

# THE POLISH ECONOMIST









# THE POLISH ECONOMIST

A MONTHLY REVIEW OF TRADE, INDUSTRY AND ECONOMICS IN POLAND  
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DURING January restriction of production and decreased sales assumed larger proportions than in the month before. The seasonal influence usual at that time of the year was exceptionally great. There appeared, however, to exist certain signs of conditions entering a phase of recovery in spite of and independently of a further deepening of the crisis in agriculture. Whether this process will during the next few months develop in a favourable direction will in a great measure depend upon the psychological factor of the country. The possibility of external influences exerting their effects upon the economic life of the Republic is always a current one; thus the trend of affairs abroad must have its repercussion upon conditions in Poland, whilst a stronger influx of foreign credits will obviously do much to improve matters for the economic life of the country.

Agriculture found conditions most difficult and there was a striking disproportion between obligations and payments due from this industry and its steadily declining revenue. Corn prices continued to weaken, the same being also true of prices for most breeding products, this applying especially to the hog trade which found the prohibitive measures of foreign customs tariff systems a serious obstacle in its operations.

Industry was forced to restrict production and output very seriously, the manufacture of producer's commodities being especially affected; the rate of acceleration in this downward process was, however, smaller than in December. The mining and founding industries maintained output fairly well but sales conditions took a turn for the worse, this applying chiefly to the latter branch of production which reported a serious drop in private orders.

Commerce continued to find business very slack and reported greatly decreased turnovers in trade.

Prices on the whole slumped heavily. Agricultural prices were marked by a greater drop in the livestock and breeding group than in that of plant products. Prices of industrial commodities decreased to a greater extent than in previous months. Retail prices exceptionally exhibited a greater drop than wholesale prices, in all pro-

bability due to the Government campaign for lower prices,

Foreign Trade was marked by a considerable decline in exports, which resulted in a slightly adverse balance of trade. The drop in exports was partly due to seasonal influences and mostly affected trade in foodstuffs (that in livestock being

REVIEW OF THE GENERAL ECONOMIC SITUATION IN POLAND  
JANUARY 1931

	UNIT	JANUARY 1930	DECEMBER 1930*)	JANUARY 1931
<b>STATE OF EMPLOYMENT:</b>				
UNEMPLOYED . . . . .		243,462	303,148	345,295
<b>PRODUCTION:</b>				
COAL . . . . .	thousand tons	3,806.0	3,399.0	3,458.0
OIL . . . . .		55.7	57.2	55.7
PIG IRON.. . . .		50.7	35.4	32.2
<b>AGRICULTURAL INDICES:</b>				
(CROP ESTIMATES)				
RYE . . . . .	5 points system	3.9	.	.
WHEAT . . . . .		3.7	.	.
BARLEY . . . . .		.	.	.
OATS . . . . .		.	.	.
<b>PRICES:</b>				
WHOLESALE PRICE INDEX . . . . .	(1914 = 100)	104.5	90.7	85.7
INDEX OF COST OF LIVING IN WARSAW . . . . .		120.9	117.7	108.4
<b>FOREIGN TRADE:</b>				
IMPORTS . . . . .	million zł	216.7	158.9	153.4
EXPORTS . . . . .		218.5	183.1	152.4
EXCESS OF EXPORTS (+) OR IMPORTS (—) . . . . .		+1.8	+24.2	—1.0
<b>TRANSPORTS:</b>				
RAILWAY TRAFFIC . . . . .	wagon loaded (15 tons)	422,840	472,533	385,981
PORT TRAFFIC (DANZIG AND GDYNIA)	reg. ton	529,312	490,757	512,675
<b>BUDGET:</b>				
RECEIPTS . . . . .	million zł	250.0	245.4	229.7
EXPENDITURE . . . . .		242.0	257.1	228.1
<b>MONEY CIRCULATION:</b>				
BANK OF POLAND NOTES . . . . .	million zł	1,246.7	1,328.2	1,276.6
COVER IN GOLD AND FOREIGN CURRENCIES . . . . .	‰ ‰	63.08	55.29	56.44
TOKEN MONEY. . . . .	million zł	238.0	241.1	236.1
<b>CREDIT:</b>				
(BANK OF POLAND)				
BILLS DISCOUNTED . . . . .	million zł	684.4	672.0	622.9
OFFICIAL DISCOUNT RATE . . . . .	‰ ‰	8.5	7.5	7.5
<b>FOREIGN CURRENCIES:</b>				
(WARSAW STOCK EXCHANGE AVERAGE RATES)				
U. S. A. DOLLAR . . . . .	zł	8.90	8.91	8.91
POUND STERLING . . . . .		43.37	43.33	43.32

hardest hit) and in timber. Increases in customs tariffs abroad (mostly Germany) were the chief causes of the decline.

Freights transported by the railways fell off greatly over and above the usual seasonal decline noted at this time of the year. Port traffic likewise decreased for seasonal reasons.

The Money Market underwent no more important changes during the month; solvency was maintained at the level of the previous month;

capitalisation was somewhat inhibited due chiefly to the drop in prices. The supply of prime commercial paper decreased somewhat, thus causing a shrinkage of credits granted by the Bank of Poland and the private banks.

State Revenue yielded a surplus of receipts over disbursements during January; both, however, were lower in volume than in January or December of last year.

\*) Corrected figures.



## PRICE REFORM IN POLAND

FOR SOME time past the Polish government has been actively engaged in considering ways and means for bringing about a general reduction in the prices of manufactured goods. The action undertaken has aroused much comment from which it is clear that the underlying principles actuating the Polish authorities have not always been properly appreciated or understood.

The Polish government considers that industrial prices should be revised downwards in order to diminish the great divergency between the prices of manufactured articles and of agricultural produce. It is well realised, that this abnormal state of

are obviously dependent on world-prices and these have been steadily and so far irresistibly falling.

With the low buying capacity of the rural population and a steadily diminishing consumption amongst the farmers, it is rightly considered that industry must immediately and directly suffer as a consequence. The chances of materially increasing Polish exports of manufactured goods are rather poor in view of the world-wide drop in consumption as a result of the general economic crisis. The Polish government has therefore commenced action with a view to facilitating a larger consumption of industrial articles by the rural population of the country whilst the home market will increase its consumption as a result



WINTER PONDS ON A FISH-BREEDING FARM; MANY OF THE FARMS IN POLAND ARE HIGHLY INDUSTRIALISED AND THE RAISING OF CROPS IS NOT THE ONLY RESOURCE OF THE LARGER FARMERS

affairs has been brought about by the catastrophic decline in agricultural prices and not by any undue profiteering on the part of the manufacturers. The general drop in the prices of farm products has had a most injurious effect on the profitability of agricultural holdings and on the purchasing ability of the rural population of the country. The whole question assumes special importance when it is realised that only 30 per cent. of Poland's population lives in towns and cities.

Every effort has been exerted by the Polish government in order to raise the price-levels of agricultural products and special agrarian policies have been and are still being applied: all these measures, however, have only succeeded in preventing a further shrinkage in prices but have signally failed to improve price-conditions for the farmer to any appreciable extent. This was in fact to be expected since the prices of Polish-grown products

of this action, the possibility of increasing the export of industrial articles is not being overlooked.

A slow but steady decline in the prices of manufactured articles has been taking place in Poland for the last two years. The prices of farm produce commenced to decrease at about the same time but more rapidly with the result that the divergency between the two price-levels has become wider and wider with the course of time. Over the period in question the index of farm produce prices has fallen by 23½ points, whilst that of industrial prices by only 14.

An examination of the indices for industrial prices in other countries reveals a much more rapid drop in the level of prices than is the case in Poland. It is evident that a continuation of this state of affairs must lead to such a divergency between Polish prices and those current in other countries that the competitive ability of Polish



export will thereby be seriously impaired. Since any large decrease in exports would in these conditions be accompanied by a growth in the volume of Polish imports, it follows that the balance of trade of the Polish Republic would necessarily be thrown out of equilibrium. The danger of an undue increase in imports could not be obviated by the erection of higher customs barriers even if such a measure would be advisable or practicable.

We are again led to the conclusion that an increase in the consumptive capacity of the Polish home market would furnish a means for avoiding an unduly adverse trade balance. Polish producers will have to compete more keenly for the domestic trade and this can be most easily done by cutting prices. An extension of the home market on these lines will at the same time afford greater possibilities for increasing export. It would appear therefore that eventual benefits gained by the producers will far outweigh any sacrifices which they may make at this juncture, whilst there can be no doubt that a downward revision of costs both in the realm of production and marketing is not only possible but also a vital necessity for both consumers and producers.

The slogan of lower prices now being popularised by the Polish government has not evoked any new problems calling for solution, since the prices of manufactured goods have, as already stated, been tending downwards for some time past. The action commenced by the Government has been prompted by its desire authoritatively to emphasize the urgent need for lower industrial prices, to attract public attention (both producers' and consumers'), to co-ordinate and to speed up the working of the process of price reduction. The Government does not look upon its campaign as one yielding only immediate and current benefits, nor does it consider the high level of industrial prices to be a problem in itself. Price-cutting is regarded as a part of a much wider problem—the world-wide economic crisis and the most disquieting slump in agricultural prices. The Polish authorities in their action against the relatively high prices of manufactured articles have expressly declared that the whole matter is based on the claims of economic necessity in the broadest sense of the term and have in no manner, either explicitly or implied, charged manufacturers with profiteering.

There is therefore no question of repressive methods being adopted and the possibility of administrative-police measures is rigidly excluded from consideration. The Government believes that a campaign of propaganda will meet the situation and this can be stated to be now in full swing with conferences, discussions and press articles all keeping this vital issue before the public mind. Direct negotiations have been commenced at which the authorities and the various business groups concerned have taken up the problem of narrowing the gap between wholesale and retail prices.

The Polish government has not blindly followed the examples set by other countries and this is vividly brought out by its attitude towards wage-levels: the Government desires to maintain these unchanged since it argues that a cut in

wages and salaries would result in a further shrinkage of consumption on the home market. This stabilisation of wages is being maintained at present and will probably continue so to be unless complications arise in the future which may necessitate a cut in civil service salaries. For the time being, however, this possibility appears to be a remote one devoid of current interest.

It is not planned to regulate prices downwards by the force of new laws or executive decrees: the Government desires to maintain the working of the process of price reduction within the bounds of a free, unhampered exchange of opinions with a view to working out a rational and practicable solution. The authorities have drawn particular attention to the possibility of introducing improved methods of production and of reducing overhead costs in industry, while the advisability of effecting economies by a more direct contact between producers and consumers has been very strongly emphasized.

The campaign inaugurated by the Government has already yielded highly gratifying results. The prices of many industrial articles have been decreased; the Petroleum Syndicate has announced a cut in the prices of petroleum products; the Paper Manufacturers' Association is following suit, whilst other cartels marketing manufactured goods are considering like action. Conditions of business are of course difficult and many obstacles crop up which make caution advisable, it being considered wise and prudent to avoid hasty decisions which may later create trouble and confusion. This feature of the movement for lower prices has not been lost sight of by the Government, and whilst the main object of the campaign is to accelerate the drop in prices of manufactured goods, it is being constantly urged that due regard to the future of business should be kept constantly in mind. The initiative shown by the Polish government has met with the full approval of the public, both producers and consumers co-operating very willingly and whole-heartedly.

It is well understood in Poland that the reduction of industrial prices is not a panacea for all the troubles arising out of the world-wide economic crisis: the movement is considered to be, and rightly so, as only one of the means for combating the economic depression which is so severely affecting business all over the world.

## BUSINESS CONDITIONS IN POLAND DURING 1930

THERE IS probably no other country in Central or Western Europe, excluding Great Britain and Austria, where influences of a structural character played such an important rôle as in Poland, where these factors to a great measure over-shadowed the transient influences and trends which marked the course of business conditions last year.

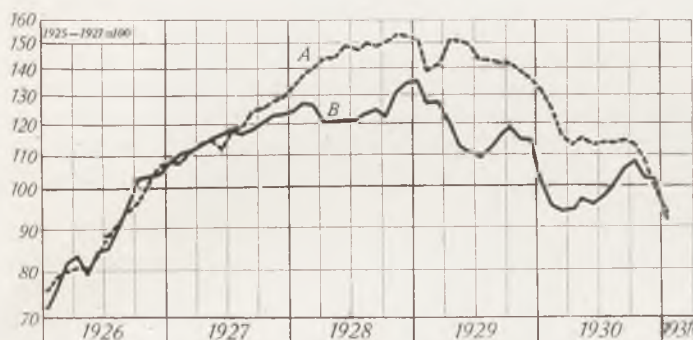
The Polish Republic arose after the Great War as a heterogeneous union of three distinct areas which had been for longer or shorter periods of time integral parts of three alien empires, differing



widely in their systems and structures of economic life and organisation. Poland, it will be remembered, suffered enormously as a result of war devastation and requisitions and in addition has until quite recent times been forced to combat the adverse effects of a most exhausting inflation period. It was only with the passing of the inflation period that a certain measure of normalcy in the course of the business cycles of the country began to be felt, and even then the necessity of structural changes in the economic organisation of the Republic still continued to exert a powerful influence on the shaping of economic events in Poland.

#### INDICES OF OUTPUT OF PRODUCERS' AND CONSUMERS' GOODS

Corrected for seasonal variations



A—Output of producers' goods (iron foundries, iron ore mines, building trade, mineral, metal, machinery and chemical industries).

B—Output of consumers' goods (textile, apparel, leather, and foodstuff industries, salt mines, paper and printing trades).

After the economic depression which ended approximately in August 1926, the business life of Poland was marked by a period of recovery followed by one of prosperity, the latter stage lasting until the end of 1928, when a recession commenced and became quite well defined during the first quarter of 1929, to be followed by a period of depression which began more or less towards the middle of the same year, and which deepened considerably during the first quarter of 1930. These movements in the cycle of business conditions would at first sight appear to co-incide in those noted for conditions in the whole world during the period in question, and the analogy with the United States would seem to be an especially close one. There are, however, certain points of difference which it would be worth while more closely to examine. In the first place, the depression in Poland began in February 1929, while in the United States the business recession commenced during the second half of the same year; it can be also stated that the world-wide crisis broke out towards the end of 1929 and the beginning of 1930.

Quite naturally, conditions in the rest of the world could not but exert their influence on Polish conditions of production, export and consumption. With a combination of reduced demand and lower

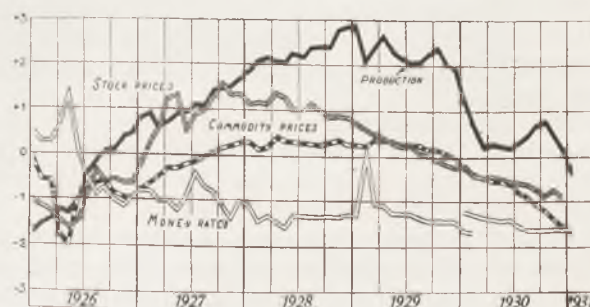
prices, it was quite to be expected that the value of Polish exports would drop. The crisis increased in intensity during the first quarter of 1930 but during the third quarter of the same year the situation appeared to be nearing recovery and the turning point of the depression seemed to be almost in sight. Production evinced a distinct tendency to rise and the psychological factor improved. Any gains, however, which had accrued during that quarter were lost by a recessionary movement during the last two months of 1930 and the year closed with the economic crisis still in full swing.

The collapse in the business conditions of the country towards the beginning of 1929 had its origin in factors of a distinctly internal character. As is usual in all cycles of business conditions, a disproportion between the growth of production and that of the country's purchasing ability was the most important factor evoking the depression in question. This observation applies with especial force to the production of producers' goods which, according to data of the Polish Business Conditions and Prices Institute, rose from an index of 100 (representing production in 1925 — 1927) to one of 151 in October 1928: data for the same periods as regards the consumption of this type of commodity yield an index of 122.3.

The structural need for a greater growth in the consumption of producers' goods in Poland has always been realised and during the period of relative prosperity between 1926 and the end of 1928 had been marked by satisfactory increases in this type of consumption. This movement had, however, been greatly inhibited by the shortage of long-term credit in Poland as a result of insufficient home capitalisation and the weak influx of foreign capital into Poland.

#### INDEX OF GENERAL BUSINESS CONDITIONS

(Unit: standard deviation from the 1925 — 1927 average)



Note: Average of 34 industrial stocks, wholesale prices of industrial commodities, average discount rate charged by private banks (in 1925 — 1929 private discount rate for prime commercial paper in Łódź), general index of production (corrected for seasonal variations).

The shortage in long-term credit exists to this day in Poland and this State of affairs is well characterised by the consistently high yield of capital invested in Polish gilt-edged mortgage bonds. On the average this yield was one of 11.48



per cent. in 1928, 12·80 per cent. in 1929 and 11·9 per cent. in December 1930. These figures are most significant especially if it be taken into consideration that the yield has remained so high in spite of the lapse of an almost two-year period of stagnation and business depression, which favours easiness of money on the investment market. In addition, too, foreign credits increased in volume to some extent, but the majority were for short-term periods. It will be instructive if, for the sake of comparison, we quote average yields for long-term credit in other representative countries: during December 1930 the yield came to 3·95 per cent. in France, to 4·40 per cent. in the United States, and to 5·60 per cent. in Czechoslovakia.

Over the same period conditions for short-term credit on the Polish money market were much easier. This statement is borne out by the fact that the average discount rate applied by private banks and by the Bank of Poland dropped from 12·72 per cent. in January 1929 to 10·80 per cent. in the corresponding month of 1931. This downward trend in the discount rate for short-term bills was evoked by a greater flow of money from abroad to a certain extent, but the most important influence at work in this connection was the withdrawal of money from production and commerce due to falling markets and its investment or deposit with the banks. This increase in available capital for short-term credit operations was to a great extent compensated for by a sharp rise in demand for credit on the part of agriculture, the situation of which had deteriorated very seriously during the year under review.

