THE POLISH ECONOMIST

APRIL 1931

PRICE 1s, $ —·30, OR zł 3—.

POPULATION OF POLAND — 30,410.000

DENSITY (PER 1 SQ. KLM) — 78.2

AREA OF POLAND (IN SQ. KLM.) — 388.390

UNDER CULTIVATION — 183.078

UNDER FORESTS (CENTERS: BIAŁOWIEZA, PINSK, WILNO, CARPATHIAN MOUNTAINS) — 90.621

MAIN NATURAL RESOURCES

(APPROXIMATE YEARLY PRODUCTION—IN TONS)

- COAL (CENTERS: KATOWICE, DĄBROWA, KRAKOW) — 46.000.000
- PETROLEUM (BORYSŁAW, JASŁO, STANISŁAWOW) — 800.000
- IRON ORE (RADOM, KIELCE, CZĘSTOCHOWA) 400.000
- ZINC ORE — (KATOWICE, SOSNOWIEC) — 400.000
- HEALTH RESORTS
- SALT (WIELICZKA, INOWROCŁAW) — 400.000
- POTASSIUM SALTS (KAŁUSZ, STEBNIK) 180.000

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(PHOT. S. PLATER)

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FEBRUARY was marked by a shrinkage in production and turnovers caused mainly by seasonal factors and partly by a further deepening of the depression, which although making headway did so at a much slower pace than had been the case in preceding months. In the textile industry the end of the month witnessed a considerable amelioration in conditions accompanied by a growth in sales. In general, the existence of only small stocks and a trend towards adapting production to the restricted market made themselves felt in all industries manufacturing consumers' goods. The existence of this state of affairs would appear to presage the approach of a period of recovery, but its realisation would depend on world-conditions, the existence of an appropriate psychological factor, and certain external influences.

Agriculture found its receipts increased thanks to a fairly large rise in the prices of corn (chiefly wheat and rye) as also in those of livestock products; sales tended to increase in volume but the financial conditions of the rural population still left much to be desired and could be described as still critical.

Industry reported a decrease in production which in turn evoked greater unemployment: both these movements, however, evinced a lower rate of acceleration than in previous months. The production of petroleum was a little greater than in February last year, but signs of a future drop were not lacking. Conditions in the metallurgical industries were far from favourable.

Commerce during the month was marked by a further decrease in turnovers, as is usual in periods between seasons; another factor which affected business, however, was the drop in purchases due to reduced purchasing capacity on the part of the public and the waiting attitude adopted in the expectation of still lower prices.

Prices, as reflected by the wholesale-price index, rose during the month, but this was partly caused by a most favourable and long-awaited rise in the prices of agricultural produce, and partly by world-prices of certain textile raw materials having hardened during the month in question. The prices of ready or semi-manufactured commodities, however, remained either unchanged or tended downwards. The index of retail prices decreased and this, again, is a most satisfactory symptom since it indicates that the divergency between wholesale and retail prices is steadily becoming narrower.

Railway freights dropped relatively little, the cause having been chiefly the drop in domestic shipments of coal. Port traffic dropped somewhat in volume due to the difficulties of winter navigation on the Baltic.

REVIEW OF THE GENERAL ECONOMIC SITUATION IN POLAND

FEBRUARY 1931

	UNIT	FEBRUARY 1930	JANUARY 1931*)	FEBRUARY 1931
STATE OF EMPLOYMENT:				
UNEMPLOYED		282,568	345,295	365,648
PRODUCTION:				
COAL	thousand tons	2,990·0	3,460·0	2,784·0
OIL	thousand tons	49·0	56·3	50·0
PIG IRON	thousand tons	42·5	32·2	35·5
AGRICULTURAL INDICES: (CROP ESTIMATES)				
RYE	5 points system	.	.	.
WHEAT	5 points system	.	.	.
BARLEY	5 points system	.	.	.
OATS	5 points system	.	.	.
PRICES:				
WHOLESALE PRICE INDEX	(1914 = 100)	100·6	84·8	85·8
INDEX OF COST OF LIVING IN WARSAW	(1914 = 100)	117·9	109·6	109·4
FOREIGN TRADE:				
IMPORTS	million zł	181·7	153·4	116·5
EXPORTS	million zł	218·1	152·4	134·8
EXCESS OF EXPORTS (+) OR IMPORTS (—)	million zł	+36·4	—1·0	+18·3
TRANSPORTS:				
RAILWAY TRAFFIC	wagon loaded (15 tons)	368,368	385,981	329,252
PORT TRAFFIC (DANZIG AND GDYNIA)	reg. ton	411,208	512,675	401,932
BUDGET:				
RECEIPTS	million zł	237·2	229·7	200·0
EXPENDITURE	million zł	222·2	228·1	212·5
MONEY CIRCULATION:				
BANK OF POLAND NOTES	million zł	1,281·8	1,276·6	1,284·2
COVER IN GOLD AND FOREIGN CURRENCIES	% %	61·07	56·44	55·53
TOKEN MONEY	million zł	243·7	236·1	239·6
CREDIT: (BANK OF POLAND)				
BILLS DISCOUNTED	million zł	668·4	622·9	598·6
OFFICIAL DISCOUNT RATE	% %	8·0	7·5	7·5
FOREIGN CURRENCIES: (WARSAW STOCK EXCHANGE AVERAGE RATES)				
U. S. A. DOLLAR	zł	8·90	8·91	8·92
POUND STERLING	zł	43·36	43·32	43·36

The Money Market did not report any noteworthy deterioration in conditions.

The Bank of Poland showed a further relatively small excess of sales over purchases of foreign exchange, evoked by the intensive paying off of foreign credits by Polish institutions.

State revenue and expenditure during the month resulted in a deficit, caused by a drop in receipts from the Monopolies and from taxation.

*) *Corrected figures.*

THE POLISH GOVERNMENT CONCLUDES ITS LOWER-PRICE CAMPAIGN

IT IS NOW possible to state that the compaign for lowering prices initiated by the Polish government in January this year, has been an unqualified success. It will be remembered that the Government had based its action upon the necessity for narrowing the divergency between the prices of agricultural and of industrial commodities, the argument being that the farmers were faced by a severe crisis brought about by a low level of prices for farm produce which had not been equalled for over fifty years past. We informed our readers in our last issue that the action commenced by the Government was not based upon charges of profiteering on the part of industry: it was merely intended to reduce the prices of industrial goods to a level which would enable greater consumption, especially amongst the rural population.

As the Government had primarily stated in its announcement, it avoided all repressive or forcible measures in the conduct of its campaign. The only weapon used for attaining its end was that of propaganda and the creation of a suitable psychological state amongst the producers and consumers of the country. Direct contact was established between the Government and the manufacturers, special attention being paid to cartelised industries.

The results, as already stated, have been highly gratifying. The public fully entered into the intentions of the authorities and industry soon followed suit, well realising for that matter that it was to its interest to come to the help of the rural consumer. Naturally, there were cases of criticism and of reservations affirming the impossibility of reconciling lower prices with profitableness of production; in practice, however, it soon appeared that the action called for by the Government was based on rational lines and in every case it proved possible to convince the industrial associations affected that they should and could reduce the prices of their products.

PART OF A LARGE IRON AND STEEL FOUNDRY IN UPPER SILESIA

The Upper Silesian metallurgical industries not only cover almost all the domestic requirements of Poland but also send their products to many foreign markets

The first steps taken by the Government were in connection with those industries which have syndicated their sales in cartels: here immediate understanding was reached without trouble. The coal industry reduced the price of coal by 3 to 5 per cent. according to the grade of fuel; the prices of iron and steel were likewise reduced, the drop being from 3 to 3½ per cent.; prices of artificial fertilisers were cut by 5 to 23 per cent. according to the quality; cement prices dropped by 7 to 12 per cent.; petroleum decreased in cost by 3 per cent. and gasoline by 3½ per cent.; rotary-press printing paper declined by 5 per cent. and cellulose prices fell by as much as 15 per cent.; textile products were reported as cheaper by 7 to 26 per cent and fancy goods fell in price by 4 to 20 per cent.; foodstuff prices were cut by 8 to 33 per cent. this applying only to retail prices, since the wholesale prices of corn, eggs and live-weight meat rose during the term of the campaign and now appear likely to maintain the gain secured; medicinal goods and specifics dropped in price by 10 per cent.; enamelled ware was cheaper by 6 per cent.; the price of rice declined by over 25 per cent, and so on. This list of price-reductions covers, of course, only the more important items of industrial production, the figures quoted covering the period January 1st. — March 15th. only. Retail prices on the whole fell in proportion to the drop in wholesale prices but it cannot yet be stated that the reduction in the former case has gone far enough in all branches of trade.

During the period under consideration here, i. e. roughly the first quarter of the current year, business conditions appeared to improve and this together with the economic measures applied by the authorities seems to have been the cause of better prices reigning on the home market for farm produce, including livestock, corn and dairy produce. At the time of writing this process was still in progress and it is believed that still higher prices will in the future be secured for agricultural products.

The foregoing will demonstrate that the action inaugurated by the Polish Government has met with success: the divergency between agricultural and industrial prices was made smaller, industrial prices were brought down whilst those for farm produce were raised. Should this state of affairs now become stabilised, it could be considered as a sign of Poland's entry on the road to economic recovery. In this supposition, however, caution should be duly exercised: it is an axiom im modern times that economic conditions in a given country are dependent on a great complication of factors at work not only in that country but also and above all in the whole world.

In any case and from every point of view, the narrowing of the gap between industrial and agricultural prices must be accepted as a very favourable symptom of the economic life of the Polish Republic. The results obtained are such that they fully justify the Government in officially concluding its campaign for lower industrial prices. The authorities consider that the process of price adjustment has now entered the phase of natural adaption to conditions and no further action, whether in the form of propaganda or of negotiations, is now necessary.

The campaign thus happily ended did not only result in speeding up and co-ordinating the reduction of prices: it also produced other results of a much more fundamental and permanent nature, namely, a revision of methods of price and cost calculation as also commercial and sales methods. It follows as a matter of course that in order to achieve the desired results this trend for revision in methods must take some longer time. In any case Polish industry has realised that the normalisation of calculation systems can never be abandoned or held up and, as the various chambers of commerce put it, must attain a higher and higher level of efficiency and rational application.

Such an attitude on the part of the manufacturers and industrial producers of Poland cannot but meet with the full approbation and support of the Government, and there can be no doubt that the authorities will deny no reasonable co-operation or help in order to realise that programme. The emergency action of the Government has led the business life of the country to the straight road of normal prices leading to increased consumption: it is now up to private initiative to follow that path, to consolidate the gains made and to assure all possible progress in the future.

THE BANK OF POLAND IN 1930

THE PAST operating year presented many difficult problems for the Bank of Poland to solve. These included such fundamental matters as changes of the discount rates, the conversion of about one-fifth of the gold stock into foreign exchange and the rational restriction of credit operations. It can also be stated that the Bank maintained unaided the security and absolute stabilisation of the Polish currency throughout the year under review — a most difficult period in view of the world-wide economic crisis. The favourable results obtained by the Bank of Poland are the more striking when it is considered that since the autumn of 1929 the Bank has not profited by any international credit connected with the granting of the Stabilisation Loan.

The past year, as already stated above, was a most difficult period over the whole world. The economic crisis which began towards the end of 1929 became much more serious in character during 1930, a general drop in production, commercial turnovers and in prices was accompanied by a general drop in revenues (both public and private), by an enormous drop in prosperity and by a serious, increase in unemployment. Amidst this universal depression, Poland exhibited relatively great power of resistance, although she is predominantly a country producing raw materials and agricultural produce, the type of economic unit which usually suffers most from the workings of economic crises. The rapid rate of development shown by Poland before the setting in of the depression slackened but not to vanishing point. In spite of a considerable drop in State revenue, the Polish Treasury succeeded in maintaining budgetary equilibrium by compressing its disbursements. During the year 1930 also, the balance of trade remained consistently favourable and even tended to show improvement in the quality of exported and imported commodities. Under these conditions, the Bank did all possible to combat the adverse influences of the depression and by its timely credit assistance did much to help agriculture.

The foreign exchange reserves of the Bank of Poland were not reinforced during the year by any influx arising out of long-term loans. This in fact could not be expected since conditions on international money markets were far from good and decidedly unfavourable for the securing of foreign loans. It is true that towards the end of 1930 a loan of $ 32·4 million was floated in connection with the prolongation of the Match Monopoly lease to the Krüger interests; the proceeds of this loan, which yields 6½ per cent., will not, however, begin to flow in until the current year. Market conditions for placing abroad mortgage and other bonds were hardly satisfactory during 1930, and the Polish institutions dealing in long-term credits found it possible to dispose of only a very small portion of the scrip they had to sell. International finance showed little interest in Polish industrial stock, this again being due to the general depression affecting all business in the world.

In spite of all these adverse factors, 1930 was marked by a relatively large development in capital turnovers between Poland and foreign money markets. The Bank for International Settlements, which was opened in May last year, entered into direct relations with the Bank of Poland a month later with the proposition that the latter should subscribe to the capital issue of the Geneva banking institution. The Bank of Poland subscribed for 4,000 shares of the Bank for International Settlements, and of the 10,000,000 Swiss francs due has already paid in a call of 25 per cent. Relations between the two banks have been developing satisfactorily, a certain measure of cooperation having been commenced, while the investment of part of the assets of the international bank in Polish currency has been of valuable assistance to the economic life of Poland.

Foreign short-term credits continued to be offered, but could not be taken up fully, since the contraction of turnovers had led to a smaller demand; in fact, during the year in question, the various banks and firms which had enjoyed foreign short-term credits found them to be in excess of their needs and commenced repayment. Since exporters began to find sales increasingly difficult abroad, the Bank had also to come to their assistance in a greater measure than had been the case before. The balance of payments likewise began to shape more adversely, since the service of the National Debt began to call for greater sums. Finally, the number of Polish citizens leaving Poland for abroad also increased during the year and this movement likewise caused an increased demand for foreign currencies. All these factors combined therefore to cause a more or less continual efflux of foreign exchange from the coffers of the Bank in spite of the fact that the balance of trade remained consistently favourable.

The bullion and foreign currency reserves of the Bank included in the cover of the note-circulation and sight liabilities shrank during the year as a result of all these influences by zł 268·4 million. The ratio of this cover fell from 63·08 per cent. in January 1930 to 55·29 per cent. on December 31st. of the same year; even this lower figure, however, was 15·29 per cent. above the prescribed minimum foreseen by the statute of the Bank. The gold bullion and specie stocks of the Bank were augmented by zł 2·9 million as a result of over-the-counter purchases by the Bank's provincial branches. Towards the end of September, however, the Bank exchanged zł 142 million worth of gold held abroad for foreign exchange in order to increase its depleted reserves of foreign currencies and to maintain the requisite degree of elasticity in its operations. The gold stock of the Bank of Poland came to zł 562·2 million on December 31st., this figure being 19·7 per cent. below that reported for the corresponding date in 1929. The gold stocks part of the cover alone was 36·54 per cent. of the note issue, i. e. 6·54 per cent. over the statutory minimum.

The general depression naturally did not fail to affect the domestic money and credit market. The fundamental factors causing fluidity on the market — low commercial turnovers and the withdrawal of funds invested in production, with the supply of money exceeding the demand — were clearly in evidence during the first three quarters of 1930. This process was further aided by the intensive liquidation of stocks, the holding up of investment works, an improvement in solvency compared to the preceding year, large cash reserves in the banks, and the elimination from credit consideration of firms of doubtful or uncertain solvency. As a result of the drop in prices the relation between available capital and the value of commodities underwent improvement. Conditions which might stabilise this improved fluidity on the market were, however, lacking for some time owing to the following restrictive influences: industrial and commercial firms began gradually to exhaust their financial resources this applying even to the strongest organisations on the market; foreign short term loans and credits began to be paid off more rapidly, whilst foreign suppliers of goods began to fix shorter and shorter terms for the payment of deliveries; banks and producers consistently tended to reduce the time-terms of loans and finally, cash transactions began to grow in volume and the ratio of credit allowed fell off considerably.

Conditions on the money market began to deteriorate towards the end of the third quarter of 1930, especially during the month of October. This state of affairs was brought about by the uncertainty at that time caused by fluctuations on the money markets of Central Europe and by political events, of which the most disquieting were the results of the German elections. Bank deposits were withdrawn on a fairly large scale or were at least converted from zloty to dollar currency, the hoarding of money appeared as a transient factor and speculation began to grow more active. This undesirable state of affairs lasted, however, only a few weeks and during the last two months of the year under review the banks had made good their losses in deposits and the Postal Savings Bank even increased its figure considerably.

The depression likewise affected the credit operations of the Bank. While in former years, the volume of credits actually granted had risen steadily year by year according to the bullion and foreign currency cover held by the Bank, during the first half of 1930 the volume of credits actually taken up by clients diminished steadily in spite of the Bank's liberal credit policy. The reason for this was that the supply of acceptable bills of exchange had shrunk owing to the general restriction of production and commercial turnovers.

This situation was radically changed during the second half of the year in question due to a seasonal increase in farmers' bills presented for discounting. The Bank had, towards the end of the third quarter of 1930 increased the Bank Rate and applied stricter standards in choosing bills for discount: this step had been made necessary by the considerable outflow of foreign exchange and the large volume of bills already held in the portfolio of the Bank and which showed a constant trend to increase still further. The raising of the discount rate proved to be only partially successful in reducing the portfolio and towards the end of October the Bank reduced the maximum term of bills discounted by it to 75 days in the place of the former limit of 90 days. It cannot be said that the adoption of these measures by the authorities of the Bank was too rigorously applied, since during the second half of the year the portfolio increased by zł 90·7 million, owing to the seasonal liveliness of business every autumn.

The credit restrictions introduced by the Bank of Poland in order to maintain the high standard of cover so necessary nowadays, soon caused the remainder of the Polish banking system to reduce the volume of discounts allowed. This in turn brought about a certain tightness of money which lasted until the end of the year, augmented by the seasonal end-of-the-year stringency and the falling due of many payments during that period.

The considerable increase in the bill portfolio of the Bank during autumn last year arose as a result of seasonal increase in demand for credit on the part of agriculture and the wider application of the rural chattel mortgage system. In the latter case the credits granted against such collateral came to zł 55·4 million on December 31st., 1930 as against only zł 35·6 million on the corresponding date of 1929.

