary of the U. S. Treasury Department, left Poland on November 20th after a three-year term as Foreign Member of the Council of the Bank of Poland and Financial Adviser to the Polish Government.

Mr. Dewey's invitation to come to Poland and the objects of his mission are clearly set forth in the following extract taken from his first quarterly report published in January 1928:

"With the view to stabilizing the zloty on a gold basis, establishing Poland's credit at home and abroad, and ensuring a solid foundation for the economic development of the country, the President of the Republic of Poland, by Decree dated October 13, 1927, adopted a program of stabilization. On October 15, 1927, the Republic of Poland contracted a loan for the purpose, among other things, of providing the Republic with funds requisite to enable it to carry out this Plan of Stabilization.

"The Stabilization Plan provides for the election of an American as a member of the Council of the Bank of Poland to assist and advise the Bank in relation to its duties under the Stabilization Plan. The Government also agrees that this American member of the Bank of Poland's Council shall be appointed Financial Adviser to the Government of Poland to assist and advise the Government through the Ministry of Finance as to the various measures provided for in the Plan. The American member of the Council of the Bank of Poland is elected for a period of three years. During his tenure of office he will also exercise certain functions as representative of the Fiscal Agents of the Loan".

During the whole course of his stay in Poland, Mr. Dewey coöperated whole-heartedly with the Government and with the Bank of Poland, freely giving his valuable advice and opinions on the fundamental problems of Poland's finances and economics connected with the execution of the Stabilisation Plan. In his reports, he commented on the more important features of Polish economic life, furnishing at the same time periodical analyses of the economic situation. These reports, marked by their impartiality and profound knowledge of the subject, were read all over the world and did much to correct misleading and biased reports about Poland. Mr. Dewey proved himself to be a firm and sincere friend of Poland.

In view of Mr. Dewey's impending departure, the Hon. Ignatius Matuszewski, Minister of Finance, gave a banquet in his honour; the speeches delivered by the Minister and the guest of honour on that occasion will serve to illustrate the opinions of these eminent and well-informed men as regards the situation of Poland in the light of the present world crisis.

We quote Mr. Matuszewski's speech delivered on that occasion and which reads as follows:

"Dear Mr. Dewey, Gentlemen,

Addressing you, I must in the first place express my gratification that the usual conventions which govern such official occasions as this do not apply today. Today, I feel I can say what I think and only what I think, and for this atmosphere of frankness and freed m, I must thank the guest in whose honour we are here assembled.

He is neither a stranger amongst us nor a purely official guest. We feel him to be one of us, participating in our cares and one of those who are still labouring at the erection of the economic structure of the new Poland. Every one of us present here is carrying some part of the burden of responsibility for that work and I can safely state that not one of us has failed to realise its weight. It is for that reason too, that in bidding God-speed to Mr. Dewey, I cannot regard h'm otherwise than as a colleague, for he has been a willing worker and has not shirked the responsibility which such coöperation entails. He has not limited his activities to the rôle of an observer but has worked shoulder to shoulder with us in a field devastated by war and partition, helping amidst the turmoil and confusion of a structure in course of erection. Getting to know us better and thus working with us, Mr. Dewey has also had to bear the risk of such coöperation and on several occasions attacks on Poland have been aimed at his person.

The structure on which we are all working is one which this and future generations shall occupy. The driving force behind our efforts is not only the vision of a splendid future for our country but also the urge and exigencies of our everyday life and work. For three years Mr. Dewey has been coöperating in this labour and the fact that his assistance has been voluntary cannot but make our appreciation the more profound. In his unswerving practical devotion to the ideal of a flourishing and prosperous Poland, we feel that Mr. Dewey is inspired by the same aims as ourselves—the greatest possible development of the potential resources of Poland and the assuring of a brilliant future to her.

Whosoever cherishes our ideals cannot but find a place in our hearts. I cannot therefore limit my remarks to a bare exchange of courtesies. I feel bound to enlarge on those ties which have bound us together, on the future of Poland, on the paths we are to follow in order to attain our objectives and of the obstacles which we shall have to overcome. I wish on the day of his departure to give Mr. Dewey a very short summary of our views as to the methods we propose to follow in order to attain our common ends.

For centuries past Poland has been a land of potential riches and yet, apart from short periods, she has always been a poor country. It is a sad and obvious truth—that with such a wealth of raw materials, with a hardworking and able population, with a fertile soil beneath us—the average Pole is poorer than his counterpart in the western

states. This has consistently been the case during the last few centuries, it will not be amiss therefore to examine the reasons which have in the past caused this weakness in our national economics, since we can now profit by past errors and prepare ourselves against future dangers.

It seems to me that the main factor which had an inhibitive influence on the economic development of Poland was her rôle as the most eastern bulwark of western culture and civilisation. Where a frontier delimits the boundaries not only of two states but also of two widely differing worlds, there conflicts must of necessity be of a more serious nature than elsewhere. The successive onslaughts of the East upon this outpost of the western world were

of other ideals and of other races. Today western civilisation is predominant in the world because all the attacks of the East were broken to pieces on the Polish frontiers: this honourable task has not, however, enriched our country nor has it been executed without losses.

One of your countrymen who fought in our ranks in 1920, Mr. Dewey, was Major Fauntleroy, commander of the Kościuszko Flying Squadron. How often must he have seen from the cockpit of his fighting-plane scenes repeated from the thousand-year history of Poland: the blaze of conflagrations; the populace in flight towards the west; dark, swift columns of savage horsemen threading their way amidst the hills in clouds of dust. And then descending



THE HON. I. MATUSZEWSKI, MINISTER OF FINANCE

variously designated — the Turkish invasions, the despotism of the Tsars, and that of recent times can be termed that of Utopia — but in every case the real objective of the attacks has been the swamping and destruction of the whole of western civilisation.

In the year 1626, the island of Manhattan, the New York of today, was bought from the Redskins for twenty-four dollars worth of glass beads. In 1621, the power of Osman I and of the Caliphate was crushed by the Poles at the decisive battle of Chocim. There is a very real connection between these two events, one which is not obvious at first sight because of the great geographical distance involved. But the reason why the western states of Europe were enabled in a great measure successfully to proceed with the conquest of the New World was just because their flank was guarded against the incessant attacks of other civilisations,

to scourge the enemy from the air, he would see history repeating itself as it has done a hundred times — the power and vitality of that last bulwark of the West — Poland in arms.

The second factor hindering Poland from enjoying the just reward of her labour during the course of whole centuries and thus resulting in insufficient growth in her capital reserves, would appear to have been the cutting off of Poland from the sea even during those times when she ostensibly had her own sea-coast. Beginning with the XVII century, when Danzig was granted a monopoly of Polish overseas trade, Poland's chief artery the Vistula was already in effect bottled-up. Poland was then as now a predominantly agricultural country and the arbitrary fixing of farm-produce prices by middlemen and not by world markets had a most depressing effect on the national budget and on the income

of the enormous territories comprising the Polish Commonwealth of that day.

In view of the lack of good roads and of the difficulties of transport at that time, it is possible that river and marine traffic was even more important then than now as a factor in national economy. One thing is certain: Poland's loose contact with the sea deprived her of a due share of international trade and this was the cause of enormous, culminating losses to the country.

Finally, the third factor evoking an unsatisfactory development of Poland's economic resources was to be found in her faulty internal administration — in bad legislation which remained in force, in spite of all the efforts of Poland's greatest statesmen, from the middle of the XVII century until repealed by the Constitution of 1791; unfortunately it was then too late.

With the principle of each successive king being elected; with each new candidate to the throne conceding a part of his authority as a condition of his election; with every Sejm powerless to pass measures for the good of the State in the face of the *liberum veto* exercised by individual groups of the nation, it is obvious that the economic framework of the country was subject to dry-rot and finally broke up. The instability of conditions in time became the only stable feature of Polish relations. With the Sejm refusing to vote taxes in time of peace, every new war became perforce an unforeseen catastrophe to be met only by improvised emergency measures. The constant changes in the influences affecting the business of the state, the seizure of authority from the hands of the kings and its passage from one group of the nobility to another amidst the strangest conflicts and still stranger compromises, could not but evoke in the nation a feeling of uncertainty, a tendency to live from hand to mouth and an aversion to the investing of capital over long periods.

Let us now examine the history of post-War Poland. We shall note that the same difficulties which hindered the national economy of the country centuries ago still continue to affect progress. There is, nevertheless, a very noteworthy difference to be noted. Whilst in the distant past the forces inhibiting the development of our economic life grew stronger year by year, today we can state that many of them have been successfully removed and that the remainder are being liquidated at a rapid pace.

It is not so many years ago that the Soviets attacked Poland from the east with the whole force of their arms only to be routed and driven back by our patriotic and disciplined troops under Marshal Piłsudski. Today the frontiers of Poland are safe and well-guarded: in this manner a primary condition for proper economic progress is assured us.

The very recent past has also seen the return to Poland of her sea-coast province. Since then we have consolidated our position on the sea-coast and will hold and retain it in spite of all or any opposition. Not only shall we maintain that position but also every year shall see us more and more firmly implanted and our hold upon that strip of land increasingly stronger and more assured: for it guarantees to the Polish nation an actual and unhampered means of trading in the products of its labour without the imposition of any foreign levy on their transport.

Finally, we appear to be nearing a solution of the last problem holding up the proper and rational development of Poland's potential forces. I allude to the stabilisation of internal relations.

I believe that during the period following the restoration of Poland, i.e. after 1918, the greatest adverse influence affecting economic development was the faulty structure of

the internal political system. Although differing widely from the pre-partition system, that of post-War Poland has fundamentally yielded the same results as that of centuries ago: an effectually legalised stabilisation and petrification of uncertainty with all its harmful effects. The structure of the Constitution and of the suffrage laws has been such that no permanent majority could exist in the Sejm; cabinets were as a result changed from day to day and from week to week depending on the vagaries of partisan sentiment; the economic policies of the country underwent violent and constant changes; the Republic could not but finally be deprived of those most valuable *desiderata* of economic development — stability and confidence — and that both at home as abroad.

It is a most characteristic fact that foreign loans for Poland only came to a head at times when the legislature, unable to produce an executive body, either voluntarily resigned from its prerogatives or was forced so to do. Almost all the credit operations of Poland took place during one of two periods: the first when the Sejm yielded up its prerogatives to Mr. Grabski's cabinet, or during the period following the May *coup d'état*, when the stabilisation of conditions received a new and firmer foundation based on the will and decisions of Marshal Piłsudski.

The vexed question of re-organising internal relations in Poland on a sane and sensible basis is nearing solution. It must be solved in such a manner that a guarantee of stable government and gradual evolution will be afforded, obviating such violent shocks as those to which the constitution of 1921 had led.

It must be evident to all who understand the great importance of stability and confidence as factors in economic life, that a favourable and sensible outcome of the coming elections can and must decisively hasten the economic development of the Republic.

If, moreover, we succeed in unravelling and reordering the whole traditional tangle of the so-called "good" constitutional laws of Poland, there cannot be the slightest doubt that a most important step forward will have been taken in the interests of the economic life of the country.

The whole world is feeling the effects of the current economic crisis and there is not a single country nor economic system which is not encountering the greatest difficulties. Should we succeed in putting through the many urgently needed reforms which we plan, then there can be little doubt that much will thereby be done to facilitate the adoption of less drastic measures in order to combat the results of the crisis as far as Poland is concerned.

I can state this with special confidence since even under the conditions reigning hithertofore, the firm yet cautious policies of Marshal Piłsudski's cabinets have permitted us successfully to face the difficulties arising out of the adverse world situation. There are numerous rich, great, technically and financially powerful countries in the world which have failed to maintain the equilibrium of their budgets under the stress of current conditions; yet we have known how to sacrifice needs for necessities and have come out with flying colours. The Polish Government has even been in a position to develop and extend the actual and material aid granted to the economic life of the country in spite of the trying times we are living through.

I must, Mr. Dewey, beg your pardon for having so long occupied your attention with the consideration of our affairs. I am, however, inspired by the profound conviction that we should let you know what ails us and what we consider to be not only of current but also of fundamental importance to us. You have lived amongst us and will know

how to appraise the intrinsic importance of the matters I have been discussing — their real and not their apparent meaning. I am taking leave of you today but it will be some weeks probably before your departure takes place. I believe that when that moment comes, you will leave Poland not with the hope but with the certainty that the third great task which confronts the re-born Poland will have entered its final phase and will already be rapidly nearing completion. When you leave Poland, I think you will be able to state that contemporary Poland has better known how to solve its three great problems than the Poland of past centuries: for she has fixed and safeguarded her frontiers, she has reached the sea and stands there firmly and finally she will have arranged her internal structure in a manner assuring her the benefits of strength, order and peace.

I believe too, that when you visit us again in the near future, you will already be able to perceive the beneficent results of that triumph of order and commonsense. And every time you do return, Mr. Dewey, believe me you will always and only meet with the most sincere friendship and amity on our part".

Mr. Dewey replied in the following words:

"My Dear Hosts and honored Guests:

I have listened to your words with the deepest interest and I thank you for publicly accepting me as a fellow worker and a friend. It is true that my duties as Financial Adviser to the Government were fairly well defined in the Stabilization Plan, but no man of heart could have stood aside and not been influenced and inspired to take a broader part, by the courage, determination and ideals of the Polish people, and I wish to thank you and the members of the Government for having permitted me, in a humble way, to associate myself more closely in the great work of construction that is being done which, if permitted to develop to full maturity, cannot help but produce a harvest of peace, prosperity and contentment.

Modern life is so complicated and so full of new inventions and new ideas that I suppose one should not be surprised at anything. Nevertheless it is unusual that the same individual should have a close relationship with the fiscal affairs of two countries within the short space of seven years. This great opportunity was given to me and I shall never cease being thankful that a kind fate allotted me the opportunity of first being Assistant Secretary of the United States Treasury and then Financial Adviser to the Polish Government. Judging from experience I have been able to observe and believe that the same difficulties and the same problems present themselves to every state at varying times of a nation's history. And that practically the same remedies will cure these difficulties if conscientiously applied, no matter what may be the race or where the country may be located.

If a problem can be simplified and its component parts set down clearly in the order of their importance the problem is more than half answered. This sounds easy of accomplishment but in dealing with the complicated demands made upon a state, the decision regarding their importance is extremely difficult and it is here that state-craft and financial wisdom are most required. No builder would think of first constructing the walls of a house before laying the foundation, or of arranging the interior decorations before the doors and windows had been placed or the roof put on. But some of the demands made upon a state are as injudicious as this. And the impatience of the public places a great responsibility upon the Ministers of the Government

and demands great courage on their part to pursue the route that they know to be sound and well considered.

The average citizen of a state is apt to forget the progress that has been made over a period of years, he is apt to base his judgements only on present conditions as he sees them and is perhaps influenced by the situations that touch him personally not realising that thousands of other demands are being made by equally impatient citizens for some totally different purpose. If these citizens had been placed in the position which I have had the honor to hold and had kept a constant record of progress made, I am sure they would be willing to state as I have stated in my reports and state this evening, that I think the progress made in Poland during the past four to five years is remarkable.

Despite the unfavourable world-wide conditions as regards money markets and credit that have existed during the past two years, Poland has maintained itself on sound economic foundations and is in a position to take the advantage of any amelioration in the world's business conditions in a manner that should again bring prosperity to the country.