The decrease in commercial turnovers caused by the depression is well illustrated by the index of railway freight shipments: this declined from 121·6 in December 1929 to 108·9 in the corresponding month of last year. Another most sensitive barometer of business conditions—the index of stock exchange quotations for shares—showed a considerable drop over the same period.

The structural scarcity of long-term credit on the Polish money market was not the only cause of the collapse of investment operations and of a deepening of the crisis. A certain measure of blame must also be laid at the door of the industries manufacturing commodities of direct consumption, since over-production in that branch of industry evoked the dis-equilibrium which arose between consumption and production. Finally, one of the most potent factors in further depressing business conditions in Poland during the past year as regards consumers' commodities production, was the situation in agriculture. Conditions there, over and above the fundamental lacks under which it labours, were marked by a decided turn for the worse.

The unsatisfactory state of affairs in agriculture over the whole world dates from 1928 and has during the two years following assumed all the features of an economic crisis. Poland in this respect was no exception and in fact can be said to have been harder-hit than the great majority of other countries in view of the preponderating rôle of agriculture in the national economy of the Republic.

Poland, as is well known, finds the export of corn an important item in her foreign trade. Since 1928, the prices of corn have been steadily declining with especially heavy slumps in price during the past two years. It is true that large and bumper crops all over the world were in a great measure responsible for the weakness in prices, but the larger stocks available for sale only made up for a bare fraction of what the farmers had lost through the extremely low prices then current. The income of the corn-producers has dropped seriously and the increased volume of sales has not made up for the loss caused by the lower unit prices. The past year also saw important and large increases in the height of customs barriers against Polish exports of plant and livestock products: agriculture in Poland found its situation much deteriorated through these measures abroad. It is only natural therefore that the profitability of farming and the income of the rural population of Poland had to decline. The inevitable result has been that since 1928, the agricultural classes have been forced increasingly to restrict their purchases of manufactured goods. This movement caused in turn a further drop in the industrial production of Poland.

With prices tumbling all over the world, it can be stated that the volume of Poland's export trade fell relatively little, if at all, during 1930; the value of Polish exports in 1929 came to  $\text{zł}$  2,813 million and to  $\text{zł}$  2,433 million in 1930. This drop in value is, none the less, disquieting, since export orders account for about 17 per cent., of all sales in the case of the mining, founding and manufacturing industries. A further 6 per cent. of Poland's exports are accounted for by shipments of wheat, rye, barley and oats, whilst livestock and products of same are responsible for over 20 per cent. of the value of Polish goods exported to other countries.

The drop in the buying ability of other countries was accompanied by a similar movement in Poland. Imports bought by Poland fell in value from  $\text{zł}$  3,362 million in 1928, to  $\text{zł}$  3,111 million in 1929, and to  $\text{zł}$  2,246 million in 1930. The drop in the total value of imports was greater than that of exports, and the adverse balance of trade (amounting to  $\text{zł}$  298 million) in 1929 was followed by a favourable balance of  $\text{zł}$  187 million in the year here reviewed.

It was this favourable balance of trade in 1930, together with a considerable growth in foreign short-term credits during the first half-year of 1930, which helped so much to maintain the zloty rate at an unchanged, firm level in spite of the flurries caused on the money markets of Central Europe by the uncertain foreign exchange situation in Berlin during October and November last year.

The drop in foreign sales and decreased consumption at home soon exercised their influence on industry, especially on that group producing consumers' goods. Production had to drop. The forced holding up of long-term credit caused a serious curtailment of housing, railway and road construction, etc. Unemployment began to increase and the number of short-time workers and of totally unemployed assumed relatively large proportions.



The number of registered unemployed was 110,600 at the close of 1928, rose to 166,200 in 1929 and came to 287,300 on December 31st., 1930. The vicious circle now commenced action: decreased consumption caused unemployment and unemployment caused further decrease in consumption.

Real wages earned by the farming and working classes undoubtedly declined during the depression, and the drop in nominal wages was only partially compensated for by lower prices supervening. As regards the farmers, they were faced by the same situation as in most other countries in the world: the prices of the manufactured goods consumed by the rural population fell to some extent, but the prices received

the buying ability of the nation and so indirectly result in increased industrial production.

In examining the present economic situation of Poland, the relatively low level of stocks on hand in the factories and merchants' warehouses should be noted as also the steady decrease in bill protests since the middle of 1930. These facts may portend the approach of the final stages of the depression, but they may also merely indicate a greater caution in producing for stock and in granting credit-terms to buyers. This more favourable trend in bill protests must, however, be accepted as a fact of importance and as one pointing to healthier conditions in business. Were protests of agricultural bills excluded from consideration, it would be



ONE OF THE STUDENTS' HOSTELS IN WARSAW. THE ABOVE DEPICTS THE LARGEST STUDENTS' HOSTEL IN THE WORLD; IT HOUSES 1,650 PERSONS, HAS 900 ROOMS AND IS MOST MODERNLY EQUIPPED

by the farmers fell to a much greater extent. This divergency in the rate of fall in prices served still further to widen the gap between the prices of agricultural and of industrial commodities.

In the cities and towns, the situation of the urban population was during 1930 little better than that of the agricultural class. The cost of living index declined somewhat, but not in fair proportion to the drop in the index of wholesale prices for manufactured products or of that of workmen's wages. The Government initiated a campaign for lowering prices by narrowing the divergency between wholesale and retail prices, and by adapting as far as possible the drop of industrial prices to the slump in prices of farm-produce. There is ground for belief that this action will do much to raise

found that the improvement is much greater than would appear at first sight, since protests of farmers' bills took a serious turn for the worse during the last few months of the year under review.

Evidence of a weakening of the crisis seemed to be afforded during the second half of 1930 when production figures, after reaching their lowest point in June, evinced an unbroken tendency to rise thanks to an important increase in the productive activity of the industries manufacturing direct consumers' commodities. The data relative to the output of producers' goods, however, exhibited a marked although weak downward trend over the same period. The welcome upward movement of production figures in the former case was not



long-lived and was interrupted in November by a downward trend which lasted until the end of the year.

The course of business conditions in Poland during 1930 was much influenced by the remaining effects of the difficult conditions of previous years, but was fundamentally in agreement with conditions in other countries. As far as Poland is concerned, the drop in production was smaller than in many other states; thus, over the period November 1929 — November 1930 the general index of production in Poland decreased by 15.6 per cent., whilst the corresponding drop in Germany came to 21.4 per cent. and to 20 per cent. in the case of the United States.

There appeared to be a distinct tendency for the national economy of the Polish Republic to approach a gradual improvement of conditions and a state of recovery more quickly than was the case in other countries, and the temporary growth in

production during the third quarter of 1930 would seem to bear this statement out. The situation in other countries during the same period was marked by a sharp and serious downward trend in production and output; modern interdependence of countries is such that these unaltered conditions abroad could not fail to affect Poland; decreased exports, withdrawals of foreign deposits from Polish banks, etc. all worked against a stabilisation of the recovery attained and dragged the economic life of the country back to the level of the other economic units of the world. Another and a most important factor which cannot have been without influence on the Polish situation must have been the psychological effect of conditions abroad on the economic life of the Polish Republic: the effect of this factor was an indirect but none the less a most potent one and to its influence the holding up of recovery in Poland can in a great measure be ascribed.

## SUMMARY OF LAWS, ACTS AND EXECUTIVE DECREES

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

from January 15th to February 15th, 1931

**Amendment of regulations governing emigration** ("*Dz. Ust. R. P.*" No. 3, item 20).

**Reduced customs dues for husked ground nuts and sunflower seeds** ("*Dz. Ust. R. P.*" No. 4, item 24).

**Unemployment doles for short-time workers** ("*Dz. Ust. R. P.*" No. 5, items 25 and 26).

**Maritime Office and Gdynia port construction works** ("*Dz. Ust. R. P.*" No. 6, item 28).

**Amendment of the postal tariff** ("*Dz. Ust. R. P.*" No. 6, item 31).

**Freeing of the State Nitrogen Fixation Plant at Tarnów from state administration** ("*Dz. Ust. R. P.*" No. 7, item 33).

**Communal Tax and State-owned land** ("*Dz. Ust. R. P.*" No. 7, item 38).

**Suspension of export duties on hide and leather scrapings and waste** ("*Dz. Ust. R. P.*" No. 7, item 40).

**Convention between Poland and the Austro-Hungarian succession states in respect of sundry pensions** ("*Dz. Ust. R. P.*" No. 8, items 41 and 42).

**Match Monopoly Act** ("*Dz. Ust. R. P.*" No. 9, item 45).

**Flotation of a 6 per cent. foreign loan** ("*Dz. Ust. R. P.*" No. 9, item 46).

**Decree in respect of the Match Monopoly Act** ("*Dz. Ust. R. P.*" No. 10, item 51).

**Supplementary credits for 1930/31** ("*Dz. Ust. R. P.*" No. 11, item 52).

**Authority to ratify the Polish-German agreement in respect of savings banks and legal relations with the German Mortgage Bonds Association of Poznań** ("*Dz. Ust. R. P.*" No. 11, items 53 — 55).

**Land parcellation plan for 1932** ("*Dz. Ust. R. P.*" No. 12, item 56).

## PRODUCTION AND TRADE

**STATE OF EMPLOYMENT.** — As was to be expected, unemployment increased during January and the number of unemployed registered with the State Labour exchanges grew from 303,148 on January 1st to 345,295 on February 1st. This figure of unemployment must be considered as relatively very high taking conditions in Poland into account. Naturally, seasonal factors were in a great measure responsible for the rise in unemployment but the working of the economic crisis was

likewise clearly visible in the magnitude of the number of men out-of-work. The figure quoted above for February 1st was a record high level never before noted in Poland. It is, however, of comfort to note that the rate of increase in unemployment appears to be slackening; thus while in December last year an increase of 91.2 thous. was reported, the net increment for January came to only 41.2 thous. This slackening in the rate of acceleration of unemployment permits us to suppose (in spite of the

rise in absolute figures of seasonal unemployment) that the influence of the economic depression was weaker during January than in the closing months of 1930. This hypothesis would appear to be confirmed by the fact that during January the number of short-time workers decreased. This fact indicates that industry was more occupied than in the preceding few months, since an increase of short-time is usually the first stage of a reduction in production.



The following table quotes the number of partially employed workers during the past twelve months (data for the 1st of each month):

	1928	1929	1930	1931
January	175,268	126,429	186,427	303,148
February	175,602	160,843	249,462	345,295
March	178,403	177,462	282,568	
April	167,022	170,494	295,612	
May	154,656	149,093	273,351	
June	132,453	122,771	228,321	
July	116,715	106,622	207,258	
August	103,451	97,191	194,279	
September	94,117	91,512	176,810	
October	79,885	83,062	167,454	
November	79,689	93,600	167,349	
December	94,132	126,644	211,918	

The number of partially employed workers is given in the following table, the data also being for the first of every month:

	1928	1929	1930	1931
January	33,190	21,726	36,663	103,707
February	31,465	15,847	88,722	94,434
March	25,565	16,554	117,973	
April	47,878	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	97,127	

Of those partly employed during January 1,114 workers worked only one day in the week, 9,882 worked two days, 40,891 three days, 23,523 four days and 19,024 worked five days in the week. The average number of days worked by persons in this group came to 3.5 days per week as against 3.6 days in December.

The following table given the number of registered unemployed by trades, the figures being for the first days of each month quoted:

	January 1931	February 1931	+ Increase - decrease
mining	8,082	9,080	+ 998
foundry	2,060	2,101	+ 41
metal	23,132	25,833	+ 2,701
textile	30,199	36,005	+ 5,806
building	33,765	37,796	+ 4,441
clerical	21,001	22,238	+ 1,237
other	185,309	212,242	+26,933
Total:	303,148	345,295	+42,147

In the coal mining industry extraction was well maintained but sales declined somewhat owing to a decreased home demand. In any case total sales in January this year exceeded the figure for the corresponding month of last year. Conditions in the petroleum industries remained unchanged. Unemployed miners constituted 6 per cent. of those at work.

Production increased in the iron foundries group due to a considerable increase in domestic orders; the outlook for the immediate future is, however, uncertain since the foundries are finishing at present the large orders filed by the U. S. S. R. The situation of the zinc and lead industries took a turn



MODERN FURNITURE PRODUCED IN POLAND. THE ARTISTIC STANDARD OF POLAND'S FURNITURE TRADE IS WELL-KNOWN AND ITS PRODUCTS ARE MUCH IN DEMAND ABROAD

for the worse during January as a result of a further drop in the prices of those metals. In spite of the adverse market (lower prices and a drop in export) production was nevertheless kept up well at a fairly high level. The number of out-of-work foundry workers came to 4 per cent. of those at work.

Conditions in the metal industries continued to be unfavourable due to a further shrinkage of sales. The especially severe crisis affecting agriculture caused sales of agricultural machines and tools to drop very heavily. Factories producing textile, wood-working and metal-working machinery also found conditions to be very difficult. The locomotive and wagon plants reported no change and no decrease in employment. Establishments working for the requirements of the building trade were forced to restrict their production. Conditions in the wire and nail industries improved somewhat, but the situation was rather complicated by the keen competition of the various factories following the breakdown of the wire and nail cartel. The screw and rivet plants reported no change in their work. On the whole, however, conditions in January became worse for the metal industries, although it must be stated that the decline was not at such a pace as in December. The increase in unemployment was, for example, smaller in January than in December. The number of unemployed metal workers came to 31 per cent. of those on the pay-rolls.

In the cotton industry of the Łódź area production declined somewhat during January. This is borne out by

a drop in the number of operatives employed by the large mills, those at work declining from 49,960 in December to 44,121 in the second half of January. During the first half of the month under review, most of the larger mills were closed down during and immediately after the holidays. Sales of textile goods were far from satisfactory during the month. In the Łódź woolen industry employment declined, the larger mills reducing their personnel from 14,021 to 13,043. Sales of woolens were on about the same level as in December. The Bielsk woolen industry found the sales market rather erratic during January owing to a further drop in the prices of wool and woolen yarns; the mills in many cases restricted production and assumed a waiting attitude. In the Białystok area the factories were only partially occupied as is usual during a change from one seasonal production to another. In the knitted goods industry unemployment increased as a result of a disappointing volume of orders for spring and summer goods. Orders in the stocking industry likewise fell far short of expectations. Unemployed textile operatives were 31 per cent. of those at work in the mills.

With the almost total cessation of building operations during the winter, employment in the building trades was at a very low ebb in January. Conditions of employment for mental workers also deteriorated during the month, dismissals in commerce having been especially large.

The downward trend of wages and salaries continued to make itself felt, but in many cases the employers were



unsuccessful in cutting rates of remuneration. An arbitration award in Upper Silesia resulted in the scale of coal miners' wages being maintained against the attacks of the coal owners. In the zinc industry, however, an arbitration decision resulted in wages being decreased by 5—7 per cent. although the employers had demanded a cut of 15 per cent. Minor wage reductions were also reported in the knitted goods industry during the month.

## GRAIN

The prices of wheat and rye decreased on the Polish market during January,

the former falling more heavily than those of the latter. Rye quotations were on the whole fairly steady and fluctuated relatively little during the month. The first week of February witnessed a further decline in the prices of these corns.

The prices for barley remained constant during the month but those for oats tumbled in sympathy with rye-quotations, continuing their downward movement through the first week of February. None the less the level of oats prices has remained higher than those for rye. The shaping of prices on the Polish corn exchanges is illustrated in the adjoined table.

comparative figures being given for January and December last year (in tons):

	January 1930	December 1930	January 1931
<i>Imports</i>			
rye	968	75	334
wheat	119	—	—
barley	—	—	—
oats	75	—	—
<i>Exports</i>			
rye	3,649	9,087	3,545
wheat	41,520	17,463	12,518
barley	30,359	13,795	12,820
oats	5,259	416	271

		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											
January	1—8	26 67½	2 99½	22 93½	2 57½	24 00	2 69½	24 53½	2 75½	6 15	2 92
"	9—15	25 17	2 82½	22 14	2 48½	24 00	2 69½	23 77	2 67	6 10	2 97
"	16—22	23 50	2 64	21 48½	2 41	23 75	2 67	22 91	2 57	6 13	2 93
"	23—31	23 50	2 64	21 23	2 38½	21 54½	2 42	22 09	2 48	6 29½	2 89
February	1—8	21 37½	2 40	19 57½	2 20	19 87½	2 23	20 27½	2 27½	6 36	2 89
"	9—15	21 75	2 44½	19 66½	2 21	20 50	2 30	20 63½	2 32	6 39	2 89
R Y E											
January	1—8	18 75	2 10½	18 00	2 02	18 50	2 07½	18 41½	2 06½	3 76	1 67
"	9—15	18 66	2 09½	17 90	2 01	18 35	2 06	18 30	2 05	3 67½	1 63
"	16—22	18 50	2 07	17 75	1 99	18 03	2 02	18 09	2 03	3 69	1 57
"	23—31	18 50	2 07	17 63½	1 98	16 68½	1 87	17 60½	1 97½	3 75½	1 51
February	1—8	18 12½	2 03	16 64	1 86½	15 50	1 74	16 75	1 88	3 72	1 50
"	9—15	18 03	2 02½	17 08	1 91½	15 87½	1 78	16 99½	1 90½	3 73	1 57
B A R L E Y (brewing)											
January	1—8	25 50	2 86½	26 00	2 92	—	—	—	—	4 96	2 41
"	9—15	25 50	2 86½	26 00	2 92	—	—	—	—	4 93½	2 43
"	16—22	25 50	2 86½	26 00	2 98½	—	—	—	—	4 91½	2 43
"	23—31	25 50	2 86½	26 00	2 98½	—	—	—	—	4 90	2 34
February	1—8	25 25	2 84	26 00	2 98½	—	—	—	—	4 97	2 29
"	9—15	25 00	2 81	25 33	2 84	—	—	—	—	4 97	2 34
B A R L E Y (ordinary)											
January	1—8	19 58	2 20	20 75	2 33	17 25	1 93½	19 19	2 15½	4 55	—
"	9—15	19 50	2 19	20 75	2 33	17 25	1 93½	19 16½	2 15	4 55½	—
"	16—22	19 28½	2 16½	20 67	2 32	—	—	—	—	4 55½	—
"	23—31	18 60	2 09	20 46	2 30	17 00	1 91	18 68½	2 10	4 63	—
February	1—8	18 50	2 07½	19 69	2 21	—	—	—	—	4 70	—
"	9—15	18 50	2 07½	19 62	2 20	—	—	—	—	4 69	—
O A T S											
January	1—8	23 50	2 64	20 37½	2 29	22 41½	2 52	22 10	2 48	3 41	2 36
"	9—15	23 25	2 61	20 76	2 33	22 55	2 53	22 18½	2 49	3 34½	2 34½
"	16—22	22 50	2 52½	20 69	2 32	22 25	2 50	21 81	2 45	3 37½	2 27
"	23—31	21 55	2 42	19 78½	2 22	20 75	2 33	20 69	2 32	3 40½	2 22
February	1—8	20 50	2 30	18 70	2 10	19 50	2 19	19 56	2 19½	3 37	2 27
"	9—15	20 25	2 27½	18 12½	2 03	19 00	2 13	19 12	2 14½	3 38	2 30

Foreign trade in corn was rather stagnant during the month under review. Corn for the value of zł 84,000 was imported, whilst exports were for the sum of zł 5,147,000: the excess of

exports over imports was therefore for a value of zł 5,063,000.