The following table indicates the percentages of credits granted by the Bank as on December 31st. 1929 and 1930, the category of drawers or indorsors being given:

	Bills discounted		*Open credits and mortgage collateral*	
	Dec. 31st., 1930	*Dec. 31st., 1929*	*Dec. 31st., 1930*	*Dec. 31st., 1929*
Agriculture	43·7	37·5	35·2	31·7
Mining and industries	25·3	21·9	16·8	21·5
Commerce	23·2	33·0	12·9	14·8
Others	7·8	7·6	35·1	32·0

The increase shown in the volume of credits granted to agriculture serves as an indication of the Bank's policy of affording special aid to the farmers. This policy has been in force for some years now, it being argued that although agriculture is Poland's most important industry, it has continually to cope with financial difficulties owing to lack of long term credits on the Polish market.

The discount rate applied by the Bank of Poland was often changed during the year reviewed. The

WORK ON A SAW-MILL IN POLAND

Poland is one of the most important exporters of sawn and round-wood in Europe; the virgin forests of the Polish Republic are famous for the high quality and size of the timber they yield

Bank had decreased the rate in November 1929 from 9 to 8½ per cent., but under the influence of the general tendency for rates to drop during periods of economic depression and in sympathy with cuts in the discount rates of all the issue-banks of the world, decided to continue its policy: the rate was decreased to 8 per cent. on January 31st., 1930, to 7 per cent. on March 14th., and to 6½ per cent. as from June 13th. The collateral loan rate was decreased on the same days to 9, 8 and 7½ per cent. The outflow of foreign exchange in the autumn and the large demand for credit forced the Bank to raise the rate to 7½ per cent. as from October 3rd. whilst the collateral loan rate went up to 8½ per cent. The ultimate result of these fluctuations was, nevertheless, that the rate remained at a level ½ per cent. below that quoted in 1927, i. e. just before the Stabilisation Plan was inaugurated.

The figure of note-circulation during the whole year was affected by various influences which, however, partially offset each other. The outflow of foreign exchange resulted in the return of the Bank's notes to its coffers and the restriction of credits granted likewise had the effect of reducing the number of notes in circulation. On the other hand, the decrease in the figure of sight-liabilities and Treasury deposits tended to increase the issue of notes. The sum of Treasury deposits fell off sharply when the Treasury Reserve of zł 75 million was withdrawn in accordance with an understanding between the Ministry of Finance, the Financial Adviser and the authorities of the Bank of Poland. At the time, the note-circulation exceeded the maximum figure for 1929, but from October onwards it began to shrink and reached the level of zł 1,569·2 million on December 31st., 1930, this being 1·9 per cent. lower than a year before.

The revenue of the Bank of Poland, as was to be expected, was lower in 1930 than in the preceding year, the difference being zł 26·6 million and the gross revenue zł 71 million. The drop in income was due to the lower Bank rate on bills and collateral loans, to decreased figures of credits granted and to a lower return on deposits abroad. The rate paid by foreign banks had varied during 1929 from 4½ to 6½ per cent. on deposits, whilst during 1930 the average interest rate on such deposits had fallen to 4·3 per cent. at the beginning of the year, to 3·5 per cent. in March, 2·5 per cent. in July and from August remained at about 2·25 per cent. The total sums gained by the Bank from such interest payments fell from zł 26·3 million in 1929 to zł 16·4 million in 1930. In view of the fact that the expenditure of the Bank rose somewhat during 1930, the net profit reported by the Bank of Poland for the 1930 operating year came to zł 33 million (as against zł 35·9 million in 1928 and zł 48·1 million in 1929) and the dividend announced for the year declined to 15 per cent.

SUMMARY OF LAWS, ACTS AND EXECUTIVE DECREES

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

from February 15th to March 15th, 1931

Arbitration court and conciliation treaty between Poland and Holland (*"Dz. Ust. R. P."* No. 15, items 72 and 73).

Amendment of the Customs Tariff (*"Dz. Ust. R. P."* No. 15, item 74, and No. 18, item 101).

Amendment of provisional regulations governing the use of explosives in mines (*"Dz. Ust. R. P."* No. 15, item 75).

An Act authorising the ratification of the Polish-French Commercial Treaty, the Veterinary Treaty with France and also conventions regarding old-age and disability insurance and of Poland's war debt to France (*"Dz. Ust. R. P."* No. 17, items 86—89).

Protection of the labour market (*"Dz. Ust. R. P."* No. 18, item 98).

Regulations for the importation of cats and dogs from abroad (*"Dz. Ust. R. P."* No. 18, item 99).

Customs rebates on export of corn, milling products and malt (*„Dz. Ust. R. P."* No. 18, item 100).

Polish-German Valorisation Agreement, signed at Berlin on July 5, 1928 (*"Dz. Ust. R. P."* No. 19, items 106 and 107).

Polish-German Agreement regarding savings banks, signed at Berlin on December 14th., 1928 (*"Dz. Ust. R. P."* No. 19, items 108 and 109).

Polish-German Agreement in respect of the regulation of legal relations with the German Mortgage Bond Association of Poznań, signed on December 14th., 1928 (*"Dz. Ust. R. P."* No. 19, items 110 and 111).

An act authorising the ratification of the Polish-Egyptian commercial agreement (*"Dz. Ust. R. P."* No. 20, item 113).

An act authorising the ratification of the supplementary protocol to the Polish-Yugoslav Commercial Convention (*"Dz. Ust. R. P."* No. 20, item 141).

An act authorising the ratification of the III. and IV. protocols supplementing the Polish-Czechoslovakian Commercial Convention (*"Dz. Ust. R. P."* No. 20, items 115 and 116).

An act authorising the ratification of the supplementary understanding appended to the Polish-Persian Commercial Treaty (*"Dz. Ust. R. P."* No. 20, item 117).

Arbitration court and conciliation treaty between Poland and Bulgaria, signed at Warsaw on December 31, 1929 (*"Dz. Ust. R. P."* No. 20, items 118 and 119).

Export duties on timber (*"Dz. Ust. R. P."* No. 20, item 120).

Levying of the 10 per cent. Extraordinary Supplementary Tax (*"Dz. Ust. R. P."* No. 20, item 121).

Reduced customs duties on unleavened bread (*"Dz. Ust. R. P."* No 20, item 122).

Partial amendment of the export division of the Customs Tariff (*"Dz. Ust. R. P."* No, 21, item 126).

PRODUCTION AND TRADE

STATE OF EMPLOYMENT. — As is usual in February the situation on the Polish labour market continued to deteriorate, and this year the number of persons registered at the State Employment Exchanges rose from 345,295 at the end of January to 365,648 on February 28th. It is worthy of note, however, that the rate of increase was much lower in December and January and this would appear to indicate that the peak of seasonal winter unemployment is near. The influences affecting the situation in February were all of a purely seasonal nature, mostly caused by the interruption in building operations. As, on the other hand, with the approach of spring these works will be undertaken anew, it is clear that seasonal unemployment in that trade must now commence to decrease. Naturally in certain branches of trade and production the influence of the crisis continued to be felt, whilst seasonal activity tended to reduce unemployment in others, as for example in the textile industries.

The number of registered unemployed workers rose somewhat as will be seen from the following table, which affords comparative data for the past three years (on the 1st of every month quoted):

	1928	1929	1930	1931
January	175,268	126,429	186,427	303,148
February	17 ,602	160,843	249,462	345,295
March	178,403	177,462	282,568	365,648
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	83,002	167,454	
November	79.689	93,800	167,349	
December	94,132	126,644	211,918	

As regards short-time workers in Poland, the following data gives figures as on March 1st., and for the first days of every month since January 1928:

	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	16,654	117,973	94,148
April	47,878	16,967	109,519	
May	54,385	21,791	142.647	
June	27,461	26,343	127,511	
July	28,728	30,249	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 partially employed, 2,258 persons worked one day per week, 9,598 two days, 37,205 three days, 21,608 four days, and 23,479 five days in the week. The average number of days worked by this category of worker during February was 3·6 days as against 3·5 days in January.

Data for registered totally unemployed persons is furnished in the following table by trade groups (figures represent status also on the first of each month quoted):

	February 1931	March 1931	+ increase — decrease
mining	9,080	9,968	+ 888
foundry	2,101	2,337	+ 236
metal	25,833	27,502	+ 1,669
textile	36,005	34,669	— 1,336
building	37,796	41,069	+ 3,273
clerical	22.238	24,801	+ 2.563
other	212,242	225,302	+13,060
Total:	345,295	365,648	+ 20,353

Foreign and domestic sales in the coal-mining industry declined considerably during February this year owing to the mild winter and the general effects of the world-wide economic depression. The export of coal to northern countries was also rather hampered by the partial freezing-up of many ports on the Baltic. No important changes were reported by the petroleum industry: the production of crude oil decreased to a certain extent compared to that reported for January but was greater than a year ago. Boring operations and prospecting work were rather slack during the month under review. Exports of crude oil and products declined somewhat during the month. The number of unemployed miners in Poland came to 7 per cent. of those at work.

In the iron founding industry, the receipt of larger orders during January made a higher standard of employment possible. New orders received during February were, however, only about 50 per cent. of those filed in January. This applied to both Government and private orders; the wholesale traders do not expect any considerable increase in the volume of orders for some months to come and for that reason show a tendency to diminish their orders for future delivery. The production of zinc and lead during the month fell below the January figure in spite of a slight rise in prices abroad. Unemployed foundry workers constituted 4·5 per cent. of those employed.

Conditions in the metallurgical and machine industries were somewhat worse during February. The volume of orders declined still further and this caused an additional restriction of hours of work and of employment. In spite of the approaching spring season, the agricultural machine and tool plants were very weakly employed. Plants working for the export trade found conditions a shade better and increased their pay-rolls. Factories manufacturing internal combustion engines, boilers and steam-engines, electrical motors, etc. all cut down their personnel in view of the very low number of orders received as a result of the lack of long-term investment money. Works producing textile machinery reduced their working force and introduced short-time on a larger scale. Plants making metal-working machinery were relatively more busy thanks to important foreign orders received. The locomotive plants were still occupied in executing old orders and thanks to this maintained their pay-rolls unimpaired. A growth in Government orders enabled the wire factories to increase their staff, but conditions in the screw and rivet works fell off, the same applying to steel cable plants, these working only three days in the week. The casting foundries reported worse conditions in February and many had not only to reduce their personnel but also to enforce more short-time work. The unemployed metal workers were 40 per cent. of those on the pay-rolls.

In the cotton industry, no greater liveliness was reported in spite of the approach of the spring season and the commencement of output of summer goods. In spite of restrictions in production, factory stocks rose during the month. Whilst the aggregate number of operatives employed rose somewhat, those working the full five or six days per week decreased in number. A seasonal improvement took place in the woolen industry, but not to the extent expected and employment conditions were only very slightly better. In the knitted wear industry turnovers during February were rather disappointing but employment increased and with the commencement of the selling season in March, should still further rise. The stocking industry reported much better prospects and a larger volume of orders: the number of looms in operation increased and double shifts were working in many plants in order to cope with the demand for their products. Bielsk woolen weavers reported a restriction in production due to the large unsold stocks on hand with the merchants. The jute and hemp industries continued to find conditions very slack, employment remaining at a low level. Unemployed textile workers were 31 per cent of those at work.

The tendency for cutting workmen's wages continued to make headway. An arbitration award reduced wages of zinc foundrymen by 7 per cent. and of zinc-ore miners by 6 per cent. Wage cuts also took place in the timber, brick nad textile industries as also in the petroleum industry in which wages are regulated by the index of the cost of living.

GRAIN

— According to the estimates of the Chief Bureau of Statistics at Warsaw, the Polish corn crops harvested in 1930 were as follows (in tons):

rye	2,215,000
wheat	6,994,000
barley	1,476,000
oats	2,398,000

Compared with the results noted for previous years, wheat was the only corn crop to show an increase (of 24 per cent.), while the figures for the remaining items were all smaller (rye by 1 per cent., barley 11 per cent., and oats 19 per cent.).

Grain prices during the whole of February and the first two weeks of March tended to increase all over the country. The dificulties of communication, caused by heavy snow-falls and frosts, floods and other climatic influences, caused a considerable drop in the available supply, while the lack of information and the uncertainty regarding winter sowings both tended to increase grain turnovers. Prices for grain on the Polish corn exchanges are quoted in the table given herewith, compared with those ruling in February in Berlin and in the Chicago wheat pit.

1931		HOME EXCHANGES								Berlin	Chicago
		Warsaw		Poznań		Lwów		Av. of 3 exch.			
		zł	$	zł	$	zł	$	zł	$	$	$
WHEAT											
February	1—8	21·37	2·40	19·57	2·20	19·87	2·23	20·27	2·27	6·36	2·89
"	9—15	21·75	2·44	19·66	2·21	20·50	2·30	20·63	2·32	6·39	2·89
"	16—22	24·47	2·75	22·17	2·49	22·70	2·55	23·11	2·59	6·49	2·91
"	23—28	26·12	2·93	22·92	2·57	22·50	2·52	23·84	2·68	6·79	2·88
March	1—8	26·50	2·98	24·46	2·74	23·87	2·68	24·94	2·80	6·95	2·89
"	9—15	27·37	3·07	25·82	2·90	24·67	2·77	25·95	2·91	6·98	2·90
RYE											
February	1—8	18·12	2·03	16·64	1·86	15·50	1·74	16·75	1·88	3·72	1·50
"	9—15	18·03	2·02	17·08	1·91	15·87	1·78	16·99	1·90	3·73	1·57
"	16—22	18·12	2·03	17·16	1·92	17·25	1·93	17·51	1·96	3·71	1·56
"	23—28	18·34	2·06	18·37	2·06	17·25	1·93	17·98	2·01	3·87	1·52
March	1—8	19·10	2·14	19·09	2·14	17·43	1·95	18·54	2·08	4·00	1·47
"	9—15	20·22	2·27	20·73	2·33	17·45	1·96	19·46	2·18	4·33	1·53
BARLEY (brewing)											
February	1—8	25·55	2·84	26·00	2·98	—	—	—	—	4·97	2·29
"	9—15	25·00	2·81	25·33	2·84	—	—	—	—	4·97	2·34
"	16—22	24·12	2·71	25·00	2·81	—	—	—	—	4·97	2·29
"	23—28	24·25	2·72	24·67	2·77	—	—	—	—	5·02	2·26
March	1—8	24·50	2·75	24·50	2·75	—	—	—	—	5·10	2·26
"	9—15	23·50	2·64	24·50	2·75	—	—	—	—	5·31	2·20
BARLEY (ordinary)											
February	1—8	18·50	2·07	19·69	2·21	—	—	—	—	4·70	—
"	9—15	18·50	2·07	19·62	2·20	—	—	—	—	4·69	—
"	16—22	18·00	2·02	19·56	2·19	—	—	—	—	4·69	—
"	23—28	18·00	2·02	20·04	2·25	—	—	—	—	4·72	—
March	1—8	18·25	2·05	20·50	2·30	17·50	1·96	18·75	2·10	4·84	—
"	9—15	19·75	2·22	21·00	2·36	—	—	—	—	4·96	—
OATS											
February	1—8	20·50	2·30	18·70	2·10	19·50	2·19	19·56	2·19	3·37	2·27
"	9—15	20·25	2·27	18·12	2·03	19·00	2·13	19·12	2·14	3·38	2·30
"	16—22	19·25	2·16	18·00	2·02	19·85	2·23	19·03	2·13	3·36	2·26
"	23—28	19·47	2·18	18·00	2·02	20·00	2·24	19·15	2·15	3·51	2·20
March	1—8	21·00	2·36	18·50	2·07	20·91	2·34	20·13	2·26	3·61	2·16
"	9—15	21·20	2·38	18·87	2·12	22·58	2·53	20·88	2·34	3·77	2·18

The price of wheat advanced steadily from the second half of February and during the second week of March was 25·8 per cent. higher than on February 15th. The enhanced demand caused by the approaching Easter holidays caused an increase in volume of future deliveries of wheaten flour and this evoked a rise in quotation, the home price even rising above the export level. Exports of wheat were therefore small and took place only from time to time.

The prices of rye also rose during the four-week period under review, this applying not only to the home market but also to the Belgian and Danish, markets which are important buyers of Polish rye. The increase in prices did not equal the gain reported for wheat, since it came to only 12·1 per cent. With no great increase in demand, this improvement in price was caused by the smaller supply available.

The prices of brewing barley likewise rose during February, almost equalling the level of a year before. Prices for the higher grades of this corn were maintained very well in view of a shortage of the better quality types of barley. Buyers for fodder and milling barley were rather scarce during the month, but prices for the fodder grades commenced to improve towards the middle of March due to the fact that the prolonged frosts had caused a livelier demand for this type of fodder both at home and abroad.

The level of oats prices was marked by a lack of uniformity but on the whole tended downwards. This year's level was, however much higher than last year's as a result of the bad harvests of the cereal last year in Poland and in other European countries. In addition, the approach of the sowing season for oats has caused a fair demand for well-cleaned oats of uniform quality.

Foreign trade turnovers in corn during February yielded a satisfactory surplus of exports over imports amounting to zł 5,434,000. Imports came to only zł 12,000 in value having aggregated (wheat) 54 tons. Exports of corn from Poland are given in the following table, comparative data for February last year and January this year being also given (in tons):

	February 1930	*January 1931*	*February 1931*
rye	2,289	3,545	5,513
wheat	28,300	12,518	17,560
barley	26,069	12,820	9,651
oats	4,921	271	268

Germany bought 33·1 per cent. of Poland's wheat exports, while Belgium accounted for 17·9 per cent., with Denmark and Holland each taking up 16·5 per cent. Belgium received over 33 per cent. of Poland's rye export and Denmark 30·7 per cent. Germany bought

18·7 per cent., France 14 per cent., whilst Portugal, Holland, Sweden, Palestine and Czechoslovakia accounted for the remainder. Belgium was again Poland's most important customer for barley taking up 41·5 per cent. of the total volume exported; Germany bought 23·3 per cent., Holland 11·7 per cent., whilst Great Britain, Latvia, Norway and Denmark absorbed smaller quantities. As regards the export of oats during February, Germany again purchased all the shipments of this cereal exported from the Polish Republic during that month.

BUTTER

In the latter half of February there was a stronger tendency on the butter market. Owing to Lent and large sales for export this commodity was fairly scarce. This situation prevailed throughout the first ten days of the second half of February and only towards the end of the month did prices show a certain falling off. The Dairy Products Commission approved a decrease in price of gr 20 per 1 kg. This was mainly to be attributed to the fall in quotations on foreign markets, chiefly in Germany. In the first half of March the tendency was strong enough. Consumption increased largely but the supply was also greater and sufficient to cover the demand.