The bed-rock of the fiscal foundation of any country is a stabilized currency the maintenance of which, however, depends entirely upon a balanced budget and the international balance of payments of the country. To the initiated it would appear not a difficult feat to keep a national budget in balance but if one stops to consider the inelastic qualities of many Government expenses and the fluctuations that take place in government receipts, the holding of the former to a figure that will not exceed the latter requires far-seeing courage on the part of the Minister of Finance and great co-operation on the part of the other Ministers of the Government, who at times must sacrifice some cherished plan in order that a budget deficit may not occur. Poland is to be deeply congratulated that it has kept its budget well balanced during over one and a half years of declining revenues and at a time when many other state budgets throughout the world have shown a deficit. I myself have a personal knowledge of the untiring efforts and courage on the part of the Minister of Finance in keeping the budget balanced and I hope that he will not think that I am presumptuous in offering to him my hearty congratulations

The matter of the international balance of payments is a delicate one. Any new state, such as Poland, particularly when it has suffered great devastation due to a war and is short of working and investment capital, must from necessity be a borrower for a number of years to come. Here again the greatest judgement must be used in obtaining loans only for productive purposes, for every loan must be re-paid and until the export capacity of the country has become well established the re-payment of loans may place too heavy a burden upon the balance of international payments. There has been some public disappointment that not more foreign credit has come to Poland during the past two years. That it has not come is a matter quite outside of Poland's control and has depended on the condition of the money markets of the world, where a stringency has existed, possibly brought about by the exceptional speculation in the stock market, and the placement of investors' excess funds in the purchase of shares rather than in the purchase of foreign obligations. I believe, however, that in the not distant future foreign investors will again be seeking occasion to make loans to Europe and when this time comes I know that Poland will receive its fair share of such credits.

Very many investors in the United States have come to appreciate the fact that the per capita public debt of Poland is one of the smallest in Europe and that the Government has maintained a wise and conservative policy in regard to its financial and fiscal affairs. Perhaps it is fortunate that during this period of money stringency and unsettled times Poland's foreign debt burden is so small and the international balance of payments is not sufficiently burdened to greatly reduce the country's reserves of gold and foreign exchange.

It is with a sense of sadness that I say "au revoir" to you this evening after three years of close association with

many of the Departments of the Government. My work here in Poland will always remain for me one of the happiest experiences of my life and this is so not only because of the hospitality and kindness that I have received at every hand but because I have been permitted to have a little part in the great work of economic construction that is taking place in your country.

I wish to thank you from my heart for the courtesey and co-operation I and my office have received, and wish for Poland a full success of her ideals, and the great place among European nations which I am sure it is destined to fulfill".



THE HON. CHARLES S. DEWEY, FORMER ASST. SECRETARY OF THE U. S. TREASURY DEPARTMENT, FINANCIAL ADVISER TO THE POLISH GOVERNMENT

In connection with the completion of Mr. Dewey's mission in Poland, the following exchange of letters took place between him and the Hon. I. Matuszewski, Minister of Finance.

Mr. Dewey advised the Polish Government of his intended departure in his letter of September 1st, which read as follows:

"The plan of Stabilization provides for the election of an American, for a term of three years, to the Council of the Bank of Poland. This same American, during his period of office, also to assist and advise the Government, through the Minister of Finance, as to the various measures provided for in the Plan. It was my honour to be duly elected to the office mentioned and I arrived in Poland and undertook my functions on November 20, 1927.

One of the paragraphs of the Stabilization Plan requires the Adviser to prepare a quarterly report, to be published

by the Bank of Poland, on the progress of the various aspects of the Plan. I am at present writing my final report, which will be released to the Public November 20 1930, outlining at considerable length the steps taken to put the Plan into operation. However, I wish to inform you in advance that I consider the Government has been faithful in its execution of the Plan and that its provisions are sufficiently advanced to render an extension of the residence of the Adviser unnecessary. I therefore beg leave to advise you that I shall close my office and depart from Poland, November 20, 1930.

During my period of office I have not confined myself to the fulfillment of the various measures provided for in the Stabilization Plan, but have studied and become familiar with the various necessities of Poland's industrial and economic life.

I sincerely hope that conditions in the money markets of the world, which have been so abnormal during the past two years, will readjust themselves and that foreign capital will again be seeking investment".

To this letter, Mr. Matuszewski replied on September 6th with the following letter:

"In connection with your decision to leave Poland on November 20th, I have the honour of thanking you for your three-year most fruitful co-operation with the Polish Government on the strengthening of Poland's financial position. The Polish Government benefited by your valuable advice and suggestions during the whole period of your stay and the favourable results attained in our finance are due not only to your profound knowledge of financial matters and your extensive relations but also to your thorough comprehension of Polish affairs and the sincerely friendly spirit in which you cooperated with us. There can be no doubt that your periodical reports did much to correct and rectify the inaccurate and often false information about Poland which unfortunately still appears from time to time.

I entirely concur in your opinion that when the abnormal conditions reigning on the money markets of the world for the last two years become again normal, free American capital will be able to find favourable conditions for investment in Poland. I consider that your co-operation with the Polish Government with a view to directing such capital to Poland has been of the utmost value and for that reason I permit myself to express the hope that you will visit

Poland from time to time in the future and will publish short reports on the economic conditions noted by you on the spot.

I trust that you will acquiesce in this request, that you will see your way to maintain in this new form on existing relations and that you will moreover continue to sacrifice a part of your time and work which during your stay you have so happily succeeded in basing on a foundation of mutual confidence and good will".

Mr. Dewey's reply of September 10th. to the foregoing letter is quoted below:

"It is with a sense of gratification that I read your letter of September 6th. My interest in the development of Poland's economic life is so real, that in any event I should have continued my contacts and studies, but to be able to continue them in the manner you suggest will not only facilitate my work, but give greater authority to any opinions that I may express.

I am greatly honored in accepting your proposal that after my departure of November 20, 1930, I from time to time as the occasion permits, revisit Poland with a view of remarking the progress made, and collecting data, which I shall compile in the form of a brief report addressed to you or to the Bank of Poland as may later be decided".

SUMMARY OF LAWS, ACTS AND EXECUTIVE DECREES

published in the "Official Journal of Laws of the Republic of Poland" ("Dziennik Ustaw Rzeczypospolitej Polskiej") from October 15th to November 15th, 1930

Partial amendment of the Customs Tariff ("Dz. Ust. R. P." No 72, item 571).

Partial amendment of the Telephone Tariff ("Dz. Ust. R. P." No. 72, item 572).

Polish-Persian Commercial Treaty ("Dz. Ust. R. P." No. 73, items 580 to 583).

Polish foreign trade councillors ("Dz. Ust. R. P." No. 74, item 585).

Customs rebates on potassium salt exports ("Dz. Ust. R. P." No. 74, item 586).

Extension of unemployment benefit payments to Poles employed within the boundaries of the German Republic ("Dz. Ust. R. P." No. 74, item 590).

Scope of activities of the State Land Bank ("Dz. Ust. R. P." No. 76, item 594).

Extension of time limitation terms for presenting annuities, annuity instalments and amortisation mortgages of the former Colonisation Commission in the Poznań and Pomerania voivodships ("Dz. Ust. R. P." No. 76, item 597).

Scope of activities of railway authorities ("Dz. Ust. R. P." No. 76, item 599).

Marine Chambers of Commerce ("Dz. Ust. R. P." No. 76, item 600).

Retail prices of pharmaceutical products ("Dz. Ust. R. P." No. 77, item 604).

Alliens' settlement fees ("Dz. Ust. R. P." No. 77, item 605).

Consular fees ("Dz. Ust. R. P." No. 77, item 606).

PRODUCTION AND TRADE

STATE OF EMPLOYMENT. —

The labour market showed a slight improvement in Poland during October expressed by the lower number of unemployed. The number of unemployed registered with the State Labour Exchanges on November 1st was 167,349 as against the 167,454 on October 1st. Nevertheless, the usual seasonal depression began to exert its influence towards the end of October. Thus the number of unemployed, which, has showed a steady decrease since April 1930 reached its lowest point on October 18th (163,689) after which date the figures began to grow and will probably now increase steadily until the spring owing to the cessation of building, of construc-

tion works, &c. during the cold weather. It is worthy of note that the upward trend of unemployment commenced later this year than last; this is confirmed by the data contained in the following table giving the number of unemployed during the past few years (figures for the beginning of the months quoted):

	1927	1928	1929	1930
January	251,326	175,268	126,429	186,427
February	301,457	179,602	160,843	249,462
March	302,179	178,403	177,462	282,568
April	295,529	167,022	170,494	295,612
May	272,414	154,656	149,093	273,351
June	256,934	132,453	122,711	228,321
July	243,302	116,719	105,622	207,258
August	223,474	103,451	97,191	194,279
September	205,393	94,177	91,512	176,810
October	185,207	79,885	83,662	167,454
November	167,826	79,689	93,800	167,349
December	168,008	94,132	126,644	

During October the number of partially employed increased as will be seen from the following table (figures for the beginning of the months quoted):

	1928	1929	1930
January	33,190	21,726	36,663
February	31,465	15,847	88,712
March	25,565	16,554	117,973
April	48,878	16,967	109,519
May	54,385	21,791	142,647
June	27,461	26,343	127,511
July	28,728	30,299	94,065
August	32,996	36,044	78,117
September	25,911	38,837	89,811
October	28,147	35,067	63,183
November	25,189	34,572	119,498
December	26,143	36,111	

Of those partially employed, 424 persons worked one day a week, 2,030 two days, 30,801 three days, 29,965 four days and 56,278 five days per week. The

average number of days worked by this group was 42 per week.

The number of unemployed by trade groups is given in the following table (figures for the beginning of the month quoted):

	October	November	+ Increase — decrease
mining	9,703	8,909	— 794
foundry	2,166	2,257	+ 1,091
metal	16,867	16,614	— 253
textile	17,953	17,542	— 411
building	10,713	12,516	+ 803
clerical	18,726	19,100	+ 377
other	91,330	90,411	— 911
Total:	167,454	167,349	— 105

In the coal mining industry a seasonal liveliness in home and foreign sales during October led to enhanced production and a drop in pit-head stocks with an increase in the number of persons employed. Conditions in the petroleum mining industry again improved during October, this being borne out by the increased production and by greater drilling activity. The number of out-of-work miners came to about 5 per cent of those employed.

In the iron founding industry production dropped slightly owing to smaller Government orders, while on the other hand orders from manufacturing industries increased. Exports remained at the level of September. The output of the zinc foundries increased somewhat but that of the lead plants dropped. Unemployed foundry workers constituted 3 per cent of those at work.

In the metal industry the situation in the various branches was uneven. Some benefited from a seasonal improvement and increased the number of men employed, but the majority had to restrict production.

In the machinery and agricultural tool factories conditions were relatively favourable. Sales continued to be satisfactory although most of the business done was in the cheaper lines. Conditions in the boiler and steam engine factories failed to improve as did also those in the wrought iron, screw and rivet factories. Employment was fairly satisfactory in the rolling mills and in the galvanising plants. The number of unemployed metal workers came to 22 per cent of the employed.

In the Łódź cotton industry the improvement which had been noted during August and September was followed by a drop in production and sales during October. This led to an increase in short-time from 40 to 70 per cent although the number of hands employed increased during the month from 52,344 to 52,575. Production in the

Łódź woolen industry maintained the level of September. The number of persons employed in the larger mills rose from 14,717 to 15,024 and that of short time workers from 15 per cent to 26 per cent. The Bielsk woolen industry commenced working for summer stock, whilst the Białystok textile industry was fully occupied.

In the jute and hemp industries orders continued to be scarce. The fancy goods and knitted-ware industries completed work on winter stocks and only moderate volume of sales was reported for October. The number of unemployed textile workers came to 3 per cent of those employed.

In the building trades employment began to decrease in view of the end of the season. Unemployment amongst clerical workers also increased slightly. Wages and salaries remained constant with no important changes reported.

GRAIN

— No fundamental changes occurred in the prices of corn in Poland during October. Wheat prices continued to fall, the decline being especially marked during the first week of November when the average quotations fell by 5.3 per cent. On the other hand the prices of rye underwent various fluctuations during October and the first week of November, ending with an upward trend towards the middle of the month. As a result of these movements the difference between the prices of these two commodities became much smaller. The price of barley on the Polish market had remained firm for some months, but towards the end of October and during the first half of November lower quotations were noted on the Warsaw Corn Exchange. It is a noteworthy fact that barley prices are higher in

		H O M E E X C H A N G E S								Berlin	Chicago
		Warsaw		Poznań		Lwów		Av. of 3 exch.			
		₪	\$	₪	\$	₪	\$	₪	\$		
W H E A T											
October	1—8	28.62	3.21	25.98	2.92	25.62	2.88	26.74	3.00	5.38	2.98
"	9—15	28.50	3.20	26.37	2.96	25.25	2.83	26.71	3.00	5.39	2.88
"	16—22	27.85	3.13	24.94	2.80	25.62	2.88	26.14	2.93	5.33	2.88
"	23—31	27.27	3.06	24.12	2.71	25.01	2.81	25.46	2.86	5.45	2.97
November	1—8	26.50	2.97	24.12	2.71	24.68	2.77	25.10	2.82	5.74	2.85
"	9—15	26.50	2.97	24.75	2.78	25.85	2.79	25.36	2.85	5.95	—
R Y E											
October	1—8	18.78	2.11	17.76	1.99	17.87	2.00	18.13	2.03	3.57	2.07
"	9—15	19.01	2.13	18.00	2.02	18.12	2.03	18.37	2.06	3.42	1.90
"	16—22	19.01	2.13	17.93	2.01	18.62	2.09	18.52	2.08	3.46	—
"	23—31	18.87	2.12	17.75	1.99	18.37	2.06	18.33	2.06	3.53	2.00
November	1—8	18.75	2.10	17.87	2.00	18.71	2.10	18.44	2.07	3.58	2.07
"	9—15	18.87	2.12	18.00	2.02	19.02	2.13	18.63	2.09	3.67	—
B A R L E Y (brewing)											
October	1—8	25.75	2.89	26.50	2.97	—	—	—	—	4.90	2.69
"	9—15	25.75	2.89	26.37	2.96	—	—	—	—	4.70	2.62
"	16—22	26.00	2.92	25.75	2.89	—	—	—	—	4.69	2.59
"	23—31	25.18	2.83	26.00	2.92	—	—	—	—	4.69	2.59
November	1—8	24.50	2.75	26.00	2.92	—	—	—	—	4.69	2.52
"	9—15	24.50	2.75	26.00	2.92	—	—	—	—	4.71	2.48
B A R L E Y (ordinary)											
October	1—8	20.50	2.30	20.25	2.27	17.75	1.99	19.50	2.19	4.17	—
"	9—15	20.50	2.30	20.25	2.27	18.25	2.05	19.66	2.21	4.12	—
"	16—22	20.25	2.27	20.66	2.32	18.00	2.02	19.63	2.20	4.10	—
"	23—31	19.91	2.23	20.25	2.27	17.50	1.96	19.22	2.16	4.06	—
November	1—8	19.50	2.19	20.25	2.27	17.25	1.93	19.00	2.13	4.07	—
"	9—15	19.50	2.19	20.25	2.27	17.25	1.93	19.00	2.13	4.14	—
O A T S											
October	1—8	21.00	2.36	18.00	2.02	16.75	1.88	18.58	2.08	3.63	2.64
"	9—15	21.25	2.38	18.00	2.02	17.75	1.99	19.00	2.13	3.56	2.54
"	16—22	21.50	2.41	18.00	2.02	18.75	2.10	19.41	2.18	3.53	2.51
"	23—31	21.50	2.41	18.00	2.02	18.25	2.05	19.25	2.16	3.50	2.50
November	1—8	21.50	2.41	18.00	2.02	18.50	2.08	19.33	2.17	3.43	2.26
"	9—15	21.50	2.41	18.20	2.04	18.75	2.10	19.48	2.18	3.48	2.23

Poznań than in the capital. Quotations for oats continued to exhibit an upward trend as a result of the increased demand and the smaller Polish crop.