The following table affords data covering Poland's foreign trade in the various corns during January this year,

Save for an insignificant import of wheat from Canada and the United States, no corn was imported into Poland during January. Poland's exports of corn went to the following countries during the month in question: shipments of wheat were sent to Germany (which purchased 64·8 per cent. of the total export), Holland (12·7 per cent.), Great Britain (11·6 per cent.), Sweden (4·4 per cent.) Denmark (3·5 per cent.) and Belgium (3 per cent.).

Denmark occupied first place in Poland's rye exports, accounting for 37·7 per cent. of the total volume sold; then followed Germany with 37·1 per cent., Belgium with 12·4 per cent., Holland with 7·3 per cent., France, Norway, Estonia, Palestine and Sweden accounting for small batches too small to quote.

Belgium took up 54·4 per cent. of Poland's barley exports, Germany 17·7 per cent., whilst the remainder went in small lots to Great Britain, Latvia, Norway and Estonia. All the oats exported during January were sold to German buyers.

## BUTTER

Prices of butter on the home markets remained during the second half of January at practically their previous levels with a slight upward tendency. This tendency is explained in the first place by the frosts and snowfalls in certain parts of the country, which decreased the production of milk. At the same time the demand on the part of Belgium and Germany caused an increase in prices for high grade butter. During the first half of February the Dairy Products Committee approved an increase in prices by gr 60 per kg. A further increase in prices is to be expected in view of the usual drop production in February and the strong prices ruling on foreign markets.

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



	January 15th—31st	February 1st—15th
Warsaw	480	500—520—540
Łódź	440	550—560
Lwów	480—460—430	430—445
Kraków	490	510
Katowice	530—520	520—530
Poznań	520	520
Wilno	500—520	540—560
Lublin	—	540

Exports of butter in January amounted to 760 tons valued at £ 3,687,000. Of this quantity Germany took 531 tons, Belgium 119 tons, Switzerland 77 tons and Great Britain 6 tons.

## EGGS

— During the second half of January and the first half of February prices of eggs on the Polish markets were subject to considerable fluctuations with a prevailing downward tendency. At the beginning of the period under review, prices increased somewhat, but after some few days they dropped again and reached their previous level. Foreign buyers made their purchases with great caution and limited them to a minimum, this resulting in large stocks of the commodity and a further drop in prices.

During the period under review quotations for eggs at the various centres were as follows (in £ per case of 1,440 eggs):

	January 15th—31st	February 1st—15th
Bochnia	216	155—175
Kraków	216	155—175
Lublin	—	160—170
Lwów	216—228	160—172
Tarnopol	—	160—165
Katowice	270—265	200—190

Exports of eggs in December amounted to 803 tons valued at £ 2,416,000. Of this quantity Great Britain took 274 tons, Germany 204 tons, Czechoslovakia 146 tons, Austria 101 tons, France 60 tons, Italy 18 tons, etc.

## TIMBER

— The depression affecting the Polish timber market took no turn for the better during January. The loss of the German market following the expiration of the provisional timber agreement did not bring with it any more severe deepening of the crisis since the Polish exporters had been well prepared and had taken steps to find other markets in the west of Europe. In addition the German demand had been for some time very dull and the entire cessation of the traffic therefore passed off very mildly. As was the case when the



PACKING OF POLISH EXPORT EGGS. THE HANDLING OF POLISH EXPORT EGGS IS CONDUCTED UNDER THE MOST HYGIENIC CONDITIONS AND GRADING IS CAREFULLY CHECKED

Polish-German customs war broke out, the entrance of Polish timber on the western markets was accompanied by a break in prices which makes conditions difficult for owners of standing timber. The drop in prices has affected most severely those districts which had specialised in felling timber for the German market, and where as a result prices had ruled somewhat higher than in other parts of Poland.

Larger transactions in timber and sawn wood are at present almost exclusively in connection with shipments to England, France and other western European countries. Timber exporting interests are likewise endeavouring to secure the friendly cooperation of the Polish government in developing some measure of export to Germany: there appears to be some possibility that in the case of pine logs the existing export duties may be reduced to a certain extent in order to assist exporters. Endeavours are also being made in order to regulate the question of export duties on alder-wood exports in a manner more favourable to the exporting firms. The domestic demand for this type of timber is at a very low level owing to the decreased demand and to normal seasonal influences. The very mild winter has held up the demand for wood as fuel and it is to be feared that the prices and consumption of this article will decline, although they have so far suffered least from the effects of the crisis.

Wholesale prices of roundwood ex wagon at loading station as quoted by the various State Forest Directorates were as follows per stacked or cub. m. during January this year and December 1930 (in £):

	Dec. 1930	Jan. 1931
pine logs for sawmills		
(per cub. m.) Warsaw	40'00	40'00
" " " Radom	34'00	34'00
" " " Siedlce	26'00	28'00
" " " Białowieża	29'00	27'30
" " " Poznań	36'00	36'00
" " " Bydgoszcz	39'00	34'00
" " " Toruń	38'00	34'00
spruce logs for saw mills		
(per cub. m.) Siedlce	22'00	22'00
" " " Lwów	24'00	23'00
oak logs for joinery		
(per cub. m.) Łuck	—	155'00
oak logs for saw mills		
(per cub. m.) Białowieża	58'00	58'00
pine pit props		
(per cub. m.) Warsaw	24'00	22'00
" " " Radom	22'00	22'00
" " " Siedlce	18'00	18'00
pulpwood		
(per stacked cub. m.) Siedlce	18'00	18'00
" " " Wilno	19'70	—
" " " Białowieża	18'00	18'00
pine fire wood		
(per stacked cub. m.) Warsaw	14'00	14'00
" " " Radom	13'00	13'00
" " " Siedlce	9'40	9'40
" " " Wilno	9'50	—
" " " Białowieża	13'00	13'00
" " " Poznań	15'75	15'75
" " " Bydgoszcz	16'00	16'00
" " " Toruń	14'00	14'00
spruce fire-wood		
(per stacked cub. m.) Lwów	6'50	6'00
beech fire-wood		
(per stacked cub. m.) Lwów	9'50	8'00

## COAL

— January was marked by a drop in domestic and foreign orders for coal, although, due to the longer working-month (25 days as against 23 in December), the absolute figures of extraction in that month increased by 1'75 per cent. The average daily output of coal, however, declined somewhat. The mild winter naturally resulted in a decline in the demand for household coal, whilst the continued crisis in in-



dustry caused the needs of the factories to shrink. These two factors, combined with the existence of large unused stocks of the fuel on hand with the consumers and wholesalers made the drop in sales inevitable.

Exports of coal increased slightly during the month although shipments to Austria and Hungary again fell off in volume due to the continued existence of large stocks in those countries, amassed before the Polish-German Coal Agreement for those two countries had been concluded. Abroad, it can be stated that the mild winter has likewise resulted in decreased consumption which has been reflected in a smaller volume of export from Poland.

The situation in the Polish coal-mining industry during January is illustrated in the following table, extraction, exports, domestic sales and pithead stocks being quoted (in thous. of tons):

Coal mining districts	Output	Home consumption	Exports	Stocks at pit-heads
Upper Silesia	2,567	1,243	1,012	941
Dąbrowa	673	354	179	520
Kraków	218	163	1	71
Total:	3,458	1,760	1,192	1,532
December 1930 <sup>1)</sup>	3,399	2,026	1,177	1,452
in relation to				
December 1929	+ 59	- 266	+ 15	+ 80

Total sales of coal during January dropped by 251,000 tons to 2,952,000 tons, of which amount 1,760,000 were sold at home and the remainder abroad. Pithead stocks increased by 80,000 tons and came to 1,532,000 tons on January 31st.

Exports of coal increased by about 15,000 tons over the December figure, the following table furnishing detailed data regarding countries of destination (in thous. of tons):

Countries	1928 1929 1930			1 9 3 1		
	January			December	January	Increase or decrease in relation to Dec. last
1. Convention markets:	451	474	305	332	302	- 30
a) Central European markets:						
Austria	268	302	101	203	176	- 27
Hungary	64	55	36	33	26	- 7
Czechoslovakia	90	67	69	65	70	+ 5
Germany	1	—	—	—	—	—
b) Other markets:						
Danzig	24	29	18	27	28	+ 1
Yugoslavia	4	1	1	4	2	- 2
2. Non-Convention markets:	552	596	788	799	820	+ 41

a) Northern European markets:						
Sweden	210	166	231	244	200	- 44
Norway	43	62	78	61	103	+ 42
Denmark	148	167	173	182	208	+ 26
Finland	5	16	5	59	14	- 45
Latvia	39	48	75	39	28	+ 11
Lithuania	5	5	7	8	12	+ 4
Estonia	—	—	2	—	7	+ 7
Memel	10	6	2	2	1	- 1
Russia	—	3	8	3	4	+ 1
Iceland	—	—	9	1	1	—
b) Other markets:						
France	30	57	120	106	99	- 7
Italy	39	53	44	44	96	+ 52
Rumania	7	6	7	3	4	+ 2
Switzerland	11	9	10	11	12	+ 1
Holland	3	1	9	6	2	- 4
Belgium	3	3	6	11	14	+ 3
Spain	—	—	2	—	6	+ 6
c) African markets:						
Algeria	—	3	—	—	2	+ 2
Egypt	—	—	—	—	7	+ 7
3. Bunker coal	12	39	74	66	70	+ 4
Total:	1,016	1,111	1,167	1,177	1,192	+ 15

The various groups of foreign markets participated in Poland's coal exports as follows (in percentages):

Convention markets	25.27
Northern European markets	48.53
Other European markets	19.56
African markets	0.76
Bunker coal	5.88
Total:	100.00

The number of coal-miners employed in the whole of Poland dropped slightly in January from the December figure of 117,558 to 116,550. There were 9,080 miners registered as out-of-work, this representing an increase of only 998 workers unemployed. The average daily extraction of coal per miner per day came to 1,325 kg, this being 15 kg. below the December figure. The average wages earned by coal-miners varied from  $\text{zł } 10.70$  to  $\text{zł } 10.64$  per day, i. e. remained virtually without change as against the December level. The collective wage agreement was denounced by both the miners' unions and by the colliery owners association during January and the question of fixing a wage scale was referred to an arbitration commission for decision; its award resulted, however, in the demands of the miners and the coal-owners being rejected and in the wage-scales and conditions reigning hitherto-fare being maintained in force until January 31, 1932. Since this decision has been approved of by the Ministry of Labour and Social Welfare, it has become binding.

The prices of coal ex-pithead remained without change during January, this also being the case for export prices to convention countries. Ocean freights from Gdynia or Danzig tended downwards with the exception of shipments to Tallin, since the Estonian seacoast has become ice-bound and is now difficult of access. Railway freight tariffs for coal showed no change. The prices of coal f. o. b. Gdynia or Danzig

also remained firm at the level of 12s 3d. and 11s. 3d. per ton of Upper Silesian and Dąbrowa large respectively.

The production of coke during the month decreased only very slightly and came to 118,698 tons. Sales were a trifle weaker but not unduly so. The output of the briquetting plants increased in January by 1,105 tons to 29,646 tons, but sales declined by 2,757 and were reported as being 29,053 tons. Conditions in the lignite mining industry were not marked by any important changes, sales having maintained their position satisfactorily although extraction diminished only very slightly.

## PETROLEUM

— Conditions in the Polish petroleum industry again passed off very uneventfully during January. Production was well maintained, the refineries were fully occupied and even increased their throughput as against December figures and average monthly returns for last year. Domestic consumption of petroleum products tended to decrease during the month but was greater than the average figure for 1930. Stocks of unsold petroleum products rose somewhat during the month.

The output of crude oil was as follows (in tons):

	December 1930	January 1931
Jasło district	8,161	8,050
Drohobycz	44,622	43,540
Stanisławów	4,398	4,127
Total:	57,181	55,717

Of the 43,450 tons of crude produced by the Drohobycz area, 35,689 tons were Boryslaw Standard Crude. The drop in production was only very slight as against December returns, whilst the daily output during January was well above the figure for the corresponding month of last year.

There was little liveliness shown in boring operations during the month. The "Gdańsk" Oilfield at Mrażnica reported an increase in the output of its No. 1 well, which yielded 300 tons more than in December. Three new borings were commenced in the Drohobycz area and eleven temporarily abandoned wells were again put into operation in the Boryslaw district. Nineteen new derricks were erected in preparation for drilling operations. Pioneer borings continued to be conducted at Mrażnica but no definite results were attained. Drilling on prospective fields at Berehy, Tarnawa, Wola, Uherce and Orowo continued but so far without result.



Conditions in the labour market remained unchanged, since the trade unions agreed to an extension of the collective wage agreement until the end of March this year, when new negotiations will be again taken up. No labour conflicts were reported during the month. The number of registered unemployed in the Drohobycz area was returned as 6,774, this being 440 in excess of the December level. The number of workers employed during the month came to 10,098, as against 10,283 in December.

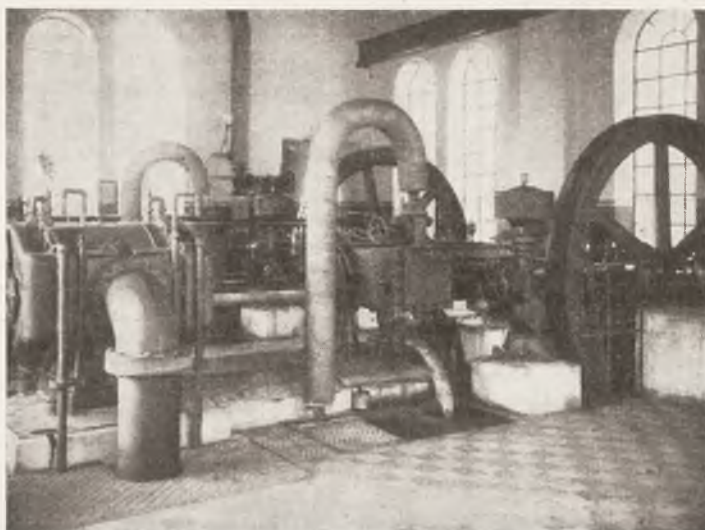
Stocks of Boryslaw Standard Crude at the storage companies came to 4,494 tons on January 31st, those in the Stanislawow area amounting to only 2,074 tons. In connection with the Government action for lower prices, those of Boryslaw Standard Crude were lowered to  $\text{zł}$  1,882 per 10-ton cistern, the price in November and December having been  $\text{zł}$  1,900. Retail prices, however, remained at the old level, whilst export prices tended downwards under the depressing effect of over-production in the United States and Roumania and of Soviet dumping.

The position of the natural gas industry is illustrated by the data in the following table:

	Dec. 1930	Jan. 1931
output of gas (in thous. of cub. m.)	43,859	44,800
throughput of gas (in thous. of cub. m.)	24,472	24,302
output of gasoline (in tons)	3,585	3,582
home consumption	3,413	
number of workmen employed	252	249

There were twenty gasoline plants in active operation during January, and the new plant built by the Galicia Co. at Grabownice is expected to commence work in the very near future. The output of gasoline per 100 cub. m. of natural gas came to 14.7 kg. during January as against 14.65 kg. in December and the average figure of 13.46 kg. for the whole of 1930. The average price of natural gas supplied for combustion and fuel purposes was revised upwards by the Lwów Chamber of Commerce at the figure of  $\text{zł}$  5.62 per 100 cub. m., the December price having been  $\text{zł}$  5.47. The output of gas in the Boryslaw area remained unchanged, but increased somewhat in the Daszawa district due to the increased demand.

In the ozokerite industry, conditions were very stagnant and although export was maintained fairly well, conditions for the future look rather dark, especially in view of Soviet activity on foreign markets, where the mineral was offered at dumping prices.