Prices of butter in the second half of February as compared with the first half of March are given in the following table (in zł per kg.):

	February 15th—28th	*March 1st—15th*
Warsaw	5·60—5·40	5·40
Łódź	5·80—6·00	6·00—5·40
Poznań	5·60	5·60
Katowice	5·60—5·80	5·60—5·70—5·80
Kraków	5·30—5·40	5·30—5·40
Bielsko	5·60—5·80	5·40
Lwów	4·60—4·80	4·60—4·80—5·00
Lublin	5·60	—
Grudziądz	5·20	—

Exports of butter in February amounted to 778 tons valued at zł 3,740,700. Of this quantity Germany took 543 tons, Belgium 116·1 tons and Switzerland 93·2 tons. Smaller quantities went to France, Denmark, Great Britain, Russia, etc.

EGGS

— The second half of February and the first half of March were characterised by fluctuations in prices on the egg market. The weak demand on the part of foreign markets and the more than adequate supplies of eggs contributed towards the decline in prices. Only in the first half of March did the situation change somewhat. Intense frosts adversely affected the production and transport of eggs, while at the same time the position on the export markets improved with the result that prices hardened and even showed an upward tendency.

During the period under review the prices on the different internal markets were as follows (in zł per case of 1,440 eggs):

	February 15th—28th	*March 1st—15th*
Bochnia	173—156	160—162
Kraków	158—160—173	—
Katowice	129—190	—
Lublin	160—165	—
Rzeszów	—	157
Wilno	180—155	175—185
Tarnopol	—	150—156—160

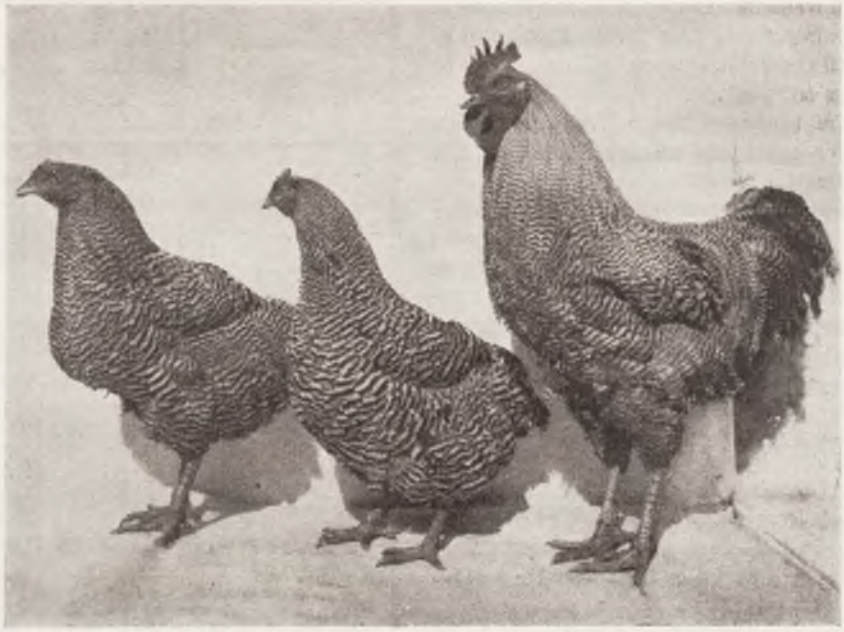
Exports of eggs in February amounted to 1,606·6 tons valued at zł 4,087,300.

The distribution of the above exports was as follows: Germany 767·2 tons, Great Britain 404·9 tons, Czechoslovakia 197·4 tons, Austria 186·2 tons, France 42·0 tons, etc.

BUTTER AND EGG EXPORTS IN 1930.—Over 55,000 tons of eggs valued at zł 134 million were exported by Poland in 1930. The corresponding figures for 1929 and 1928 were 53,000 tons with a declared value of zł 142·5 million and 54,000 tons valued at zł 144·6 million. A comparison of these figures shows a rise in volume but a drop in value, due to the drop in prices during 1930.

Exports of eggs to Germany fell off but those to Great Britain rose from 8,682 tons in 1928 and 8,550 tons in 1929 to 12,352 tons in 1930 valued at zł 30·5 million.

Butter exports in 1930 dropped off fairly heavily as against 1929 returns but were larger than in preceding years. Over 12,000 tons were exported (valued at zł 59 million) as against 15,000 tons in 1929. Exports of butter to Switzerland and Belgium grew in volume at the expense of shipments to Germany and Great Britain.



FINE SPECIMENS OF PLYMOUTH ROCKS BRED IN POLAND

Poland's exports of eggs, live and slaughtered poultry, etc. are marked by their uniform grading and high quality

TIMBER

— The loss of the German market owing to the Reich's refusal to prolong the Polish-German Provisional Timber Agreement did not cause any noteworthy deepening of the depression affecting the Polish timber trade during February. Producers and merchants have in fact been congratulating themselves that the evil effects of the loss of that market have been much less important than had been feared. This is not the first time that Germany has closed her market to Polish wood and the interruption in trade has been much less felt now than on the outbreak of the customs war two years ago.

A most striking feature of the situation was that those materials which should have been most affected by the German embargo lost very little of their export volume. Thus, for example, during the first two months of last year Poland exported 122,000 tons of sawn timber, while during the corresponding months of this year the figure came to as much as 114,000 tons. The export of pulp-wood, however, decreased from 135,000 tons to 47,000 tons over the same period, in spite of the fact that this material has not been included in the prohibitive customs tariff of Germany.

As can be seen, therefore, Poland's timber exports have not suffered quantitatively by Germany's action: the prices obtained on the markets which have supplanted the Reich are, however, considerably lower. This in all probability is due to the general drop in prices affecting conditions all over the world. Even the low world level of prices is not in many cases secured by Polish timber exporters owing to the price-cutting between various competitive firms further depressing rates. This over-keen competition is perhaps a natural feature of a scramble for new markets, where, moreover, other timber exporting countries are likewise fighting for sales. Steps have therefore been taken for the creation of a Polish timber exporters' syndicate in order to co-ordinate prices and action in general. Negotiations have been in progress for some months now but the whole matter is a very complicated one and it cannot be expected that a solution will be reached before the end of the year.

The various Forest Directorates quoted the following wholesale prices of round-wood ex wagon at loading station (prices per stacked and cub. m. in January and February this year, in zł).

	Jan. 1931	Feb. 1931
pine logs for sawmills		
(per cub. m.) Warsaw	40·00	37·00
" " " Radom	34·00	32·00
" " " Siedlce	28·00	26·00
" " " Wilno	—	23·00
" " " Białowieża	27·30	27·30
" " " Poznan	36·00	34·80
" " " Bydgoszcz	34·00	30·00
" " " Toruń	34·00	34·00
spruce logs for saw mills		
(per cub. m.) Siedlce	22·00	22·00
" " " Lwów	23·00	22·00
oak logs for joinery		
(per cub. m.) Łuck	155·00	155·00
oak logs for saw mills		
(per cub. m.) Białowieża	58·00	58·00
pine pit props		
(per cub m.) Warsaw	22·00	24·00
" " " Radom	22·00	20·00
" " " 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	12·00
" " " " Siedlce	9·40	8·60
" " " " Wilno	—	9·00
" " " " Białowieża	13·00	13·00
" " " " Poznań	15·75	14·75
" " " " Bydgoszcz	16·00	14·70
" " " " Toruń	14·00	14·00
spruce fire-wood		
(per stacked cub. m.) Lwów	6·00	5·50
beech fire-wood		
(per stacked cub. m.) Lwów	8·00	7·50

COAL

— As was to be expected, conditions in the Polish coal-mining industry were in February worse than in the month before. Owing to the mild winter and the continued working of the economic crisis, both domestic and foreign sales fell off in volume. The demand for industrial coal shrank considerably in view of the restriction of production in many branches of manufacture. The larger coal exports noted in January were due to the miners' strike in South Wales and with its settlement, foreign sales were bound to decrease. Since, also, February had only 23 working days as against January's 25 days, absolute figures of extraction and sales were also decreased by this factor.

During February, coal was exported to the following countries (in thous. of tons):

Countries	1928 February	1929 February	1930 February	1931 January	1931 February	1931 Increase (+) or decrease (—) in relation to Jan.
1. Convention markets:	456	426	236	302	246	— 56
a) Central European markets:	428	387	218	272	224	— 48
Austria	262	250	140	176	142	— 34
Hungary	58	49	18	26	20	— 6
Czechoslovakia	106	87	60	70	62	— 8
Germany	2	1	—	—	—	—
b) Other markets:	28	39	18	30	22	— 8
Danzig	21	38	16	28	21	— 7
Yugoslavia	7	1	2	2	1	— 1
2. Non-Convention markets:	481	244	581	820	584	—236
a) Northern European markets:	373	179	433	578	398	—180
Sweden	148	71	172	200	163	— 37
Norway	50	29	63	103	54	— 49
Denmark	127	49	127	208	130	— 78
Finland	2	2	2	14	11	— 3
Latvia	38	23	56	28	23	— 5
Lithuania	3	2	7	12	15	+ 3
Estonia	—	2	—	7	—	— 7
Memel	5	1	1	1	1	—
Russia	—	—	—	4	—	— 4
Iceland	—	—	5	1	1	—
b) Other markets:	105	58	143	233	170	— 63
France	40	24	59	99	80	— 19
Italy	36	14	60	96	51	— 45
Rumania	8	2	4	4	2	— 2
Switzerland	11	11	9	12	10	— 2
Holland	3	7	5	2	10	+ 8
Belgium	6	—	6	14	8	— 6
Spain	—	—	—	6	9	+ 3
Greece	1	—	—	—	—	—
Egypt	—	—		7	—	— 7
Algeria	—	—	5	2	16	+ 14
Brazil	2	7	—	—	—	—
Chile	1	—	—	—	—	—
3. Bunker coal	19	19	50	70	56	— 14
Total:	956	689	867	1,192	886	—306
Loaded at:						
Danzig	353	212	403	570	401	—169
Gdynia	105	54	218	283	239	— 44
Total:	458	266	621	853	640	—213

Coal exports went during the month to the following groups of countries (in percentages):

Convention markets	27·68
Northern European markets	44·97
Other European markets	19·21
African markets	1·81
Bunker coal	6·33
Total:	100·00

The following table affords data covering the situation in the Polish coal-mining industry during February, 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	2,062	1,002	753	1,089
Dąbrowa	541	293	132	570
Kraków	181	134	1	84
Total:	2,784	1,429	886	1,752
January 1931[1])	3,460	1,760	1,192	1,589
in relation to January 1930	— 676	— 331	— 306	+ 163

Total sales of coal during February amounted to 2,315,000 tons, i.e. 637,000 tons less than in January. Domestic sales came to 1,429,000 tons (331,000 tons less than in January) and foreign sales were for a volume of 886,000 tons, i.e. 306,000 tons less than in the preceding month. Pithead stocks of coal rose by 163,000 tons to 1,752,000 tons.

The number of miners employed in the coal-mining industry decreased; 114,882 men were employed on February 28th as against 116,644 on January 31st. The number of unemployed coal miners in Poland rose by 1,016 persons. The average extraction of coal per miner per day declined slightly and came to 1,302 kg. during February. Wages of miners remained unchanged during February in spite of efforts on both sides to have the scale revised.

The prices of coal likewise remained constant, this applying to both home and foreign prices with one exception: rates for coal to Czechoslovakia were decreased by from 6 to 10 per cent. depending on the grade of fuel purchased. Prices f.o.b. Gdynia or Danzig continued to fall in accordance with the world-wide tendency for coal prices to drop. Upper Silesian and Dąbrowa large fell in price to 11s. 3d. and 10s. 6d. per ton respectively. Buyers, especially in Scandinavia, tended to hold up orders in the expectation of a further drop in prices. Railway tariffs remained unchanged during the month, but ocean freights (especially to Scandinavian ports) were firmer following a decision to withdraw a certain tonnage of steamers from traffic. Shipments to France (mostly Rouen and other Channel ports) were rather livelier in view of the increase in orders; freights to Italian ports were a little higher than in January.

The production of coke in February came to 107,031 tons, this being 11,667 tons less than in the preceding month. Sales declined by 12,430 tons to 107,188 tons.

The output of the briquette industry dropped by 6,263 tons to 23,083 tons, and sales declined by 5,613 tons to 23,666 tons during the month.

The extraction of lignite during February dropped to the relatively low level of 3,737 tons as compared to the January figure of 4,552 tons.

THE GENERAL COAL CONVENTION. — Prolonged negotiations regarding the amendment of the by-laws of the All-Poland Coal Convention were duly accepted and signed, with the result that the Covention has been extended for a further three years with automatic extension for an additional two years.

The amendment of the by-laws of the Convention was necessary in view of the fact that the old rules were hardly adequate to meet the changed situation on the coal market.

The difficulties which had beset the market had been in a great measure caused by competitive price-cutting brought about by varying conditions and methods of payment, a state of affairs facilitated by the fact that the Convention in its previous form had insufficient executive under civil law towards its member-firms.

It was therefore unanimously decided during the conversations to found during the course of three months a joint stock company having a share capital of zł 1,000,000. This company would be bound with the Convention by a common managing director. The share holders of the proposed company will be the various collieries participating in the share subscription in proportion to their rôle in the Convention.

The proposed company will have as its object the permanent, exact and obligatory control of the member-firms of the Convention as regards their execution of decisions. It will also act as the official representative of the Polish coal mines, especially during negotiations with foreign coal interests (Great Britain and Germany) while at some time in the future it will take over all the purely commercial activities of the collieries united within it.

PETROLEUM

— Conditions in the petroleum industry in Poland were reported to be somewhat worse during February than in the preceding month. The production of crude oil fell off (especially at Borysław) and consumption followed suit, all types of petroleum products being affected. Exports in this industry likewise declined during the month in question.

The output of crude oil during February as compared with January, was as follows (in tons):

		January	February
		1931	
Jasło	district	8,509	7,200
Drohobycz	„	43,646	39,360
Stanisławów	„	4,127	3,530
	Total:	56,282	50,096

It will be seen from the foregoing that the drop in production was chiefly due to the lower output in the Borysław basin. The decline in production was caused by the shorter working month and by the natural decrease in operations during the winter months.

Boring operations continued to be dull in the Borysław area, although oil was struck at a depth of 324 m. at Well No. 26 of the Statelands Oilfield near Tustanowice. The initial production was 20 tons per day but this amount was later stabilised at 13 tons. Several new borings were in course of being sunk and a few temporarily abandoned wells resumed operations. The Pioneer Oil Co. commenced prospecting boring in the Orowo region. The Gazolina Co. commenced research borings in order to ascertain the distribution of natural gas in the Daszawa district; it is expected that these investigations will be of great value to the natural gas and gasoline industries. Prospecting went on at Berehy, Monasterzec, Tarnawa, Jasło, Wola and other points.

Labour conditions in the petroleum industry remained fundamentally without change during February and no conflicts were reported. The number of men employed in the industry on February 28th. came to 9.885 as against 10,098 in January 31st.

Stocks of Borysław Stadard Crude at the storage companies came to only 3,204 tons on February 28th., this being 1,270 tons less than on January 31st. Prices remained virtually without change as against January levels: zł 1,882 were charged per 10-ton cistern (as against the same figure in January and zł 1,900 in December), but the price of gasoline was reduced on the 16th of the month by 3 gr per litre (present price 82 gr per litre) in accordance with the Government's campaign for lower prices. Export prices continued to decline owing to over-production in Rumania and the U. S. A. as also to Soviet dumping.

The following data will illustrate the situation in the natural gas industry during the last two months:

	Jan.	Feb.
	1931	
output of gas (in thous. of cub. m.)	45,731	41,200
throughput of gas (in thous. of cub. m.	24,302	21,333
output of gasoline (in tons)	3,582	3,172
home consumption „	3,290	2,889
number of workmen employed	249	248

With the number of gasoline plants unchanged at the figure of twenty, the price of the gas supplied to factories remained constant at zł 5·62 per 100 cub. m. The average yield of gasoline from 100 cub. m. of the gas came to 14·70 kg. of gasoline, i. e. the same figure as in the preceding month.

The production of ozokerite during February fell off considerably compared with January returns, this being due to the continuance of Soviet dumping which makes production in Poland unprofitable at competitive prices. With production down to almost vanishing point, the pit-head stocks of earth-wax amounted to only 91 tons, thus indicating a further decrease below January figures.

The Polish petroleum refining industry reported the following data regarding its situation in February as compared with the preceding month (in tons):

	Jan.	Feb.
	1931	
throughput of crude oil	54,059	45,388
output of petroleum products	49,859	41,533
home consumption	36,851	27,953
exports	12,538	14,806
stocks of petroleum products at the end of month	219,225	220,405
number of workmen employed	3,802	3,773

The following table gives production, sales and stock figures covering the chief products of petroleum during February (in tons):

	Gasoline	Kerosene	Gas oil	Lubricating oil	Paraffine wax	Total
output	8,716	12,127	9,954	6,876	2,857	41,533
home consumption	4,971	11,634	5,132	2,536	5 2	27,953
exports	2,644	2,750	2,820	3,604	1,911	14,806
stocks on Feb. 28th	41,483	14,788	16,150	36,424	4,768	220,405

The home consumption of petroleum products fell off somewhat during February and since the figure quoted is lower than the average monthly figure for last year, this drop would appear to be due to the influence of the general economic depression. Export sales, compared with January figures, increased by over 2,000 tons, but remained below the average monthly figure for 1930 (16,015 tons).

Petroleum products were exported to

the following countries during February, the figures also showing gross volume (in tons) of all products to each given country:

Country	Gasoline	Kerosene	Gas oil	Lubric. oil	Paraffine wax	Other prod.	Total
Austria	63	—	241	63	85	102	554
Czechoslovakia	1,323	956	10	501	—	103	2,893
France	27	14	400	27	45	10	523
Germany	—	—	—	62	301	700	1,063
Switzerland	26	—	1,047	15	—	—	1,088
Other countries	609	344	16	164	154	1	1,288
Danzig	596	1,436	1,106	2,772	1,326	161	7,397
Total:	2,644	2 750	2,820	3,640	1,911	1,077	14,806

THE CITY HALL, POZNAŃ

Parts of the City Hall date from the year 1300, but the chief structure was constructed in 1550—1555; the building is considered by experts to be the most beautiful secular construction in the Italian Rennaisance style north of the Alps

IRON

— Although the volume of orders received and production figures showed a certain tendency to rise, conditions in the iron and steel trade in Poland did not improve to any noteworthy extent. Usually, however, Februay finds the foundries in receipt of an enhanced volume of orders due to spring liveliness and the approach of the building season. Both foreign and domestic sales increased during February as against January figures.