The prices of grain during the period under review are given on the preceding page.

The grain turnover with other countries yielded a favourable balance for October, the surplus being £ 14,348.000 as against £ 16,681.000 in the previous month. The exports were valued at £ 14,397.000, whilst imports only came to £ 49.000.

The foreign trade in grain during October is given below and compared with that for the corresponding month of last year and with September 1930 (in tons):

	October 1929	Sept. 1 9 3 0	October 1 9 3 0
<i>I m p o r t s</i>			
wheat	963	215	158
rye	15	6	—
barley	—	1	—
oats	545	—	—
<i>E x p o r t s</i>			
wheat	396	11.094	10.388
rye	19.986	51.931	42.448
barley	31.295	24.583	24.463
oats	4.751	511	261

It will be noted that the only cereal imported into Poland during October was wheat: 63.2 per cent of the small quantity imported came from the U. S. A. and 31.7 per cent from Canada.

Exports of wheat during October were chiefly to Germany (52.5 per cent) and to Denmark (38.8 per cent). Smaller shipments were sent to England, Sweden, Belgium, Holland and Latvia.

Rye was exported to the following countries, the percentages indicating the proportion of the total taken: Denmark (36.6 per cent), Finland (16.6 per cent), Holland (13.0 per cent), Belgium (10.4 per cent), Germany (8.5 per cent), France (6.2 per cent), Sweden (4.5 per cent), Norway (3.6 per cent) and the remainder to Latvia, Czechoslovakia and to Estonia.

During the period under review, Poland sold most of her barley exports to Belgium (61.7 per cent of the total), followed by France with 14.4 per cent and Germany and Denmark each with 9.6 per cent. Small shipments were marketed in Latvia, Finland and Estonia. All the oats exported during October were purchased by Germany.

BUTTER

— During the second half of October the Polish butter market was very active; prices were firm and even displayed a slight upward trend. The Warsaw Dairy Products Committee



INTERIOR OF THE UP-TO-DATE COLD STORAGE WAREHOUSE
AT GDYNIA (PHOT. S. PLATER)

increased prices by £ 50 per kg, but had to reduce them by £ 20 towards the end of the month when the situation became rather irregular. The same occurred in the Kraków and Katowice districts, while at Poznań the quotations rose by £ 40 per kg. This is explained by a considerable rise in production of butter owing to the improvement in pasture thanks to the abundant rainfalls in the last week of October. For this reason the central markets lowered the prices owing to large supplies, while on the other hand those situated in western Poland showed an upward tendency in quotations being under the influence of foreign markets on which prices were high.

With the arrival of November there was the usual early winter decline in the production of butter, and prices on nearly all the local markets rose by an average of £ 40 per kg. The local demand also increased considerably owing to the finishing of the cheap fruit season and the setting in of cold weather.

Under these conditions the situation is favourable for the producers and it is anticipated that prices will go up still further before Christmas.

During the period under review, prices of butter were as follows (in £ per kg of first quality butter):

	October 15th—31st	November 1st—15th
Warsaw	550—480—500	520—540
Łódź	490	510—540
Lwów	380—420—440	440—460
Kraków	440—480—460	450—460
Katowice	500—480	530—550
Poznań	520—560	560
Wilno	480—500	—
Lublin	450	500—530

The exports of butter effected in October totalled 1.335 tons valued at £ 6,607.000. Of this quantity Germany took, 801 tons, Great Britain 263 tons, Sweden 153 tons, Belgium 79 tons, &c. Imports were insignificant.

E G G S

— The situation on the Polish egg market in the second half of October was strong supplies being limited. During the last days of the month prices rose. The demand for preserved eggs was good and prices remunerative for the producers.

During the first half of November there was a further upward tendency in prices in production centres. The supplies were small owing to the bad condition of roads and the cold and rainy weather, which adversely affected production.

During the period under review the demand from German buyers was comparatively small.

It is generally anticipated that prices will be higher in the near future.

The wholesale prices on the Polish markets during the period under review were as follows (in £ per case of 1.440 eggs, franco frontier):

	October 15th—31st	November 1st—15th
Bochnia	275	302
Kraków	302	320—324
Lublin	302	306
Lwów	213—222	311
Tarnopol	311	—
Katowice	—	330
Śląsk	—	311
Wilno	—	328

In October the exports of eggs amounted to 4.726 tons valued at zł 13,061,000, of which quantity 2.195 tons were sent to Germany, 649 tons to Austria, 595 tons to Great Britain, 509 tons to Czechoslovakia, 408 tons to France, 185 tons to Italy and 134 tons to Switzerland. Smaller quantities were forwarded to Latvia, Estonia, Belgium, &c.

TIMBER

— During October, the situation on the timber market continued to be unsatisfactory. The causes of this state of affairs are to be found in the general economic crisis both in Poland and abroad. This is especially true of Germany which, although an important buyer of timber in normal times, has cut down its demands owing to the extreme slackness in the building trades and to the adverse financial condition of Governmental and communal consumers. Another factor holding up the export of Polish timber to Germany is the uncertain fate of the Provisional Timber Agreement. Finally there is the continued activity of the Soviets — dangerous not so much because of the great quantities of wood involved, but because of the dumping of goods at cut prices, impossible for Polish producers to meet. Soviet timber exporters have gained such a hold upon the English market that competition has become almost impossible: the conclusion of an agreement between Great Britain and Russia for the supply of 600,000 standards of timber at prices fixed in advance has had a most depressing influence. The export of timber to France is rather more favourable in view of the increased demand caused by the execution of ambitious housing schemes. The Management of the Polish State Forests has recently signed an agreement with the collieries of the Saar Basin for the supply of 16,000—20,000 car-loads of pit-props and it is expected that this large order will lead to better prices being quoted for this grade of wood.

The export of timber during October was as follows (in tons):

	September	October
fire wood	7.987	8.382
pulpwood	37.584	46.059
pit props	35.207	28.948
telegraph poles	5.140	7.368
logs, stems	10.814	15.849
deals, boards	94.005	93.869
railway sleepers	14.481	16.64

Compared with last year's figures at this time of the year, a serious drop has taken place in the export of un-worked timber this affecting especially pulpwood (64 per cent) and logs and trunks (61 per cent); pit-props however maintained their previous volume. The drop

in the export of worked timber was but slight compared with that of unworked timber. Exports of planks dropped, while those of beams, mouldings and lathes increased by 46 per cent and of railway sleepers by 25 per cent. Compared with the figures for September 1930, exports of wood were reduced by 5 per cent in volume and 6 per cent in value.

Wholesale prices for timber as fixed by the State Forest Directorates during October were as quoted below (ex wagon loading station, per stacked and cub. m):

	Sept.	October
pine logs for sawmills		
(per cub. m.) Warsaw	36.00	36.00
" " " Radom	35.00	35.00
" " " Siedlce	36.00	30.00
" " " Wilno	26.00	—
" " " Białowieża	33.00	32.00
" " " Poznań	36.50	36.00
" " " Bydgoszcz	40.00	43.00
" " " Toruń	43.00	40.00
spruce logs for saw mills		
(per cub. m.) Siedlce	31.50	25.00
" " " Lwów	26.00	24.50
oak logs for joinery		
(per cub. m.) Łuck	155.00	155.00
oak logs for saw mills		
(per cub. m.) Białowieża	71.00	58.00
pine pit props		
(per cub. m.) Warsaw	24.00	24.00
" " " Radom	25.00	24.00
" " " Siedlce	20.00	19.00
" " " Poznań	—	—
" " " Bydgoszcz	30.00	30.00
" " " Toruń	28.00	—
pulpwood		
(per stacked cub. m.) Siedlce	23.00	18.00
" " " Wilno	18.00	—
" " " Białowieża	21.35	18.00
pine fire wood		
per stacked cub. m.) Warsaw	14.00	14.00
" " " Radom	14.00	14.00
" " " Siedlce	12.00	10.00
" " " Wilno	9.50	—
" " " Białowieża	11.50	13.00
" " " Poznań	—	17.00
" " " Bydgoszcz	16.00	16.00
" " " Toruń	15.00	15.00
spruce fire wood		
(per stacked cub. m.) Lwów	7.00	7.00
beech fire wood		
(per stacked cub. m.) Lwów	9.00	9.00

Prices for spruce and oak logs for sawmills continued to fall heavily as did those for pulpwood. Pit props and pine logs on the other hand maintained more or less the level of prices noted in September.

COAL

— The conditions for the Polish coal industry continued to improve during October thanks to an enhanced demand both at home and abroad. With a longer working month and with larger orders, the output of coal rose by 7.17 per cent. The augmented demand was mostly for household fuel but orders from the railways were also considerable. The demands of industry remained

constant. Exports to Austria and to the other Succession states increased as did also those to Scandinavian countries: a lively trade was done with Italy as a result of a cut in the shipping rates.

The output, domestic sales, exports and pit-head stocks in October are shown in the following table (in thous. of tons):

Coal mining districts	Output	Home consumption	Exports	Stocks at pit-heads
Upper Silesia	2,731	1,593	1,169	1,192
Dąbrowa	706	434	216	578
Kraków	225	187	1	37
Total:	3,662	2,214	1,386	1,807
Sept. '31	3,417	1,999	1,202	2,998
Oct.				
in relation to Sept.	+ 245	+ 215	+ 184	— 191

It will be seen from the above that the extraction of coal during October came to 3,662,000 tons, an increase of 245,000 tons over September. The average daily extraction rose by about 4,500 tons to approximately 136,000 tons.

The total sales of coal during October were 3,600,000 tons (399,000 tons more than in September), of which 2,214,000 tons) and 1,386,000 tons were exported, this figure being 184,000 tons in excess of September. Pithead stocks dropped by 191,000 tons to 1,807,000 tons.

The exports to the different markets are given in the following table (in thous. of tons):

	1927	1928	1929	1930	
Countries	October				September
Northern European:					
Sweden	216	223	257	300	245
Norway	15	33	58	33	51
Denmark	129	172	152	135	164
Finland	51	105	52	42	61
Latvia	41	33	80	40	60
Lithuania	6	8	10	9	16
Estonia	—	2	—	2	6
Memel	7	5	18	4	5
Total:	465	581	627	565	608
Succession States:					
Austria	300	320	335	208	272
Hungary	74	67	103	68	72
Czechoslovakia	21	73	77	69	73
Total:	395	480	515	345	417

Other countries:					
France	13	33	90	79	108
Italy	44	39	56	46	76
Jugoslavia	71	30	9	5	10
Rumania	20	24	16	7	14
Switzerland	13	10	15	15	13
Holland	—	15	10	8	6
Belgium	—	7	—	—	2
Germany	1	1	—	—	—
Russia	—	2	5	5	3
Brazil	—	1	21	—	—
Iceland	—	—	5	2	2
Algeria	—	—	5	10	—
Tunis	—	3	2	—	—
U. S. A.	—	1	—	—	—
Total:	162	166	234	177	234

Danzig	35	28	44	31	43	+ 12
Bunker coal	20	55	73	85	84	—
Total:	1.077	1.310	1.493	1.202	1.386	+184
Loaded at:						
Danzig	390	551	499	482	569	+ 87
Gdynia	93	156	255	285	280	+ 5
Other ports	15	—	9	—	—	—
Total:	498	707	763	767	849	+ 82

From the foregoing table it will be seen that shipments to the Northern European markets grew by 43,000 tons, to 608,000 tons; to the Succession States by 72,000 tons to 417,000 tons, and sales to Danzig by 12,000 tons to 43,000 tons.

The percentages taken by the various foreign markets for Polish coal were as follows:

Northern European markets	43.90
Succession States	29.96
Other countries	16.97
Danzig	3.10
Bunker coal	6.07
Total:	100.00

The number of miners employed in the coal industry during October was 115,408 as against 113,956 men in the preceding month. The number of unemployed workers fell to 8,909 men as on November 1st. The average daily extraction per miner rose to 1,309 kg, — an increase of 6 kg. Wages remained almost unchanged with very slight increases in Dąbrowa and slight decreases in Upper Silesia and in the Kraków areas.

The prices of coal at pithead and for export remained without change at lls. and los. f. o. b. Gdynia or Danzig quotations being for Silesian and Dąbrowa large respectively. Railway freight charges for the carriage of coal-fines were reduced by 5 per cent for distances of over 200 km and by 10 per cent for those over 400 km. Marine freight rates continued to harden with the exception of quotations to France and Italy.

The production of coke during October increased by 5,208 tons over the September output to a total of 130,504 tons; sales were 156,657 tons i.e. about on the level of the previous month. The number of men employed was 2,340.

The output of briquettes during the month under review increased by 6,995 tons, reaching the figure of 26,995 tons. Sales increased by 9,780 tons to 31,347 tons. 196 workmen were employed in this branch of the industry.

The extraction of lignite during October was 5,070 tons, i.e. 181 tons more than in September. Domestic sales fell off to 4,274 tons, i. e. by 136 tons. The number of workmen employed in the mines was 276.

PETROLEUM

— No important changes took place in the petroleum industry during October. The output of crude oil was as follows (in tons):

Jasło district	8.200
Drohobycz	46.657
Stanisławów	4.3.2
Total:	59.209

Of the 46,657 tons produced in the Drohobycz area, 39,247 tons were Boryslaw Standard Crude as against 38,068 tons in September. The average daily production at Boryslaw was 1,266 tons as against 1,268 tons in September.

Only two new bore-holes were reported as completed, the first being the "Emil Parnas" Well at the "Katarzyna" oilfield in Mraznica, where oil was struck at the depth of 1,020 metres with a yield of six tons daily which increased to 25 tons daily upon the drilling being deepened to 1,024 metres; the second was the "Karol" Well on the "Standard-Horobyszcze" oilfield in Mraznica where a yield of 13 tons of crude oil per day and of 20 cub. metres of gas per minute was obtained at the depth of 1,587 metres.

Drilling operations showed little change: at Boryslaw there was little activity, at Mraznica one new boring was commenced and the three new drilling rigs erected. Greater activity is evident in the Jasło district. In the Drohobycz district one new oil-field was registered (at Uherce) and twelve new bore-holes (three at Boryslaw and four at Schodnica) were started. In addition eight inactive wells resumed production. Fourteen drillings were reported as commenced (four in the Boryslaw area, five at Rypno and two at Schodnica). The shallow strata at Mraznica are maintaining their production (Sikorski, Violetta and Zygmunt wells) and this area appears to have further possibilities. In the Daszawa district the new "Mazur VI" well of the "Zarzeka" oilfield yielded 160 cub. metres per minute of natural gas at a depth of 674 metres, with a pressure of 62 atmospheres.

Labour conditions in the oil industry remained normal, the only dispute being a two-day strike involving 117 workers. Wages remained at the same level as during September. The Drohobycz State Employment Exchange reported 4,652 unemployed in its zone at the end of October, this being 230 over the September figure. The number of men at work was 10,688 as against 10,828 on September 30th, 1930.

On October 31st the stocks of Boryslaw Standard Crude held by the

storage companies and at the well-heads in the Drohobycz district totalled 1,525 tons, this being 384 tons more than on September 30th. The stocks held in the Stanisławów area on the corresponding date rose to 2,287 tons (2,019 tons in September). The price paid for Boryslaw Standard Crude by the "Polmin" refinery was £ 1,900 per 10-ton cistern, being the same as in September. Wholesale and retail prices on the domestic market remained unchanged.