AN INTERIOR VIEW IN THE WARSAW MUNICIPAL GAS-WORKS. THE EQUIPMENT OF THE WARSAW GAS-WORKS STANDS ON A HIGH LEVEL, ALL THE BY-PRODUCTS OF COAL AND COKE BEING PRODUCED

The situation in the refining industry is shown by the following table (in tons):

	Dec. 1930	Jan. 1931
throughput of crude oil	52,056	56,957
output of petroleum prod.	48,412	50,112
home consumption	38,655	36,543
exports	13,655	12,538
stocks of petroleum products at the end of month	215,035	219,946
number of workmen employed	3,840	3,799

The following table quotes figures for the various products of petroleum, consumption, exports and storage stocks (in tons):

	Motor spirit	Kerosene	Gas oil	Lubricating oil	Paraffine wax	Total
output	8,860	15,329	10,662	8,724	3,148	50,112
home consumption	6,016	17,915	5,330	3,372	840	36,543
exports	3,195	1,259	3,349	1,602	2,230	12,583
stocks on 31st 193	37,830	17,003	14,146	36,102	4,333	219,946

Exports of petroleum products during January are shown in the following table (in tons):

motor spirit	3,195
kerosene	1,259
gas oil	3,349
lubricating oil	1,602
paraffine wax	2,230
other products	903
Total:	12,538

The distribution of the above exports was as follows (in tons):

Austria	524
Czechoslovakia	2,543
France	784
Germany	907
Switzerland	2,311
other countries	1,516
Danzig	3,953
Total:	12,538

Exports of petroleum products, as can be seen, declined very slightly

(by about 1,000 tons) during the month; the figures for the month in question indicate that the export was much lower than the average monthly figure last year, which was 20,730 tons.

## IRON

— With the hardly satisfactory results of the past year, the new year opened with a consistent deepening of the depression in the iron and steel trades during January. It is true that the seasonal depression contributed to aggravate the troubles caused by the general economic crisis, but during the period under review, this seasonal drop in business was much larger than had been the case in previous years. Although orders for the spring season usually commence to come in during February, they are usually presaged during January by greater liveliness in the iron and steel trades: this year, however, the flow of private orders in January was most disappointing and was moreover accompanied by a slump in foreign and domestic sales. The situation was improved to a certain extent by large orders from the railways, which, in order to assist the iron and steel industries, covered their needs for some months to come by ordering during January. It can thus be expected that orders from that source will remain at a low level during the next few months.

The output of the foundries was increased during January, blast furnace production being excepted. The following table furnishes percentage data for the



main divisions of the iron and steel trade in November, December and January, the basic index of 100 being the average monthly production in 1913:

	Nov. 1930	Dec. <sup>1)</sup> 1930	Jan. <sup>2)</sup> 1931
blast furnaces	42.7	41.3	37.6
steel works	71.5	56.6	66.1
rolling mills	71.8	57.6	60.0

The above figures show that the steel works and rolling mills increased their output during January as against December, the gain being quite an important one. The production of pig-iron, however, dropped disquietingly to a low level equalled only by the October 1926 figure. Foreign sales of tubes and rolling mill products accounted for 53.25 per cent. of all sales, 42 per cent. representing goods sold to the U.S.S.R.

The iron-ore mines continued to decrease their production in sympathy with the drop in pig-iron output. In addition, the keen frosts on many occasions made work impossible in the surface mines and this contributed to decrease extraction still further. Extraction of iron-ore has for some time past been below the average level for 1913, but in January this year it fell by 29.5 per cent. of the pre-War figure. The following figures depict conditions in this industry, quoting extraction and foreign trade in the mineral in question (in tons):

		Extraction	Imports	Exports
Dec.	1930 <sup>1)</sup>	32,227	30,774	3,831
Jan.	1931 <sup>2)</sup>	27,760	47,692	3,800
"	1930	54,971	50,602	13,163

The number of mines in operation decreased by three and came to only fifteen mines, employing on January 31st 2,978 workers as against the 3,062 in December and the 4,942 in January 1930.

The production of the foundries during the month under review is quoted in the following table by fundamental groups (in tons):

		Pig iron	Steel ingots	Rolled products	Pipes
Dec.	1930 <sup>1)</sup>	35,432	78,429	60,166	6,212
Jan.	1931 <sup>2)</sup>	32,292	91,589	62,764	4,994
"	1930	50,707	105,896	76,402	9,916

The foregoing data shows that the production of pig-iron declined by 8.9 per cent. during January and by 30 per cent. as against January 1930. Foundry stocks began again to increase following several months of steadily declining figures and on January 31st amounted to the equivalent of nearly two-month production. This naturally affords but

small promise of production increasing to any larger extent within the near future.

There was no export of pig-iron during January, while domestic sales remained at the December level more or less, amounting to about 11,000 tons. The output of the steel works increased considerably (by 16.8 per cent.) as against December figures but was over 13 per cent. below the corresponding data for last year. Stocks on hand at the foundries evinced no important changes and amounted to about a half of the normal monthly production. The output of the rolling mills increased by 4.3 per cent. but was nearly 18 per cent. lower than in January 1930. Sales of rolled products declined by about 17 per cent. during January as against December returns. Home sales fell from 26,820 tons in the latter month to 24,000 tons in January, whilst export sales fell much more heavily (from 41,958 tons to 24,231 tons) in the month reviewed. Stocks of unsold goods at the rolling mills remained at about the same level as in December.

Conditions in the tube industry were somewhat worse since January output was 19.6 per cent. below that reported for December and almost 50 per cent. lower than in January 1930. Sales also took a turn for the worse in both home and foreign markets. Stocks on hand came to the equivalent of a month's production, having slightly increased in the month under review.

During January 40,832 workers were employed in the foundries as against 41,495 in December and 47,536 in January last year.

As already stated, the volume of orders greatly exceeded that reported for December thanks to orders from the railways. The Syndicate of Polish Iron Foundries reported that total orders during January (excluding pig-iron, tubes and foreign orders) came to 43,008 tons as against 6,917 tons in December. The January figure showed an increase in both private and government orders, the former rising to 12,519 tons and the latter to 30,489 tons; for the sake of accuracy it should be mentioned that 3,000 tons of the orders from private firms were filed in December but for technical reasons were not included in the returns for that month. Allowing for this correction it will be seen that private orders really remained at the same level in January as in December. An important factor affecting orders from the wholesale trade is that there is a general tendency to await a drop in prices and many buyers are holding up their purchases for that reason. Orders from the manufacturing indus-

tries, began to show a certain upward trend. Sales in January this year greatly exceeded those reported for the corresponding month last year, when the total figure came to 30,045 tons of which 30,045 tons were purchased by private concerns and only 477 tons by government institutions.

Foreign trade during January this year is compared to that for December and January last year in the following table (in tons):

	Imports			Exports		
	1930	January	1930	1930	January	1930
	Dec.	1931	1930	Dec.	1931	1930
pig iron	277	1,086	356	15	40	285
rails, iron and steel articles	2,056	2,198	3,131	34,283	18,808	14,004
iron and steel sheets	1,035	719	1,337	7,675	5,423	9,054
pipes	102	55	189	4,545	3,256	6,153
Total:	3,470	4,058	5,013	46,518	27,527	29,496

As can be seen from the foregoing data, the export of foundry products declined seriously during January, having been 18,991 tons lower than the December figure and 1,969 tons lower than that in January 1930. The great difference between December 1930 and January 1931 figures is explained, however, by the fact that exports to the U. S. S. R. were especially great during the former month and the orders given were completed by the beginning of the month under review. The value of the export trade in this branch of production came to £ 10,240,000 in January, as against £ 16,704,000 in December and £ 12,601,000 in January 1930. The average value per ton of exported foundry goods came to £ 375 during January, whilst the corresponding figure for last year was £ 396 per ton.

## ZINC AND LEAD

— Conditions in the Polish zinc and lead industries during January took a turn for the worse. World conditions for the production and sale of zinc deteriorated, and the downward trend of prices found its reflection on the Polish market. As an indication how far prices have been depressed it will suffice to state that the prices of zinc fell during January by £ 1.10s. per ton. Both domestic and foreign sales were difficult to carry through on the whole, even at the current low prices, which are such that even the best-organised foundries found it hard if not impossible to make both ends meet. Production during the month was, however, well maintained but further decreases in

<sup>1)</sup> Corrected figures.  
<sup>2)</sup> Provisional figures.



price of the finished product will undoubtedly force the foundry-owners to close some of their establishments, if only as a temporary measure.

The lead industry found its position no better than that of the zinc producers. The drop in selling-prices was even greater and during January came to £ 2.15s. per ton. Both foreign and home sales were scarce even at the greatly reduced price. Production figures for the month showed a drop, due to the difficulty in securing lead-ore for smelting.

The following figures will illustrate in percentages of the average monthly production in 1913 how production has been shaping in the zinc and lead industries during the past three months:

	Nov.	Dec. <sup>1)</sup>	Jan. <sup>2)</sup>
raw zinc	93.0	95.4	92.6
raw lead	94.0	110.0	82.5

The extraction of zinc and lead ore rose somewhat during January and came to 90,274 tons as against 79,595 tons in December and 92,445 tons in January last year. Imports of zinc ore during the month under review came to 15,159 tons as compared to 19,513 tons in December and 14,630 tons in January 1930. The import of lead ore during the month came to 2,379 tons, to 2,911 tons in December and to 3,549 tons in January last year. The number of miners employed in the mines decreased slightly during the month and was 5,166 on January 31st. This figure

<sup>1)</sup> Corrected figures.  
<sup>2)</sup> Provisional figures.

compares well with the number of miners employed in December (5,181 men) and in January last year (6,406 men). The number of mines in operation remained unchanged, but it is foreseen that those mines producing lower grades of ore will find it difficult in the future to work profitably under existing conditions.

The output of the zinc and lead foundries remained more or less at the December level. The following table affords data concerning the production of the various products of these industries during January this year, comparative figures for January and December of last year being also given together with average monthly figures for the year 1930 (in tons):

	Sulphuric acid 50°Be	Zinc	Zinc sheets	Raw lead	Silver (kg.)
1930 — monthly average	21,136	14,530	1,833	3,351	1,455
December 1930	24,864	15,262	1,496	3,948	1,211
January 1931	23,058	14,821	1,463	2,952	934
1930	29,360	14,350	1,989	3,584	1,719

The production of sulphuric acid remained at a constant level and the increasing stocks stored in the warehouses caused much trouble to the producers. This was as usual caused by the very low demand for the acid on the part of the artificial fertiliser factories which are themselves faced by a severe drop in demand for their products. There are signs, however, that the consumption of this acid will tend to increase during the next few months and orders have already been received which indicate

that sales will move more quickly within the near future.

Labour conditions in the zinc and lead industries were not marked by any conflicts, but the question of decreasing wages was brought up and although no decision was reached during January, it can be stated that an arbitration judgement towards the end of February has recommended a 7 per cent. cut. This matter has not, however, been finally decided nor has the decision been ratified by the Ministry of Labour. The number of men at work in this industry during January came to 10,525 which is only very slightly below the December figure of 10,618 men.

The export of zinc and lead products during January decreased as a group due to the decline in foreign sales of zinc. Exports of refined lead, however, increased considerably thus affording great relief to the foundries. The data covering the export of zinc and lead products is given in the following table (in tons):

			<i>Zinc and zinc products</i>	<i>Refined lead</i>	<i>Total</i>
December 1930	tons		10,610	534	11,144
"	thous. of £		6,964	369	7,333
January 1931	tons		9,269	1,715	10,984
"	thous. of £		5,609	1,211	6,820
"	tons		10,211	629	10,840
"	thous. of £		9,673	588	10,261

The average price per ton exported during January 1931 came to £ 622 as against £ 660 in December and £ 945 per ton in January 1930.

**MOVEMENT OF PRICES.** — During January agriculture continued to seek credit, the demand much exceeding the available supply since the payment dates of many debts and obligations fell due during that month and the farmers in most cases were in no position to pay them off. The solvency of the farming class deteriorated to some extent during the month in question. It is noteworthy that the demand for credit on the part of industry and trade fell off to some extent. Bill material for discounting also decreased in volume, this being due to producers preferring to sell for cash rather than for credit on the one hand, and to the fact that buyers held up their purchases in the expectation of a further drop in prices. This holding out for lower prices was strengthened

in tone by the Government's campaign for lower prices and to some extent accelerated the downward trend of prices.

Prices decreased greatly during January, especially in the wholesale trade, whilst worse conditions of sale abroad for Polish exports and especially for livestock products, caused home prices to decline independently of any internal influences.

The following table illustrates the changes in the various price indices during the month (1914 = 100):

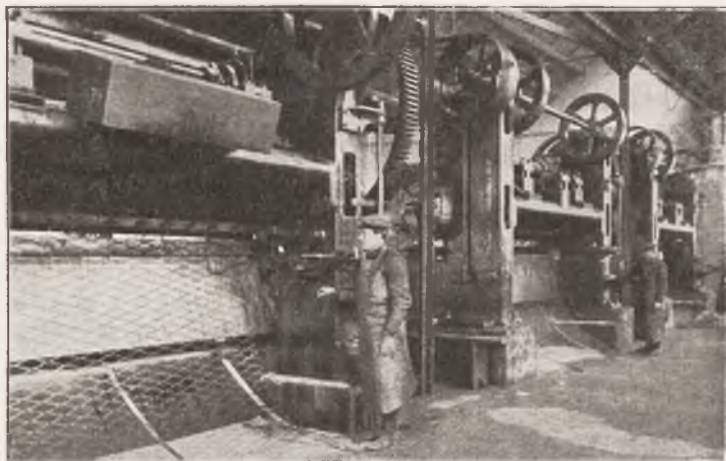
	Wholesale price index:	Retail price index:	Cost of living index:
January 1930	104.5	154.2	120.9
February	100.6	151.2	117.9
March	101.7	149.1	116.7
April	101.7	149.5	116.3
May	99.8	148.8	115.2
June	98.8	149.2	115.8

July 1930	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
November	93.1	149.4	119.2
December	90.7	148.2	117.7
January 1931	85.7	135.0	108.4

As can be seen from the foregoing data, the wholesale-price index declined by 5.6 per cent., that for retail prices by 7.1 per cent., whilst the cost of living index decreased by 7.9 per cent. During the month under review, retail prices showed an important decrease for the first time in many months. Since this drop in retail prices was greater than that in wholesale prices, the divergency between the two became smaller in accordance with the objectives of the Government campaign.

The decrease in the wholesale-price index was evoked by a drop of 10.6 per cent. in agricultural produce





MANUFACTURING WIRE-NETTING IN A WARSAW PLANT. THE HIGH QUALITY OF POLISH IRON AND STEEL PRODUCTS FINDS THEM A READY MARKET AT HOME AND ABROAD

prices and of 20 percent. in those of manufactured goods. The autonomous group of groceries, however rose by 1.1 per cent. during the month. The prices of plant products decreased by 5.7 per cent. as a result of a further drop in corn prices; the prices of livestock products dropped very seriously — by 16.8 per cent. These enormous drops in price in this group of commodities would appear to point to a great deepening of the agricultural crisis, one especially affecting the breeding industries. In the manufactured commodities group, wood dropped by 1.6 per cent., textiles by 2.8 per cent. (in spite of a slight increase in the prices of cotton), metals and products of same also decreased (by 2 per cent) as a result of lower prices for lead, zinc and tin, although iron remained firm in price. The miscellaneous group yielded a decrease of 1.8 per cent, whilst coal remained at an unchanged level.

The drop in the retail-price index followed as a result of agricultural products decreasing in price by 10.4 per cent. and industrial commodities by 4.8 per cent. The cost of living index decreased following a drop in foodstuffs prices amounting to 11.3 per cent. one in clothing prices of 12.8 per cent. and with the prices of the miscellaneous group falling by 2.5 per cent. Rent remained unchanged, while fuel prices rose by 0.5 per cent.

## FAIRS AND EXHIBITIONS

**POLISH SAMPLE EXHIBITION AT HARBIN.** — The large and important Polish colony in Manchuria has decided to organise an exhibition of Polish industrial samples and designs at Harbin, the capital of the province.

Many exhibits have been received and it is expected that the exhibition, which will be opened on April 1st, will do much to develop direct trade relations between the Far East and Poland. The textile trade is especially interested in this direction and hopes to increase its turnovers materially with that part of the world.

## FOREIGN TRADE

— The balance of trade for the Republic of Poland (including the Free City of Danzig) during January this year resulted in a slight excess of imports over exports. Imports were for a total volume of 278,276 tons valued at £ 153,448,000 and exports came to 1,417,507 tons representing a value of £ 152,492,000. The adverse balance is as will be noted under a million zlotys and need give no cause for disquiet. Compared with December returns of foreign trade, imports decreased in value by £ 5,459,000 and exports by £ 30,686,000; it will be noted therefore that the unfavourable balance has been caused by the serious drop in export trade.

The drop in imports was accounted for by smaller trade in foodstuffs, textiles and textile raw materials, machines and apparatus, copper goods and ceramic ware. These groups declined in value for a total of about £ 9,000,000 against which should be set off various minor increases, chief of which was a gain of nearly £ 2,000,000 shown by imports of artificial fertilizers.

Exports decreased in volume and value due to smaller shipments of foodstuffs (£ 12.3 million less than in the preceding month), timber (a drop of £ 9.9 million due to the expiration of

the Polish-German Provisional Timber Agreement), coal (which declined by about £ 2,200,000) and foundry products, which fell off by over £ 6.7 million in their export trade. Exports of hides and furs increased by £ 2.3 million as did also those of artificial fertilizers, which increased in value by £ 1.3 million.