Iron and steel foundry production increased in all branches as is shown by the following table, which quotes percentage figures for December 1930, January and February 1931 (the basic 100 representing the average monthly production in 1913):

	Dec. 1930	Jan.[1]) 1931	Feb.[2]) 1931
blast furnaces	41·3	37·6	41·3
steel works	56·6	66·0	70·1
rolling mills	57·6	59·8	65·5

The enhanced output of pig-iron did not, however, help in improving conditions for the iron-ore mines, which continued to find conditions very difficult and commenced slowly but steadily to restrict extraction. The following table gives data covering extraction, imports and exports of iron ore in January and February 1931 as compared to the respective figures for February last year (in tons):

		Extraction	Imports	Exports
Jan.	1931[1])	27,744	47,692	6,422
Feb.	„ [2])	26,480	30,201	4,000
„	1930	48,929	35,336	10,921

As will be seen the month's extraction figures decreased by 1,264 tons; the daily figure rose by some 3 per cent and the absolute figure of decrease was no doubt caused by the shorter working-month. Compared, however, to extraction a year ago, the drop was one of 45·9 per cent. Exports maintained their level quite well but at one which could not afford the mines much relief in their situation. The number of mines in operation fell to twelve, but certain of the inactive mines reported the commencement of preparatory work prior to resuming extraction. The number of miners engaged in the iron-ore mining industry came to 2,763 men, as against 2,960 in January and 4,811 a year ago.

The following absolute figures (in tons) depict the output of the foundries in February this year:

		Pig iron	Steel ingots	Rolled products	Pipes
Jan.	1931[1])	32,292	91,479	62,588	5,098
Feb.	1930[2])	35,452	97,674	68,861	4,889
„	„	42,460	101,472	75,864	8,351

[1]) *Corrected figures.*
[2]) *Provisional figures.*

Pig-iron production rose by nearly 10 per cent., but in spite of this, stocks on hand decreased to a certain extent due to the fact that domestic consumption increased and the foundries used some amount themselves. Sales of pig-iron in Poland came to 13,500 tons as against 11,286 tons in January and 14,007 tons in February 1930.

The production of steel rose rather greatly (by 6,195 tons), the whole output having been duly consumed, this being borne out by the fact that the stocks on hand failed to increase and remained at the level of a three-week production. These stocks cannot be said to be large and any more important upward movement in orders by rolling mills will result in an immediate increase in the volume of steel produced.

The output of the rolling mills rose by about 10 per cent. but remained about 9·2 per cent. below the level of last year. Sales in this branch of production increased by 12,377 tons, i.e. by 24·7 per cent.; domestic sales rose from 23,124 tons to 32,323 tons (by 39·7 per cent.), and exports from 26,907 tons to 30,085 tons (by 11·8 per cent.). Stocks of ready articles decreased during the month by 9·3 per cent. as a result of the growth in sales.

The pipe and tube manufacturing plants found themselves in relatively the worst position and their output declined slightly as against January returns. Sales increased very slightly (by 1·1 per cent.) whilst stocks on hand grew by 1·7 per cent., equalling a full month's production as on February 28th.

The number of men employed in the iron and steel industry dropped to 39,835 in February as against 40,855 in January. Conditions in the industry are so depressed, however, that if a decided change for the better does not take place and the flow of orders increase, unemployment will increase greatly in the spring of this year.

It is true that private orders rose in volume during the month, but the gain was not so large as expected in view of the seasonal liveliness which had been awaited. Government orders dropped off considerably since the orders filed in January had accounted for the needs of the railways as regards rails for some time to come. According to the returns of the Syndicate of Polish Iron Foundries (which do not include pig-iron, pipes and foreign orders), the total volume of orders received in February was for 18,906 tons as against 43,008 tons in January. Of this volume, Government orders accounted for only 3.499 tons, whilst private orders were for 15,407 tons. Wholesale trade orders fell to 3,682 tons, this particular drop having been due without doubt to the waiting attitude adopted by buyers in the expectation of price cuts in the future. Total orders received in February 1930 came to 27,455 tons, of which 7,436 tons were from the Government and 20,019 tons from private firms.

Foreign trade in iron and steel foundry products is illustrated in the following table, where January and February 1931 figures are compared to those for February last year (in tons):

	Imports			Exports		
	1931	February		1931	February	
	Jan.	1931	1930	Jan.	1931	1930
pig iron	1,086	445	430	40	—	260
rails, iron and steel articles	2,198	1,168	4,368	18,808	16,070	27,193
iron and steel sheets	719	603	1,356	5,423	10,170	10,351
pipes	55	33	207	3,256	2,813	4,937
Total:	4,058	3,249	6,361	27,527	29,053	42,741

As can be seen from these data, exports increased in volume compared to January figures, the gain being one, however, of only 1,526 tons. The total value of the volume exported came to zł 10,973,000 in February this year, as against zł 10,240,000 in January and zł 16,346,000 in February last year. The average value per ton exported in February was zł 376, while in February a year ago it came to zł 383.

ZINC AND LEAD

— During February world prices for zinc and products took a turn for the better and assumed a slightly higher level. There is nothing to warrant the supposition, however, that this improvement will be lasting and in any case the advance was only a very small one, not yielding any practical benefit to the industry. For that reason, conditions in the Polish zinc industry remained fundamentally without change during the month in question. The foundries endeavoured to maintain the level of production in order to reduce overhead charges, but this proved to be too expensive and losses were sustained: there is therefore a strong possibility that the output of the foundries will be much decreased and that certain establishments will close their plants.

The position in the lead industry was found to be no better. Low prices caused the profitableness of operating the foundries to diminish alarmingly, while in addition, difficulties in securing a sufficient supply of the ore added to their troubles. It is true that the price of lead rose during February by 20s. per ton, but this increase was still insufficient to make production profitable at present prices.

Under these conditions, it is not surprising that production declined during February. Examining the figures, however, it should be borne in mind that the number of working days in that month was lower than in January. The following table affords comparative percentage data of production for January and February this year and December 1930, the basic 100 being the average monthly output in 1913:

	Dec. 1930	Jan [1]) 1931	Feb. [2]) 1931
raw zinc	95·4	92·5	80·8
raw lead	110·0	87·5	64·0

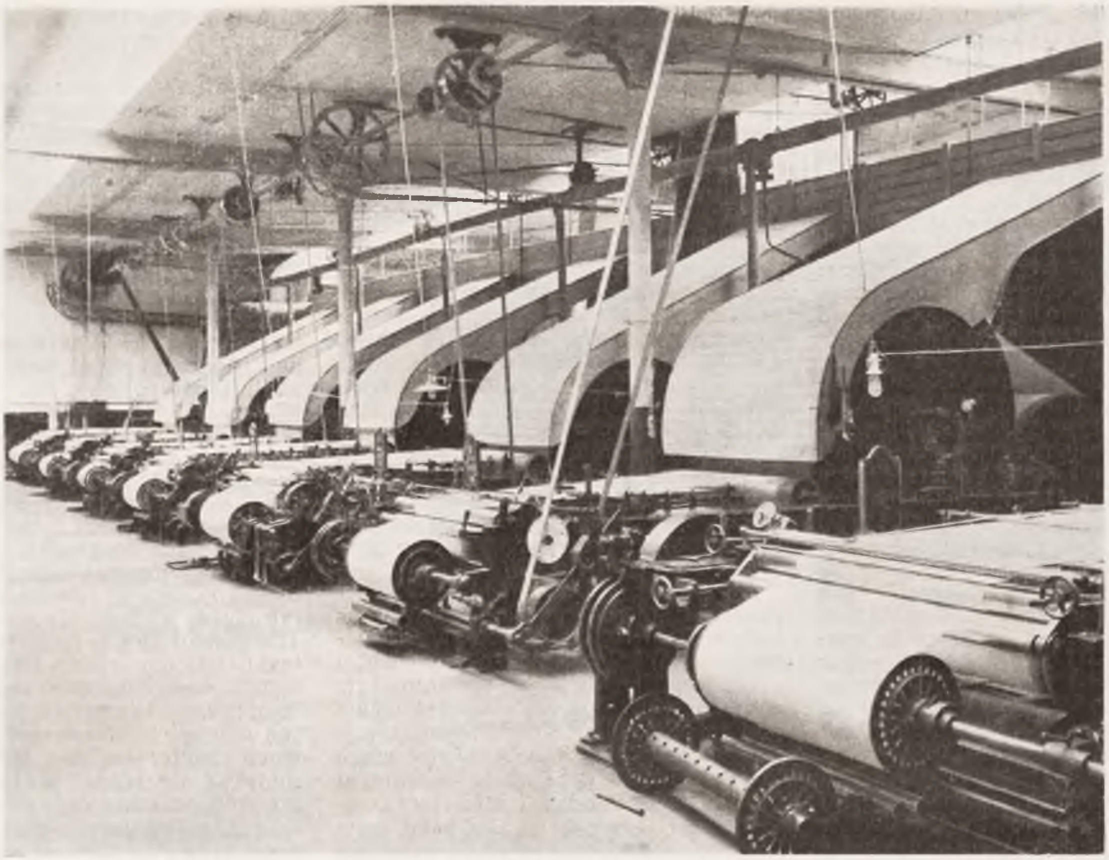
The zinc ore mines were not so fully occupied in February as in January and the extraction of the ore fell to 77,069 tons as against 91,588 tons in the previous month. Imports of zinc ore came to 7,515 tons as against 15,159 tons in January, while those of lead ore amouted to 2,127 tons (2,379 tons in January). The number of miners employed in the mines fell from 5,159 in January to 4,689 in February. This drop in employment is not alarming but it can be expected to assume larger proportions in the future in connection with the closing down of certain mines and the projected restriction of extraction in others.

Whilst the production of zinc and lead did not decline to any greater extent, a distinctly weaker tendency was evident. The following table gives figures covering the production of these industries during January and February this year, compared to February 1930 (in tons):

		Sulphuric acid 50° Bé	Zinc	Zinc sheets	Raw lead	Silver (kg.)
January	1931 [1])	23,058	14,821	1,205	3,122	934
February	„ [2])	17,046	12,936	1,366	2,287	507
	1930	19,847	13,593	1,207	3,658	1,582

The production of lead in February decreased by 835 tons, but this was due in a great measure to the scarcity of the ore and difficulties in securing supplies, this applying to both home and foreign ores. Lead ore is most often extracted together with zinc ore, and restrictions in the extraction of the latter inevitably lead to a shortage of the former. Whilst the output of zinc sheeting increased slightly in

[1]) *Corrected figures.*
[2]) *Provisional figures.*



SIZING ROOM IN THE WEAVING SHED OF A POLISH TEXTILE WORKS

Poland buys 95 per cent. of her raw cotton from the United States; this important business will be conducted direct through Gdynia from American producer to Polish cotton mills. Łódź, the centre of Poland's cotton industry, has been called the Polish Manchester and its products reach the most distant parts of the earth

February, the production is still far below the capacity of the rolling mills.

Sales of zinc and lead remained fairly firm. Foreign orders for zinc declined somewhat but exports of lead made a sudden jump: this increase in orders for lead is not, however, expected to be maintained. Domestic sales of these products have been steadily decreasing but this has been chiefly due to the working of seasonal factors which should pass away.

The appended table gives data concerning exports of lead and zinc foundry products, figures for both volume and value being quoted for January and February this year and February 1930:

	Zinc (incl. dust.)	Zinc sheets	Refined lead	Total
Jan. 1931 tons	8,337	932	1,715	10,984
" " thous. of zł	4,944	665	1,211	6,820
Feb. " tons	8,030	918	661	9,609
" " thous. of zł	4,470	653	391	5,514
" 1930 tons	9,187	1,141	1,167	11,492
" " thous. of zł	7,901	1,376	1,095	10,375

As can be seen, exports decreased by 1,375 tons and by zł 1,306,000 in value. The average price per ton of export in this trade came to zł 575 as against the zł 900 reported for February last year.

The number of workers engaged in the zinc and lead industry came to 10,245 as against 10,525 in January. Although the workers protested against the wage-cuts awarded by an arbitration decision, no conflicts are expected and the lower pay conditions will be accepted.

VARIOUS

THE POLISH COTTON INDUSTRY. — Before the Great War the most important industry in that part of Poland held by the Russians was the cotton spinning and weaving industry. With a total capital of about $ 125,000,000 invested in the mills, it consumed cotton and cotton-waste to a value of $ 35,000,000 every year. The total amount of raw cotton used by the industry was in 1913, 89,000 tons, and in view of the fact that the consumption of cotton goods in Central and Eastern Poland was rather low (6·3 kg. per capita), about 75 per cent. of the output was exported to Russia and to the Far East. Of the raw cotton used by the mills, about 40 per cent. came from Central Asia, Persia and the Trans-Caucasian countries, while the remainder was shipped from the U.S.A., India, etc. Of this latter proportion, one third was bought through Liverpool brokers and two-thirds through Bremen and Hamburg.

The devastation caused by the Great War and by the prolonged German occupation of Poland left the Polish cotton industry quite prostrate. The alien armies of occupation seized all available stocks of raw materials and finished goods and almost completely destroyed the plants and their equipment; their action was carefully planned and systematically carried out since it was intended entirely to destroy the Polish cotton industry beyond all hope of repair and to make its resurrection impossible upon the conclusion of peace. According to official figures published by the State Appraisal Commission, the total losses caused by the alien armies came to 186,341,803 gold roubles, of which 2,356,908 gold roubles represented devastated buildings and construction works, 14,295,617 rubles machinery and equipment, 83,246,078 roubles in respect of raw materials, and 86,443,200 gold roubles for finished goods. In addition, important sums (estimated at over $ 100,000,000) due from Russian clients were lost through the outbreak of the Bolshevist Revolution and the nationalisation of the banks in Russia. Naturally the making good of these large losses called for heroic and stupendous efforts on the part of the mill-owners: much has been done — even more than has been expected — but complete recovery has not yet been attained.

The political changes which followed the Great War, the consolidation of the territories of the Polish Republic, the loss of the Russian market and other circumstances all contributed to change the conditions under which the cotton-mills of Poland had to work: technical changes of far-reaching importance had to be put through and the whole industry adapted principally for the satisfaction of the home market. Whilst the number of cotton spindles in operation during 1923 exceeded the pre-War level and showed a continued tendency to increase rapidly, the number of cotton-waste and Wigan spindles not only fell short of the 1913 figure but even showed a distinct downward tendency. This change in the type of spindles used is due to the higher standards of yarn required for the home market as compared to those in demand in Russia before the War. The reconstruction of the weaving sheds has so far not been able to keep pace with the spinning departments and the present number of looms is still below the pre-War figure. The number of cotton-operatives employed by the mills has risen only very slightly compared with 1913 data: this is due to the introduction of more modern, labour-saving machinery and the growth in personnel is disproportionate to the development of the industry as a whole. This observation applies especially to the weaving-sheds: where before the War one weaver usually had charge of two looms, at present he operates four, and often from six to twelve looms equipped with automatic equipment.

The Polish cotton industry since its resurrection uses on an average as much if not more cotton than before the War. Over 71,089 tons of raw cotton were imported in 1928, whilst in the years of the crisis — 1929 and 1930 — 66,396 and 60,742 tons were imported. In 1929, 50,260 tons of raw cotton were imported from the United States, 4,950 tons from British India, 2,851 tons from Egypt and 5,135 tons from Germany and Italy as entrepot countries. Of the raw cotton used by the Polish mills from 85 — 90 per cent. is American. Egyptian cotton was little used before 1914 (about 1 per cent.) but its use is rapidly growing and at present accounts for about 4 per cent. of the consumption.

About 95 per cent. of Poland's purchases of raw cotton are shipped as before the War through Bremen, Hamburg and Trieste, the first-named port accounting for almost all the shipments from America. Bremen's virtual monopoly of Poland's import trade in raw cotton arose after the Armistice when the Polish mills were forced to supplant Russian and Persian cotton by American. The transport of the bales from Bremen to Łódź takes place overland by rail and the German lines find the traffic profitable. In general, the cotton trade with Poland is extremely attractive to the German merchants and brokers for the Polish buyers have to pay not only the high port and transport charges, but also various commissions, insurance, arbitration fees, etc. For some time past, the Łódź cotton interests have been considering ways and means of lowering the ultimate price of the fibre and of rendering the mills independent of the German middlemen. It appears that direct importation of cotton from the United States should and could be arranged; it would eliminate the inconvenient and costly mediation of the Bremen brokers and prove more profitable to both the American producer and the Polish consumer.

Since Poland now has her own well-organised sea-board and ports, it has been suggested that arrangements be made for the direct importation of American cotton to Gdynia or Danzig. Warehouses, sorting shops, etc. can easily be erected, and private initiative which would undertake this work could be certain of the Government's support and friendly aid, of the co-operation of its tariff policies, etc. The accomplishment of the whole programme will take some years but the first steps have already been taken and ultimate success is only a matter of time. Gdynia has been chosen as the natural point for the concentrating of the cotton import trade and with this in view a specially lowered railway goods tariff for raw cotton transports has been introduced as from January 1st., 1931. The cost of cotton freight from Gdynia to Łódź is now cheaper by zł 42·80 per metric ton than the transport costs from Bremen to the Polish cotton centre; the mileage to be covered is, of course, much smaller and the Gdynia — Łódz route offers other advantages which the Bremen route cannot afford.

Another important step which has been taken is the conclusion of an agreement with two Norwegian shipping companies (the Wilhelmsen Co. and the Mexico — America Line), in accordance with which regular fortnightly sailings will be maintained between Gdynia and the American cotton ports (New Orleans, Galveston and Savannah). The first shipments of raw cotton from America have already commenced to arrive at Gdynia and it would appear that the re-organisation of Poland's supply of cotton from the United States is already likely to yield the results which are awaited from it.