The natural gas industry in Poland showed an increase in production and sales during October, as is shown in the following table:

output of gas (in thous. of cub. m.)	38,100
throughput of gas (in thous. of cub. m.)	24,736
output of gasoline (in tons)	3,392
home consumption	—
number of workmen employed	253

The number of gasoline works in operation increased from 20 to 22 during the month and two further plants were in course of construction or trial. The average yield of gasoline from 100 cub. metres of natural gas came to 13.7 kg. this comparing well with the September figure of 13.3 kg. and the average figure of 12.45 kg. for 1929. The average price for natural gas delivered in the Boryslaw Basin was fixed by the Lwów Chamber of Commerce at £ 4.83 per 100 cub. m., a rise of £ 21 over the September price.

The output of ozokerite during October was 85 tons produced by three active mines; exports of this mineral came to 57.5 tons, of which 25.9 tons went to Germany, 25 tons to America and smaller shipments to Austria and Yugoslavia. The pithead stocks on October 31st amounted to 120 tons. Prices remained constant with a weak demand. Labour conditions were normal with slightly higher employment, 556 workers being engaged in this industry; negotiations for a collective agreement were satisfactorily concluded, no important changes taking place in wages.

The refining industry had a smaller turnover and throughput than during September in spite of increased domestic consumption. The following table illustrates the situation in this branch during the month under review (in tons):

throughput of crude oil	54,497
output of petroleum prod.	49,375
home consumption	43,192
exports	12,506
stocks of petroleum prod. at the end of month	208,402
number of workmen employed	3,900

The activities of the refineries as regards the various products treated and marketed are shown in the following table (in tons):

	Benzine	Kerosene	Gas oil	Lubricating oil	Paraffine wax	Total
output	10.331	14.400	8.757	6.897	3.134	49.375
home consumption	9.513	17.421	6.557	5.624	1.114	43.192
exports	2.457	1.230	2.782	2.243	2.568	12.506
stocks on Oct. 31st	27.658	27.361	11.799	29.605	4.515	208.402

The exports of petroleum products fell below the September figures and were much lower than the average monthly export of 20.730 tons for last year.

Petroleum products were exported during October as follows (in tons):

benzine	2.457
kerosene	1.230
gas oil	2.782
lubricating oil	2.243
paraffine wax	2.568
other products	11.226
Total:	12.506

The above exports were distributed as follows (in tons):

Austria	776
Czechoslovakia	2.665
Germany	1.521
Switzerland	1.035
other countries	2.957
Danzig	3.550
Total:	12.506

IRON

— The general situation in the iron and steel industry during October showed little or no change as compared with the preceding month. Production remained at practically the same level, since the slight increase reported was undoubtedly due to the month having one working day more than September. The following table shows the production for October and September this year in percentages of the average monthly production in 1913:

	Sept. ¹⁾	Oct. ²⁾
blast furnaces	44.7	45.3
steel works	79.4	82.6
rolling mills	74.2	76.3

In spite of the increased production, the economic crisis does not appear to be weakening as far as the iron and steel industries are concerned, and October was even marked by a slight further seasonal retrogression in the shape of lower orders received. The foundries found foreign orders important mainstays during the month, 40 per cent of the output of rolled iron products being exported, 32 per cent going to Russia.

The blast furnaces continued to be in a difficult situation with no visible signs of an improvement and the large stocks of pig-iron only tended to make the situation worse.

The extraction of iron ore increased slightly in October, due to the fact that with the approach of winter the foundries laid in larger stocks as reserves in case of possible breakdown in deliveries owing to the weather. Imports were maintained on a high level during October for the same reason but were smaller than in September. Exports showed no great changes. The following table shows extraction, imports and exports of iron-ore during the month under review compared with September 1930 and October last year (in tons):

	Extraction	Imports	Exports
Sept. 1930 ¹⁾	35.165	38.347	4.911
Oct. 1929 ²⁾	40.011	31.312	5.500
Oct. 1929	56.945	54.808	7.759

There were nineteen iron-ore mines in operation during October employing 4.023 workers. The number of workmen employed in September came to 3.969, whilst in October last year there were 25 mines working with 5.645 employees.

The output of the iron foundries rose and the appropriate data concerning production and employment are given in the following table (in tons):

	Pig iron	Steel ingots	Rolled products	Pipes	Number of workmen employed
Sept. 1930 ¹⁾	38.434	110.606	77.703	8 050	43.220
Oct. 1929 ²⁾	39.260	114.318	80.016	7.039	42.676
Oct. 1929	57.703	109.915	80.947	11 410	50.582

Sales of pig-iron were far from satisfactory and with exports at a minimum, home sales decreased by 12.4 per cent. The foundries succeeded, however, in keeping stocks at the September figure by themselves working up their semi-raw material. The output of steel ingots increased by 3.712 tons over the September production and was 4.403 tons over that of October 1929.

The output of the rolling mills during October was 3 per cent larger than in the preceding month. Sales of rolled products (excluding pipes) remained on the September level, home sales however, dropped whilst exports increased. In spite of a small increase in production, stocks dropped by about 2 per cent.

The production of pipes and tubes showed the large drop of 12.6 per cent. Compared with October of last year, production fell by 38.2 per cent. Although domestic sales increased by 35 per cent, foreign sales fell off greatly. Stocks increased by 7.6 per cent.

The volume of domestic orders received by the foundries fell off considerably during October, which presupposes a further depression in production and employment during November. According to statistics furnished by the Syndicate of Polish Iron Foundries, the total volume of domestic orders received during October was 25.599 tons as against 44.441 tons in September, both figures being exclusive of foreign orders, pig-iron and pipes. Orders from the Government only came to 1.847 tons as compared with the 15.236 tons in September. Private orders fell from 29.205 tons to 23.752 tons, i.e. by 18.6 per cent; this drop was caused solely by smaller orders from wholesale houses (14.777 tons as against 23.283 tons while orders from industry rose from 5.922 tons to 8.975 tons, i.e. by 51.5 per cent. The total volume of orders received in October 1929 came to 34.985 tons, i.e. 26.8 per cent more than this year.

Foreign trade in foundry products during October was as follows, as compared with September 1930 and October 1929 (in tons):

	Imports			Exports		
	Sept. 1930	October 1930	October 1929	Sept. 1930	October 1930	October 1929
pig iron	133	495	519	—	71	440
rails, iron and steel articles	4.758	2.190	4.488	20.614	21.325	8.586
iron and steel sheets	928	963	1.495	7.175	6.535	3.805
pipes	150	125	165	5.035	4.963	6.017
Total:	5.969	3.779	6.667	32.824	32.894	18.848

It will be seen from this table that exports have remained virtually without change, about 80 per cent being for the U.S.S.R. Compared with October 1929, exports have risen by 74.5 per cent. The value of the exports was zł 12,891.000 as against the September figure of zł 13,204.000. Both figures compare well with the zł 9,461.000 reported for October 1929. The average value of one ton of exported foundry products in October this year came to zł 392, whilst the corresponding figure for last year was zł 502.

ZINC AND LEAD

— No important changes took place in the Polish zinc and lead industry during October. Sales were slow in view of the general world crisis, whilst the abnormally low price-quotations of both metals on the markets caused serious financial difficulties.

The market for zinc was very uneven with prices fluctuating within a range

¹⁾ Corrected figures.
²⁾ Provisional figures.

¹⁾ Corrected figures.
²⁾ Provisional figures.

of 40 s. averaging about £ 14.10 s. The sale prices in many cases did not even cover the cost of production. The zinc plants found the adoption of new, up-to-date methods of extraction of the greatest assistance in utilising poor ores and waste matter. On the whole, sales both at home and abroad declined greatly during October, domestic orders covering only about 14 per cent of the output. The conditions in the lead industry were identical.

The adverse position in the zinc and lead industries reacted on the zinc and lead mines which had to restrict their output both qualitatively and quantitatively. Nevertheless, extraction during October rose by 6.2 per cent above the September figure (due to a longer working month) but remained far below that for October 1929. Imports of zinc ore rose by 3 per cent to 18,427 tons and those of lead-ore by 18.3 per cent, to 2,566 tons. The number of miners employed fell to 5,219 men as against 5,507 in September.

The following table shows the production of raw zinc and lead during the past four months in percentages of the average monthly output during 1913:

	July	August	Sept. ¹⁾	Oct. ²⁾
raw zinc	90.4	90.3	88.2	92.8
raw lead	94.5	97.0	89.8	83.3

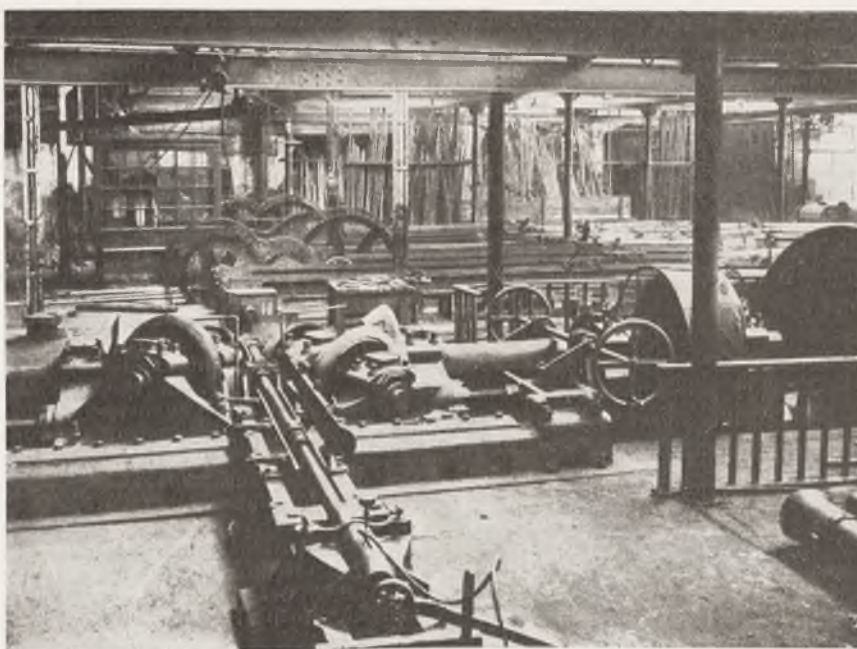
The production of sulphuric acid rose by 6.5 per cent; it is still difficult to market this product in view of the fact that the preparatory season in the artificial fertiliser industry has passed, and for which reason stocks at the plants increased.

The number of employees in the zinc and lead industries during October was 10,846 workers, this being 79 below the September figure and therefore quite normal.

The exports of zinc and products and of refined lead are given below in a comparison with September 1930 and October 1929:

		Zinc and zinc products	Refined lead	Total
Sept. 1930	tons	17,513	1,472	18,985
	thous. of £	12,418	1,191	13,609
Oct. 1929	tons	12,649	1,415	14,064
	thous. of £	8,602	1,084	9,686
Sept. 1929	tons	9,117	1,493	10,610
	thous. of £	10,268	1,553	11,821

During October this year the average value per ton of lead came to £ 685, i. e. nearly half the price of the £ 1,110 obtained in the corresponding month last year.



ONE OF THE WORKSHOPS IN A LARGE MANUFACTURING PLANT IN WARSAW
(PHOT. J. MALARSKI)

VARIOUS

THE POLISH HOP MARKET. — Not only has the area under hops been reduced all over the world this year but also, as a result of the crisis of last year cultivation has been much less than before.

The current crops are therefore far below those of former years in point of magnitude. The Polish hop crop for 1929 was 70,000 cwt, whilst for this year it is estimated at 40,000 cwt. Sales are very dull in view of the large stocks of hops held by the brewers in almost every country, while the low prices offer little incentive to the growers to sell. It is expected however that at least 10,000 cwt. of the current crop will be purchased by the Polish breweries and that the remainder of the crop could be sold abroad, provided that conditions do not again change for the worse and that the standard of the hops offered is sufficiently high; the last factor is important, since the considerable over-production makes it difficult to market inferior grades at the present time.

READY-MADE GARMENT FACTORIES IN POLAND. — The demand for ready-made garments in Poland is now being almost entirely satisfied by home production, the only articles of this kind imported at present being special luxury products.

Better and medium-quality goods are produced by the factories of Warsaw, Poznań, Kraków, Bielsk, Toruń and Lwów, whilst the cheaper grades of men's wear are turned out in mass production by the large plants at Warsaw, Brzeziny, Ozorków and Tarnów. The chief factories producing cheap ladies' wear (overcoats, costumes, blouses and skirts, &c.) are to be found in Warsaw, Poznań, Bydgoszcz and Tarnów. All these factories utilise Polish-made cloth almost exclusively, imported goods

accounting for only about 10 per cent of the consumption.

The mass production of higher qualities of men's garments has been making good progress of recent years; this applies especially to the manufacture of waterproofs and raincoats, mostly of cotton fabrics with a rubber-impregnated insert. The export of this class of goods is shaping favourably and shipments have already been sent to Finland and Persia.

THE SOLA RIVER IMPROVEMENT SCHEME. — The Polish Government has decided to construct a large flood dam and reservoir at Porabka as a part of the Sola river improvement scheme, having as its object the safe-guarding of the surrounding country against the frequent floods of the river.

The Ministry of Public Works has already started operations and good progress is being made. The site of the dam has been well chosen and will help to form a large natural reservoir having a capacity of about 35,000,000 cub. m. of water. This mass of water may be partially or totally emptied in case of flood-signals, depending on the height of the flood-wave approaching. The reservoir and dam will be sufficient to cope with even the largest floods.

A large 12,000 KW hydro-electric power station will be built into the dam wall. Its production of energy will amount to over 25,000,000 KWh per annum, and the sale of this power to the near-by industrial area is expected to cover a considerable portion of the construction costs of the works.

The regulation of Polish waterways is making larger and larger calls upon the Treasury and, depending on the expenditure on other similar works, the building of the Sola dam will last from three to five years. The building of even larger dams and reservoirs is projected on the San and Dunajec rivers where work is expected to commence in the very near future.

¹⁾ Corrected figures.
²⁾ Provisional figures.

MOVEMENT OF PRICES. — During October the money market experienced such an increased demand for ready cash that an enduring growth in capitalisation deposits was thereby completely held up. This increased demand was chiefly caused by the farmers who were forced to seek credit for the payment of obligations and the financing of autumn sowings. Commercial turnover showed no signs of the expected liveliness which usually precedes the winter season. The trend of prices influenced by the tightness of money, continued to be weak as is shown by the following table of indices (January 1914 = 100):

	Wholesale price index	Retail price index	Cost of living index
October 1929	110.4	156.3	123.5
November	112.2	157.4	124.8
December	109.2	158.2	126.1
January 1930	104.5	154.2	120.9
February	100.6	151.2	117.9
March	101.7	149.1	116.7
April	101.7	149.5	116.3
May	99.8	148.8	115.2
June	98.8	149.2	115.8
July	99.4	154.0	118.8
August	97.0	150.7	116.7
September	94.5	148.4	116.8
October	92.9	147.3	117.2

According to the above table the index of wholesale prices decreased during October by 1.5 per cent, that of retail prices dropped by 0.7 per cent but that of the cost of living rose by 0.3 per cent.

The decrease in the index of wholesale prices was caused by a drop of 1.8 per cent in the prices of farm produce and one of 1.3 per cent in those of manufactured goods; a slight rise of 0.5 per cent in the prices of grocery articles was insufficient to avoid a drop in the wholesale price index.

In the agricultural produce group a further drop of 5.5 per cent took place in the plant products division caused by corn prices continuing to fall.

The prices of livestock products on the other hand rose by 3.5 per cent this being caused chiefly by dearer dairy produce.