Exports of foodstuffs dropped in value as a group by £ 6.2 million, this decrease being accounted for by a decline in corn exports to the extent of £ 1.3 million, rye shipments fell off by only about £ 800,000, barley for a like amount, sugar exports by £ 2.3 million, eggs by £ 1.7 million, fodder by £ 1.4 million, peas and beans by about £ 500,000. Potato products declined only very slightly. Exports of rye flour increased by £ 700,000, bacon by £ 1.3 million, smoked and cured meats by about £ 800,000 and butter shipments by £ 500,000 million.

The export of livestock slumped by £ 7.1 million as against the December figures, it being worthy of notice that the export of horses increased by over £ 400,000, exports of cattle also gaining during the month. There appears to a possibility of the trade in horses developing since for some time past it has been quite active.

The expiration of the Provisional Polish-German Timber Agreement, as also stated, caused timber exports to decline sharply during January as against December figures: it must be remembered, however, that the export in question during the latter month was exceptionally large. The decline in timber exports affected chiefly trade in sawn wood but less business was done in almost all divisions of this branch of commerce. The only item in this group which showed a growth in turnover was plywood which exceeded December figures by about £ 700,000.

Exports of oil-bearing seeds decreased slightly, but those of sugar-beet and of fodder plant seeds made up for the loss, leaving the final figure about the same as in December.

With the passing of the winter season, exports of rubber footwear (mostly goloshes) continued to decrease in volume. The chemical trade, however reported greater liveliness with gains in the case of artificial fertilizers (£ 1.3 million more than in December), benzol and sulphuric acid.

The export trade of the foundry and rolling mill industries slumped heavily during the month reviewed, the total drop being one of £ 7.8 million. Rails, iron and steel goods declined by £ 4.5 million, iron and steel plate by £ 1.1



## I M P O R T S

## E X P O R T S

G O O D S	January 1931	Monthly average		January 1931	Monthly average		G O O D S	January 1931	Monthly average		January 1931	Monthly average	
	1930	1929	1930	1929	1930	1929		1930	1929				
	Volume — in tons			Value—in thousands of £				Volume — in tons			Value — in thousands of £		
TOTAL:	278,276	297,585	423,995	153,448	187,164	259,248	TOTAL:	1,417,507	1,576,844	1,753,159	152,492	202,776	234,446
Foodstuffs	27,521	30,711	37,115	25,165	29,769	37,602	Foodstuffs	121,357	158,914	126,238	41,739	61,578	65,684
including:							including:						
wheat	334	686	2,704	84	257	1,185	wheat	3,545	4,752	161	766	1,326	71
maize	760	1,491	301	138	342	561	rye	12,518	31,911	16,699	1,903	5,918	4,922
rice	35	4,446	4,694	21	2,132	2,548	barley	12,820	18,070	20,356	2,430	4,165	6,827
plums	1,184	631	777	1,228	693	830	oats	271	4,775	3,135	48	901	906
lemons and oranges	2,413	1,445	1,344	1,305	962	1,069	wheaten flour	2,319	1,634	261	882	653	178
nuts	171	222	232	403	503	610	rye flour	8,723	2,634	198	2,026	687	86
spices	187	165	177	476	578	910	peas	1,440	2,839	2,907	524	1,136	1,696
tea	180	171	183	1,347	1,285	1,492	beans	1,435	1,596	2,613	677	846	1,922
cocoa	554	508	510	945	1,059	1,300	potatoes and products	4,253	2,326	1,488	846	625	519
coffee	595	657	675	1,783	2,204	3,063	sugar	20,329	32,915	24,820	5,087	11,509	11,131
fish	635	455	352	1,051	765	715	meal	7,212	3,686	2,390	13,356	9,145	7,357
herrings	6,941	7,393	8,301	4,083	4,346	4,716	including: bacon	3,854	2,032	1,004	7,900	5,960	3,818
edible fats	2,339	2,433	3,463	2,730	4,700	7,275	ham	626	287	144	2,105	897	533
wine	387	323	393	679	621	822	butter	760	1,010	1,257	3,687	4,930	7,339
tobacco	1,393	1,605	1,374	4,620	5,051	4,323	eggs	803	4,593	4,458	2,416	11,236	11,875
forage	4,659	2,755	4,223	485	671	1,446	hops	142	173	216	166	217	609
Live animals (head)	4,122	7,886	23,254	204	270	411	alcohol	63	348	462	34	313	484
Animal products	2,848	2,694	2,677	11,587	16,575	19,770	forage	15,005	24,440	24,689	1,190	3,652	5,409
including:							Live animals (head)	115,790	229,907	245,806	10,670	15,655	18,748
raw skins	1,900	1,713	1,246	3,797	3,881	3,536	including:						
furs (raw)	323	235	266	2,378	2,488	2,964	horses	4,660	4,268	1,758	1,021	1,139	609
tanned hides	119	217	320	3,072	5,255	7,136	cattle	3,389	3,371	2,454	1,804	1,853	1,343
tanned furs	5	17	23	577	2,194	2,922	pigs	47,027	60,076	80,002	7,482	11,562	15,432
leather footwear	14	28	24	637	1,362	1,191	geese	31,727	117,158	122,842	285	960	1,199
Timber and wood ware	4,276	4,225	4,628	1,639	1,534	2,176	Animal products (head)	1,646	1,935	1,550	5,024	4,949	4,737
Plants and seeds	1,850	2,723	3,482	1,466	2,142	3,164	including:						
including:							dried skins	1,196	850	435	2,587	2,286	1,461
oil seeds	1,262	1,988	2,362	556	1,113	1,624	raw furs	128	73	48	865	621	867
Building materials,	81,942	88,381	107,848	3,450	4,790	6,452	horse hair, bristles and						
including:							feathers	113	171	232	1,108	1,289	1,614
glass	457	654	897	747	959	1,238	Timber and wood ware	142,533	233,610	312,151	18,152	29,019	40,162
Fuel and petroleum	12,946	14,853	27,692	1,042	1,066	1,744	including:						
products	448	478	578	2,911	3,301	4,175	pulpwood	25,229	56,633	97,668	1,256	3,296	6,541
Rubber							pit props	16,881	26,738	34,636	782	1,306	1,909
including:							round wood and logs	8,577	24,561	43,075	800	2,601	4,716
caoutchouc & gutta-percha	253	259	337	634	888	1,315	planks, deals, battens	69,822	83,030	81,976	10,453	14,029	16,872
soft rubber	16	20	26	274	354	437	railway sleepers	6,014	15,673	18,215	898	2,254	2,881
tyres and inner tubes	137	165	174	1,446	1,448	1,629	furniture	310	459	612	701	1,080	1,330
rubber footwear	35	30	37	757	566	718	veneers	2,567	2,434	3,056	1,897	1,784	2,476
Chemicals	26,479	44,543	75,974	16,978	20,644	27,755	Plants and seeds	6,961	8,745	9,280	5,395	4,522	6,753
including:							including:						
phosphate rock	8,390	12,742	18,667	565	630	964	fodder plant seeds	3,886	4,298	5,345	2,685	2,479	3,843
potassium salts	3,627	2,036	9,338	715	436	1,485	sugar beet seeds	1,143	545	410	1,607	860	607
Chilian saltpetre	265	2,462	6,600	112	1,041	2,951	oil-bearing seeds	1,025	1,106	2,590	614	761	1,902
Norwegian saltpetre	2	4,033	4,009	1,604	1,509	1,509	Building materials,						
Thomas slag	3,357	11,134	23,093	363	1,179	2,855	minerals, ceramic						
vegetable fats	2,825	2,396	2,609	2,514	3,319	3,893	prod.	21,306	30,304	55,355	889	1,335	1,476
animal fats	1,199	1,496	1,627	1,418	2,185	2,596	including:						
tanning extracts	1,498	1,767	1,446	1,416	1,562	1,338	cement	2,276	5,985	7,046	166	437	527
pharm. chemicals, scents	87	93	137	1,678	1,144	1,200	Fuel	1,060,614	1,072,230	1,194,430	31,307	33,374	38,910
cosmetic products	38	29	30	790	861	831	including:						
dyes, paints, varnishes	453	613	786	1,327	1,597	1,978	coal	1,030,884	1,041,451	1,161,150	27,028	27,908	32,033
various chemical prod.	406	369	456	1,424	1,308	1,569	coke	18,605	16,378	12,488	799	687	526
Ores, metals and metal							petroleum products	9,497	12,138	18,888	2,963	4,386	5,943
products	102,852	88,974	138,178	17,354	20,867	30,910	petroleum	905	1,846	4,231	136	396	845
including:							lubricating oils	4,307	5,508	8,088	792	1,210	1,571
iron and manganese ores	53,542	33,770	90,188	3,374	2,058	3,720	motor spirit	2,873	2,806	4,236	1,049	1,086	1,252
zinc ores	15,159	17,307	16,395	1,918	2,898	4,113	paraffine wax	1,412	1,978	2,333	986	1,694	2,275
scrap iron	25,810	87,814	43,037	2,954	3,558	6,375	Rubber	36	123	103	248	1,192	869
iron, steel, rails	2,198	3,101	4,272	696	947	1,431	including:						
iron and steel sheets	719	1,116	1,150	489	799	893	rubber footwear	27	117	98	216	1,149	844
iron and steel wire	469	435	348	509	549	743	Chemicals	18,049	17,264	13,064	5,080	5,143	5,015
mechanical appliances	57	76	125	543	684	962	including:						
copper and products	642	820	1,135	2,448	3,340	5,104	artificial fertilizers	11,509	10,929	5,881	2,525	2,340	1,355
tin	45	68	71	242	463	647	benzol	1,773	1,343	1,250	1,010	734	748
Machinery and electr.							Metals and metal						
appliances	2,006	2,697	5,310	10,973	14,266	25,031	products	40,547	50,934	35,179	18,584	26,433	26,979
including:							including:						
engines	163	277	573	957	1,204	2,356	iron and steel rails	18,808	22,732	8,963	5,547	6,980	2,967
electrical machinery	185	204	354	1,635	1,696	2,597	iron and steel sheets	5,423	7,509	4,129	2,184	3,077	2,201
wood and metal working							pipes	3,256	4,468	5,570	2,469	3,421	3,778
machinery	100	206	506	587	884	2,269	lead	1,715	1,269	1,288	1,211	1,044	1,301
textile machinery	239	275	696	1,258	1,822	4,208	zinc and zinc dust	8,337	11,668	11,697	4,944	8,785	12,629
boilers and heating							zinc sheets	932	1,063	1,182	665	1,045	1,595
appliances	300	344	703	1,165	1,793	3,043	Machinery and electr.						
electrical wares	551	633	991	7,920	5,925	8,856	appliances	252	314	546</			



million, tubes by nearly a million zlotys zinc by over a million zlotys, zinc sheeting was rather firmer, and the only item to show an increase in foreign sales was raw lead which increased by  $\text{zł}$  800,000 million.

Conditions in the export of textiles were rather uneven: woolen yarns decreased in value by about a million zlotys, woolen fabrics rose very slightly as did also the export of silk fabrics, the latter export being mostly not the result of sales but of shipments to foreign dyeing establishments and for subsequent re-import.

Imports in January this year touched a record low mark and were far below the average monthly figure for 1929 and 1930.

The foodstuffs division fell off by  $\text{zł}$  2.0 million, the drop being mainly due to decreased imports of tobacco (a drop of  $\text{zł}$  1.2 million), of edible vegetable fats, nuts and almonds, coffee, tea and herrings. Imports of undressed furs grew by  $\text{zł}$  1.4 million, dressed hides by about  $\text{zł}$  500,000, but those of dressed furs dropped off, the same applying to imported leather footwear. Imports of rubber footwear dropped off heavily with the approach of spring and the shipments of raw rubber entering the Republic declined for the same reason. Shipments of tyres and inner tubes gained slightly.

A seasonal increase in imports of artificial fertilizers was noted in January the gain being one of over two million zlotys. The increased trade in this division affected all types of fertilisers imported into Poland. It is expected that this type of import will tend to increase during the next few months. The import of medicaments during the month increased relatively greatly, the same being true for technical greases and fats, tanning extracts etc.

Imports of foundry raw materials increased in volume and value during January, iron ore rising by  $\text{zł}$  800,000 scrap-iron and pig-iron, however, showed only very slight gains. The import of copper and products of same decreased by  $\text{zł}$  1.6 million, that of iron and steel plate by  $\text{zł}$  0.3 million, and iron wire, tubes and aluminium products all were reported to have fallen off but not to any large extent. The import of machinery, (boilers, apparatus, textile and other machines, etc.) diminished by nearly two million zlotys; that of electrical machines and engines, however, yielded an increase of about  $\text{zł}$  300,000. Electrotechnical supplies and material also increased in volume during the month: telephone apparatus grew by  $\text{zł}$  2.0 million for example,

but transformers, bulbs and cables declined by a little over half a million zlotys. Imports of motorcars and bicycles continued to decline, the net loss for January being one of about  $\text{zł}$  800,000.

The general crisis resulted in considerable changes in the imports of raw materials for the textile industries: raw cotton shipments decreased by  $\text{zł}$  20 million, those of cotton and yarns fabrics by  $\text{zł}$  1.6 million, and of woolen fabrics by about  $\text{zł}$  400,000. Imports of jute, however, increased slightly and those of wool by  $\text{zł}$  2.4 million.

Imports of school equipment, precision instruments, etc. yielded a moderate increase of about  $\text{zł}$  500,000 over the December figure. Other items of import fluctuated within such small limits as against December returns that any special mention of them is superfluous.

**POLISH HOG EXPORTS TO AUSTRIA.** — Negotiations between the Polish Syndicate of Hog and Cattle Exporters and the Vienna Hog and Cattle Importers Association have recently been successfully concluded by both sides agreeing to an extension of the understanding which had been in force during the past year. The conditions of the agreement will remain unchanged for the whole of the current year, the annual quota of hogs from Poland having likewise been retained without change at the figure of 566,666 head. This quota has been divided into fixed monthly contingents which the Viennese importers have bound themselves to take up as they arrive. It has been calculated that the transactions covered by this agreement represent a value of between  $\text{zł}$  115 and 120 million.

## 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. 349:** Export firm desires to enter into relations with foreign timber purchasers.

**Ref. No. 350:** Polish manufacturers of agricultural machinery and implements are desirous of extending their foreign relations.

**Ref. No. 360:** Polish manufacturers of iron and steel wire ropes

are desirous of extending their foreign connections.

**Ref. No. 361:** Polish manufacturers of metal furniture are desirous of getting into touch with foreign buyers interested in this line.

**Ref. No. 362:** Fruit syrup factories (cherry and raspberry) seek foreign buyers.

**Ref. No. 363:** Polish manufacturers of cast iron enamelled hollow ware are desirous of getting into touch with foreign firms interested in this line.

**Ref. No. 364:** Polish manufactures of refrigerators are desirous of getting into touch with foreign firms interested in this line.

## CUSTOMS DUTIES AND FOREIGN TRADE REGULATIONS

**IMPORT DUTIES ON USED TEXTILE MACHINERY.** — Item 167 of the Customs Tariff has been amended upwards by a change being introduced on the strength of which the import duty will be increased by 100 per cent. over the autonomous customs duties on second-hand textile machinery mentioned in pars. 20, 21, 22 and 23 but with the exception of mechanical looms for silk-weaving and auxiliary textile equipment with bobbin winders; equipment for woolen and cotton waste manufacture, however, are not excepted.

The increase in the import duty on such machines has been made necessary by the action taken up by a number of countries, where modern and more up-to-date machinery has been ousting the older models, this applying especially to cotton spinning equipment. These industries abroad having installed new machinery, have been organising the sale of their old machines at exceptionally low prices to competing industries in other countries amongst which Poland was to be found. The purpose of this action is two-fold: the textile industries abroad have been enabled to increase the efficiency of their plants and thus to decrease costs and prices, whilst by selling out-of-date equipment to competing countries they not only reduce their own capital expenditure, but also help to lower the standard of production in countries which are weaker financially and so reduce their competitive ability. The Polish government desires to protect its important textile industries from this danger, hence the increase in the tariff on this type of goods.

The change in the customs tariff in no way affects the import of new machines, which will be able to enter Poland on paying the normal import duty. Importers of textile machinery will be required to furnish factory certificates, legalised by local chambers of commerce, to the effect that the



machines imported into Poland are new and not second-hand. In order to facilitate a proper control of such imports the number of customs houses in Poland through which such goods can pass has been somewhat reduced.

**SUSPENSION OF EXPORT DUTIES ON HIDE SCRAPINGS.**—An export duty of  $\text{zł}$  3 per 100 kg. has been imposed on shipments of raw-hide scrapings and waste (item 227 of the Customs Tariff) since May 1st., 1930. This duty was intended to restrict the export of this material in order to safeguard the Polish hide glue industry against excessive exports of its raw material. For some time past, the drop in production in that industry has made the protection of its raw materials unnecessary and the duty in question has been suspended until July 31st., 1931 inclusive. ("Dz. Ust. R. P." No. 7, item 40).

**CUSTOMS REFUNDS ON TEXTILE EXPORTS.**—The Official Journal of Laws and Executive Decrees of the Polish Republic will shortly announce a change in the system of granting customs refunds on exports of textiles.

## TRANSPORTS

**RAILWAY TRAFFIC** during January on the Polish State railway lines showed a further decrease in volume. The average daily loadings fell during the month from the December figure of 15,243 to 12,451 wagons in January. Of course, there can be little doubt that the chief cause of this decline is to be found in seasonal influences, such as the holding up of shipments due to the frosts and cold weather, this applying especially to farm produce (chiefly potatoes and sugar beets). The cessation of building operations during the winter months likewise contributed to the decline in the number of railway shipments, and another factor in this connection was the saturation of the domestic market with coal and a holding up of further shipments from the collieries in view of the approach of spring. Over and above these seasonal factors the continued depression caused by the general economic crisis could not but exert an adverse influence on the volume of goods traffic.