MOVEMENT OF PRICES. — An easier condition reigned on the short-term money market in Poland during February; this improvement, however, failed to exert any more important influence on the discount rates in force. With money more plentiful, prices began to rise, as in other countries, and this would appear to presage that the worst part of the crisis has passed. The upward tendency in prices appeared in the wholesale division, whilst retail prices, which are always behind-hand in fluctuations, decreased a little more during the month. In any case the divergency between wholesale and retail prices was still further narrowed.

The following table affords data covering the movement of price-indices during the period from February of last year to February 1931 (1913 = 100):

		Wholesale price index:	*Retail price index:*	*Cost of living index:*
February	1930	100·6	151·2	117·9
March	„	101·7	149·1	116·7
April	„	101·7	149·5	116·3
May	„	99·8	148·8	115·2
June	„	98·8	149·2	115·8
July	„	99·4	154·0	118·8
August	„	97·0	150·7	116·7
September	„	94·5	148·4	116·8
October	„	92·9	147·3	117·2
November	„	93·1	149·4	119·2
December	„	90·7	145·2	117·7
January	1931	84·8	135·9	109·6
February	„	85·8	135·5	109·4

It will be seen from the above figures that the wholesale-price index, which has evinced, with only small fluctuations a downward trend for the past year, increased in February by 1·1 per cent.; at the same the retail-price index and cost of living index dropped by 0·2 per cent.

The increase shown by the wholesale-price index was caused by a growth of 2·2 per cent. in the prices of agricultural produce and one of 0·3 per cent. in those for industrial goods, whilst the autonomous group of grocery articles fell by 0·4 per cent.

The rise in the prices of agricultural produce was caused by a uniform increase in the prices of corn and other plant products amounting to 2·1 per cent., whilst the prices of animal products rose by 2·2 per cent. In the group of industrial articles the increase was evoked by one of 1·9 per cent. in the index for textile goods caused by higher prices for raw cotton and for certain grades of wool, by one of 1·2 per cent. in the prices of metals due to larger prices for semi-base metals; the indices of timber and coal prices remained unchanged, whilst the index for the remaining miscellaneous commodities decreased by 2·1 per cent, the drop having been caused by the cheaper prices of certain chemical products.

The retail-price index was lower than in January in spite of the slight rise in the retail prices of agricultural produce (0·1 per cent.), since industrial commodities dropped in price by 0·4 per cent. The cost of living index dropped as a result of cheaper clothing prices, the index of which dropped by 1·9 per cent and whilst fuel prices dropped by 0·7 per cent., rent remained without change and food prices rose by 0·6 per cent. and miscellaneous charges by 0·1 per cent.

A POLISH STAND AT THE LEIPZIG FAIR

This stand attracted much favourable attention on the part of visitors and merchants visiting Leipzig this year. The most important groups of exhibits were: timber products, brandies, ceramic and peasant products

FAIRS AND EXHIBITIONS

POLISH EXHIBITS AT THE LEIPZIG FAIR. — As was the case last year, Poland was represented by a special section at the Leipzig Fair this year. Over thirty Polish firms participated in the section, whilst many others had their stands in the various trade group pavillons exhibiting ceramic, rubber-ware, timber and peasant products. The most important groups of Polish exhibitors were those representing timber products, wicker-work articles, brandies and liqueurs, ceramic products, hair goods, certain electrotechnical goods (batteries, insulation goods, etc.), art goods, applied and peasant art products, fancy goods, toys, etc. In addition, three of the Polish state monopolies took part in the Fair, these being the Tobacco, Salt and Spirits Monopolies: their stands attracted much favourable attention on the part of visitors and merchants visiting Leipzig this year.

From the point of view of the commercial interests of Poland, the chief attraction of the Leipzig Fair lies in its international and even worldwide significance. The desire to develop Polish-German business relations by taking part in the Fair is of secondary importance, since Polish economic circles have always felt and still feel that the International Fair at Poznań should play an important part in reforming Polish-German relations.

The volume and value of transactions concluded by the Polish exhibitors at Leipzig were this year rather smaller than in 1930: this was, however, undoubtedly due to the influence of the economic crisis and the tendency of buyers to wait for still lower prices. It is gratifying to note, that on the whole the drop in orders booked was relatively smaller in the Polish than in the other national sections of the Fair; this was explained by the observation that the choice of exhibits presented was rather happily made.

The Fair declined this year owing to the very decided influence of the worldwide depression in business, which appeared to have affected the German exhibitors, who, after all, represented 80 per cent. of those participating. There were about 1,200 foreign firms who had stands in the Fair grounds and pavillons, and Norwegian, Finnish and Danish institutions were for the first time included in their number.

The results of the Fair were on the whole satisfactory for the Polish exhibitors inasmuch as they exceeded expectations; these had been based on the difficult conditions reigning in Poland and those countries with which she does most of her trade. The success of the Polish section can be in a great measure ascribed to the very fruitful organisation work of the Permanent Section for the Leipzig Fair existing within the Polish State Export Institute.

TREATIES

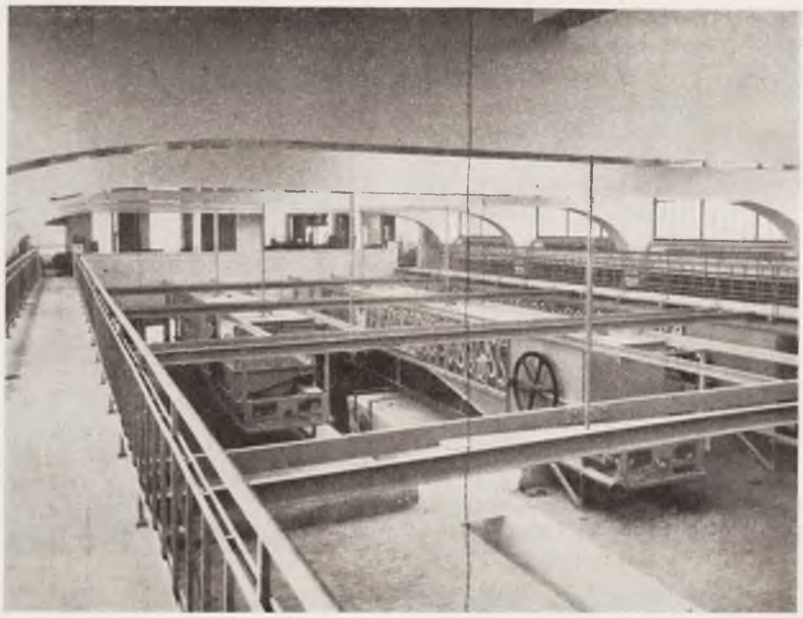
POLAND RATIFIES POLISH-GERMAN COMMERCIAL TREATY. — The Polish-German Commercial Treaty was duly ratified by the Parliament on March 17th. In this manner Poland has done its share in bringing to a conclusion the prolonged negotiations often referred to in the "*Polish Economist*" in the past. Considerable opposition to the ratification was aroused owing to the fact that while the Treaty represented an acceptable compromise at the time of its signature, its worth to Poland was much reduced by subsequent increases in the German customs tariff which placed virtual embargoes on the import of Polish farm produce. It was well realised in Poland that industry would suffer as a result of the entry into force of the treaty but it was presumed that agriculture would gain and that the one would compensate the other. The tactics adopted by the German Government have, however, made the Treaty a very one-sided affair since it offers advantages to the Germans who in turn leave almost no benefits for Polish business.

The fact that the Polish legislature has ratified the Treaty serves therefore as an indication of the general desire in Poland to further international co-operation and to speed up a return of normal relations on the Continent. The Treaty, as already stated, affords Poland scarcely any economic benefits but the broader view was taken that a settlement which would place Polish-German relations upon a sounder footing would be well worth some sacrifices. The feeling was not absent, too, that Polish business economy is now strong enough to work and develop even under the most difficult conditions: Polish trade and industry is so elastic and enterprising that this optimism is perhaps not misplaced and the dis-equilibrium which the Treaty is expected to bring about will probably not be of long duration.

The Government took an active part in the debates and supported the bill for the ratification of the Treaty: in this work, M. Zaleski, Minister for Foreign Affairs, was very active and his speeches in the Seym and the Senate made a great impression upon his hearers. The ratification of the Commercial Treaty has produced a most favourable impression abroad, especially in Great Britain and France, where Poland's action is hailed as a fresh proof of her desire for peaceful relations with her neighbours and of her value as a factor in international peace. In one of its recent issues, the London "*Times*" in a leading article commented on Poland's step as follows:

"On the Polish side there is happily no doubt whatever of the desire of M. Zaleski for the continued improvement of the relations between Germans and Poles. In his recent speech in the Seym the Foreign Minister devoted particular attention to this question. He pointed out that the economic difficulties by which Europe is beset could only be overcome by active international cooperation. He described the liquidation agreement, which clears away a mass of irritating claims and counter-claims, as a healthy and mutually advantageous compromise; he expressed the belief — for which he has ample justification — that European opinion will welcome the ratification by the Polish Parliament of the treaties with Germany as a proof of a real desire for international cooperation. This is not the first time that he has given evidence of his wish to further a good understanding between the two nations. At the last meeting of the Council of the League of Nations his handling of the difficult and delicate problem presented by the complaints of the German minority in Polish Silesia greatly enhanced his reputation — and not least in this country, which has every reason to support his conciliatory policy, and to hope that it will continue to strengthen the international position of the Polish Republic."

So far Germany has taken no step to have the Treaty ratified by the Reichstag, but it would seem that a tendency exists in the Reich duly to ratify the Treaty in due course in spite of Nationalist opposition. This supposition would appear to be justified by the fact that the German government refused to prolong the Provisional Timber Agreement with Poland on the ground that the matter would be covered by the general trade convention.



FERMENTING CHAMBERS OF THE WARSAW MUNICIPAL BAKERY

This plant is equipped with the most up-to-date machinery and all its products are made under the most absolute hygienic conditions, all the daily requirements of the Warsaw hospitals, asylums and social welfare establishments being covered

FOREIGN TRADE

— The foreign trade of the Polish customs area (which includes the Free City of Danzig) during February this year yielded a favourable balance amounting to zł 18,298,000. This excess of exports over imports had been caused by a further drop in the latter group, which fell in volume to 174,176 tons valued at zł 116,566,000. Exports were 1,245,978 tons valued at zł 134,864,000.

Absolute figures of foreign trade in February were to a certain extent lower than those for January owing to the shortness of the month, but the decisive factor was without any doubt the deepening of the economic crisis and the drop in consumption.

In the import group, declines were noted in all divisions, the greatest having been reported for foodstuffs which yielded a net decrease of zł 5·6 million. Animal products fell off by only zł 1·0 million, the chief losses being in raw hides and leather foot-wear. Imports of furs increased, however, by zł 1·5 million. Imports of elastic goods decreased by zł 1·6 million while rubber footwear declined owing to the passing of the winter season.

Imports of artificial fertilizers dropped off by zł 2·5 million, the only more important item of this import being Thomas slag. This type of import tended to increase beginning with February but the general depression and the competition of home-produced manures appears this year to have held up the growth of that trade. The import of vegetable technical oils dropped by zł 12 million whilst animal fats and greases, tanning extracts, perfumes, cosmetics, and medicinal specifics together likewise decreased their import figures by zł 1·8 million.

The import of foundry raw materials slumped quite heavily during February (by zł 2·5 million). Iron and manganese ores dropped by zł 1·3 million, zinc and lead ores by zł 1·1 million, while scrap iron imports decreased by zł 1·7 million, all branches being affected. Electrotechnical goods also showed reduced import figures, these being zł 3·3 million below the January level. Telephone apparatus declined by zł 1·5 million, radio sets by a little over half a million zlotys, and automobiles and bicycles by a million zlotys.

Imports of textile raw materials and semi-manufactures decreased in value by zł 3·7 million; cotton and wool remained at the January level; jute woolen yarns and silk fabrics declined but imports of cotton yarns increased by zł 800,000 as against January figures.

Exports showed decreases in foodstuffs the aggregate drop being of zł 2·9 million. Wheat and rye exports maintained their position and even slightly increased over the January mark, whilst barley exports fell off to some extent. Exports of wheaten and rye flour compared well with January returns and were fairly large in volume. Potato product exports decreased in volume. The export of sugar slumped relatively heavily (by zł 2·5 million). Animal food-products increased owing to gains shown by eggs (zł 1·6 million), bacon, etc. Fodder shipments to other countries were firm and tended to move upwards. Foreign sales of raw-hides decreased by zł 1·0 million, but those of feathers, down and products rose slightly in value. Exports of timber fell quite heavily by zł 5·5 million, The drop in the export of veneers and plywood came to nearly a million zlotys. A gain of over a million zlotys was

IMPORTS

GOODS	Volume — in tons: February 1931	Volume: Jan.-Feb. 1931	Volume: Jan.-Feb. 1930	Value — in thousands of zł: February 1931	Value: Jan.-Feb. 1931	Value: Jan.-Feb. 1930
TOTAL:	**174,176**	**452,452**	**601,621**	**116,566**	**270,013**	**398,337**
Foodstuffs	**18,986**	**46,507**	**67,508**	**19,642**	**44,807**	**67,756**
including:						
wheat	53	386	1,254	11	95	480
maize	260	1,020	1,499	47	185	411
rice	54	89	7,485	32	53	3,989
plums	996	2,180	1,459	1,087	2,315	2,550
lemons and oranges	1,827	4,240	3,759	1,077	2,382	2,479
nuts	132	303	255	312	715	592
spices	139	326	309	368	844	1,494
tea	170	350	342	1,192	2,539	2,610
cocoa	567	1,121	1,158	931	1,876	2,476
coffee	553	1,148	1,162	1,578	3,361	4,272
fish	438	1,073	1,025	640	1,691	1,684
herrings	7,012	13,953	22,744	3,564	7,647	12,739
edible fats	668	3,002	3,036	842	3,560	4,657
wine	225	612	694	318	997	1,319
tobacco	1,261	2,654	3,031	4,510	9,130	8,335
forage	1,104	5,763	5,269	213	698	1,675
Live animals (head)	**1,992**	**6,114**	**51,431**	**121**	**325**	**1,046**
Animal products	**1,995**	**4,843**	**4,857**	**10,587**	**22,174**	**26,613**
including:						
raw skins	1,219	3,119	2,635	2,486	6,283	6,299
furs (raw)	340	663	421	3,901	6,279	3,758
tanned hides	82	201	485	2,414	5,486	10,925
tanned furs	4	9	9	606	1,183	1,262
leather footwear	7	21	26	352	989	1,285
Timber and wood ware	**3,288**	**7,564**	**9,425**	**886**	**2,525**	**3,738**
Plants and seeds	**1,744**	**3,594**	**4,076**	**1,510**	**2,976**	**4,124**
including:						
oil seeds	1,052	2,314	2,769	644	1,200	2,037
Building materials,	**56,959**	**139,815**	**181,959**	**2,420**	**5,870**	**10,045**
including:						
glass	461	918	2,031	528	1,275	2,506
Fuel and petroleum products	**9,013**	**21,359**	**30,288**	**577**	**1,619**	**2,110**
Rubber	**303**	**751**	**897**	**1,343**	**4,254**	**6,189**
including:						
cautchouc & guttapercha	216	469	541	480	1,114	1,984
soft rubber	18	34	43	276	1,654	2,117
tyres and inner tubes	65	202	232	508	1,654	2,117
rubber footwear	3	38	71	49	806	1,143
Chemicals	**10,239**	**36,718**	**87,267**	**10,765**	**27,743**	**42,795**
including:						
phosphate rock	100	8,490	22,975	12	577	906
potassium salts	196	3,823	6,817	60	775	1,651
Chilian saltpetre	27	292	108	12	124	47
Norwegian saltpetre	—	0	21,257	—	0	7,595
Thomas slag	1,862	5,219	11,397	245	608	1,264
vegetable fats	1,848	4,673	4,977	2,153	5,667	7,709
animal fats	913	2,112	2,424	1,094	2,512	4,104
tanning extracts	1,052	2,550	3,171	918	2,334	2,552
pharm. chemicals, scents	71	158	165	1,344	3,022	2,102
cosmetic products	19	57	59	586	1,376	1,754
dyes, paints, varnishes	278	731	1,145	1,053	2,380	3,139
various chemical prod.	245	651	910	1,084	2,508	2,927
Ores, metals and metal products	**57,858**	**160,660**	**175,138**	**10,869**	**28,223**	**44,316**
including:						
iron and manganese ores	32,976	86,518	89,507	1,994	5,368	5,034
zinc ores	7,515	22,674	32,923	1,653	2,971	7,350
scrap iron	11,683	37,493	30,615	1,299	4,253	4,829
iron, steel, rails	1,168	3,366	7,499	352	1,048	2,336
iron and steel sheets	603	1,322	2,693	425	914	1,936
iron and steel wire	123	592	577	259	768	1,082
mechanical appliances	38	95	187	372	915	1,737
copper and products	542	1,184	1,364	1,819	4,267	6,570
tin	58	103	154	301	543	1,239
Machinery and electr. appliances	**1,860**	**3,866**	**6,269**	**9,001**	**19,974**	**34,694**
including:						
engines	287	550	766	665	1,622	2,942
electrical machinery	72	257	543	833	2,468	4,519
wood and metal working machinery	270	370	549	1,016	1,603	2,484
textile machinery	144	383	755	932	2,190	5,016
Eelectrotech. appliances	280	831	1,617	4,606	13,526	16,134
Means of communicat.	**327**	**782**	**1,233**	**2,012**	**6,122**	**9,092**
including:						
motor cars	259	580	891	1,516	3,606	6,365
vehicles	51	171	204	322	1,148	1,216
Paper and paper ware	**3,048**	**6,740**	**12,112**	**2,621**	**5,508**	**10,396**
books, pictures	157	393	544	1,181	2,997	3,483
Textiles and textile products	**7,976**	**17,724**	**17,947**	**33,789**	**71,37**	**100,860**
including:						
jute	1,287	3,953	3,734	1,058	3,084	4,386
cotton	3,806	7,636	8,384	9,861	19,958	32,855
cotton yarns	172	330	274	3,016	5,218	4,847
cotton fabrics	92	202	198	1,868	3,872	2,479
wool	1,593	3,408	3,814	5,676	11,767	24,701
combed wool	379	697	299	3,330	6,532	3,715
woolen yarns	121	290	344	2,257	5,506	7,918
woolen fabrics	21	49	64	786	1,613	2,260
silk yarns	25	50	24	1,390	2,803	2,180
silk fabrics	15	42	43	2,324	6,252	7,717
Precision instruments	**68**	**153**	**210**	**2,109**	**4,805**	**5,909**
Clothing, fancy wares	**80**	**75**	**106**	**1,284**	**3,031**	**4,193**