Prices of manufactured goods showed a drop of 2.0 per cent in the textile division (as a result of lower wool quotations) and of 2.8 per cent in the price of metals, i.e. of zinc, tin and lead. The prices of wood, coal and other items remained constant.

The decline noted in retail prices index was caused by a drop in the prices of agricultural products (one of 1.7 per cent) only partly offset by a growth of 0.2 per cent in the prices of industrial articles, of 0.4 per cent in the cost of food and of 1.5 per cent in the price of fuel. The cost of clothing and rent remained unchanged, the other costs falling by 0.1 per cent.

THE AGRARIAN CONFERENCE AT BELGRADE. — Representatives of Bulgaria, Yugoslavia, Poland, Rumania and Hungary were present at a conference held at Belgrade at which was discussed the rational marketing of wheat, rye and maize. Besides representatives of the Polish and Yugoslav Governments and the various official export institutes, members of private organisations also took part in the proceedings.

The following resolutions were adopted by the conference:

1. Each of the countries participating in the understanding shall create an appropriate national organisation for the control of all rye, wheat and maize destined for export: such bodies shall guarantee that the given products exported shall be delivered to foreign buyers on conditions and at prices fixed by the common central bureau (see art. 2).

2. The Conference suggests that central bureaux be organised for each of the export articles, the scope of such bureaux to be fixed when and as they arise.

3. If any of the interested countries desire it, one and the same central bureau may control several types of articles.

4. The national organisations of the various countries interested shall delegate their representatives to the Central Bureaux where they shall form a commission for the fixing of prices and conditions of sale.

5. Contracts of sale and purchase between countries embraced by the common plan of operations, shall be concluded solely by the national organisations or by institutions duly authorised by them, at prices and on conditions fixed by the Central Bureaux. National organisation shall enjoy complete liberty as regards the fixing of prices and terms with markets not affected by the mutually accepted plan.

6. The export institutes of the various signatories shall have the right of delegating their representatives to other export institutes in order to control the proper execution of agreements.

7. The delegates shall apply to their respective governments with the request that the creation of the national organisations shall take place at the latest by March 31st, 1931.

8. Coöperation on these lines should commence on July 1st, 1931.

9. Satisfactory guarantees shall be furnished for the proper execution of the terms of this agreement.

10. The adhesion of further countries to this agreement shall be permitted subject to the unanimous consent of the present signatories.

The passing of the above resolutions must be considered as an important step forward in the organisation of the international sales of agricultural produce.

15th., without prejudice to the necessity of its ratification by the legislative chambers of both countries.

It is believed that the signing of this treaty and its entry into force will do much indirectly to push Polish trade on the Levant since in the absence of a Polish-Turkish commercial understanding the wide-spread relations commanded by the Greek merchants everywhere in the near East will be most useful to Polish producers and exporters.

The Treaty envisages reductions in customs duties and the fixation of a number of customs tariff items for certain export articles interesting to one or other of the signatories.

The reductions in the Polish Customs Tariff foreseen in the Treaty only affect raisins and figs: the remaining reductions are such as have already been granted to other countries on the strength of existing treaties and conventions. Poland has been granted reduction in the duty on paraffine wax flakes and plywood, other reductions having been similarly already granted to other countries. It is, however, worthy of note that the items covered by the tariff reductions constitute 80 per cent of the turnover between Poland and Greece and it is expected that commercial relations between the two countries will now develop very rapidly.

FOREIGN TRADE

The balance of trade of Poland (including the Free City of Danzig) showed a favourable balance of £ 5.7 million for the month of October. Imports came to 331.1 thous. tons having a value of £ 202.2 million. Exports totalled 1,753.4 thous. tons with a value of £ 207.9 million.

Compared to September, imports increased in volume by 33.4 thous. tons with a growth in value amounting to £ 11.8 million. Exports increased in volume by 4.2 thous. tons but decreased in value by £ 4.0 million.

The increase in imports was mostly accounted for by augmented stocks of textile raw materials entering the country: thus, cotton imports increased by £ 3 million and wool by £ 1.1 million. Iron and manganese ore imports also rose (by £ 1.9 million) and scrap-iron by £ 1.4 million. Certain foodstuff items also showed increases (herrings, £ 1.4 million) and tobacco imports rose by £ 2.4 million.

Exports decreased mainly as a result of smaller coal-shipments, which dropped by £ 1.1 million, and of zinc which dropped by £ 3.7 million.

Imports during October showed an important falling off in the foodstuffs group especially marked in the edible animal and vegetable fats item. The import of lard from the United States

TREATIES

POLISH-GREEK COMMERCIAL TREATY. — The commercial treaty based on the "most favoured nation" clause signed by the Polish and Greek Governments on April 20th, 1930 entered into provisional force on November

I M P O R T S

E X P O R T S

G O O D S	Oct. 1930	Jan.-Oct.		Oct. 1930	Jan.-Oct.		G O O D S	Oct. 1930	Jan.-Oct.		Oct. 1930	Jan.-Oct.	
		1930	1929		1930	1929			1930	1929			
Volume — in tons			Value — in thousands of £			Volume — in tons			Value — in thousands of £				
TOTAL:	331.107	2,984.193	4,398.446	202.201	1,923.220	2,654.726	TOTAL:	1,753.492	15,475.382	17,187.235	207.879	2,054.193	2,302.472
Foodstuffs	28.256	307.542	380.695	25.020	503.395	373.068	Foodstuffs	184.397	1,508.472	1,055.594	64.986	631.567	613.740
including:							including:						
wheat	158	8.073	29.125	49	3.042	12.875	wheat	10.388	33.775	1.388	2.592	10.529	631
maize	1 011	15.170	14.833	249	3.528	5.914	rye	42.448	342.050	148.784	6.836	64.656	44.825
rice	42	53.266	55.429	36	25.510	29.113	barley	24.463	188.015	180.396	4.922	44.037	62.838
plums	458	5.647	7.504	453	6.119	7.499	oats	261	56.604	28.418	47	10.686	8.432
lemons and oranges	751	14.470	13.173	502	9.632	10.667	peas	2.058	30.204	25.913	763	12.323	15.789
nuts	193	1.265	1.687	512	3.141	4.612	beans	3.632	11.821	15.663	1.805	6.603	11.651
spices	225	1.498	1.641	620	5.649	8.636	potatoes and prod	11.678	31.437	76.185	1.475	5.608	9.789
tea	182	1.679	1.854	1,364	12.594	15.201	sugar	19.217	338.588	193.946	5.863	123.572	94.331
cocoa	625	5.004	5.027	1,266	10.728	13.036	meal	4.158	34.476	24.629	9.967	90.142	75.331
coffee	782	6.559	6.728	2,228	22.397	31.177	including: bacon	2.516	18.912	9.334	6.957	58.836	35.843
fish	312	4.446	3.490	585	7.518	7.346	ham	173	2.707	1.505	489	8.693	6.108
herring	8,246	70.975	76.799	5,042	41.071	43.085	eggs	4.726	50.315	48.230	13.061	119.702	123.137
edible fats of animal orig	154	14.185	16.377	285	34.850	42.664	butter	1.335	10.939	12.813	6.607	53.432	74.489
lard	78	12.040	12.791	177	29.985	34.256	hops	435	1.239	1.670	626	1.776	5.442
edible fats of veg. origin	795	12.735	16.951	1,046	18.272	27.185	alcohol	509	3.624	5.175	337	3.384	5.457
tobacco	1,352	16.538	13.916	5,596	53.734	46.053	forage	18.882	246.871	201.523	2.295	38.404	46.160
forage	3,587	24.832	36.329	800	6.707	13.278	Live animals (head)	585.347	2,130.732	2,353.294	20.906	154.147	185.848
Live animals (head)	10.410	83.920	218.911	237	2.678	3.727	including:						
Animal products	3.469	26.572	26.285	20.052	170.829	200.247	pigs	81.164	577.264	863.482	14.401	113.599	165.318
including:							geese	442.743	1,021.725	1,074.140	3.645	8.255	10.364
raw skins	2,602	16.253	11.491	5,882	37.525	33.408	Animal products (head)	1.803	20.744	14.072	3.295	51.837	47.486
furs (raw)	175	2.554	2.815	2,202	26.703	32.691	including:						
tanned hides	233	2.265	3.150	5,452	55.712	72.099	dried skins	534	8.890	4.149	1.265	24.368	14.627
tanned furs	33	165	228	3 930	22.396	29.082	raw furs	51	702	439	389	6.608	9.229
leather footwear	27	283	237	1,247	13.851	12.221	Horse hair, bristles and	60	1.807	2.281	795	12.815	15.681
Timber and wood ware	1.793	45.554	47.635	1.205	15.935	22.380	feathers	221.108	2,346.537	3,195.368	27.972	293.423	411.979
Plants and seeds	1.824	27.382	38.317	1.861	21.910	34.341	including:						
including:							pulpwood	46.059	583.153	998.448	2.419	34.444	66.875
oil seeds	954	20.171	26.491	549	11.642	18.154	pit props	28.948	262.333	350.446	1.385	12.879	19.397
Building materials,	80.340	1,088.285	1,943.693	3 661	40.543	65.439	round wood and logs	15.849	248.075	468.752	2.197	27.228	51.055
including:							planks, deals, battens	91.677	805.360	841.456	14.970	137.266	173.722
glass	274	6.533	8.774	754	9.346	12.381	railway sleepers	16.604	171.520	182.351	2.335	24.625	29.066
Fuel and petroleum	20.832	141.660	280.493	1.186	10.827	17.263	cooper's wares	1.611	20.854	23.116	481	6.239	7.266
products	499	4.922	5 775	3.531	32.803	40.590	furniture	374	4.688	6.229	878	11.093	13.525
Rubber	499	4.922	5 775	3.531	32.803	40.590	venenars	1.998	25.211	30.842	1.512	18.856	25.048
including:							Plants and seeds	3.530	70.487	91.981	2.705	44.968	64.280
Caoutchouc & guttapercha	282	2.664	3.309	837	9.334	12.754	including:						
Soft rubber	20	212	273	345	3.728	4.416	sugar beet seeds	80	5.179	3.742	109	8.516	5.525
Tyres and inner tubes	128	1.843	1.895	1,071	16.216	17.730	fodder plant seeds	838	47.746	54.892	879	25.224	36.943
Rubber footwear	66	178	254	1 227	3 067	4.895	oil-bearing seeds	1.984	9.473	24.301	1.488	6.701	17.846
Chemicals	45.708	494.840	861.922	21.542	219.653	292.689	Building materials,	33 425	802.534	552.952	1.499	13 553	14.712
including:							minerals, ceramic						
phosphate rock	21.135	136.036	215.290	823	6.776	11.098	prod.						
potassium salts	393	23.141	111.541	109	4.897	17.685	including:						
Chilian saltpetre	60	29.438	79.133	25	12.446	35.386	cement	6.533	62.303	70.696	480	4.565	5.310
Norwegian saltpetre	—	48.395	43.748	—	19.245	16.631	glass products	203	1.375	1.288	169	1.514	1.248
Thomas slag	8,540	132.205	268.274	938	13.981	32.976	Fuel	1,242 561	10,493.083	11,755.399	38.085	330.355	381.404
vegetable fats	2,829	24.323	25.753	3,649	34.468	38.873	including:						
tanning extracts	2,735	17.559	13.403	2,667	15.085	12.819	coal	1,188.901	10,193.369	11,436.581	31.219	273.946	316.051
Pharm. chemicals, scents	91	1,002	1.381	1,053	12.214	12.159	petroleum prod	15.310	129.171	170.605	4.960	46.055	56.124
cosmetic products	27	302	290	811	8.922	8.045	petroleum	1.458	20.120	38.336	288	4.400	7.611
Dyes, paints, varnishes	724	6.148	7.772	2,272	16.524	20.296	lubricating oils	9.514	59.946	81.107	2,029	12.883	15.735
Ores, metals and metal	124.928	879.044	1,423.716	24.410	207.332	321.580	benzine	2.128	29.773	30.649	810	11.593	12.417
including:							paraffine wax	2.210	19.332	20.515	1.833	17.179	20.360
manganese ores	38.306	333.722	632.553	2,831	20.384	35.895	Rubber	152	1.441	1.064	1.863	10.399	8.023
zinc ores	18,427	172.425	165.540	2,574	30.401	41.649	including:						
iron ores	57,500	271.332	493.895	7,189	35.436	38.646	rubber footwear	145	1.084	1.014	1.801	10.011	8.400
scrap iron	2,190	32.931	41.430	717	9.945	14.107	Chemicals	14.004	184.532	136.542	8.938	54.865	51.406
iron, steel, rails	328	4.268	3.535	472	5.494	7.911	including:						
iron and steel wire	65	782	1.275	624	7.015	10.001	artificial fertilizers	7.800	120.967	64.239	1.686	25.928	14.414
copper and copper prod.	762	6.046	9.846	2,145	21.474	38.637	organic chemicals	1.826	25.838	32.221	875	14.165	16.970
tin	76	678	728	463	4.844	6.761	Metals and metal	48.681	497.820	328.760	24.587	286.016	283.735
Machinery and electr.	2.820	28.058	58.420	14.763	147.988	282.281	products						
including:							including:						
engines	267	2.923	5.957	1,236	13.094	24.351	iron and steel rails	21.325	207.774	75.615	6.655	64.489	25.683
electrical machinery	166	2.096	3.555	1,498	17.442	26.412	iron and steel sheets	6.535	77.477	34.264	2.691	31.567	19.869
wood and metal working	—	—	—	—	—	—	pipes	4.963	45.363	55.990	3.419	34.729	37.478
machinery	191	2.156	5.482	816	9 315	24.430	zinc and zinc dust	11.821	119.972	114.672	7.948	92.548	126.167
boilers and heating	—	—	—	—	—	—	zinc sheets	828	10.792	11.588	654	10.973	15.822
appliances	256	3.567	7.487										



NEWLY INSTALLED MODERN SLAUGHTER-HOUSE EQUIPMENT IN POLAND

declined by £ 1.4 million as did also that of pork-fat (a drop of £ 0.8 million); imports of edible vegetable fats decreased by £ 0.5 million. Tobacco imports as stated above, increased. An expected rise in prices caused herring imports to increase considerably, i. e. by £ 1.4 million. Imports of plums grew by £ 0.2 million, nuts and almonds by £ 0.3 million.

The import of animal products also showed a drop (of £ 2.2 million) caused by one of £ 1.5 million in imports of dressed hides, of £ 0.5 in dressed furs only partly offset by increased imports of rawhides which rose by £ 0.3 million.

Imports of oil-bearing seeds also fell (by £ 0.4 million as did also seeds and bulbs (by £ 0.6 million).

In the chemicals the usual seasonal drop took place, chiefly caused by decreased imports of artificial fertilisers potassium salt imports fell of by £ 0.4 million, Chili saltpetre imports dropped to nil, calcium nitrate decreased by £ 0.8 million and Thomas slag by £ 1.7 million. The only increase reported was for phosphorites (a rise of £ 0.5 million).

Technical vegetable oil imports decreased by £ 1.1 million, pharmaceutical products by £ 0.6 million, tanning extracts rose by £ 1.1 million, this being due probably to a certain liveliness in the tanning industry, just a larger imports of synthetic dyes would seem to indicate better conditions in the textile industries.

The seasonal increase in imports of rubber galoshes (£ 0.7 million) was

more than offset by a drop in imports of rubber tyres and inner tubes amounting to £ 0.8 million.

Imports of machine and apparatus showed an aggregate increase (one of £ 0.3 million) caused by the following fluctuations: agricultural machinery dropped by £ 0.5 million, boilers and apparatus (by £ 0.9 million), but textile machinery grew by £ 1.4 million whilst equipment for the foodstuffs industries likewise showed gains in import (£ 0.5 million).