The following table quotes the average daily loadings of 15-ton wagons during December and January last year and the first month of the current year:

	Jan. 1930	Dec. 1930	Jan. 1931
Loaded on the Polish State Railways:			
destined for home stations	8,836	10,767	8,155
destined for abroad	3,397	3,285	3,081
<b>Total:</b>	<b>12,233</b>	<b>14,052</b>	<b>11,236</b>
received from abroad	425	402	351
transit via Poland	982	789	864
<b>Total:</b>	<b>13,640</b>	<b>15,243</b>	<b>12,451</b>

As can be seen from the foregoing data, the drop in shipments on the Polish lines was caused almost exclusively by a drop of 2,816 average daily car-loadings at Polish stations. This decrease preponderantly affected shipments destined for home points for reasons already quoted in the first paragraph of this report, the drop in this category having been one of 2,612 average daily loadings. Shipments destined for abroad fell off relatively little — by only 204 average daily car-loadings. The average daily number of loaded cars received from foreign railway lines likewise dropped, this being due probably to the decreased turnovers in import trade. The average daily figure of loaded wagons passing through Poland in transit, on the other hand, increased to a certain extent.

The following table supplements the data regarding daily loadings for home destinations (January compared to January and December last year), the various groups of goods transported being also given:

	Jan. 1930	Dec. 1930	Jan. 1931
coal, coke and briquettes	2,750	3,573	2,977
crude oil and petroleum products	182	185	175
timber	640	530	527
agricultural products	899	2,370	841
raw materials and industrial products	1,509	1,192	1,046
various	2,856	2,917	2,589
<b>Total:</b>	<b>8,836</b>	<b>10,767</b>	<b>8,155</b>

The drop in agricultural and coal shipments has already been commented upon, whilst the remaining groups showed only unimportant fluctuations.

The drop in the miscellaneous items group is explained by lower transports of railway material due to smaller activity in construction and maintenance works during the winter months.

The following table quotes the number of average daily car-loadings for foreign destinations during January, the type of goods transported being also given:

	Jan. 1930	Dec. 1930	Jan. 1931
coal	2,511	2,508	2,558
crude oil	42	25	27
timber	387	355	202
agricultural products	137	102	94
various	320	295	200
<b>Total:</b>	<b>3,397</b>	<b>3,285</b>	<b>3,081</b>

It is worthy of note that shipments of exports coal during January were above the December level; all the other groups, however, evinced greater or lesser fluctuations in a downward direction.

**FRANCO-POLISH JOINT STOCK COMPANY TO EXPLOIT THE COALFIELDS—GDYNIA RAILWAY LINE.**—A French consortium, members of which are the Banque des Pays du Nord and Schneider and Co., has approached the Polish government with the proposal that it receive a concession

for the completion and exploitation of the Coalfields-Gdynia railway line. This consortium has recently commenced negotiations with the National Economic Bank of Poland with a view to forming a Franco-Polish joint stock company which would receive the concession in question acting as a legal entity under Polish laws. The consortium has expressed its readiness to finance the new line and to help in extending it as far as may be deemed desirable by the authorities.

**STATE ROAD FUND.**—The State Road Fund Bill presented by the Government was duly voted on by the Sejm and passed, as was also the bill connected with it whereby the Ministry of Finance was authorised to grant a loan to the Fund out of the proceeds of the Third Premium Dollar Loan.

The passing of these measures makes a turning point in the vexed problem of road construction and maintenance in Poland, a problem which is of such vital importance for the extension, efficiency and cheapness of goods exchange, and without which the existence of a normally functioning economic structure is really impossible.

All action undertaken hithertofore had gone to pieces upon the rocks of inadequate financial resources at the disposal of the State and of the various communal unions. Road projects so far had also been uniformly marked by a lack of co-ordination and unity of purpose. On the other hand the exigencies of life had resulted in an important increase in inter-urban autobus traffic, which had done much to destroy the state of the highways the conservation of which was not always maintained upon a sufficiently high level. All these factors had most effectively held up almost all progress in improving the state of the Polish system of public roads.

Considering that it was high time for some rational and systematic action to be commenced, the Ministry of Public Works in conjunction with the Ministry of Finance drew up a plan for the proper financing of the road extension and maintenance scheme.

The Polish plan of creating an autonomous State Road Fund in the shape of a legal and separate entity, is based on the Italian and Czechoslovakian laws, which have in practice yielded eminently successful results.

The following sources will furnish, it is expected, sufficient funds for the purposes of the new scheme:

1. Road Tax on mechanical vehicles, which will be based on the weight of the vehicle (all local road tolls will automatically be abolished); the tax levied on small automobiles will amount to  $\text{zł}$  300 —  $\text{zł}$  400 and to  $\text{zł}$  600 —  $\text{zł}$  800 on larger cars; it is estimated that this tax will yield about  $\text{zł}$  23 million per annum according to the present number of cars using the highways;

2. A fee of 3  $\text{gr}$  per ton-kilometre on goods transported by forwarding companies in inter-urban traffic; the plan foresees the levying of this fee not only on motor-lorries but also on horse-drawn vehicles; this source is expected to yield about  $\text{zł}$  3 million per annum;

3. A tax of 33 $\frac{1}{3}$  per cent. on inter-





HIGHWAY AND BRIDGE CONSTRUCTION IN SOUTH-EASTERN POLAND. — SOUTH-EASTERN POLAND AFFORDS EXCELLENT OPPORTUNITIES FOR TOURISTS WISHING TO LEAVE THE BEATEN TRACKS OF WESTERN EUROPE

urban autobus tickets; this tax should yield yearly about  $\text{zł}$  22 million;

4. A grant from the Treasury, the figure of which would be fixed every year in the State budget;

5. Fines inflicted for the infringement of traffic regulations; about  $\text{zł}$  500,000 are expected to accrue from this source;

6. Fees for placing advertisements along the roads; this levy should yield about  $\text{zł}$  100,000 but it has not been imposed so much for the sake of the revenue which it would give as for the purposes of control of advertisements with a view to safeguarding the aesthetic appearance of the highways and the beauty spots of the country.

The Road Fund Act also contains a paragraph permitting the contracting of indebtedness to a maximum of  $\text{zł}$  400 million which would be guaranteed by the Treasury.

In addition to the permanent revenue foreseen above, it is expected that the Fund will receive a loan from the Treasury for the amount of  $\text{zł}$  22 million from the proceeds of the Third Premium Dollar Loan.

It is estimated that, together with grants from the Treasury, the Fund will dispose of about  $\text{zł}$  130 million during the current year and that this amount will be available for the completion of the first series of works.

The passing of this Act and the creation of the Road Fund will do much to carry out the ambitious highways

and road construction program of the Government and the various communal bodies. The improvement of road surfaces will also be energetically carried out and the many side-roads which are at present unsuitable for automobile traffic will gradually be brought up to a higher standard. The construction of certain bridges across the Vistula is another urgent and vital matter which will receive consideration.

#### **DIRECT GOODS COMMUNICATION BETWEEN POLAND, LATVIA AND ESTONIA.**

— A direct goods service joining the lines of the Polish, Latvian and Estonian railway systems was inaugurated on January 3rd. The difficulty of Poland using standard gauge whilst Latvia and Estonia use broad-gauge lines has been overcome by adapting the goods-wagons so as to be available for use on both types of line. The bodies of the wagons are lifted off the chassis by special electric cranes at Daugavpils and mounted on standard or broad-gauge chassis depending whether the traffic is west or east bound.

The introduction of this reform is a most important one since it now requires only six to eight minutes for re-mounting the wagon-bodies together with freight whereas formerly from two to four hours were required in order to trans-load the freight from one type of car to another. Thus not only is the time of transport materially shortened

and business thereby facilitated, but also the frequent damage of goods during the trans-loading and handling is quite obviated.

#### **AUTOMOBILE COURTS IN POLAND.**

— Following the establishment of special Courts of Labour, the Polish judicial system has recently taken another important step forward by arranging for special permanent courts for chauffeurs and automobile drivers infringing the traffic regulations and subject to administrative or penal punishment; questions of civil damages or claims will not be examined by these courts.

The great advantage of these courts will be that the magistrate will have to possess a practical and theoretical knowledge of motor-cars and driving on the public roads. It is expected that the administration of justice will gain by this modern innovation, since under the old system, there were undoubted cases of hardship caused to motorists by verdicts passed by judges having no practical knowledge of the special conditions affecting the use of the highways by automotive traffic. Defendants will have the right of appeal to circuit courts and it is even proposed to form special courts of appeal for such cases at some time in the future. The new courts will commence to function on April 1st. over the whole Polish Republic.



**PORT TRAFFIC.** — Traffic in the Port of Danzig differed little in volume from that reported in December. The number of vessels entering the port came to 442, with a net reg. tonnage<sup>1)</sup> of 324,891 tons (338,050 net reg. tons), whilst clearances came to 447 vessels totalling 320,899 net reg. tons (320,713 net reg. tons). Compared to port traffic returns for January 1930, the movement of vessels during January this year was smaller by 9 per cent.

The nationalities of the vessels entering and leaving the Port Danzig during January are given below:

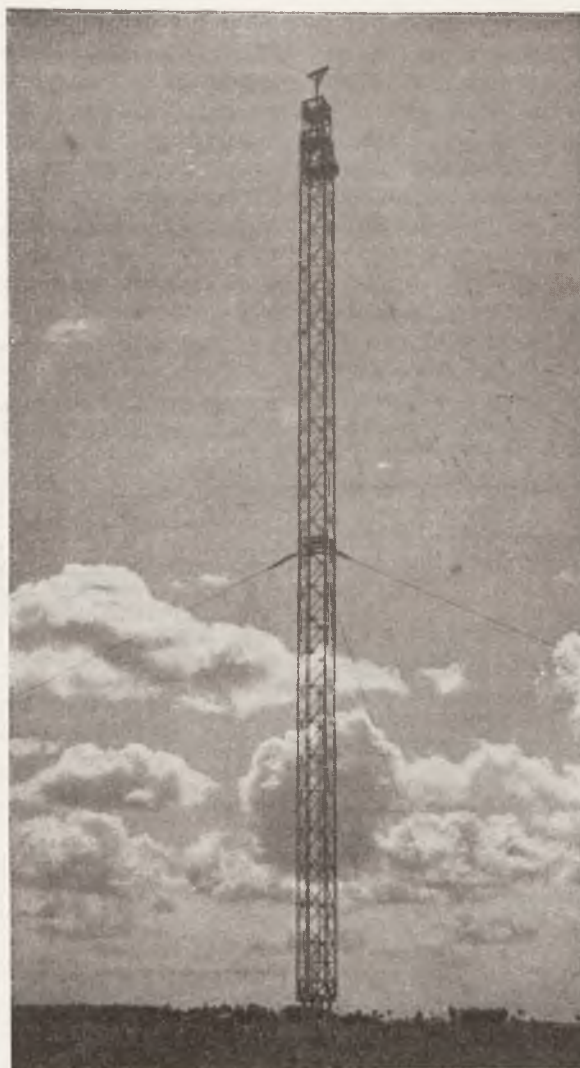
	Arrivals:		Departures:	
	ships	net reg. tons	ships	net reg. tons
Poland & Danzig	26	24,977	24	23,247
Germany	102	57,074	107	58,479
Finland	3	4,054	5	9,112
Russia	2	2,659	1	195
Estonia	10	7,154	7	5,045
Latvia	28	23,867	29	23,030
Lithuania	2	1,197	2	1,197
Sweden	124	65,811	123	66,037
Norway	27	20,796	25	18,579
Denmark	82	72,027	86	78,027
Great Britain	10	11,537	9	9,935
Holland	8	5,363	8	5,363
France	7	5,269	8	6,553
Spain	1	2,065	1	2,065
Italy	1	1,830	1	1,830
Greece	6	13,528	9	21,695
Japan	1	5,173	—	—
Austria	1	194	1	194
Czechoslovakia	1	316	1	316
Total:	442	324,891	447	330,899

The Polish flag retained its high position in the list, coming fifth after Denmark, Sweden, Germany and Latvia and preceding Norway, Great Britain, etc.

According to provisional data, the goods turnover of the Port came to 730,207 tons, which compares well with the December figure of 702,396 tons. Exports accounted for 670,087 tons of the turnover and imports for 51,120 tons. Coal exports, as usual, occupied first place in the foreign trade shipments passing through Danzig and came to 570,281 tons, i.e. 24,000 tons more than in December. Timber exports maintained their average figure for former months and accounted for 50,963 tons. The export of corn declined by 4,000 tons to 19,549 tons, whilst sugar exports fell to 9,558 tons as against the 16,603 tons reported for December. Exporters of petroleum products passing through the Port came to 2,940 tons, whilst miscellaneous goods totalled 25,796 tons.

Shipments of ores occupied first place amongst the imports entering Poland through Danzig: these were for a volume of 32,490 tons in January and were therefore 20,000 tons in excess of the December figure. Imports of artificial fertilizers dropped off considerably and came to only 3,847 tons in January. Scrap-iron imports remained at the low level of the previous month and were reported as being only 1,655 tons, whilst miscellaneous imports came to 13,128 tons.

<sup>1)</sup> Figures in the brackets are for the month of December.



ONE OF THE ANTENNAE TOWERS OF RADIO-WARSAW. A VISIBLE SIGN OF WARSAW'S NEW \$ 1,000,000 RADIO STATION—THE MOST POWERFUL IN EUROPE

Coal exports (excluding bunker coal) were sent to the following countries for the quantities indicated (in tons):

Denmark	168,172
Sweden	93,225
Italy	79,066
France	69,833
Norway	43,938
Latvia	17,833
Finland	15,318
Belgium	13,097
Holland	9,692
Estonia	2,525
Germany	1,075
Iceland	1,000
Lithuania	580
Total:	515,354

Passenger traffic through the Port of Danzig during the month of January declined to a total of 196 persons, the drop having been probably due to the cold weather making travellers prefer land routes. This traffic was as follows:

	Arrivals:		Departures:	
	persons		persons	
Stockholm	3	—	—	—
Copenhagen	29	118	—	—
London	41	—	—	—
Hull	3	2	—	—
Total:	76	120	—	—

In Gdynia, the first month of the year, in spite of the economic crisis

in Poland and throughout the world and in spite of the usual in this month difficult navigation conditions on the Baltic brought with it some improvement as regards movement of ships and goods turnover.

The number of outgoing ships was 189 with 175,268 net reg. tons (169,204 net reg. tons in December) and that departing 194 with 181,776 net reg. tons (170,044 net reg. tons in December). The nationalities of ships which called and departed in January as compared with the preceding month were as follows:

	Arrivals:		Departures:	
	Dec.	Jan.	Dec.	Jan.
Poland & Danzig	36	24	36	29
Czechoslovakia	—	1	—	1
Denmark	15	15	15	13
Estonia	2	9	2	9
Finland	4	3	3	4
France	2	4	2	4
Great Britain	5	2	4	3
Latvia	17	8	15	11
Lithuania	—	1	—	1
Norway	15	18	15	17
Rumania	—	1	—	—
Sweden	61	68	60	68
U. S. A.	2	4	2	4
Germany	22	31	26	30



The amount of cargo handled during January rose slightly as against the preceding month and amounted 323,322 tons (312,712 tons in December).

Imports total to 30,752 tons as compared with 21,653 tons in December and consisted of scrap iron (22,010 tons), iron ore (1,625 tons), artificial fertilizers (4,115 tons), Thomas slag (1,050 tons), herrings (339 tons), etc.

The whole exports effected in January amounted to 292,569 tons. The chief article was coal with 263,175 tons (262,772 tons in December), bunker coal (17,448 tons), coke (1,240 tons), sugar (2,169 tons), bacon (4,419 tons), rye (1,189 tons), etc.

Passenger traffic was moderate as usually at this time of the year. Arrivals came to 111 and departures to 1,881.

**AERIAL COMMUNICATION.** — Considering the winter season the aerial traffic in January was on a fairly high level. The regularity of flights was 83·8 per cent. as compared with 72 per cent.

in the preceding month. The number of flights effected in January was 414 as against 308 in December and the distance covered 110,672 km. as against 84,899 km. in December. The number of passengers carried remained practically the same (777 in January and 722 in December). On the other hand the volume of goods transported fell from 23,322 kg. to 22,017 kg, that of mail remaining almost on the December level (2,474 kg. in January as against 2,178 kg in December).

#### WARSAW — THE MOST POWERFUL TRANSMITTER IN EUROPE.

Raszyn, a small suburb of Greater Warsaw, some 23 kilometres distant from the centre of the capital, has quite recently acquired European fame as the place where the most powerful radio station in Europe has been installed and operated since January 1931. The substation has two transformers, each of 1,000 kw. power; they are to develop the energy radiating from the aerials sufficient to secure the range for crystal sets of over 300 miles, which, roughly speaking, covers the whole of Poland.

The total expenditure on the new central Polish station in Warsaw was for a sum in excess of £ 10,000,000 which is over \$ 1,000,000. The new station has retained the wave-length of its predecessor, i. e. 1,411·8 m. Its present output power is 120 kw., but can, at any time, be augmented.

#### NLT SERVICE BETWEEN POLAND AND THE NEAR EAST.

— Night-letter telegram facilities have been made available for the general public wishing to communicate with Palestine and Egypt. The service was commenced on February 1st. and makes use of two systems: all-radio service in both directions via Radio-Warsaw, telegraphically via Marconi-London.

The fees per word are as follows (in centimes):

	Via Radio-Warsaw	Via other systems
Palestine	52	57
Egypt (Zone I)	49·5	49·5
" ( " II)	57	57
" ( " III)	69·5	69·5

The minimum fee for such messages has been fixed as the equivalent of twenty-five words.