EXPORTS

GOODS	Volume — in tons: February 1931	Volume: Jan.-Feb. 1931	Volume: Jan.-Feb. 1930	Value — in thousands of zł: February 1931	Value: Jan.-Feb. 1931	Value: Jan.-Feb. 1930
TOTAL:	**1,245,978**	**2,663,485**	**3,307,099**	**134,864**	**287,356**	**436,681**
Foodstuffs	**90,302**	**211,659**	**335,971**	**38,786**	**80,525**	**129,681**
including:						
wheat	5,313	8,858	5,938	1,060	1,826	2,332
rye	17,560	30,078	69,820	2,562	4,465	16,672
barley	9,651	22,471	56,428	1,770	4,200	15,324
oats	268	539	10,181	54	102	2,241
wheaten flour	2,581	4,900	988	755	1,637	607
rye flour	8,986	17,709	1,883	2,118	4,144	753
peas	2,164	3,604	6,230	674	1,198	2,687
beans	1,638	3,073	3,233	685	1,362	2,161
potatoes and products	2,210	6,473	3,447	448	1,294	1,053
sugar	10,492	30,821	84,317	2,581	7,668	34,114
meat	7,093	14,305	4,681	12,879	26,235	13,585
including: bacon	4,102	7,956	2,443	8,327	16,227	8,855
ham	560	1,186	300	1,883	3,988	1,117
butter	779	1,539	1,535	3,741	7,428	8,542
eggs	1,607	2,410	3,518	4,087	6,503	9,464
hops	27	169	303	37	203	618
alcohol	0	63	554	0	34	653
forage	13,842	28,847	65,982	1,440	2,630	11,824
Live animals (head)	**100,968**	**216,758**	**217,958**	**8,431**	**19,101**	**32,113**
including:						
horses	5,376	10,036	5,775	1,156	2,177	1,573
cattle	3,828	7,217	12,028	2,020	3,824	6,582
pigs	35,538	82,565	115,100	4,994	12,476	23,461
geese	11,131	42,858	29,936	106	391	296
Animal products (head)	**1,510**	**3,156**	**3,848**	**4,399**	**9,423**	**12,201**
including:						
dried skins	740	1,936	1,689	1,474	4,061	4,477
raw furs	113	241	202	967	1,832	1,987
horse hair, bristles and feathers	133	246	680	1,360	2,468	4,471
Timber and wood ware	**108,354**	**250,887**	**458,604**	**12,470**	**30,622**	**58,487**
including:						
pulpwood	22,258	47,487	135,803	1,077	2,333	8,865
pit props	19,857	36,738	50,487	953	1,735	2,665
round wood and logs	6,992	15,569	54,231	504	1,304	6,523
planks, deals, battens	44,269	114,091	122,628	6,977	17,430	22,447
railway sleepers	1,885	7,899	34,815	272	1,170	5,128
furniture	265	575	981	601	1,302	2,339
veneers	1,324	3,891	6,015	938	2,835	4,628
Plants and seeds	**9,557**	**16,518**	**20,795**	**6,367**	**11,762**	**17,449**
including:						
fodder plant seeds	7,043	10,929	14,143	4,197	6,882	9,633
sugar beet seeds	880	2,023	2,691	1,195	2,802	4,727
oil-bearing seeds	1,004	2,029	1,696	565	1,179	1,267
Building materials, minerals, ceramic products	**19,744**	**41,100**	**85,877**	**857**	**1,746**	**3,291**
including:						
cement	2,913	5,189	14,317	221	387	1,060
Fuel	**959,897**	**2,020,511**	**2,250,524**	**27,433**	**58,740**	**71,251**
including:						
coal	936,129	1,967,013	2,203,504	24,079	51,107	59,111
coke	14,806	33,411	15,428	645	1,444	652
petroleum products	6,680	16,177	27,108	2,422	5,387	10,825
petroleum	813	1,718	4,295	119	255	860
lubricating oils	2,409	6,716	10,601	448	1,240	2,125
gasoline	1,278	4,151	6,720	338	1,387	2,585
paraffine wax	2,180	3,592	5,492	1,517	2,505	2,255
Rubber	**134**	**170**	**143**	**1,113**	**1,361**	1,160
including:						
rubber footwear	121	148	125	1,024	1,240	1,011
Chemicals	**12,107**	**30,156**	**38,961**	**3,439**	**8,519**	**12,213**
including:						
artificial fertilizers	7,664	19,173	24,012	1,539	4,064	5,559
benzol	1,038	2,811	3,263	600	1,610	1,847
Metals and metal products	**40,843**	**81,390**	**98,347**	**17,730**	**36,314**	**53,147**
including:						
iron and steel rails	16,070	34,878	41,197	4,780	10,327	12,753
iron and steel sheets	10,170	15,593	19,405	4,236	6,420	7,503
pipes	2,813	6,069	11,090	1,957	4,426	8,414
lead	661	2,376	1,796	391	1,602	1,683
zinc and zinc dust	8,030	16,367	18,088	4,470	9,414	16,021
zinc sheets	918	1,850	2,451	653	1,318	2,929
Machinery and electr. appliances	**240**	**492**	**760**	**984**	**1,848**	**2,208**
Means of communication	**171**	**198**	**231**	**471**	**647**	**440**
Paper and products	**1,499**	**3,590**	**4,946**	**648**	**1,562**	**2,547**
including:						
cellulose	939	2,088	3,713	275	636	1,682
Books, pictures	**31**	**69**	**89**	**282**	**801**	**737**
Textiles and textile products	**1,562**	**3,582**	**7,933**	**10,699**	**22,882**	**37,398**
including:						
flax and hemp	537	1,265	4,279	329	901	4,070
woolen rags	102	288	294	250	522	833
woolen fabrics	272	586	555	3,606	7,915	10,826
artificial silk	44	109	153	387	882	3,006
webs and jute bags	126	291	776	128	300	1,537
cotton yarns	98	190	335	1,033	2,135	4,019
woolen yarns	64	125	159	2,475	4,458	5,608
silk fabrics	14	32	22	1,779	4,318	3,279
Clothing and fancy wares	**24**	**49**	**89**	**643**	**1,406**	**1,644**

reported for exports of fodder and grass seed.

Owing to the passing of winter, exports of coal tended to drop, the decline in February having been zł 3 million; gasoline shipments abroad fell off but those of paraffine increased by a small amount.

Exports of artificial fertilizers decreased by about a million zlotys and among a host of other items, benzol showed the greatest relative loss. It is worthy of note that for the first time in many months, the export of matches took a turn for the better.

Foreign sales of rails, iron and steel goods, tubes, lead and zinc fell away by over zł 2·3 million. Those of iron and steel sheets however, increased by zł 2·1 million.

Exports of textile raw materials and manufactures decreased by zł 1·6 million, woolen yarns having been the chief cause of the drop, since woolen fabrics rather improved their level; silk fabrics, exported for dyeing, decreased in line with the drop in consumption on the home market.

POLISH-AMERICAN CHAMBER OF COMMERCE. — The annual general meeting of the Polish-American Chamber of Commerce took place on March 6th. under the chairmanship of the President of the Chamber, Mr. Leopold Kotnowski. During the meeting, Mr. Chas. S. Dewey, a former vice-president of the Chamber and who was recently decorated with the commander's cross of the Legion of Honour for his services to Poland, was elected an honorary member of the Chamber.

The report of the Chamber makes interesting reading and once again proves that this institution is one of the most active and successful Polish-foreign chambers of commerce in the Polish Republic, ably seconded as it is also by the American-Polish Chamber of Commerce in New York. Space does not permit of quoting the very extensive activities conducted and results secured by the Chamber, but the following extracts from the report will be instructive:

Economic relations between Poland and the United States suffered in no small degree as a result of the severe business depression which prevailed in both countries during the past year.

American banking and engineering concerns however, continued to find attractive possibilities for investment in Poland. A well-known banking house in New York, principally interested in reclamation and construction projects which involve the investment of several million dollars, concluded an agreement with the Polish Government for the erection of tobacco warehouses. Negotiations were also conducted last year between the Polish Government and representatives of a prominent American engineering concern for the construction of grain storage plants and elevators. Several other bankers and engineers visited Poland with the object of negotiating loans or investigating financial propositions. Arrangements were made by the Colgate, Palmolive Peet Corporation to manufacture its soaps and toilet preparations in Poznań and to establish offices in Warsaw.

As was to be expected, statistics for 1930 indicate that, in comparison with the preceding year, there was a drop in the volume of trade transacted between both countries. Imports of American goods into Poland during 1930 were valued at $ 30,429,300 i. e. $ 12,774,700 less than in 1929. Polish exports to the United States during 1930 were for $ 2,460,500, a decrease of $ 1,009,500 compared with 1929. A comparison of figures for the first and second half of 1930 show that exports from Poland to the United States dropped in value by over a half during the later part of the year partly in consequence of the new American customs tariff which went into effect last June. The figures quoted here do not fully represent the position, as they do not account for the commodities exchanged through intermediary countries.

Chief among the commodities produced in the United States that were dealt with by the Chamber last year were the following: motor cars, airplane motors, outboard motors, stone crushing machinery, pigment grinding mills, agricultural machines and implements, conveying machinery, filters, electric ventilating equipment, vacuum cleaners, electric hammers, electric brushes, electrical appliances and supplies, hand tools, micrometers, photographic apparatus, refrigerators, calculating machines, typewriters, cash registers, paints and varnishes, tanning pigments, tyres, leather, cotton, lard and fat backs, dried fruit, canned foods, chewing gum, medicinal specifics, etc.

The Polish commodities which were mainly inquired for by American firms or offered for sale through the intermediary of the Chamber were as follows: paper pulp, glue, zinc dust, caseine, turpentine, pine tar, drugs, soap, toilet preparations, matches, celluloid goods, films, queen bee retainers, scientific apparatus, art metal goods, bone knife-handles, glassware, earthenware, rubber goods, shoes, gloves, harness, leather buttons, wooden toys, antique furniture, bobbins, cement barrels, fruit crates, ply-wood, railroad ties, gun stocks, toothpicks, pens and holders, paper friezes, copy books, wall paper, carpets, auto rugs, woollen fabrics, Hessian cloth, linen goods, Łowicz fabrics, linen yarn, rayon yarn, embroideries, peasant costumes, kilims, batiks, osier baskets and furniture, artificial leaves, building stone, cement, flax, bristles, curled hair, feathers and down, furs, salted hides, sugar-beet pulp, candy and chocolates, honey, fruit and vegetable preserves, potato flour, potato flakes, dried mushrooms, hops, beans, onions, horse-radish, pickled cucumbers, clover seeds, poppy seeds, etc.

Numerous letters of thanks received for services rendered in connection with the promotion of trade indicate that the work performed by the Chamber was very helpful to the businessmen of both countries and appreciated by them. In carrying out the manifold duties connected with the commercial side of its activity, the Chamber, as in previous years, maintained close relations with internal Polish chambers of commerce, American chambers of commeree in Europe and in the United States, and with the leading Polish and American trade and industrial associations.

POLISH LIVESTOCK EXPORTERS AMALGAMATE. — The past years was characterised by a very marked concentration of Polish firms exporting livestock, resulting in the fusion of numerous weaker firms with the larger operating units. Thus while there were 271 firms in the field in 1929, only 55 were reported in 1930. The amalgamations also included fusions of two or three larger firms. This process can be considered as a step in the right direction since it has eliminated the numerous small dealers who had not been able properly to organise a systematic and rational export.

OPENINGS FOR TRADE AND BUSINESS WITH POLAND

Particulars of any of the undermentioned 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. 365: Export firm desires to enter into relations with foreign timber purchasers.

Ref. No. 366: Polish manufacturers of agricultural machinery and implements are desirous of extending their foreign relations.

Ref. No. 367: Polish manufacturers of iron and steel wire ropes are desirous of extending their foreign connections.

Ref. No. 368: Polish manufacturers of metal furniture are desirous of getting into touch with foreign buyers interested in this line.

Ref. No. 369: Fruit syrup factories (cherry and raspberry) seek foreign buyers.

Ref. No. 370: Polish manufacturers of cast iron enamelled hollow ware are desirous of getting into touch with foreign firms interested in this line.

Ref. No. 371: 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 CORN INCREASED. — A joint decree of the Ministers of Finance, of Industry and Commerce and of Agriculture appeared in the February 28th., 1931 issue of the Official Journal of Laws and Executive Decrees (*"Dz. Ust. R. P."*. No 18, item 101), whereby it was laid down that as from March 6th. this year higher import duties will be levied on all imports of corn or its products. Poland's imports of these commodities are of course not important, but the distinct tendency to undermine markets by dumping operations makes it always possible that Poland's agriculture, already in a much weakened condition, may find even its home market attacked by foreign corn. The present amendment in the customs tariff is therefore only an attempt to safeguard Polish corn producers against possible and undesirable influences disorganising the market in the future.

The following increases in duty have been covered by the amendment:

1. The duty on rye, oats and barley has been increased from zł 11 to zł 17 per 100 kg.;

2. That on imports of wheat had been raised from zł 17·50 to zł 25 per 100 kg.:

3. As a logical consequence of the above-mentioned increases, the duty on rye flour has been raised from zł 16·50 to zł 25 per 100 kg. and on wheaten flour from zł 25·50 to zł 37 per 100 kg; other flours not specifically mentioned have to pay a duty of zł 25 per 100 kg. as against the zł 16·50 levied before;

4. The import duties on groats of all kinds have also been increased, viz. on pearl barley from zł 17 to zł 32 and on other types from zł 24 to zł 36 per 100 kg.;

5. Various other corn products, such as porridge oats, flaked corn, etc. have also to bear higher import duties: if such products are imported packed in lots of more than two kilograms the duty levied comes to zł 36 per 100 kg. but if in retail packages of 2 kg. or less, the duty now amounts to zł 70 per 100 kg, as against the zł 26 and zł 58·50 per 100 kg. fixed before;

6. The duty on imports of malt has not been increased so much relatively and now amounts to zł 36 instead of the zł 30 per 100 kg. charged before.

TRANSPORTS

RAILWAY TRAFFIC declined slightly in volume during February. The average daily car-loadings decreased in number from 12,451 to 11,759 cars per day in February. The cause of this drop in goods traffic was due almost entirely to seasonal factors. With the approach of spring, coal transports began to decline and the last of the mass consignments of agricultural produce concluded the distribution of 1930 crops. Transports of manufactured articles and timber began to increase during the month in question; this increase can of course be also attributed to seasonal influences, such as the imminent opening of the building season, but none the less it indicates the return of better conditions in industry.

The following table quotes the average daily loadings of 15-ton wagons during January and February this year as compared with February a year ago:

	Feb. 1930	Jan. 1931	Feb. 1931
Loaded on the Polish State Railways:			
destined for home stations	8,625	8,155	7,771
destined for abroad	2,995	3,081	2,699
Total:	11,620	11,236	10,470
received from abroad	469	351	336
transit via Poland	1,067	864	953
Total:	13,156	12,451	11,759

These figures show that car-loadings at Polish stations fell off to the extent of 766 cars per day, consignments to home and foreign destinations being both affected. The number of loaded cars entering the country in transit however, increased relatively largely.

Data concerning the freight carried by the Polish State Railways during February are given in the following table, the figures covering January and February this year and February 1930 (in 15 ton wagons):

	Feb. 1930	Jan. 1931	Feb. 1931
coal, coke and briquettes	2,443	2,977	2,643
crude oil and petroleum products	160	175	150
timber	712	527	558
agricultural products	747	841	735
raw materials and industrial products	1,725	1,046	1,153
various	2,833	2,589	2,532
Total:	8,825	8,155	7,771

As will be seen, coal and agricultural freight fell off rather heavily but loadings of timber and raw materials for the use of industry increased as against January returns.

The goods exported by rail during February are quoted in the following table, comparative data for past periods being also given (in 15-ton wagons):

	Feb. 1930	Jan. 1931	Feb. 1931
coal	2,022	2,558	2,106
crude oil	34	27	32
timber	484	202	260
agricultural products	119	94	79
various	336	200	222
Total:	2,995	3,081	2,699

It will be observed that the changes in the volume of the various goods exported, correspond fairly closely with those noted for transport to domestic points; coal consignments also fell off, but timber and raw materials for industry increased in volume, the latter category also including certain manufactured articles.

PORT TRAFIC. — Traffic in the port of Danzig in February was much below the January level. The number of vessels entering the port came to 376, with a net reg. tonnage of 249,884 tons (324,891 net reg. tons),[1]) whilst clearances numbered 365 ships totalling 250,048 net. reg. tons (330.899 net. reg. tons).

The declined in traffic was mostly due to the difficulties of navigation on the northern waters of the Baltic during winter, especially severe during the month of February.

The following table affords data in respect of vessels entering and clearing from the port of Danzig during February:

	Arrivals: ships	Arrivals: net reg. tons	Departures: ships	Departures: net reg. tons
Poland & Danzig	29	23,440	27	23,531
Germany	104	46,083	101	48,813
Finland	5	77,934	5	7,934
Russia	1	1,278	4	4,132
Estonia	10	5,224	12	6,336
Latvia	22	22,173	21	20,144
Lithuania	2	1,197	2	1,197
Sweden	94	52,284	94	51,272
Norway	22	13,122	21	14,610
Denmark	65	51,093	57	46,206
Great Britain	5	3,520	6	5,122
Holland	6	3,549	5	2,152
France	5	3,614	4	2,610
Italy	1	3,590	1	3,590
Greece	4	9,503	2	4,934
Japan	—	—	1	5,173
Panama	1	2,280	1	2.280
Hungary	—	—	1	19
Total:	376	249.884	365	250,048

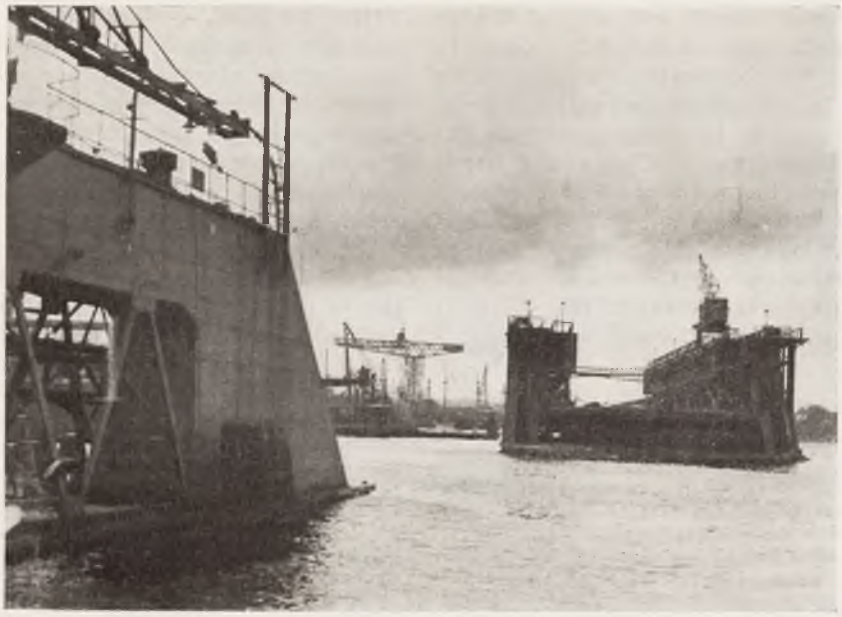
Amongst those vessels using the port, the Polish flag maintained its position as fifth in point of number.