The import of bicycles showed a dropping off (one of £ 0.4 million), motor-cycles and automobiles declined by a like sum, but sea-going vessels rose by £ 1.8 million.

That conditions in the textile industries are improving has already been indicated by the increased imports of dyes and machinery and this is borne out by larger imports of raw materials: thus, cotton waste imports grew by £ 3.0 million, wool-waste by £ 0.7 million, combed wool by £ 0.4 million, woolen yarns by £ 0.7 million, cotton yarns by £ 0.4 million. Cotton fabrics rose by £ 0.4 million and woollens by £ 0.3 million. Imports of silk fabrics declined by £ 0.2 million. A seasonal increase of £ 0.5 million was reported for imported foot-wear.

*Exports of foodstuffs increased during the month under review although sugar exports fell off by £ 2.6 million, dairy produce by £ 0.5 million, and eggs by £ 1.4 million. Corn exports remained almost without change at the high level reported for September. The

export of wheat decreased slightly (by £ 0.5 million) whilst that of rye declined by £ 1.8 million. About 50 per cent of this export went to the Scandinavian countries chiefly to Denmark. Exports of wheat flour increased by £ 0.4 million and those of rye flour by £ 0.5 million. Exports of beans increased considerably during October (by £ 1.5 million) due to the fact that the German customs tariff does not exclude this product so strictly as others. The usual seasonal export of potatoes was marked by an increase of £ 0.6 million, that of potato flakes growing by £ 0.4 million and that of potato flour by £ 0.2 million. The export of bacon to England made progress during October, growing by £ 1.2 million. Exports of hops increased by £ 0.5 million.

The export of live animals showed an increase in hog exports (one of £ 0.9 million), but it is not expected that this gain will be maintained during the next few months. Exports of geese grew by £ 1.6 million. The export of raw-hides fell off by £ 1.1 million.

The export of timber showed an increase of £ 1.7 million, exports of pulpwood growing by £ 0.4 million, logs and roundwood by £ 0.9 million, telegraph poles by £ 0.3 million and railway sleepers by £ 0.3 million. The export of pitprops fell off by £ 0.3 million.

The export of seeds fell off during October, this especially affecting sugar-beet seeds (a drop of £ 0.6 million) and oil-bearing seeds (a drop of £ 0.8 million).

The export of fuel and petroleum products fell off likewise during the month under review. Coal exports decreased by £ 1.1 million, gasoline by £ 0.8 million, naphtha by £ 0.2 million, and paraffine wax by £ 0.5 million. Coke exports on the other hand grew by £ 0.3 million, motor oils by £ 0.1 million and lubrication oils by £ 1.1 million.

In the chemicals group, the export of artificial fertilisers decreased by £ 0.7 million, but the export of rubber foot-wear grew by £ 0.7.

Zinc exports dropped greatly, i. e. by £ 3.7 million and the exports of pipes also declined (by £ 0.4 million), of iron and steel sheeting by £ 0.2 million, and zinc sheeting by £ 0.1 million. Exports of rails, miscellaneous iron and steel &c. showed an increase however, of £ 0.1 million. Exports of cellulose for the paper industry increased by £ 0.2 million.

Textile raw materials and products decreased their export on the whole by £ 1.4 million: exports of cotton fabrics

dropped by £ 0.9 million, of woolen yarns by £ 0.7 million, of artificial silks by £ 0.1 million, of woolen yarns by £ 0.3 million and wool and woolen waste by £ 0.2 million. The changes noted in the textile industries are as a result of the winter demand having been covered and the exhaustion of warehouse stocks.

Other fluctuations in the export and import of Poland during October were too slight to merit attention.

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 any transactions concluded.

Ref. No. 328: Manufactures of extra-strong chains is desirous of entering into relations with responsible foreign firms.

Ref. No. 329: Polish chemical factory is especially adapted for the supply of tanning extracts to buyers abroad.

Ref. No. 330: Polish manufacturers of steam engines, drilling machinery and pumps of all kinds are desirous of getting into touch with foreign firms interested in this line.

Ref. No. 331: Polish manufacturers of metal fittings for furniture are desirous of extending their foreign business.

Ref. No. 332: Polish manufacturers of washing, drying, measuring, &c. machinery for the textile finishing industry are desirous of extending their foreign connections.

Ref. No. 333: Polish manufacturers of air turbines are desirous of extending their foreign trade.

Ref. No. 334: Polish manufacturers of machinery for the building industry are desirous of getting into touch with manufacturers working in this line.

CUSTOMS DUTIES AND FOREIGN TRADE REGULATIONS

EXPORT DUTIES. — The Government is authorised by existing legislation to introduce new or amend existing export duties without the obligation of such changes being ratified by legislation.

Such changes are very frequent since they are dependent on the fluctuations of the economic situation and for that reason it periodically becomes necessary to modify them.

A new order has now been issued containing all the changes which have taken place since the last codification in July 1925. This order confirms the repeal of the export duties on raw-hides in accordance with an international convention, whilst those on bones have been decreased. Apart from this since 1925 a series of new export duties have been imposed, not with a view to restricting export, but in order to raise its standard of efficiency. Thus certain goods can only be exported free of duty if they meet certain standards of quality, e. g. eggs, butter, pigs, pork, bristles, &c. It is presumed that the entrance into force of the projected Standardisation Law with the penalties which it foresees for non-compliance will render the application of this class of export duty unnecessary.

At present export duties are levied on the following goods, although some of the items have been temporarily freed: linseed and rape-seed oil-cakes, bones, leather and hide shavings and waste, unworked timber, raw coal-tar, rubber and rubber waste, antimony; manganese, zinc, lead and copper ores, scrap iron, pig-copper, scrap-copper, cadmium, nickel and aluminium, bronze, brass, white-metal, tin and lead, rags, eggs, live and slaughtered pigs, pork, butter, feathers, down, bristles and hair.

TRANSPORTS

RAILWAY TRAFFIC. — Railway traffic increased greatly in October as a result of the seasonal growth in the volume of bulk transports; the average daily loadings rose from 17,239 wagons in September to 18,695 wagons in October.

The average daily loadings of 15-ton wagons in October were as follows as compared with September, and with October of last year:

	October 1929	Sept. 1930	October 1930
Loaded on the Polish State Railways: destined for home stations	15,246	11,887	13,501
destined for abroad	4,248	3,467	3,802
Total:	17,484	15,354	17,303
received from abroad	573	449	418
transit via Poland	1,260	1,436	974
Total:	21,327	17,239	18,695

From the above table it will be observed that the increase in traffic was due solely to enhanced loadings at Polish stations, the average figure increasing by 1,949 daily; loaded wagons for home destinations increased in number, the daily average rising by 1,614 wagons; freight shipments to other countries showed a smaller increase of 335 in the average daily car loadings. The average daily figure of loaded wagons received from abroad for Polish stations decreased by 31 whilst that

of foreign wagons received in transit declined by 462.

The average daily car-loadings destined for home stations according to the class of goods are given below:

	October 1929	Sept. 1930	October 1930
coal, coke and briquettes	3,983	3,619	3,494
crude oil and petroleum products	175	195	207
timber	859	709	655
agricultural products	3,578	1,097	3,543
raw materials and industrial products	2,110	2,258	1,893
various	4,541	4,009	3,709
Total:	15,246	11,887	13,501

As will be seen from the above, the agricultural products group evinced an important increase, this being explained by larger shipments of sugar-beets, potatoes and corn, as is usual immediately after the harvest. The movement of petroleum products increased slightly as is usual at this time of the year. The remaining groups all showed decreases. The following table shows the average daily number of loaded wagons (by merchandise groups) despatched to foreign destinations:

	October 1929	Sept. 1930	October 1930
coal	3,165	2,709	2,952
crude oil	52	40	26
timber	549	366	374
agricultural products	137	114	143
various	345	238	307
Total:	4,248	3,467	3,802

The foregoing table indicates increases in all groups with the exception of petroleum products.

PORT TRAFFIC. — Traffic in the port of Danzig during October was slightly larger than in the preceding month and only a little different in figure from the corresponding month of last year. The number of vessels which entered the port was 543 with a tonnage of 363,187 net reg. tons (392,363 net reg. tons in September) whilst 547 vessels were cleared totalling 378,950 net reg. tons (345,252 net reg. tons in September). During the first ten months of the current year traffic has developed favourably and has exceeded the 1929 figures: 5,116 vessels totalling 3,471,080 net reg. tons having entered the port as compared with 4,424 vessels with a tonnage of 3,207,708 net reg. tons in the same period of 1929.

The nationalities of vessels which entered and left the port during October were as follows:

	Arrivals: ships net reg. tons	Departures: ships net reg. tons
Poland & Danzig	27 26,291	25 32,441
Germany	175 90,787	177 89,690
Finland	6 2,308	7 4,952
Estonia	10 2,995	9 2,028
Latvia	31 30,744	31 30,978
Lithuania	4 2,273	4 2,273
Sweden	123 62,772	128 70,628



THREE-ENGINE PLANE OF THE FOKKER TYPE.
MANUFACTURED IN POLAND

Norway	20	17,999	27	23,085
Denmark	113	80,878	107	77,281
Great Britain	9	8,624	9	10,830
Holland	8	4,700	8	5,087
Belgium	1	2,529	1	2,529
France	4	4,767	3	3,763
Spain	1	2,138	1	2,138
Portugal	1	3,688	—	—
Italy	2	6,460	—	—
Greece	5	12,408	8	20,017
Austria	1	194	1	194
Czechoslovakia	2	632	1	316
Total:	543	363,187	547	378,950

Sweden	137,023
Denmark	123,374
Italy	72,768
France	71,387
Latvia	39,923
Norway	18,230
Finland	9,541
Africa	8,295
Holland	3,900
Russia	3,568
Germany	3,610
Iceland	2,807
Belgium	1,800
Estonia	650

Total: 496,876

Out of 20 flags which participated in the traffic of the port of Danzig, Poland occupied fifth place after Germany, Denmark, Sweden and Latvia and outstripped England, Norway, &c.

The goods turnover of the port in October according to provisional data, came to 784,108 tons and exceeded the figure for the previous month by 81,115 tons. This increase is mostly accounted for by the augmentation of exports to 702,969 tons, whilst imports only rose slightly to a total of 81,139 tons.

The chief items amongst the imports were: mineral ores 46,747 tons, i. e. a few hundred tons more than in September, scrap iron maintained its September level at 12,877 tons, artificial fertilizers increased considerably to 8,667 tons, the other imports totalled 12,848 tons.

As usual the chief export article was coal with an increase of 85,856 tons over the preceding month and amounted 568,458 tons. Timber fell off, only to 51,865 tons. Corn likewise decreased considerably to 27,299 tons. Sugar rose greatly to 18,681 tons. Mineral oil came to 3,997 tons and miscellaneous items to 32,669 tons.

The export of coal (excluding bunker coal) was as follows during October (in tons):

The passenger traffic through the port of Danzig during October is illustrated by the following table:

	Arrivals: Departures	
	p e r s o n s	
Copenhagen	15	114
London	130	158
Hull	1	—
New York	—	634
Stockholm	4	—
Helsingfors	5	—
Total:	155	906

In Gdynia the amount of cargo handled during October fell slightly from 357,029 tons to 336,017 tons or by 21,012 tons. The number of incoming ships rose from 220 to 222, but the net registered tonnage fell from 198,992 to 186,644. There was a decrease in the number of outgoing ships from 227 in September to 220 in October and the net registered tonnage fell from 200,033 to 182,451.

The nationality of the ships which called and departed in October as compared with September is shown in the following table:

	Arrivals:		Departures	
	Sept.	October	Sept.	October
Poland & Danzig	52	36	53	33
Sweden	74	79	74	81
Germany	42	37	44	37
Denmark	17	17	17	16
Norway	15	15	14	14
Latvia	13	14	10	13

Great Britain	5	6	5	5
Estonia	2	6	2	6
France	8	6	8	6
U. S. A.	3	2	3	2
Czechoslovakia	—	1	—	1
Finland	2	1	1	1
Holland	1	1	1	2
Lithuania	—	1	—	1
Persia	—	1	—	1

It is seen from the above that Sweden had the largest share in the Gdynia traffic, followed by Poland, Germany, Latvia, Norway, &c. As regards the total net registered tonnage of incoming and outgoing vessels Poland occupied second place.

The imports came to 34,785 tons as against 64,958 tons in September, a fall of 30,173 tons. By far the greater portion of the imports consisted of bulk goods, such as scrap iron (30,160 tons), iron ore (2,800 tons), tobacco (392 tons), asphalt (225 tons) and general cargo (381 tons).

The exports were on approximately the same level as in the preceding month, the respective figures being 301,232 tons for October and 292,870 tons for September, an increase of 8,362 tons.

The bulk of the outward cargo consisted of coal (268,946 tons), bunker coal (14,906 tons), coke (3,345 tons), sugar (3,104 tons), rye (3,063 tons), bacon (1,731 tons), potassium salts (1,986 tons), beet pulp (1,103 tons), ammonium sulphate (1,425 tons), rice meal (425 tons), polished rice (390 tons), &c. The general cargo came to 28 tons.

As regards passenger traffic there was a fall as compared with September for although departures rose from 1,077 to 1,249, the number of persons landed fell from 883 to 301.

AERIAL COMMUNICATION IN OCTOBER. — There was a decrease in air traffic when compared with the preceding month, which is usual at this time of the year.

The number of flights amounted to 503 as against 517 in September and the distance covered fell slightly from 132,076 km to 130,795 km. The regularity of the flights, despite less favourable weather conditions remained practically unchanged being 98.2 as against 99.4 per cent in the preceding month. During the month under review the number of passengers decreased considerably (from 1,246 to 809.) The quantity of goods transported fell from 27,849 kg to 23,234 kg and that of mail from 10,996 kg to 8,632 kg.

FINANCE AND BANKING

FOREIGN LOAN FOR POLAND.—An agreement was signed on November 17th between the Swedish Match Trust and the Ministry of Finance for the granting by the former of a loan of \$32,400,000 at 6 per cent to be issued at 93, in consideration of the prolongation of the lease of the Polish Match Monopoly

from 1945 to 1946 and a modification in the conditions of the lease. The agreement will come into force after its ratification by the legislature.

THE STATE REVENUE AND EXPENDITURE in October are shown in the appended table (in millions of zł):

	Revenue		Expenditure	
	actual	estimated for 1930/31	actual	estimated for 1930/31
A) Civil service	160.2	1,901.4	233.4	2,922.0
The President of the Republic . . .	0.0	0.3	0.4	4.6
The Parliament	0.0	0.2	0.1	11.9
State Control	0.0	0.2	0.7	7.9
Council of Ministers	0.0	0.0	0.5	4.9
Ministry of Foreign Affairs	2.2	13.2	6.4	52.3
" " War	0.6	5.2	66.6	827.1
" " the Interior	1.2	13.3	21.8	252.9
" " Finance	141.0	1,728.6	12.3	145.2
" " Justice	4.1	42.5	10.0	133.2
" " Industry and Commerce . . .	1.5	14.5	4.2	54.4
" " Transport	0.1	2.1	1.4	18.2
" " Agriculture	0.9	9.1	3.7	59.8
" " Religious Cults and Education	0.4	3.7	38.3	471.6
" " Public Works	5.2	34.3	10.5	161.3
" " Labour and Social Protection	0.2	0.9	8.9	81.1
" " Land Reform	0.3	5.6	4.1	61.7
" " Posts and Telegraphs	0.0	0.0	0.2	2.7
Pensions	2.5	27.7	12.9	111.1
Grants to disabled soldiers	—	—	13.6	163.3
State liabilities	—	—	16.8	296.8
B) State enterprises	6.1	180.4	0.3	18.9
C) Monopolies	68.1	956.9	—	—
Total A + B + C:	234.4	3,038.7	233.7	2,940.9

Budgetary receipts for October 1930 came to zł 234.4 million, this being zł 11.8 million more than the September figure, but zł 36.3 million less than that for October of last year. Revenue from taxes and public levies increased by zł 23.7 million, State enterprises by zł 0.3 million, monopolies by zł 9.3 million and administrative receipts by zł 2.9 million. Compared with October 1929, on the other hand, receipts from taxes and monopolies decreased by zł 27.3 million and those from State enterprises by zł 5.0 million. administrative receipts, however, were zł 6 million greater.