## FINANCE AND BANKING

**STATE REVENUE AND EXPENDITURE.** — Budgetary revenue in January was lower than December by £ 15·7 million. Lower yields were given by public levies and by the monopolies, whilst administrative receipts and payments by State enterprises grew somewhat.

Compared to the figures for January 1930, receipts from public levies, enterprises and the monopolies declined; administrative receipts, however, increased and in a great measure made up for the deficiency in tax revenue.

The changed economic situation and the necessity of adapting the budgetary receipts to the paying ability of the population, made it impossible strictly to keep to the theoretical percentage quota for the ten months of the current fiscal year. The ideal norm of 83·33 per cent. was attained only by administrative receipts, whilst this type of income in the case of monies paid in to the Ministry of Finance even exceeded it. Total budgetary receipts for the first ten months of the fiscal year came to £ 2,295·6 million. Compared to the corresponding period of 1929/30, this sum is lower by £ 216·2 million. This difference is fully accounted for by the decreased revenue from custom duties, Industrial Tax, Property Tax, Unearned Income and Capital Tax, the

	Revenue (in millions of £)		Expenditure (in millions of £)	
	actual Jan. 1931	annual 1930/31 budget estimates	actual Jan. 1931	annual 1930/31 budget estimates
A) Civil service ... ..	165·1	1,901·4	228·1	2,922·0
The President of the Republic. ...	0·0	0·3	0·3	4·6
The Parliament... ..	0·0	0·2	0·8	11·9
State Control ... ..	0·2	0·2	0·8	7·9
The Cabinet ... ..	0·0	0·0	0·5	4·9
Ministry of Foreign Affairs ... ..	0·1	13·2	7·8	52·3
" " War. ... ..	0·3	5·2	62·5	827·1
" " the Interior ... ..	1·1	13·3	21·3	252·9
" " Finance ... ..	152·4	1,728·6	11·3	145·2
" " Justice ... ..	4·1	42·5	10·6	133·2
" " Industry and Commerce	1·1	14·5	3·3	54·4
" " Transport ... ..	0·0	2·1	1·0	18·2
" " Agriculture ... ..	0·5	9·1	3·0	59·8
" " Education and Religious	0·2	3·7	38·9	471·6
" " Public Works ... ..	2·8	34·3	9·2	161·3
" " Labour and Social Wel-				
fare ... ..	0·1	0·9	8·1	81·1
" " Land Reform... ..	0·1	5·6	2·9	61·7
" " Posts and Telegraphs...	0·0	0·0	0·2	2·7
Pensions ... ..	2·1	27·7	15·0	111·1
Grants to disabled soldiers ... ..	—	—	17·8	163·3
State liabilities ... ..	—	—	12·8	296·8
B) State enterprises... ..	1·9	180·4	0·1	18·9
C) Monopolies ... ..	62·7	956·9	—	—
Total A + B + C:	229·7	3,038·7	228·2	2,940·9



10 per cent. Extraordinary Supplementary Tax and in lower receipts from fines and interest payments for arrears and delays in paying taxes.

Total budgetary expenditure during January 1931 came to  $\text{zł}$  228.2 million. This sum was lower than the December 1930 figure in view of the fact that the service of foreign loans was rather high in that month. Compared to January 1930, expenditure in the corresponding month of this year was lower by  $\text{zł}$  13.8 million. In the first ten months of the current fiscal year total expenditure was for  $\text{zł}$  2,300 million, this being 78.20 per cent. of the aggregate sum of the budget. The needs of the administration received priority during the realisation of the budget and grants to State enterprises amounted to only 22.37 per cent. of the estimated sum.

Compared to the actual results of the 1929/30 budget, disbursements during 1930/31 were compressed by  $\text{zł}$  167.4 million, expenditure on pensions, grants to disabled soldiers and on the service of the National Debt having remained unchanged. State enterprises received  $\text{zł}$  27.1 million from the Treasury during the 1929/30 budgetary year, but in the 1930/31 budgetary year only  $\text{zł}$  4.2 million were paid to them in the form of grants.

**TAXES.** — Receipts from public levies during January 1931 compared to those attained in December 1930 show a drop of  $\text{zł}$  14.7 million. Ordinary direct taxation yielded much less than in December, as did also customs duties and the 10 per cent. Extraordinary Supplementary Tax. Stamp Fees and payments for account of the Property Tax, on the other hand, increased in volume.

The chief cause of the drop in direct taxation was to be found in the decrease shown by proceeds from the Industrial Tax. This was due to the fact that industrial and trading licences for the year 1931 had to be paid for in December, hence the drop in the month reviewed. Payments for account of the Land Tax were also much below the December figure. The drop in state revenue during January is quite a normal feature for that month and is repeated year after year.

The monopolies also paid in smaller sums to the Treasury in January than in December 1930, the difference being one of  $\text{zł}$  13.8 million. It should, however, be taken into consideration that they paid in  $\text{zł}$  139.2 million during December 1930 and January this year and that this sum is  $\text{zł}$  6.1 million in excess of

that paid in during the corresponding two months of the past fiscal year.

Public levies yielded during this year  $\text{zł}$  30.2 million less than a year ago. Two-thirds of this sum was accounted for by decreased customs duty receipts and by various imposts which often necessitate the application of tax-relief: these are the Land Tax, which decreased by about one million zlotys, the Industrial Tax declined by over  $\text{zł}$  4,400,000, the Unearned Income and Rente Tax dropped off by over  $\text{zł}$  2,500,000, whilst fines payable for arrears decreased by over  $\text{zł}$  900,000; receipts from customs duties dropped off by more than  $\text{zł}$  7.5 million, whilst the Property Tax yielded about  $\text{zł}$  4,300,000 less than in January a year ago.

The monopolies paid into the Treasury  $\text{zł}$  7.7 million less than in December, but yielded  $\text{zł}$  13.8 million more in that month than in December 1929.

Total receipts from public levies totalled  $\text{zł}$  1,244.1 million during the first ten months of the current fiscal year and the monopolies accounted for  $\text{zł}$  692.4 million over the same period, thus yielding a grand total of  $\text{zł}$  1,936.6 million.

The Property Tax was disappointing in results since it yielded only 14.59 per cent. of the estimated receipts from that source. Customs dues receipts came to 57.86 per cent. of the appropriate budget estimate item for the whole year. The aggregate sum secured from public levies, however, was greater than the theoretical ten-month estimated amount, and this in spite of very liberal tax relief afforded to taxpayers finding themselves in difficult financial conditions.

Receipts from the monopolies were relatively smaller than expected owing to the Spirits Monopoly turning in a smaller payment to the Treasury than was estimated.

A comparison of fiscal results in 1929/30 and in 1930/31 naturally shows deterioration in the current year, since economic conditions were much worse and tax relief had to be practised on a large scale. The difference is one of  $\text{zł}$  234.9 million in the domain of direct taxation, one of  $\text{zł}$  43.7 million in the case of the monopolies, these two items together accounting for a drop of  $\text{zł}$  278.6 million. Receipts from customs dues fell off considerably by  $\text{zł}$  118.4 million, the Industrial Tax yielded  $\text{zł}$  41.9 million less, the Property Tax gave  $\text{zł}$  22.9 million less, fines and interest payments for arrears dropped by seven million zlotys, Unearned Income and Rente Tax decreased by  $\text{zł}$  5.8 million, and other ordinary direct

taxation by  $\text{zł}$  3.6 million; direct taxation decreased its yield by  $\text{zł}$  5.1 million, Stamp fees etc. by  $\text{zł}$  21.1 million, and receipts from the 10 per cent. Extraordinary Supplementary Tax fell off by  $\text{zł}$  9.1 million. It will thus be seen that the drop in receipts during the first ten months of the 1930/31 fiscal year was general in all sources of state revenue. The only sources to yield more during the period in question than in the corresponding period of the 1929/30 budgetary year were the monopolies, amongst which only the Spirits Monopoly reduced its payment to the Treasury owing to a serious drop in the consumption of alcohol.

	Actual revenue:			<sup>1/10</sup> th of the annual budget for 1930/31
	Dec. 1930	January 1931	1930	
Direct taxes	76.2	66.3	78.4	55.7
Indirect taxes	17.6	17.9	19.7	15.5
Customs duties	23.9	18.7	26.2	32.2
Stamp fees	13.9	14.9	17.7	16.3
Total of ordinary public levies:	131.6	117.8	142.0	119.7
10 per cent Extraordinary Tax	0.7	0.9	5.2	6.3
Property Tax	11.0	9.9	11.6	8.4
Total of extra-ordinary public levies:	11.7	10.8	16.8	14.7
Monopolies	76.5	62.7	70.4	79.7
Total of public levies and monopolies:	219.8	191.3	229.2	214.1

## STOCK EXCHANGE

— The demand for U. S. currency during January continued to be very small and transactions in this exchange were few and far between. The dollar rate rose by more than 1  $\text{zł}$ , but this was not a reflection of any increased demand but simply of the influence of fluctuations on stock exchanges abroad. On the whole, the trend for foreign currencies during the month was a downward one and the majority finished the month with slight losses in quotation.

Quotations on Stockholm dropped by over 1  $\frac{1}{2}$   $\text{zł}$ , on Milan by more than 2  $\text{zł}$ , Prague by nearly 4  $\text{zł}$ , Paris showed a drop of 6  $\frac{1}{2}$   $\text{zł}$ , Brussels one of 11  $\frac{2}{3}$   $\text{zł}$ , Vienna declined by 12  $\frac{1}{2}$   $\text{zł}$ , Zurich by 53  $\text{zł}$  and Amsterdam by as much as 59  $\text{zł}$ . Quotations on New York and London remained firmer during the month and finished high, the former rising by 0.3  $\text{zł}$  per dollar (cable transfers and drafts) whilst the pound sterling quotation rose by 1  $\frac{1}{4}$   $\text{zł}$  per pound.

There was little demand on the Stock Exchange for foreign exchange on the part of the banks since these satisfied their customer's requirements by selling from their own balances abroad.



		31.12	2—10.1	12—17.1	19—24.1	26—30.1	31.1	par value
<b>Warsaw Exchange</b>								
London	£ 1	43'31	43'32	43'31 <sup>2</sup> / <sub>3</sub>	43'31 <sup>1</sup> / <sub>4</sub>	43'31 <sup>19</sup> / <sub>20</sub>	43'32 <sup>1</sup> / <sub>4</sub>	43'38
New York	\$ 1	8'911	8'914 <sup>2</sup> / <sub>3</sub>	8'915 <sup>2</sup> / <sub>3</sub>	8'915 <sup>2</sup> / <sub>3</sub>	8'913 <sup>4</sup> / <sub>5</sub>	8'914	8'90
New York Cable	\$ 1	8'92	8'923 <sup>1</sup> / <sub>2</sub>	8'924 <sup>2</sup> / <sub>5</sub>	8'924 <sup>3</sup> / <sub>4</sub>	8'922 <sup>3</sup> / <sub>4</sub>	8'923	—
Paris	Fr. Fr. 100	35'03	35'01 <sup>1</sup> / <sub>3</sub>	34'98 <sup>1</sup> / <sub>5</sub>	34'96 <sup>2</sup> / <sub>3</sub>	34'96 <sup>4</sup> / <sub>5</sub>	34'96 <sup>1</sup> / <sub>2</sub>	172'00
Brussels	Belg. 100	—	124'50 <sup>2</sup> / <sub>3</sub>	124'36 <sup>1</sup> / <sub>5</sub>	124'37	124'38	124'39	123'95
Zurich	Sw. Fr 100	172'92	172'91 <sup>1</sup> / <sub>10</sub>	172'77 <sup>1</sup> / <sub>2</sub>	172'64 <sup>4</sup> / <sub>5</sub>	172'57 <sup>1</sup> / <sub>5</sub>	172'39	172'00
Milan	Lire 100	—	46'72 <sup>1</sup> / <sub>6</sub>	46'71 <sup>3</sup> / <sub>5</sub>	46'71 <sup>7</sup> / <sub>10</sub>	46'71 <sup>1</sup> / <sub>3</sub>	45'70	172'00
Amsterdam	Fl. 100	—	359'19	359'—	359'00 <sup>2</sup> / <sub>3</sub>	358'88 <sup>3</sup> / <sub>8</sub>	358'60	358'31
Vienna	Sh. 100	—	125'51 <sup>1</sup> / <sub>2</sub>	125'46	125'44	125'39	—	125'43
Prague	Kc. 100	—	26'43 <sup>9</sup> / <sub>10</sub>	26'42	26'40 <sup>3</sup> / <sub>8</sub>	26'40	—	180'62
Stockholm	Kr. 100	—	238'86 <sup>2</sup> / <sub>3</sub>	238'88 <sup>1</sup> / <sub>3</sub>	238'86	238'78 <sup>3</sup> / <sub>8</sub>	238'85	238'89
<b>Foreign Exchanges</b>								
London	£ 1	43'32	43'32 <sup>1</sup> / <sub>7</sub>	43'32 <sup>1</sup> / <sub>2</sub>	43'31 <sup>2</sup> / <sub>3</sub>	43'33 <sup>1</sup> / <sub>6</sub>	43'33	43'38
New York	\$ 100	11'22 <sup>1</sup> / <sub>4</sub>	11'22	11'22	11'22 <sup>3</sup> / <sub>4</sub>	11'23 <sup>1</sup> / <sub>2</sub>	11'23 <sup>1</sup> / <sub>2</sub>	11'22
Zurich	£ 100	57'82 <sup>1</sup> / <sub>2</sub>	57'85	57'85	57'86 <sup>2</sup> / <sub>3</sub>	57'91 <sup>9</sup> / <sub>10</sub>	57'92 <sup>1</sup> / <sub>2</sub>	58'14
Vienna	£ 100	79'58	79'63 <sup>2</sup> / <sub>3</sub>	79'67 <sup>1</sup> / <sub>3</sub>	79'68 <sup>3</sup> / <sub>4</sub>	79'67 <sup>1</sup> / <sub>2</sub>	79'68 <sup>1</sup> / <sub>2</sub>	79'55
Prague	£ 100	—	377'1 <sup>1</sup> / <sub>3</sub>	377'75	377'75	377'75	—	55'36
Berlin	£ 100	47'025	47'05	47'091 <sup>2</sup> / <sub>3</sub>	47'158 <sup>1</sup> / <sub>3</sub>	47'11	47'10	47'09
Danzig	£ 100	57'73	57'74 <sup>7</sup> / <sub>8</sub>	57'75 <sup>1</sup> / <sub>2</sub>	57'73 <sup>2</sup> / <sub>3</sub>	57'71 <sup>1</sup> / <sub>2</sub>	57'70 <sup>1</sup> / <sub>2</sub>	57'63

As a natural result of the drop in quotations of other currencies on money markets abroad, the zloty was quoted higher in New York, London, Vienna and Berlin. Very slight drops in price were reported from Czechoslovakian stock exchanges and from Danzig.

#### S H A R E S

As in all the other countries of the world, the general economic crisis caused a marked decline in stock exchange turnovers in Poland. Business on the floor decreased to such an extent on the Warsaw Stock Exchange that

for many shares no quotations could be given for January in view of the lack of turnover. On the whole, interest in shares fell to a very low point, the uncertain situation having seemed to have affected even the professional bear speculators. Private buyers appear-

S H A R E S	31.12	2—10.1	12—17.1	19—24.1	26—30.1	31.1	N o m i n a l
Bank Polski . . . . .	154'—	157'95	153'90	150'85	153'40	153'—	£ 100'—
Bank Dyskontowy Warszawski . . . . .	108'—	—	—	—	—	—	£ 100'—
Bank Handlowy w Warszawie . . . . .	108'—	—	107'—	106'70	106'70	—	£ 100'—
Bank Zachodni . . . . .	70'—	70'—	70'—	70'—	70'—	70'—	£ 100'—
Bank Zw. Sp. Zarobkowych . . . . .	72'50	—	—	—	—	—	£ 100'—
Warsaw Coal Mining Co. . . . .	39'—	37'—	—	32'50	33'50	—	£ 100'—
Chodorów . . . . .	—	—	—	—	—	—	£ 100'—
Cegielski . . . . .	—	—	—	—	—	—	£ 100'—
Zjednocz. Fabryki Maszyn, Kotłów i Wa- gonów L. Zieleniewski i Fitzner-Gamper	—	—	—	—	—	—	£ 100'—
Norblin, Buch & Werner . . . . .	—	29'50	30'—	29'—	31'—	30'—	£ 100'—
Starachowice . . . . .	—	13'10	11'50	11'30	11'65	11'50	£ 50'—
Lilpop, Rau & Loewenstein . . . . .	—	22'—	20'—	20'—	19'90	20'—	£ 25'—
Ostrowiec („B“ series) . . . . .	42'50	40'—	—	38'—	—	—	£ 50'—
Modrzejów . . . . .	—	10'10	9'20	8'70	9'—	—	£ 50'—
Rudzki . . . . .	—	10'—	—	—	—	—	£ 50'—
Warsz. Sp. Akc. Budowy Parowozów . . . . .	—	—	—	—	—	—	£ 25'—
Borkowski (Elabor) . . . . .	—	—	—	—	—	—	£ 25'—
Wysoka . . . . .	—	—	135'—	—	—	—	£ 100'—
Siła i Światło . . . . .	60'—	—	58'—	—	—	—	£ 50'—
Zakłady Chem. Ludwik Spiess & Syn . . . . .	50'—	—	—	—	—	—	£ 100'—
Zjedn. Brow. Warsz. Haberbusch & Schiele	—	—	104'50	102'35	—	101'—	£ 100'—



ed to have been fairly active during the month under review but the batches of stock bought were almost exclusively below the minimum of 10 shares or £ 1,000 required by the Committee and therefore were not quoted officially. The present situation is such that many holders of shares decline to consider parting with their stock, considering that the present moment is decidedly unfavourable for selling; this has resulted in a shortage of material being offered on the floor and in a great measure will explain the stagnation which is being so acutely felt.