Goods turnovers through the port of Danzig totalled 556,050 tons as against 730,207 tons is January. This drop of 174,157 tons was directly due to the difficulties of navigation already mentioned. Exports came to 528.660 tons as against 679,087 tons in January. Coal exports dropped by about 170.000 tons to 401,351 tons. Shipments of timber, however, increased and came to 76,405 tons during February this figure being also in excess of the average monthly tonnage for last year. Corn exports were 22,305 tons, petroleum products 4,303 tons and miscellaneous cargo 24,296 tons. Imports during February came to only 27,390 tons, the January figure having been 51,120 tons. The chief cargoes unloaded were: ores 13,339 tons, artificial fertilizers 1,703 tons, scrap iron 536 tons and general cargo 11,812 tons.

Coal (excluding bunker coal) was exported to the following countries through Danzig during February (in tons):

Denmark	88,135
Sweden	74,596
France	68,155
Italy	50,160

[1]) *Figures in the brackets are for the month of January.*



A VIEW OF THE PORT OF DANZIG

Since Danzig has become a part of the customs area of the Polish Republic, its development has been remarkable; today its goods turnover is the largest of any port on the Baltic Sea

Norway	38,289
Latvia	14,278
Africa	10,925
Finland	4,816
Holland	3,915
Belgium	3,877
Russia	3,651
Lithuania	1,200
Iceland	808
Total:	362,835

Passenger traffic, as is usual during the winter months, was at a low level, only 196 persons having arrived or departed.

In G d y n i a, arrivals declined from 189 in January to 175 and the net register tonnage from 175,268 to 157,423; departures fell from 194 with 181,776 net reg. tons to 167 with 151,884 net reg. tons.

The total amount of cargo handled declined during the month from 323,322 tons in January to 291,304 tons in February.

Imports were practically unchanged as compared with January (30,867 tons as against 30,752 tons). The chief article on the import side was scrap iron (21,574 tons). Ores came to 2,800 tons, Thomas slag to 3,810 tons, tobacco to 1,441 tons and cotton to 380 tons.

Exports declined slightly from 292,569 tons to 260,437 tons which is solely to be attributed to seasonal decline in coal consignments (from 263,175 tons to 230,669 tons). Sugar exports on the other hand increased from 2,170 tons in January to 4,430 tons. The same applied to grain which showed a considerable rise from 1,189 tons in January to 4,611 tons in February. Exports of bacon were almost the same as in the preceding month (3,493 tons).

Passenger movement was small, arrivals amounting to 126 and departures to 560.

The nationalities of ships which called and departed in January and February at Gdynia were as follows:

	Arrivals:		*Departures:*	
	Jan.	*Feb.*	*Jan.*	*Feb.*
	1931		*1931*	
Poland & Danzig	24	25	21	21
Denmark	15	22	13	13
Estonia	9	4	9	4
Finland	3	3	4	3
France	4	2	4	2
Great Britain	2	3	3	3
Latvia	8	10	11	8
Norway	18	16	17	15
Sweden	68	51	68	48
U. S. A.	4	1	4	1
Germany	31	35	30	35
Japan	—	1	—	1

THE DEVELOPMENT OF THE PORT OF DANZIG. — The change of frontier which took place after the Great War had a great and fundamental effect on the character of the port of Danzig. Owing to the new state of affairs, Danzig was faced with changed prospects and new problems. The port became the natural outlet of Polish overseas trade expansion, the more so since it was bound to Poland by a customs union and is a natural and homogeneous part of the Polish hinterland which it serves, accounting for 35 per cent. of Poland's foreign trade traffic.

Thanks to this concentration of Polish trade, the Port developed greatly, whilst the growing tendency for Czechoslovakia, Roumania and other countries to use the Port of Danzig has extended its hinterland. Ores, timber and general cargo are imported and exported to these countries through Danzig, and in recent times the U. S. S. R. has forwarded large quantities of its timber exports through the Port. In the near future it is expected to attract the fertile Danube countries, whose exports of food products to northern European states find the route along the Danube to Bratislav and thence to Danzig the shortest and cheapest available.

This extension of the natural hinterland of Danzig has enabled the Port through the course of post-War years to occupy third place on the Baltic (after Copenhagen and Stockholm) in point of ship traffic and first place as regards the tonnage of goods handled.

The traffic of the Port rose from 10,828 vessels of 7,810,252 net. reg. tons entering and leaving the port in 1929 to 12,165 ships of 8,285,900 net. reg. tons in 1930, the latter figure being a record in the history of Danzig. In spite of the adverse effects of the world-wide economic crisis which affected all branches of business during 1930, the ship traffic for that year was 322 per cent. greater than the highest figure before the Great War. Danzig at present possesses regular ocean communication with over sixty of the most important ports of Europe and other continents, eighty regular and scheduled lines and a vast number of tramp-steamers maintaining the services.

Figures of goods traffic through the Port likewise indicate an enormous increase over pre-War returns. The annual goods traffic before the War came to about 2,370,000 tons; after the conclusion of peace the turnover increased steadily year by year until it reached the figure of 8,213,093 tons in 1930. Imports accounted for only 1,090,631 tons of this gross total, i. e. more or less the pre-War level; exports, however, came to 7,122,642 tons a figure exceeding the highest pre-War figure more than five-fold. This increase in traffic was due to augmented transports of timber, coal, corn and foodstuffs.

The following table quotes the chief commodities exported through Danzig during 1930 (in tons):

Coal	5,372,479
Timber	824,301
Corn	407,535
Sugar	192,863
Other foodstuffs	131,557
Cement	58,115
Mineral oils	29,068

The great development of the Port of Danzig and its success in meeting the demands made upon it have been made possible by three factors: the rational tariff policies of the Polish State Railways, the unswerving efforts made by the Polish government in directing Polish foreign trade through its sea-ports, and the very effective work of the Port Authority in extending and modernising the port equipment and in raising the efficiency of transshipment.

The costs of railway transport between Danzig and its hinterland have been cut to a minimum thanks to special tariffs applied by the Polish lines and by those of Czechoslovakia, Roumania, Hungary, etc. as also to favourable arrangements being made with the German and Russian lines. These tariffs are constantly being adapted to the exigencies of trade and the changing needs of life; the Port Authority helps much in this work since it is in direct contact with those using the Port and the overland route of the Black Sea—Baltic land-bridge. The Port Authority maintains a special Tariff Bureau in Danzig and has a commercial agency in Warsaw which keeps in close contact with the Polish ministries affected and issues information and rates to prospective clients of the Port.

The rapidly growing goods turnover of the Port has made it essential for its equipment to be extended and brought uptodate. A new basin has been constructed for the transfer of mass shipments and numerous new quays have been built in order to afford facilities for quicker service. The mechanical loading equipment of the Port has made especially striking progress: whilst in 1921 it possessed only 16 old-type cranes, it has to-day 83 port cranes of the most modern construction. A number of special warehouses for the housing of general cargo have been erected and special stores for perishable articles now exist in the free zone of the port where no customs duties are levied on merchandise warehoused there, thus facilitating entrepôt and transit traffic. There are also many grain elevators belonging to private firms; some of these are of up to 20,000 ton capacity and possess very up-to-date pneumatic trans-loading equipment. The timber storage sites are 200 ha in area and can comfortably store 2,000,000 tons of wood.

The enterprise shown by the Port of Danzig Authorities and the effective help given by the Polish Government have certainly yielded very striking results. To-day the Port is of prime importance in the maritime trade of the world, whilst the great development of its railway and ocean connections together with the enormous hinterland it serves allow the supposition to be made that the business interests of Europe will make increasing use of the Port of Danzig and the highly efficient Polish railway lines serving the Port and the routes leading to it.

INVESTMENT WORKS AT GDYNIA. — As a result of the recent conference of the Port of Gdynia Authority, the construction programme for the next three years has now been formulated. It is planned to construct new buildings and structures for passenger traffic in the outer port and to erect a number of new warehouses and stores for imported goods. The Port Authority also considered, apart from public initiative, several offers on the part of private capital and firms which desire to build accomodation for their needs within the area of the port.

A large passenger and luggage shed will be constructed on the passenger pier; a specially constructed fire-proof warehouse will be put up for the storing of inflammable commodities; the railway network will be re-arranged and the roads plan has also been changed in accordance with experience gained from the actual working of the port during the past few years; additional cranes will be installed in order to increase the loading and unloading capacity of the port, while a new reservoir for molasses has already been commenced at the India Docks and is being completed at a very rapid rate.

VEGETABLE OIL WORKS AT GDYNIA. — The Gdynia Oil Works opened their new factory on February 17th., the plant being equipped with modern machinery which, when fully installed, will permit of a throughput of 50,000 tons of oil-bearing seeds per annum. So far only the presses have been operated, their through-put capacity being about 18,000 tons per annum and the full productive ability of the Works will only be fully exploited when the extraction equipment commences to function. The progress made in finishing the installation is, however, proceeding at a rapid pace and the Works should be in a position to work at full capacity within the very near future. Whilst the opening of this plant can be considered to be only the first step towards founding a vegetable oil industry in Poland, nevertheless the needs of the Polish market are such that the industry can be expected to develop very quickly.

AERIAL COMMUNICATION IN FEBRUARY declined as compared with the preceding month owing to intense frosts. The regularity of flights declined slightly (from 83·8 per cent. to 83·1 per cent.) the number of flights effected from 414 to 389 and the distance covered from 110,672 km. to 96.962 km. The number of passengers carried fell also from 777 in January to 684 in February. The volume of goods showed a further decline from 22,017 kg to 19,480 kg and that of mail remained practically at the January level (2,830 kg as against 2,474 kg).

The decline in all items of air traffic is solely to be attributed to the unfavourable weather conditions during the month under review and it is hoped that with the setting in of spring, aerial communication in Poland will show its usual revival.

FINANCE AND BANKING

STATE REVENUE AND EXPENDITURE. — The receipts of the State during February 1931 fell short of the sums received in January this year and in the corresponding month of last year. Compared with January 1931, the decrease was zł 29·7 million and zł 37·2 million in comparison with February 1930. During the first eleven months of the 1930/31 year, total revenue came to zł 2,495·6 million, i. e. zł 289·9 million less (or 9·5 per cent.) than in the corresponding period of the 1929/30 fiscal year.

The best results of actual receipts as against those estimated were yielded by administrative revenue, followed by public levies, payments by the Monopolies and lastly payments from State enterprises. During the 1929/30 budgetary year, the best results were shown first by public levies, then by administrative receipts with monopolies and the State enterprises following very closely after.

Compared with the actual results of the first eleven months of the 1929/30 and 1930/31 fiscal years the difference in actual revenue was zł 253·4 million in favour of the former year. This difference was caused by the decreased receipts from public levies, State enterprises and the Monopolies. The lower sums received from these three sources were in a great measure compensated for by the better results shown by the receipts of the Ministry of Finance from administrative revenue.

Total budgetary expenditure in February 1931 came to zł 212·5 million, i. e. zł 15·7 million less than in January and zł 9·7 million less than in February last year. Total disbursements for the period April-February of the 1930/31 budgetary year aggregated zł 2,512·5 million.

In spite of increased expenditure in respect of pensions and unemployment aid, actual expenses were less than the amount estimated for the 1930/31 fiscal year by zł 183·4 million. They were also zł 177·2 million less than the actual expenditure of the corresponding period of the 1929/30 year.

	Revenue (in millions of zł)		Expenditure (in millions of zł)	
	actual Feb. 1931	annual 1930/31 budget estimates	actual Feb. 1931	annual 1930/31 budget estimates
A) Civil service	142·9	1,901·4	212·0	2,922·0
The President of the Republic. ...	0·0	0·3	0·5	4·6
The Parliament	0·0	0·2	1·1	11·9
State Control	0·0	0·2	0·8	7·9
The Cabinet	0·0	0·0	0·2	4·9
Ministry of Foreign Affairs	0·7	13·2	1·6	52·3
„ „ War.	0·4	5·2	64·9	827·1
„ „ the Interior	0·9	13·3	19·9	252·9
„ „ Finance	130·6	1,728·6	11·0	145·2
„ „ Justice	4·6	42·5	10·3	133·2
„ „ Industry and Commerce	1·0	14·5	3·9	54·4
„ „ Transport	0·0	2·1	0·9	18·2
„ „ Agriculture	0·5	9·1	3·0	59·8
„ „ Education and Religions	0·2	3·7	39·7	471·6
„ „ Public Works.	1·7	34·3	11·4	161·3
„ „ Labour and Social Welfare	0·0	0·9	16·2	81·1
„ „ Land Reform..	0·1	5·6	3·0	61·7
„ „ Posts and Telegraphs ...	0·0	0·0	0·5	2·7
Pensions	2·1	27·7	8·0	111·1
Grants to disabled soldiers	—	—	8·9	163·3
State liabilities	—	—	6·1	296·8
B) State enterprises..	3·0	180·4	0·5	18·9
C) Monopolies	54·1	956·9	—	—
Total *A* + *B* + *C*:	200·0	3,038·7	212·5	2,940·9

TAXES. — Public levies and the monopolies yielded a total of zł 159 million during February 1931, the former netting zł 104·9 million and the latter zł 54·1 million. The respective figures for January 1931 and February 1930 were zł 32·3 million and zł 29·8 million higher than in February 1931.

Comparing the receipts from these sources during February with those in January, it should be borne in mind that, in 1930, receipts for February were likewise lower than those for the previous month; the difference last year between the two months was zł 40·4 million (zł 188·8 millions as against zł 229·2 million), while this year it is only zł 32·3 million as already stated.

During the first eleven months of the 1930/31 fiscal year, public levies (ordinary and extraordinary) yielded zł 1,349 million while Monopolies gave zł 746·6 million, thus totalling zł 2,095·6 million. Both the component sums of this total failed to realise the theoretical eleven-twelfths of the amounts estimated in the budget, the amount lacking in each case being about zł 130 million. This deficit is about 10 per cent. of the total expected from these sources.

This drop in income was caused mainly by lower receipts from the Customs, Property Tax and the Spirits Monopoly. In comparison with the equivalent of eleven-twelfths of the 1930/31 budget estimates for these items, receipts from customs duties fell short by zł 114·3 million, Property Tax by zł 53·6 million while the Spirits Monopoly paid in zł 106·7 million less than was expected.

A comparison of the actual receipts from public levies and from the Monopolies during the first eleven months of the 1929/30 and 1930/31 fiscal years shows that receipts for the former exceeded those for the latter. The difference is zł 252·6 million in respect of public levies and zł 55·8 million with regard to receipts from the Monopolies, — a total of zł 308·4 million. The wide application of relief measures in collecting taxation and the depressing influence of the general economic crisis adequately explain the causes of this drop. Customs declined by zł 124·1 million, the Industrial Tax receipts fell off by zł 43·9 million, Stamp Fees by zł 24 million, Property Tax by zł 20·5 million and the Unearned Income and Capital Tax by zł 7·4 million; collections in respect of fines and interest charges for arrears of taxes were zł 6·9 million lower than in the corresponding period of 1929/30 while other miscellaneous charges and levies decreased by zł 25·8 million.

Among the Monopolies, the only one to yield disappointing results was the Spirits Monopoly (due to a drop in the consumption of alcohol); the Tobacco, Salt and Lottery Monopolies, however, have so far during the first eleven months of the 1930/31 fiscal year, paid in more to the Treasury than during the corresponding period of the previous budgetary year.

The revenue from taxas and monopolies in February as compared with January is given below (in million of zł):

	Actual revenue: Jan. 1931	February 1931	February 1930	1/12 th of the annual budget for 1930/31
Direct taxes	66·3	46·5	56·2	55·7
Indirect taxes	17·9	16·8	17·4	15·5
Customs duties	18·7	16·2	21·9	32·2
Stamp fees	14·9	13·1	16·1	16·3
Total of ordinary public levies:	117·8	92·6	111·6	119·7
10 per cent Extra-ordinary Tax	0·9	5·0	2·6	6·3
Property Tax	9·9	7·3	8·4	8·4
Total of extra-ordinary public levies:	10·8	12·3	11·0	14·7
Monopolies	62·7	54·1	66·2	79·7
Total of public levies and monopolies:	191·3	159·0	188·8	214·1

STOCK EXCHANGE

Although there was only a very small demand for dollar currency on the part of the banks during February, the rate continued to show an upward tendency, rising by 1 gr per dollar. The cause of this firm trend was to be found in conditions on foreign money markets where the dollar was often in great demand; the dollar rate in Warsaw, therefore, quite naturally rose in sympathy.