The total receipts for the period April-October of the 1930/31 fiscal year were zł 1,597.5 million, i. e. 52.57 per cent of the estimated revenue for the whole year. The corresponding period of the preceding fiscal year yielded zł 1,723.3 million; thus this year's figures are zł 125.8 million below those for last year.

Budgetary expenditure in October 1930 amounted to zł 233.7 million, or zł 11.6 million more than in September, but zł 33.6 million less than in October of last year. The total expenditure for April-October of the current fiscal year came to zł 1,592 million, this being the

equivalent of 54.13 per cent of the estimates of the 1930/31 budget. The needs of the administration received priority in expenditure, zł 1,588.4 million being spent on that purpose, payments for the account of State enterprises being only zł 3.6 million, this being barely 19 per cent of the estimates for the whole year. Compared with the corresponding period of the 1929/30 fiscal year, administrative expenditure during the current year was lower by zł 112.3 million.

Thanks to the systematic restriction of disbursements, the first seven months of the current fiscal year have yielded a surplus of zł 5.5 million, zł 0.7 million of this sum having been arisen during October.

TAXES.—October 1930, the first month of the second half-year period of the 1930/31 fiscal year, yielded an increase in the receipts from public levies. With the sum of zł 131.8 paid in from that source, October outstripped all the other months of the first half-year with the exception of May 1930. Compared with September 1930, October of this year yielded zł 131.8 million as against zł 108.1 million, whilst the monopolies paid in zł 68.1 million as against zł 77.4 million.

Ordinary direct taxation yielded zł 17.7 million more than in September, customs duties zł 4.8 million more, stamp dues and similar levies gave zł 0.7 million more, and the 10 per cent Extraordinary Supplementary Tax automatically rose also, increasing by zł 2.1 million. Receipts from indirect taxation fell off by zł 1.4 million and those from the Property Tax by zł 0.2 million.

Receipts from the Income Tax increased by zł 12.5 million, rising from zł 14.1 million in September to zł 26.6 million in the month under review. The other item of ordinary direct taxation, the Industrial Tax, showed increased receipts, the respective figures for the two months compared being zł 30 million as against zł 23 million.

Compared with October 1929, taxation yielded zł 22.3 million less this year, whilst the monopolies paid in zł 15 million less. Receipts from customs also fell, the decrease being one of zł 12.3 million, those from the Industrial Tax declined by zł 5.9 million, from the Unearned Income and Capital Tax by zł 0.3 million, these from fines and penalties for

taxation arrears decreased by £ 0·8 million and the remaining miscellaneous items by £ 3·0 million.

During the first seven months of the 1930/31 fiscal year the following total receipts were reported: public levies £ 850·4 million and £ 482·9 million from monopolies these totalling in turn £ 1.333·3 million, i. e. 51·88 per cent of the 1930/31 budget estimates. It is worthy of note that the actual receipts from customs dues came to only 41·22 per cent of the estimated amount, whilst the Property Tax yielded only 11·44 per cent.

Comparing these results with those for the corresponding seven months of the 1929/30 fiscal year, it will be seen that public levies and monopolies yielded this year £ 172·8 million less (£ 1.333·3 million as against £ 1.506·1 million), of which difference £ 128·5 million are accounted for by a drop in receipts from public levies and by one of £ 44·3 million in those from the monopolies. The decreased revenue from public levies is accounted for mainly by a drop in customs due receipts amounting to £ 85·6 million (a decline from £ 244·7 million to £ 159·1 million). In addition, the Industrial Tax receipts were smaller by £ 28·1 million in October this year than in October 1929, the Unearned Income and Capital Tax by £ 3·0 million (£ 5·1 as against £ 8·1 million) and smaller receipts

were noted in the item covering fines paid for delays in paying taxes, the difference as against October last year being £ 4·7 million. The granting of postponed payment of taxes, tax relief and an automatic decrease in receipts from the 10 per cent Extraordinary Supplementary Tax accounted for the remainder of the drop in revenue noted above. The drop in payments made by the monopolies for the account of the Treasury is explained by smaller sales of potable and industrial alcohol during the month.

The revenue from taxes and monopolies in October as compared with September is given below (in millions of £):

	Actual revenue:			1/10th of the yearly budget for 1930/31
	Sept. 1930	October 1930	1929	
Direct taxes	49·6	67·3	73·8	55·7
Indirect taxes	15·0	13·6	14·1	15·5
Customs duties	19·6	24·4	36·7	32·2
Stamp fees	15·0	15·7	17·9	16·3
Total of the ordinary public levies:	99·2	121·0	142·5	119·7
10 per cent Extraordinary Tax	1·4	1·2	1·0	6·3
Property Tax	7·5	9·6	10·6	8·4
Total of the ordinary public levies:	8·9	10·8	11·6	14·7
Monopolies	77·4	68·1	83·1	79·7
Total of public levies and monopolies:	185·5	199·9	237·2	214·1

STOCK EXCHANGE

The dollar on the Polish market became firmer during October, the demand having fallen off considerably in sympathy with the similar movement on the Berlin Stock Exchange. It will be remembered that, as reported in our last issue, Germany had been heavy buyer of dollar bills on the Polish market during September.

The October closing quotations for dollars in Warsaw were £ 6 lower than for the corresponding period of September, this applying both on the official Exchange and on the Curb Market.

The quotations of nearly all foreign currencies declined as against the preceding month. Transfers on Paris dropped by £ 1, on Milan by £ 2, on Prague by £ 2½, on Brussels by £ 5, on Vienna by £ 18, on Stockholm by £ 19, on Amsterdam by £ 66 (all per 100), and on London by £ 1 per pound sterling. Cable transfers to New York fell off by £ 1, the difference between ordinary and cable transfers decreasing by the same amount.

The only exception was afforded by transfers on Zurich which attained a fairly high price towards the middle of the month only to fall back towards the end of October to the level of the previous month.

The demand for foreign currency was moderate during the first half of Octo-

		30.9	1—11.10	13—18.10	20—25.10	27—30.10	31.10	par value
Warsaw Exchange								
London	£ 1	43·35 ¹ / ₄	43·34 ¹³ / ₂₀	43·34 ¹ / ₄	43·34 ² / ₃	43·32 ⁴ / ₅	43·33	43·38
New York	\$ 1	8·912	8·912	8·912	8·911 ² / ₃	8·911 ¹ / ₄	8·912	8·90
New York Cabel		8·922	8·922	8·921 ² / ₃	8·920 ² / ₃	8·92	8·921	—
Paris	Fr. Fr. 100	35·01	35·00 ¹³ / ₂₀	34·98	35·01 ¹ / ₃	34·99 ⁹ / ₁₀	35—	172·00
Brussels	Belg. 100	124·41	124·44 ⁷ / ₈	124·43 ¹ / ₃	124·40 ⁴ / ₅	124·36	—	123·95
Zurich	Sw. Fr. 100	173·13	173·24 ³ / ₁₀	173·34 ⁷ / ₈	173·18 ³ / ₂₀	173·13	—	172·00
Milan	Lir 100	46·73	46·72 ³ / ₂₀	46·71 ³ / ₅	46·71 ² / ₅	46·71	173·13	172·00
Amsterdam	Fl. 100	359·92	359·80 ¹ / ₂	359·52 ³ / ₄	359·28	359·28 ¹ / ₄	—	358·31
Vienna	Sh. 100	125·91	125·86 ³ / ₄	125·81 ³ / ₅	125·79	125·73 ² / ₃	359·26	125·43
Prague	Kc. 100	26·47	26·46 ⁷ / ₈	26·46 ⁴ / ₅	26·45 ¹ / ₄	26·44 ³ / ₄	125·73	180·62
Stockholm	Kr. 100	239·68	239·65	239·63	239·49	—	—	238·89
Foreign Exchanges								
London	£ 1	43·37	43·36 ¹ / ₅	43·36 ⁴ / ₂₅	43·36 ² / ₃	43·35 ³ / ₄	43·35	43·38
New York	£ 100	11·20	11·21 ¹ / ₃	11·21 ¹ / ₂	11·23	11·22	11·22 ¹ / ₂	11·22
Zurich	£ 100	57·75	57·73 ¹ / ₃	57·66 ¹ / ₃	57·70	57·71 ⁷ / ₈	57·75	58·14
Vienna	£ 100	79·37 ¹ / ₂	79·39 ¹ / ₂	79·40 ⁷ / ₁₀	79·41	79·46 ¹ / ₄	79·47	79·55
Prague	£ 100	—	376·7 ¹ / ₈	376·90	377—	377·12 ¹ / ₂	—	55·36
Berlin	£ 100	47·10	47·073	47·12	47·0375	47·03 ³ / ₄	47·00	47·09
Danzig	£ 100	57·67	57·69 ³ / ₄	57·71 ¹ / ₃	57·66 ⁹ / ₁₀	57·67	57·68	57·63

ber but fell off considerably during the second half of the month. At this time of the year Polish banking institutions satisfy the needs of industry and commerce from their own holdings of foreign currency.

The zloty rate remained firm on all money markets with the exception of Berlin where the rate dropped from Rmks. 47.10 to Rmks. 47 per £ 100. The

table given on the preceding page shows the situation in October this year.

SHARES

During October, as in other countries the Warsaw security market continued to be very stagnant. The general public exercised the greatest caution in buying and the professional dealers reduced their purchases considerably. The influ-

ence of the crisis continued to be felt but did not increase as the difference in prices, with only a few exceptions, was not such as to change the situation to any great extent especially in view of the very small turnover.

The quotations of Starachowice, Rudzki and Wysoka shares gained slightly while Bank Dyskontowy, Bank Handlowy, Bank Zachodni, Chodorow and Modrzejow

S H A R E S	30.9	1—11.10	13—18.10	20—25.10	27—30.10	31.10	N o m i n a l
Bank Polski	162.50	162.15	156.46	154.70	157.50	160.—	£ 100.—
Bank Dyskontowy Warszawski	—	113.50	—	—	—	—	£ 100.—
Bank Handlowy w Warszawie	—	—	105.—	—	105.—	—	£ 100.—
Bank Zachodni	—	—	70.—	70.—	—	—	£ 100.—
Bank Zw. Sp. Zarobkowych	—	—	—	—	—	—	£ 100.—
Warsaw Society of Coal Mines	40.25	40.20	—	36.—	38.—	38.75	£ 100.—
Chodorow	—	125.—	—	—	—	—	£ 100.—
Cegielski	—	—	—	—	—	—	£ 100.—
Zjednocz. Fabryki Maszyn, Kotłów i Wa- gonów L. Zieleniewski i Fitzner-Gamper	—	—	—	—	—	—	£ 100.—
Norblin, Buch & Werner	—	45.—	—	35.—	35.—	35.50	£ 100.—
Starachowice	11.—	11.95	11.20	—	12.—	12.—	£ 50.—
Lilpop, Rau & Loewenstein	24.50	24.70	23.50	22.40	22.50	—	£ 25.—
Ostrowiec (b series)	—	52.50	51.—	46.—	46.—	—	£ 50.—
Modrzejow	—	8.—	8.90	7.50	8.—	—	£ 50.—
Rudzki	—	—	—	10.50	12.75	—	£ 50.—
Warsz. Sp. Akc. Budowy Parowozów	—	18.50	—	17.50	—	—	£ 25.—
Borkowski (Elabor)	—	—	3.—	—	—	—	£ 25.—
Wysoka	—	—	130.—	—	—	133.—	£ 100.—
Siła i Światło	—	70.—	—	—	66.—	—	£ 50.—
Zakłady Chem. Ludwik Spiess & Syn	—	—	—	—	—	—	£ 100.—
Zjedn. Brow. Warsz. Habersbusch & Schiele	—	114.—	—	107.50	107.50	—	£ 100.—

shares maintained their levels of the previous month; the remainder all showed greater or less losses.

Ostrowiec and Parowóz shares were quoted ex 1929/30 dividend coupon,

yielding 10 per cent and 11 per cent respectively.

STATE, MUNICIPAL AND LAND LOANS

During the period under review the

demand for Government scrip was weaker, lower quotations being reported for 5 per cent Conversion Loan, 7 per cent Stabilisation Loan, 6 per cent Dollar Loan, 4 per cent Premium

State, Municipal & Land Loans	30.9	1—11.10	13—18.10	20—25.10	27—30.10	31.10	N o m i n a l
5% Conversion Loan	55.50	55.50	54.60	52.50	48.90	49.—	£ 100.—
7% Stabilisation Loan	89.—	89.—	—	82.—	82.—	—	\$ 100.—
6% External Dollar Loan 1920	—	78.—	79.—	77.—	—	—	\$ 100.—
3% Premium Building Loan	50.—	50.—	50.—	50.—	50.—	50.—	gold £ 50.—
4% Premium Investment Loan	109.—	105.80	102.90	101.80	101.10	101.75	gold £ 100.—
5% Premium Dollar Loan (2nd series)	58.50	57.15	58.—	56.20	57.—	—	\$ 5.—
10% Railway Loan (1st series)	103.50	103.90	103.95	103.95	103.75	—	gold fr. 100.—
8% National Economic Bank Bonds	94.—	94.—	94.—	94.—	94.—	94.—	gold £ 100.—
8% State Land Bank Bonds	94.—	94.—	94.—	94.—	94.—	94.—	gold £ 100.—
8% Com. Bonds of the National Economic Bank	94.—	94.—	94.—	94.—	94.—	94.—	gold £ 100.—
8% Land Credit Association Bonds	—	73.—	—	—	—	—	£ 100.—
4% Land Credit Association Bonds	—	—	—	—	—	—	£ 100.—
4½% Land Credit Association Bonds	54.75	53.40	51.45	51.25	51.65	—	£ 100.—
8% Credit Soc. of the City of Warsaw Bonds	71.25	72.70	72.10	71.25	71.40	72.—	£ 100.—
5% Credit Soc. of the City of Warsaw Bonds	54.50	55.90	55.40	55.45	56.95	—	£ 100.—
4½% Credit Soc. of the City of Warsaw Bonds	—	52.15	51.75	51.85	—	53.—	£ 100.—
8% City of Warsaw School Loan 1925	—	—	—	—	—	—	gold £ 100.—

vestment Loan and for the 5 per cent Premium Loan Dollar.

The 10 per cent Railway Loan gained slightly while the 3 per cent Premium Building Loan, the 8 per cent Mortgage Bonds of the National Economic Bank and the 8 per cent Mortgage Bonds of the State Land Bank maintained their previous level.

Securities of private institutions exhibited a somewhat stronger trend since not only the 4-1/2 per cent Land Mortgage Bonds but also the 4-1/2 per cent, the 5 per cent and the 8 per cent Mortgage Bonds of the Credit Society of the City of Warsaw, in which most of the trading was done, attained higher prices.