Quotations on the whole exhibited a distinctly downward trend during January, the shares of certain banks only being excepted probably owing to the fact that they represent little interest to the bear dealers. The slump in prices has gone so far that it has dragged down with it the quotations of some of the best shares on the market,

bringing them in certain cases to a point far below their real value.

#### STATE, MUNICIPAL AND LAND LOANS

Conditions in the securities market were much better than in the share division. Gilt-edged fixed-interest bearing securities were in strong demand for investment purposes and quotations on the whole remained quite firm.

The majority of the Government issues finished the month well with improved quotations, this being true of the 5 per cent. Conversion Loan, the 7 per cent. Stabilisation Loan, the 6 per cent. Dollar Loan, the 3 per cent. Premium Building Loan, the 5 per cent. Premium Dollar Loan, and the 10 per cent. Railway Loan. The only scrip to produce a decline was the 4 per cent. Premium Investment Loan: this drop was caused by the fact that the next drawing of this loan will not take place until April and as a result, bonds of

this issue were freely offered for sale by dealers seeking cash for their various commitments. The 8 per cent. mortgage and other bonds of the National Economic Bank and of the State Land Bank remained at the stabilised level they have occupied for so long.

The trend for private bonds was rather uneven during January. The 4½ per cent. Land Credit Association and the 5 per cent. City of Warsaw Credit Association mortgage bonds showed higher quotations, but the 4 per cent. and the 4½ per cent. mortgage bonds of these institutions were a trifle weaker and finished the month at a lower level than in December. The 8 per cent. mortgage bonds of the City of Warsaw Credit Association were a good market and many transactions were reported: their quotations, however, fluctuated considerably in both directions and finally retained the same price as at the close of the preceding month.

State, Municipal & Land Loans	31.12	2—10.1	12—17.1	19—24.1	26—30.1	31.1	Nominal
5% Conversion Loan ... ..	50'—	48'40	47'90	47'80	48'—	48'—	£ 100'—
7% Stabilisation Loan ... ..	78'—	78'20	80'—	80'—	—	—	\$ 100'—
6% External Dollar Loan 1920 ... ..	67'—	68'85	68'—	67'75	68'20	69'75	\$ 100'—
3% Premium Building Loan ... ..	50'—	50'—	50'—	50'—	50'30	50'50	gold £ 50'—
4% Premium Investment Loan ... ..	97'—	94'20	92'—	92'05	94'10	—	gold £ 100'—
5% Premium Dollar Loan (2nd series) ... ..	54'50	48'55	46'65	46'10	51'05	55'—	\$ 5'—
10% Railway Loan (1st series) ... ..	102'50	102'05	102'55	103'10	103'—	—	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 ... ..	77'50	—	—	—	—	—	£ 100'—
4% Land Credit Association Bonds ... ..	41'—	41'65	40'75	40'05	40'60	—	£ 100'—
4½% Land Credit Association Bonds ... ..	51'75	52'80	51'80	51'30	51'90	52'75	£ 100'—
8% Credit Soc. of the City of Warsaw Bonds ...	72'—	72'50	71'40	71'15	71'60	72'—	£ 100'—
5% Credit Soc. of the City of Warsaw Bonds ...	57'50	57'80	57'45	57'15	57'65	58'—	£ 100'—
4½% Credit Soc. of the City of Warsaw Bonds ...	—	53'30	53'—	—	53'—	—	£ 100'—
8% City of Warsaw School Loan 1925 ... ..	—	—	—	—	—	—	gold £ 100'—

#### BANK OF POLAND

— January usually yields a fairly large adverse balance in the foreign exchange turnovers of the Bank of Poland. The demand for foreign exchange shrinks to a minimum during the end-of-the-year period and the supply usually increases, whilst a natural reaction usually ensues on both sides of the balance during the first month of the next year. In January 1930, for example, the current normal demand was so enhanced by orders left over from December 1929, that sales exceeded purchases by £ 86'1 million. During January this year, the reaction was, however, a much weaker

one and the adverse balance came to only £ 33'9 million. This was due to the fact that the demand (and therefore the sales also) declined by about 25 per cent. as compared to the corresponding figures for 1930 (£ 157'3 million as against £ 219'7 million).

Purchases of foreign exchange during January came to £ 123'4 million, the December figure having been £ 169'2 million. This drop in the supply must be regarded as being a relatively large one but it was accompanied by a fairly heavy drop in sales, these decreasing from £ 199'1 million in December to £ 157'3 million as already stated. According to figures furnished by the Bank of Poland, its sales during

January on the Stock Exchange to clients and to foreign buyers evinced the usual upward trend noted during the first month of the calendar year: these sales increased from £ 101'6 million in December to £ 125'8 million. The decrease in sales was caused solely by the diminished needs of the Treasury and of government institutions: whilst these had bought foreign exchange for £ 89'2 million in December, during January only £ 31'1 million were reported. It will be remembered in this connection that the figure for December was exceptionally high, due to the Treasury having to pay a half-yearly instalment of £ 39 million for the service of the Polish



BALANCE SHEET OF THE BANK OF POLAND (in  $\text{zł}$ )

	December 31st 1930		January 10th 1931		January 20th 1931		January 31st 1931	
<b>Assets:</b>								
Bullion:								
gold in vaults - - - -	484,848,535.20		484,892,095.11		484,997,389.04		485,087,476.50	
" abroad - - - -	77,395,709.57		77,395,709.57		77,395,709.57		77,395,709.57	
silver (gold value) - -	—		—		—		—	
	562,244,244.77		562,287,804.68		562,393,098.61		562,483,186.07	
Foreign currency, drafts and assets - - - -	288,417,449.68	850,661,694.45	276,242,764.16	838,530,568.84	261,906,111.47	824,299,210.08	262,358,061.15	824,841,247.22
Foreign currency, drafts and assets not included in the cover - - - -		124,267,596.72		123,476,124.71		126,479,160.10		122,433,514.76
Silver and token coins - -		12,160,214.93		12,259,851.35		12,793,891.23		12,647,745.62
Bills of exchange - - - -		672,046,941.48		642,272,744.38		627,601,812.87		622,880,957.86
Loans against securities -		86,344,038.51		77,448,338.15		78,688,830.93		88,178,151.93
Own interest-bearing se- curities - - - -		8,626,765.31		8,132,395.58		10,393,952.24		12,185,265.—
Reserve funds invested in securities - - - -		86,344,122.53		86,472,686.41		87,804,409.66		90,717,246.16
Loans to Government - - -		—		—		—		—
Property - - - -		20,000,000.—		20,000,000.—		20,000,000.—		20,000,000.—
Other assets - - - -		154,984,605.47		120,132,519.37		120,275,616.69		115,171,250.88
		2,015,635,979.40		1,928,725,228.79		1,908,336,913.81		1,908,673,379.43
<b>Liabilities:</b>								
Capital - - - -		150,000,000.—		150,000,000.—		150,000,000.—		150,000,000.—
Reserve fund - - - -		110,000,000.—		114,000,000.—		114,000,000.—		114,000,000.—
Sight liabilities:								
current accounts of State institutions - - -	26,642,871.32		64,666,566.75		88,814,496.74		126,538,226.37	
outstanding current ac- counts - - - -	161,415,368.10		196,249,927.09		197,939,036.12			
silver purchases a/c - - -	13,000,000.—		13,000,000.—		13,000,000.—		13,000,000.—	
State credit fund a/c - -	143,750.29		210,548.39		50,548.39		3,026,545.99	
various accounts - - - -	8,120,446.39		7,333,968.64		9,187,980.84		10,160,215.48	
	210,322,436.10		281,461,010.87		308,992,062.09		184,827,564.40	
Notes in circulation - - -	1,328,198,040.—	1,538,520,476.10	204,660,160.—	1,486,121,170.87	1,154,464,870.—	1,463,456,932.09	1,276,555,640.—	1,461,383,204.40
Special account of the Treasury - - - -		—		—		—		—
Other liabilities - - - -		217,115,503.30		178,604,057.92		180,879,981.71		183,290,175.03
		2,015,635,979.40		1,928,725,228.79		1,908,336,913.80		1,908,673,379.43

Consolidated Debt with the United States.

The adverse foreign exchange balance had its repercussion in the state of the foreign assets of the Bank, and these declined from  $\text{zł}$  412.7 million on December 31st. to  $\text{zł}$  384.8 million on January 31st. This decrease in the reserves chiefly affected that portion forming part of the note and sight liabilities cover, the figures being  $\text{zł}$  288.4 million on December 31st and  $\text{zł}$  262.4 million on the last day of the month under review. That portion of the reserves not included in the cover shrank only very slightly—from  $\text{zł}$  124.3 million to  $\text{zł}$  122.4 million over the same period.

The second component part of the bank-note and sight liabilities cover—the gold stock of the Bank—rose during January by  $\text{zł}$  239,000 to  $\text{zł}$  562.5 million. This growth was due to over-the-counter purchases by the provincial branches of the Bank, and went to swell the gold-stocks in the vaults of the Bank of Poland, the stocks held abroad having been reported as unchanged at the level of  $\text{zł}$  77.4 million.

The entire gold bullion and foreign exchange cover of the bank-note circulation and of sight liabilities as on January 31st is compared below with the figures for January 1st. this year (in millions of  $\text{zł}$ ):

	January 1st	January 31st
gold	562.2	562.5
foreign currencies and assets	288.4	262.4
Total:	850.7	824.8

The ratio of cover to the note-circulation and sight liabilities came to 56.44 per cent. on January 31st as against 55.29 per cent. on the first of the year, the statutory minimum being 40 per cent. The ratio of gold cover alone on the corresponding dates was 38.49 per cent. and 36.54 per cent., the minimum being in this case 30 per cent.

As will be seen, in spite of an absolute drop in the figure of the cover (reserves), the ratio of cover rose during January. This is explained by the fact that the note-circulation and sight liabilities shrank in volume over that period, falling from  $\text{zł}$  1,538.5

million to  $\text{zł}$  1,461.4 million. The decline was due to lower figures covering both component items of that position, the bank-note circulation having dropped from  $\text{zł}$  1,328.2 million to  $\text{zł}$  1,276.6 million and the total volume of sight liabilities from 210.3 million to  $\text{zł}$  184.3 million. It is worthy of note that the note-issue on January 31st was larger than on the corresponding date last year when the figure was reported as having been  $\text{zł}$  1,246.7 million.

The sole reason for the decreased balance of sight liabilities is to be found in a drop in current account deposits, (which fell from  $\text{zł}$  189.1 million to  $\text{zł}$  158.6 million) since the other items of this position increased their figure during the month. Private current account credit balances fell especially heavily, decreasing from  $\text{zł}$  162.4 million to  $\text{zł}$  126.5 million. This was no doubt due to the fact that window-dressing for annual balance sheets in December 1930 had resulted in private firms tending to leave their balances with the Bank at as high a figure as possible. During January





STEAMERS IN THE PORT OF GDYNIA.—GDYNIA HAS BEEN CALLED THE SEATTLE OF EUROPE; ITS RAPID CONSTRUCTION AND DEVELOPMENT HAVE PLACED IT TO THE FORE-FRONT OF BALTIC PORTS

this was no longer necessary and payments held up from the previous month were effected. Credit balances of the Treasury Cash Offices increased their figure during January, rising from  $\text{£}$  26.6 million to  $\text{£}$  32.1 million.

The shrinkage in the note-circulation of the Bank was one of 4 per cent., and took place in spite of the drop in deposits, having been due in part to the efflux of foreign exchange from the reserves of the Bank and partly to the diminished volume of credits granted by the Polish central bank. This is borne out by the fact that the bill-portfolio of the Bank decreased by  $\text{£}$  49.2 million to the level of  $\text{£}$  672.0 million. The discount quotas set by the Bank for its clientèle came to  $\text{£}$  1,111 million and a comparison of this figure with the actual amount granted is very significant. The only item to evince any growth, and that a very slight one, was that of loans against security collateral which increased by  $\text{£}$  1.9 million to  $\text{£}$  88.2 million.

Apart from the credit items of the bank cover of the note-issue, the only larger difference noted covered the Bank's holdings of interest bearing securities, these rising in value by  $\text{£}$  3.4 million to  $\text{£}$  12.2 million. The Bank of Poland now applies the so-called bank cover, in accordance with its articles of association, only to that part of the note-issue which is not covered by the gold-foreign exchange reserves. Beginning with January this year too, the Bank has included in the bank-note

cover likewise its portfolio of foreign bills: these bills had formerly constituted the chief component item of the "foreign currencies and assets not included in the cover" position.

The bank cover of the note-circulation is quoted below as on January 31st (in millions of  $\text{£}$ ):

	January 1st	January 31st
	1931	
bills	672.0	622.9
Polish silver coins and token money	—	103.0
loans against se- curities	12.2	12.3
own interest-bear- ing securities	86.3	88.2
liability of the Treasury	8.8	12.2
Total :	779.4	838.5

As a result of the closing of the calendar year and work upon the annual balance sheet of the Bank, the "miscellaneous assets" and "miscellaneous liabilities" items both dropped off considerably in size; the last balance-sheet of the Bank shows also that in accordance with the statute of the Polish bank of issue, the reserve capital has been increased — the present figure being  $\text{£}$  114 million as against that of the previous one of  $\text{£}$  110 million.

**ANNUAL GENERAL MEETING OF BANK OF POLAND SHAREHOLDERS.** — The regular annual general meeting of the shareholders of the Bank of Poland was held in Warsaw this year on February 24th. In his address, the Governor of the Bank, Dr. W. Wróblewski, drew attention to the success which had attended the efforts of the Bank in keeping the zloty rate stabilised and

firm. He emphasised the difficult conditions under which the Bank and the whole economic life of the world had to work during the past year: the crisis remained as severe as it had even been and no immediate hope seemed to be possible that any improvement could be expected for some time to come. The authorities of the Bank had been and were keeping a close watch on the situation and he believed that they had not failed in their task.

Proceeding to a wider survey of matters, Dr. Wróblewski stated that he considered the disparity between consumption and production to be the chief cause of the crisis which is being felt by the whole world. Since the Great War, the population of the world has increased by about 10 per cent., the production of foodstuffs has grown by about 16 per cent. whilst that of raw materials has soared by over 40 per cent. A process of adaption had to set in and it would be idle to conjecture how long this would take until equilibrium would be again attained. There are no exact nor reliable figures covering the growth of industrial production, but it can be stated with certainty that it has been enormous during the past few years. This enhanced production has been made possible by a great increase in credits, which, however, exceeded the growth of real savings very considerably. This, it is true, helped to raise the standard of living of the population, but the disparity in prices and the obstacles to a free inter-change of commodities has made it impossible properly to divide up and consume the masses of goods produced.

Dr. Wróblewski drew attention to the necessity of cutting profits and of lowering prices, since only such enterprises which follow that rule can hope to live through the hard times we are experiencing today.



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IMPORTANT INDUSTRIES AND ITS PRODUCTS REACH ALL  
PARTS OF THE WORLD

According to the report of the Bank of Poland for the past year a net profit of  $\text{zł}$  33,153,522 was secured. It was decided to pay a dividend of 15 per cent. on shares of the first issue and

of  $\text{zł}$  10 per cent on those of the second. A vote of thanks to the authorities of the Bank was unanimously passed after which the election of new officers was conducted and the articles of association

of the Bank were amended, paragraphs 25, 26a, 29, 32 and 39 being affected by the changes. One of the most important amendments passed was that granting to the representative of the Government the right of belonging to the Board of the Bank. (par. 25). Par. 26a was cancelled altogether, whilst par. 29 was amended so that it now excludes from membership in the Board all deputies to the Sejm and Senate, active members of the army, and civil servants except in such cases which are foreseen by art. 25. Par. 32 was changed by its text being altered to read that resolutions of the Board are passed by a simple majority, with the chairman having a casting-vote. Finally, par. 39 was changed to read that the Minister of Finance has the right of nominating a Bank Commissioner and a deputy commissioner, the former automatically becoming a member of the Board and the latter acting as substitute.

**BANK OF DANTZIG ANNUAL GENERAL MEETING.** — A dividend of 7 per cent was announced at the last annual general meeting of the Bank of Dantzig, the bank of issue of the Free City of Dantzig. The following members of the Supervisory Board were elected or re-elected: Mr. Noe, Managing Director of the Dantzig Shipbuilding Co., Mr. Cötze, Dr. Merunowicz, director of the National Economic Bank and Mr. Mosler of Berlin.

Prof. Noe was elected chairman of the Board, Mr. Anthony Wieniawski being nominated as deputy chairman.

## LATEST NEWS

### WARSAW EXCHANGE:

	10.2.31	20.2.31
£ 1 = $\text{zł}$ 8'924		$\text{zł}$ 8'928
£ 1 = „ 43'38½		„ 43'35½

### BANK OF POLAND:

ASSETS:	10.2.31	20.2.31
Gold reserve ... .. $\text{zł}$	562,557,487'34	$\text{zł}$ 562,647,458'49
Foreign balances ... „	253,218,948'26	„ 244,057,552'24
(not included in the cover) „	119,821,166'17	„ 119,737,274'84
Bills of exchange ... „	604,204,872'02	„ 591,574,279'40
Loans against securities „	78,518,438'42	„ 84,945,806'25
LIABILITIES:		
Notes in circulation ... „	1,199,719,870'—	„ 1,139,166,640'—
Current accounts ... „	205,603,506'56	„ 227,724,326'55
Other sight liabilities ... „	21,961,459'98	„ 22,359,553'72
BANK NOTE COVER		
(gold & foreign currencies)	57'16%	58'07%

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