Rates of exchange for other currencies were marked by a lack of uniformity in their fluctuations due to the influence of quotations in other countries. Swiss francs and Dutch florins slumped rather badly although this took place by degrees and sudden drops were avoided. Sterling exchange rose by gr 2 per pound, Prague by 5 gr per 100 Kr. and Stockholm by gr 10 per Kr. 100. The quotation of the schilling decreased by gr 2 per 100, the Swiss franc by gr 66 and Amsterdam by gr 70 per 100 florins. The

HOME AND FOREIGN ZLOTY QUOTATIONS (in zł)

	Jan. 31	Feb. 3—7	Feb. 9—14	Feb. 16—21	Feb. 23—27	Feb. 28	par value
Warsaw Exchange							
London £ 1	43·32 1/4	43·35 9/10	43·37 3/5	43·35 1/6	43·34 9/10	43·34	43·38
New York $ 1	8·914	8·915 4/5	8·915 7/8	8·918 1/4	8·914 1/2	8·914	8·90
New York Cable $ 1	8·923	8·924 4/5	8·924 1/3	8·927 1/3	8·923 3/4	—	—
Paris Fr. Fr. 100	34·96 1/2	34·98 13/20	34·99 1/5	34·98 7/8	34·97 4/5	34·96 1/2	172·00
Brussels Belg. 100	124·39	124·58	124·53 1/8	124·36 4/5	124·44	—	123·95
Zurich Sw. Fr 100	172·39	172·38 9/10	172·27 1/3	172·16 4/5	171·90	171·73	172·00
Milan Lire 100	46·70	46·73 1/5	46·72 9/10	46·72 2/5	46·72 1/2	46·73	172·00
Amsterdam Fl. 100	358·60	358·57 2/3	358·26 1/2	358·16 4/5	358·09 2/3	357·90	358·31
Vienna Sh. 100	—	125·40 1/5	125·35 1/2	125·39	125·36	125·38	125·43
Prague Kc. 100	—	26·40 1/2	26·40 3/10	26·42 1/10	26·42 3/4	26·42 1/2	180·62
Stockholm Kr. 100	238·85	239·03 1/2	239·01 1/3	238·88 2/3	238·95	238·95	238·89
Foreign Exchanges							
London £ 1	43·33	43·35 3/5	43·38 1/2	43·35	43·36 2/5	43·36	43·38
New York zł 100	11·23 1/2	11·23	11·23	11·23	11·22	11·21 1/4	11·22
Zurich zł 100	57·92 1/2	58·00	58·00	58·03 1/3	58·10 1/2	58·10	58·14
Vienna zł 100	79·68 1/2	79·70 3/5	79·73 1/2	79·72	79·69 1/2	79·69	79·55
Prague zł 100	—	374·62 1/2	374·64 1/2	375·10	376·97 1/2	—	55·36
Berlin zł 100	47·10	47·12 1/2	47·091 2/3	47·12 1/2	47·11 1/2	47·125	47·09
Danzig zł 100	57·70 1/2	57·70 1/10	57·69 1/3	57·68 2/3	57·66	57·67 1/2	57·63

remaining exchanges, i.e. cables on New York and drafts on Paris retained the level of the previous month. Turnovers in foreign exchange were limited in volume during the month and rarely exceeded average proportions.

The złoty rate passed through the month very well and even tended to rise on the chief money markets of the world, New York and London only excepted; quotations in Vienna remained at the January level, but in Berlin, Zurich and Prague the złoty rate was firm and tended to rise.

SHARES

The shares division of the Warsaw Stock Exchange showed little change

WARSAW STOCK EXCHANGE SHARE QUOTATIONS (in zł)

SHARES	Jan. 31	Feb. 3—7	Feb. 9—14	Feb. 16—21	Feb. 23—27	Feb. 28	Nominal
Bank Polski ...	153·—	150·65	151·30	152·80	134·30	135·—	zł 100·—
Bank Dyskontowy Warszawski ...	—	—	—	—	—	—	zł 100·—
Bank Handlowy w Warszawie ...	—	106·65	107·—	108·—	108·—	—	zł 100·—
Bank Zachodni ...	70·—	70·—	70·—	—	—	—	zł 100·—
Bank Zw. Sp. Zarobkowych ...	—	68·35	65·40	—	65·—	—	zł 100·—
Warsaw Coal Mining Co. ...	—	32·65	33·90	32·50	32·—	31·—	zł 100·—
Chodorów ...	—	—	—	—	—	—	zł 100·—
Cegielski ...	—	—	—	—	—	—	zł 100·—
L. Zieleniewski i Fitzner-Gamper ...	—	—	—	—	—	—	zł 100·—
Norblin, Buch & Werner ...	30·—	29·—	30·50	—	—	—	zł 100·—
Starachowice ...	11·50	11·15	12·20	11·50	11·25	—	zł 50·—
Lilpop, Rau & Loewenstein ...	20·—	19·90	21·—	21·20	20·90	20·50	zł 25·—
Ostrowiec ("B" series) ...	—	—	49·—	45·—	45·50	45·25	zł 50·—
Modrzejów ...	—	8·20	8·60	8·70	7·80	—	zł 50·—
Rudzki ...	—	—	—	—	—	—	zł 50·—
Warsz. Sp. Akc. Budowy Parowozów ...	—	—	—	—	—	—	zł 25·—
Borkowski (Elibor) ...	—	—	—	—	—	—	zł 25·—
Wysoka ...	—	—	—	—	—	—	zł 100·—
Siła i Światło ...	—	—	72·—	72·35	—	—	zł 50·—
Zakłady Chem. Ludwik Spiess & Syn ...	—	—	—	—	—	—	zł 100·—
Zjedn. Brow. Warsz. Haberbusch & Schiele	101·—	—	—	—	—	—	zł 100·—

as against conditions in January. Fluctuations in quotations were small and trading in many shares fell to vanishing point. Holders of shares showed little inclination to dispose of their scrip since in the majority of cases, this had been bought at much higher prices than those now current.

Bank of Poland shares were quoted ex 1930 dividend coupon towards the end of the month, the Bank having announced a dividend of 15 per cent. for the past operating year. In spite of the fact that this dividend was 5 per cent. short of the 1929 figure, it must be accepted as a satisfactory result by the shareholders of the Bank, who bear in mind that the world-wide economic depression reacted most unfavourably on all business and that the Bank of Poland dividend compares well with the results reported by other central banks. With the payment of the 1930 dividend, the Bank of Poland shares naturally declined somewhat in price but this movement is only a transient one since it was caused by the smaller share-holders disposing of their stock in order to secure cash for the liquidation of their urgent commitments.

An announcement of a 12 per cent, dividend by the Chodorów Sugar Works likewise caused its shares to be quoted ex dividend with a consequent drop in quotations. Bank Związku Spółek Zarobkowych shares declined in price, as did also those of the Warsaw Coal Mining Co., Ostrowiec Ironworks and Modrzejów Steel and Engineering Works. In the case of other shares, their January level was well maintained and in some cases slight rises were reported.

STATE, MUNICIPAL AND LAND LOANS

Conditions in the bond market were again better than in the shares division of the Stock Exchange. Government loans were much firmer in price with only one or two exceptions, whilst the demand for 6 per cent. Dollar bonds and 7 per cent. Stabilisation Loan bonds was quite considerable, the quotations for these securities rising both at home and abroad.

Quotations for the 2nd series of the 5 per cent Dollar Loan ceased to be given as from the beginning of February in view of the fact that the last drawing of this loan took place during the first week in the previous month. Holders of bonds of the 2nd series have the right of exchanging them for bonds of the new 3rd series up to and including April 30th., 1931. Those possessing two bonds of the 2nd series are further encouraged to convert their holdings for 3rd series bonds by being given the privilege of acquiring a third bond at the nominal par value price of $ 5·00; after the lists are closed, the issue price of the new bonds will be raised to $ 6·00. The new issue yields 4 per cent. and drawings will take place every two months as was the case with the bonds of preceding series of this loan; the number of premiums drawn will, however, be greater.

The trend for private bond issues lacked uniformity during the month. In Warsaw, trading in the 8 per cent. City of Warsaw Credit Association bonds was rather lively, the demand on the part of the investing public having been well maintained.

AVERAGE BOND QUOTATIONS (in zł)

State, Municipal & Land Loans	Jan. 31	Feb. 3—7	Feb. 9—14	Feb. 16—21	Feb. 23—27	Feb. 27	Nominal
5% Conversion Loan	48·—	48·70	48·90	49·50	49·90	—	zł 100·—
7% Stabilisation Loan	—	77·25	81·—	80·70	81·75	—	$ 100·—
6% External Dollar Loan 1920	69·75	69·35	71·35	71·05	71·85	—	$ 100·—
3% Premium Building Loan	50·50	50·—	50·—	50·—	50·—	50·—	gold zł 50·—
4% Premium Investment Loan	—	94·45	95·95	96·05	95·90	95·75	gold zł 100·—
10% Railway Loan (1st series)	—	103·40	102·80	102·90	102·50	103·—	gold fr. 100·—
8% National Economic Bank Bonds	94·—	94·—	94·—	94·—	94·—	94·—	gold zł 100·—
8% State Land Bank Bonds	94·—	94·—	94·—	94·—	94·—	94·—	gold zł 100·—
8% Com. Bonds of the National Economic Bank	94·—	94·—	94·—	94·—	94·—	94·—	gold zł 100·—
8% Land Credit Association Bonds	—	—	—	—	—	—	zł 100·—
4% Land Credit Association Bonds	—	40·—	40·—	—	—	—	zł 100·—
4½% Land Credit Association Bonds	52·75	52·26	52·05	52·25	52·30	—	zł 100·—
8% Credit Soc. of the City of Warsaw Bonds ...	72·—	71·85	71·90	72·30	72·45	72·25	zł 100·—
5% Credit Soc. of the City of Warsaw Bonds ...	58·—	57·30	57·—	56·90	56·50	—	zł 100·—
4½% Credit Soc. of the City of Warsaw Bonds ...	—	53·—	52·75	52·50	52·25	52·—	zł 100·—
8% City of Warsaw School Loan 1925	—	—	—	—	—	—	gold zł 100·—

BANK OF POLAND

— As was reported in our last issue, the Bank of Poland foreign exchange turnovers in January resulted in a considerable excess of sales over purchases (zł 33·9 million), this being due to the natural reaction caused by clients of the Bank holding up their purchases in December. In February this movement continued, but the excess of sales was much lower and came to only zł 13·4 million.

This smaller disparity between sales and purchases was caused by the former falling from zł 157·3 to zł 120·5 million, since the purchases decreased to a lesser degrees (from zł 123·4 million to zł 107·2 million). Sales decreased owing to a drop in private and Government demand.

The results of February trading in foreign currencies and exchange naturally affected the exchange reserves of the Bank, these declining from zł 384·8 million to zł 371·5 million in the aggregate. The decrease, however, affected only that part of the reserves ear-marked for cover of the note-issue and sight liabilities, this fund having dropped in value from zł 262·4 million to zł 244·3 million. Reserves not included in the cover, on the other hand, increased from zł 122·4 to zł 127·1 million.

The other component part of the note-issue and sight liabilities cover — the gold reserves — rose in value by zł 211,000 during the month to zł 562·7 million; as usual this gain was due to the purchase of gold (mostly pre-War

BALANCE SHEET OF THE BANK OF POLAND (in zł)

	January 31st 1931		February 10th 1931		February 20th 1931		February 28th 1931	
Assets:								
Bullion:								
gold in vaults	485,087,476·50		485,161,777·77		485,251,748·92		485,298,030·16	
„ abroad	77,395,709·57		77,395,709·57		77,395,709·57		77,395,709·57	
silver (gold value)	—		—		—		—	
	562,483,186·07		562,557,487·34		562,647,458·49		562,693,739·73	
Foreign currency, drafts and assets	262,358,061·15	824,841,247·22	253,218,948·26	815,776,435·60	244,057,552·24	806,705,010·73	244,348,971·59	807,042,711·32
Foreign currency, drafts and assets not included in the cover		122,433,514·76		119,821,166·17		119,737,274·84		127,144,768·80
Silver and token coins		12, 64,745·62		12,704,004·41		12,121,240·95		12,262,925·49
Bills of exchange		622,880,957·86		604,204,872·02		591,574,279·40		598,569,803·09
Loans against securities		88,178,151·93		78,518,438·42		84,945,806·25		85,274,514·65
Own interest-bearing securities		12,185,265·—		12,563,578·16		12,319,957·52		11,605,197·11
Reserve funds invested in securities		90,717,246·16		90,717,246·16		90,739,436·31		90,739,436·31
Loans to Government		—		—		—		—
Property		20,000,000·—		20,000,000·—		20,000,000·—		20,000,000·—
Other assets		115,171,250·88		123,108,246·35		102,799,595·75		120,158,673·98
		1,908,673,379·43		1,877,413,987·29		1,840,942,601·75		1,872,798,030·75
Liabilities:								
Capital		150,000,000·—		150,000,000·—		150,000,000·—		150,000,000·—
Reserve fund		114,000,000·—		114,000,000·—		114,000,000·—		114,000,000·—
Sight liabilities:								
current accounts of State institutions	126,538,226·37		42,457,522·52		57,395,234·53		23,415,034·03	
outstanding current accounts			163,145,984·04		170,329,092·02		118,186,962·14	
silver purchases a/c	13,000,000·—		13,000,000·—		13,000,000·—		13,000,000·—	
State credit fund a/c	3,026,545·99		1,009,910·99		1,009,910·99		1,009,910·99	
various accounts	10,160,215·48		7,951,548·99		8,340,642·73		13,[illegible]12,368·18	
	184,827,564·40		227,564,966·54		250,083,880·27		169,124,275·34	
Notes in circulation	1,276,555,640·—	1,461,383,204·40	1,199,719,870·—	1,427,284,836·54	1,139,166,640·—	1,389,250,520·27	1,284,160,500·—	1,453,284,775·31
Special account of the Treasury		—		—		—		—
Other liabilities		183,290,175·03		186,129,150·75		187,692,081·48		155,513,255·41
		1,908,673,379·43		1,877,413,987·29		1,840,942,601·75		1,872,798,030·75

coins) by the provincial branches of the Bank from the general public. Gold stocks on deposit with foreign central-banks came to zł 77·4 million.

The following table illustrates the status of the gold bullion and foreign exchange cover of the note-issue and of sight liabilities as from January 1st to February 28th. this year (in millions of zł):

	January 1st	*January 31st*	*February 28th*
		1 9 3 1	
gold	562·2	562·2	562·7
foreign currencies and assets	288·4	262·4	241·3
Total:	850·7	824·8	807·0

Taking the total note-circulation and sight liabilities together, the total cover afforded came to 55·53 per cent. on February 28th as against 56·44 per cent. on January 31st and 55·29 per cent. on the first of the year, the statutory minimum being 40 per cent. The ratio of gold cover alone came to 38·72, 38·49 and to 36·54 per cent. on the same dates, the statutory minimum being in this case 30 per cent. As will be noted the drop in circulation was approximately the same as the decrease in the cover. The total of notes in circulation and sight obligations did not decrease to any greater extent in February, since the sum fell only from zł 1,461·4 million to zł 1,453·3 million. The decrease, however, affected only the sight liabilities (which fell in volume from zł 184·8 million to zł 169·1 million) since the note-issue rose somewhat—from zł 1,276·6 million to zł 1,284·2 million, the latter level being in excess of that reported a year ago (zł 1,281·8 million).

The decrease in sight liabilities noted during February was due only to the lower sum of current account deposits, since the other items of that group even showed slight gains. The credit balances of the Treasury Cash Offices declined from zł 32·1 million to zł 23·4 million whilst private accounts dropped from zł 126·5 million to zł 118·2 million.

The note-circulation was affected by several factors more or less compensating each other but yielding a final increase. The considerable withdrawals from the current accounts naturally tended to increase the number of notes in circulation and the same effect was caused by the payment of dividends for 1930 to the Bank's shareholders following the General Meeting on February 24th. On the other hand, the efflux of foreign exchange and the sizeable drop in credits granted by the Bank tended to reduce the number of notes issued.

Credits granted by the Bank and taken up by its clients fell from zł 622·9 million to zł 598·6 million, these figures representing the bill-portfolio of the Bank. Since the Bank cut the credit quota by zł 40 million, this decrease in bills discounted was to be expected. Loans against securities likewise declined in volume (from zł 88·2 million to zł 85·3 million). The foreign bills of exchange held by the Bank also decreased, falling by zł 4·4 million. The silver and token coin stock remained at approximately the same level as in January, and the Bank's holdings of shares purchased for its account decreased by zł 0·6 million.

The bank cover of the note-circulation is shown below, comparative figures being given for January 1st and 31st, as also for February 28th (in millions of zł):

	January 1st	January 31st	February 28th
		1 9 3 1	
bills	672·0	622·9	598·6
Polish silver coins and token money	107·1	103·0	98·6
loans against securities	12·2	12·3	12·3
own interest-bearing securities	86·3	88·2	85·3
liability of the Treasury	8·8	12·2	11·6
Total :	886·4	838·5	806·3

AMERICAN BANK OF POLAND.— In their report for 1930 the council of the Bank Amerykański w Polsce Spółka Akcyjna (American Bank of Poland) announce the recommendation of a first dividend. The bank was established in January, 1927. A new issue of capital was made in December 1929, and this increase, by which the bank's capital resources were raised from zł 5,000,000 to zł 10,000,000, enabled the bank to expand its operations during 1930. Out of the net profit of zł 1,101,065, it is proposed to add zł 209,250 to reserve fund, to distribute zł 700,000 to shareholders (equal to 7 per cent. of the capital stock), and to utilize zł 257,149, in writing down the cost of organisation, and zł 209,250 in writing down the cost of furniture and fittings. The two last-mentioned items will then stand at the nominal figure of zł 1. The carry-forward is reduced from zł 1,846,127 to zł 1,639,881. An increase from zł 56,230,201 a year previously to zł 63,192,253 is shown in the total of the balance-sheet.

WHOLESALE PACKING OF POLISH TOBACCO MONOPOLY PRODUCTS

Polish tobacco products have of recent years been steadily increasing their export, especially in that of high-grade cigarettes, with or without mouth-pieces

LATEST NEWS

WARSAW EXCHANGE:

	10.3.31	20.3.31
$ 1 =	zł 8·918	zł 8·917
£ 1 =	„ 43·35¾	„ 43·306½

BANK OF POLAND:

ASSETS:		10.3.31		20.3.31
Gold reserve	zł	562,750,657·74	zł	562,816,289·57
Foreign balances	„	244,639,481·20	„	234,195,177·65
„ „ (not included in the cover)	„	114,664,691·65	„	115,384,939·59
Bills of exchange	„	572,105,111·33	„	567,452,725·81
Loans against securities	„	82,082,014·65	„	78,712,787·95
LIABILITIES:				
Notes in circulation	„	1,197,164,230·—	„	1,147,070,630·—
Current accounts	„	190,832,429·47	„	205,712,027·85
Other sight liabilities	„	24,348,247·29	„	24,064,026·70
BANK NOTE COVER (gold & foreign currencies)		57·17%		57·87%

INDEX OF ADVERTISEMENTS

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