It will be noticed that the 8 per cent Warsaw School Loan of 1925 in Gold Zlotys is included in the list given herewith. In view of the lack of business in this paper, there were no rates quoted for October, but the last quotation reported was 90, par value of zł 100.

BANK OF POLAND

The outflow of foreign currency from the Bank of Poland which has been in evidence since June 1930 was distinctly weaker during October. This was caused by a variety of influences arising out of the development of the general crisis: thus money was rather easier on the market owing to restrictions in production and turnover, which in its turn caused a drop in the foreign commercial credits granted and a worse solvency on the part of debtors, due not only to the shorter credit terms quoted by foreign sellers, but also to the numerous cases of goods credits being altogether cancelled.

It is true that in August the holdings of foreign currency had increased by zł 25.5 million, but this was due to rediscount transactions with the International Bank involving zł 50,000,000 worth of Polish bills of exchange.

Toward the end of September during October the Bank's purchases of foreign currency exceeded sales by zł 17.3 million, no special transaction being responsible for this growth but

simply the ordinary course of business. It is possible, too, that the situation may have been affected by the Bank restricting credit facilities by increasing the discount rate to 7-1/2 per cent, the fixing of discount contingents and the reduction of the maximum term of bills discounted to 75 days.

It should clearly be stated that the Bank's action did not have for its object the curtailment of credits to the banks but was intended to inhibit the great growth noted in credits during the past few months. The surplus of foreign currency was due to the fact that the purchases of foreign currency rose by nearly 20 per cent over the September figure (zł 186.7 million as against zł 155.4 million), whilst sales fell by almost 25 per cent. Sales to banking institutions declined considerably (from zł 146.8 million to zł 121.9 million), but the greatest decrease was reported in the demand of Government offices (service of the National Debt), which fell from zł 54.2 million to zł 27.2 million.

The foreign currency reserves of the Bank showed only a very small drop during October, from zł 437.1 million

	September 30th		October 10th		October 20th		October 31st	
Assets:								
Bullion:								
gold in vaults	484,488,637.30		484,515,817.59		484,539,940.37		484,586,182.92	
abroad	77,396,230.55		77,395,709.57		77,395,940.57		77,395,709.57	
silver (gold value)	—		—		—		—	
	561,884,867.85		561,911,527.16		561,935,649.94		561,981,892.49	
Foreign currency, drafts and assets	321,852,711.24	883,737,579.09	297,110,004.45	859,021,531.61	287,044,184.11	848,979,834.05	312,255,458.45	874,237,350.94
Foreign currency, drafts and assets not included in the cover		115,229,069.58		117,312,923.33		120,166,092.44		122,080,922.38
Silver and token coins		2,360,895.81		2,597,879.17		2,918,406.73		2,108,966.68
Bills of exchange		704,758,233.71		720,330,401.97		708,256,354.73		710,705,381.81
Loans against securities		79,740,135.38		73,892,533.38		75,158,994.38		76,155,794.42
Own interest-bearing securities		8,650,817.35		9,562,484.13		9,773,741.78		9,970,418.70
Reserve funds invested in securities		86,570,457.53		86,410,633.53		86,400,633.53		86,400,633.53
Loans to Government		25,000,000.—		25,000,000.—		25,000,000.—		—
Property		20,000,000.—		20,000,000.—		20,000,000.—		20,000,000.—
Other assets		147,293,525.24		148,256,614.84		152,853,414.36		172,622,769.96
		2,073,340,713.69		2,062,385,001.96		2,049,507,472.—		2,074,282,238.42
Liabilities:								
Capital		150,000,000.—		150,000,000.—		150,000,000.—		150,000,000.—
Reserve fund		110,000,000.—		110,000,000.—		110,000,000.—		110,000,000.—
Sight liabilities:								
current accounts of State institutions	64,125,993.61		46,919,327.42		70,327,717.39		52,736,695.30	
outstanding current accounts	99,240,838.59		134,253,951.21		131,396,683.87		116,613,094.21	
silver purchases a/c	13,000,000.—		13,000,000.—		13,000,000.—		13,000,000.—	
State credit fund a/c	3,342,268.85		3,342,268.85		3,342,268.85		13,342,268.85	
various accounts	12,432,720.37		8,391,966.29		9,309,026.56		10,475,770.19	
	192,141,821.42		205,907,513.77		227,375,696.67		206,167,828.55	
Notes in circulation	1,372,963,800.—	1,565,105,621.42	1,336,498,500.—	1,542,406,013.77	1,291,327,100.—	1,518,702,796.67	1,408,440,490.—	1,614,608,318.55
Special account of the Treasury		75,000,000.—		75,000,000.—		75,000,000.—		—
Other liabilities		173,235,092.27		184,978,988.19		195,804,675.33		199,673,919.87
		2,073,340,713.69		2,062,385,001.96		2,049,507,472.—		2,074,282,238.42

to zł 434.3 million; this decrease effected only that part of the reserve forming part of the cover of the note-circulation and sight-liabilities, which fell from zł 321.9 million to zł 312.3 million. The remainder of the reserves, not included in the cover, showed an increase, rising from zł 115.2 million to zł 122.1 million.

The gold stocks of the Bank increased during October by zł 100.000 rising to zł 562.0. In view of the fact that this increase represented gold bought by the provincial branches of the Bank over the counter, the stocks of gold held in the Bank's vault increased by a like amount, from zł 484.5 million to zł 484.6 million.

The changes in the bullion and foreign currency cover of the note-issue and sight liabilities are shown in the following table (in millions of zł).

	January 1st	Sept. 30th	October 31st
gold	700.5	561.9	562.0
foreign currencies and liabilities	418.6	321.9	312.3
Total:	1.119.1	883.7	874.2

The ratio of the gold and foreign currency cover to the value of bank-notes in circulation was 54.15 per cent, the September figure having been 56.47 per cent, and the statutory minimum being fixed at 40 per cent. The gold cover alone at the end of October was 34.81 per cent, the corresponding figure for September having been 35.90 per cent, and the statutory minimum being fixed at 30 per cent.

The fall in the percentage ratio of cover was much larger than in its absolute figure this was due to the fact that the bank-note; circulation and the volume of sight liabilities had been considerably increased, rising from zł 1.565.1 million to zł 1.614.6 million during October. Sight-liabilities grew from zł 192.1 million to zł 206.2 million, whilst the note-circulation rose from 1.373.0 million to zł 1.408.4 million. The rise in the sight-liabilities was caused by an increase in the deposits on current accounts from zł 163.4 million to zł 169.4 million, and to a still greater extent by the growth of the credit balance of the State Credit Fund (Fund "F", in connection with the Stabilisation Loan of 1927, destined for the economic development of the country), which increased from zł 3.3 million to zł 13.3 million.

In this connection it may be mentioned that the Financial Adviser freed the Special Treasury Reserve Fund of zł 75,000,000 (from the service of the

Stabilisation Loan) in view of the fact that the Treasury had sufficient reserves and also as a permanent budgetary equilibrium has been successfully maintained. This large sum has been held by the Bank of Poland for the past three years as a deposit. Of this sum zł 25 million was paid into the above-mentioned Fund "F", a like amount was utilised for the complete amortisation of the non-interest bearing credit granted to the Treasury by the Bank of Poland and finally, the remaining zł 25 million went to increase the Treasury reserve funds in the Government's current accounts in the Bank of Poland. In view of the fact that zł 15 million had been immediately expended from the zł 25 million payment to Fund "F" for the needs of agriculture, the balance of that fund only grew by zł 10 million.

With regard to current accounts, those of the Government Cash Offices grew thanks to the above-mentioned transfer of zł 25 million and in spite of heavy withdrawals from zł 52.7 million to zł 64.1 million. Deposits on private current accounts increased from zł 99.2 to zł 116.6 million.

The increase in the note-circulation during October arose as a direct result of the Treasury Special Reserve Fund and of the increased flow of foreign currency into the coffers of the Bank. The slight growth in discount credit afforded to the private banks also influenced this increase.

In spite of the less liberal credit policy of the Bank, credits increased and the total sum of discount credits utilised rose during October from zł 704.8 million to zł 710.7 million. The total of collateral loans, however, declined from zł 79.7 million to zł 76.2 million. Credits granted to agriculture increased especially.

With regard to the remaining items of the Bank cover of the note-circulation and sight liabilities, the silver and token coins purchased by the Bank decreased from zł 2.4 million to zł 2.1 million: the stock of interest-bearing securities purchased by the Bank rose from zł 8.7 million to zł 10.0 million. The Treasury Debt item disappeared in view of its amortisation by the transfer of zł 25 million from the Special Treasury Reserve, already discussed above. The Government therefore can now dispose of the zł 50 million non-interest bearing credit which the Bank of Poland will be empowered to grant on the strength of art. 63 of its statutes.

The whole cover of the note-circulation and sight-liabilities was on October 31st as follows (in million zł):

	January 1st	Sept. 30th	October 31st
bills	704.2	704.8	710.7
Polish silver coins and token money	0.2	2.4	2.1
loans against se- curities	76.9	79.7	76.2
own interest-bear- ing securities	5.9	8.7	10.0
liability of the Treasury	25.0	25.0	—
Total:	812.2	820.5	798.9

XII & FINAL REPORT OF THE FINANCIAL ADVISER TO THE POLISH GOVERNMENT.

— This report is in the nature of a survey of the conditions which led to the necessity of the Stabilisation Plan being formulated and how that was carried out in practice. The Adviser confirms that the Plan functioned smoothly and that its working can be considered as highly satisfactory.

Part I of the report is devoted to a review of the working of the State Budget since 1924: Mr. Dewey states that since 1926 budgetary surpluses have been the invariable rule every year and that a policy of economy has been consistently adhered to. All governmental receipts were paid into and disbursements made through the Bank of Poland, the Postal Savings Bank and the Cash Offices of the Treasury. Loans made by the Treasury to municipalities on account of future tax collections for their behalf were never in excess of 8 per cent of the annual total although a statutory maximum of 20 per cent was fixed by all Budget Acts. The budgets had been made to yield surpluses by the Government both cutting down expenditure and increasing receipts. Improvements in administration, the commercialisation of certain State enterprises and a higher level of efficient organisation also helped greatly in that end being attained. The system of monthly budgets, the Adviser states, yielded very good results and enabled the Government to cut down expenses, keeping these well within the limits of the revenues received.

Taxation is discussed in Part II of the report. The Adviser gives a survey of the tax systems and conditions during the past ten years and impresses the importance of reforming the present system as quickly as possible but with all due caution. He mentions that a special commission was formed in 1928 in order to study the question and that the Government well realises the necessity for action in that direction. An amendment is at present pending before the legislature which will afford business considerable relief by reducing the Turnover Tax and Mr. Dewey considers that it will constitute an important step forward in the fulfilment of the avowed hope of the Government eventually to abolish that tax altogether. The improved tax administration is stated by the Adviser to have been an important factor in increasing revenues from taxation and the repeal of the tax on securities, loans and certain types of bank deposits is praised by him.

In Part III, Mr. Dewey discusses fiscal measures and the loan service. He states that the reserves of the Bank of Poland have up to the present proved

ample to meet all requirements and that the ratio of cover of the zloty has been maintained over the minimum of 40 per cent stipulated by the statutes of the Bank, the cover on August 31st, 1930 being 58 per cent. The Bank has in addition substantial sums of foreign assets not included in the cover.

In view of the fact that for over four years the monthly budgets have consistently yielded surpluses, "it has been decided by the Government in agreement with the Bank of Poland and the Adviser that the Treasury Reserve of zł 75,000,000 is no longer necessary and it has been suppressed". This sum has therefore been freed and will be used for more necessary purposes, zł 25 million being at once used for the entire discharge of the Treasury debt for a like sum with the Bank of Poland.

In accordance with the Stabilisation Plan the Treasury notes in circulation have been steadily withdrawn and replaced by silver coins. The five-zloty Treasury notes ceased to be legal tender on July 1st, 1930 and when they are finally withdrawn, the currency reforms of the Stabilisation Plan will have been fully completed.

The utilisation of the proceeds of the Stabilisation Loan is given by the Adviser and it is seen that it differs from the data contained in his previous report in only one respect: the balance of Fund "F" has increased by zł 2 million owing to a decrease in the amount utilised, which dropped from zł 170 million to zł 168 million.

It will be remembered that the service of the Stabilisation Loan is specifically secured by all revenues from custom duties. The Adviser states that "during

his three years of residence customs receipts have been much larger than the service of the Loan" and that "in practice the Government has transferred on or about the first of each month out of the free funds of the Treasury, an amount equal to the service of the Loan for the succeeding month". Mr. Dewey states at the conclusion of this chapter that the Bank of Poland will act as Fiscal Agent in his stead and will assume all the duties arising therefrom.

In Part IV, Mr. Dewey gives a review of the banking and credit system of Poland. He mentions the importance of the three State-owned banks and testifies to the growth in the activities and turnovers of private banks, rural and municipal credit societies etc. He emphasises especially the growth in savings and quotes figures for the Postal Savings Bank from which it appears that savings deposits in that institution came to only zł 7.5 million in 1924 but rose to zł 233.7 million by September 1st, 1930. The Adviser states that in accordance with the Stabilisation Plan a special commission has been formed for studying the banking situation and ascertaining means for the improvement of same. Mr. Dewey offers many valuable suggestions in this direction and presents much constructive criticism of existing conditions and laws in this connection. He discusses in greater detail the problem of short-term credits and confirms that the Bank of Poland cannot exhaust the contingents of such credits, since there is not enough eligible paper presented which the Bank can accept according to its statutes. The private banks, he goes on to state, have increased their deposits by 111 cent since 1926.

In his conclusions, Mr. Dewey states: "Although the condition of business

today in Poland is not satisfactory, the government finances are sound due largely to the policy of the Government in maintaining a balanced budget in the face of declining revenue by a reduction in government expenses particularly for investment expenses. The policy of the government in meeting the most pressing needs of economic reconstruction and the fortitude of Polish citizens in bearing heavy taxes for this purpose, can only be commended, but it would appear that the most pressing needs have been met and reconstruction has progressed to that point which, if not complete, nevertheless satisfies the present normal demands of the state". Again advising tax reduction, the Adviser states that "periods of expansion always follow periods of depression and in due course foreign investment capital will again be seeking an outlet in Europe, and Poland will receive its due share out of which state projects can be constructed".

Mr. Dewey closes his report with the following remarks: "The Adviser wishes to draw particular attention to an economic consciousness that has characterised the administration of Polish fiscal affairs. The present Minister of Finance stated that budget equilibrium is based on cautious economy, not only on the part of the Minister of Finance but also by all those who administer treasury funds. To meet reduced government revenue and to maintain an excess of receipts over expenditures in the execution of the monthly budgets has required courage on the part of the Minister of Finance and cooperation on the part of other ministers in reducing their expenditure".

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WARSAW EXCHANGE:

	10.11.30	20.11.30
\$ 1 = zł 8'914		zł 8'915
£ 1 = " 43'33		" 43'33½

BANK OF POLAND:

ASSETS:	10.11.30	20.11.30
Gold reserve zł	561,999,606'65	zł 562,034,355'87
Foreign balances	305,623,801'44	300,126,285'03
(not included in the cover)	121,309,638'38	124,472,570'25
Bills of exchange	686,265,915'47	666,802,394'94
Loans against securities	75,481,883'53	76,720,021'65
LIABILITIES:		
Notes in circulation	1,311,831,010'--	1,251,286,660'--
Current accounts	225,162,006'29	259,370,146'87
Other sight liabilities	34,593,269'82	31,845,996'99

BANK NOTES COVER

(gold & foreign currencies)	55'21%	55'89%
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