






# THE POLISH ECONOMIST





16° WSCH. OD GREENWICH 18°

# REFERENCE

-  POLAND'S FRONTIER LINE
-  VOIVODSHIP BOUNDARIES
-  RAILWAYS
-  RAILWAYS UNDER CONSTRUCTION
-  RIVERS, CANALS

10 0 50 100 150 km  
1:5,000,000






POPULATION OF POLAND ————— 30,410,000  
DENSITY — (PER 1 SQ. KLM) ————— 78.2

AREA OF POLAND (IN SQ. KLM) ————— 388,390  
CULTIVATION ————— 183,078  
UNDER FORESTS (CENTERS: BIALOWIEZA, PINSK, WILNO, CARPATHIAN MOUNTAINS) — 90,621

## MAIN NATURAL RESOURCES

(APPROXIMATE YEARLY PRODUCTION—IN TONS)

 COAL (CENTERS: KATOWICE, DĄBROWA, KRAKÓW) — 46,000,000  
 PETROLEUM (BORYSLAW, JASŁO, STANISŁAWÓW) — 800,000

 IRON ORE (RADOM, KHELCE, CZĘSTOCHOWA) 400,000  
 ZINC ORE — (KATOWICE, SOSNOWIEC) — 400,000

 SALT (WIELICZKA, INOWROCŁAW) — 400,000  
 POTASSIUM SALTS (KALUSZ, STĘBNIK) 180,000

▲ HEALTH RESORTS



# THE POLISH ECONOMIST

A MONTHLY REVIEW OF TRADE, INDUSTRY AND ECONOMICS IN POLAND  
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(PHOT. S. PLATER)

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and cover

IN MAY the economic situation of Poland presented a number of favourable changes; it is difficult to state just how permanent these will be in their effect in view of the adverse conditions noted on the money market.

Agriculture reported an improvement in conditions under the influence of higher prices for farm produce. Crop estimates presage an adequate rye harvest more than sufficient for the needs of the home market. This should lead to better conditions for the farmers and raise their buying ability.

Industry, during May, exhibited a tendency, already noted in April, to extend production. A relatively strong upward movement was shown by the output of producers' commodities, especially noticeable in the iron founding and building trades. A further increase in employment was reported by the industries producing consumers' goods, the printing and graphic trades only being excepted.

Commerce reported enhanced turnovers in some of its divisions but business remained roughly at the April level. Wholesale prices continued to tend upwards as far as farm produce was concerned (chiefly plant products) but those for manufactures yielded further drops in their levels. Retail prices again rose, although very slightly; the cost-of-living index, however, remained constant.

Foreign trade in May was marked by a further drop in imports and by an enhanced export, with the result that a large favourable balance of trade was reported.

Railway goods traffic was rather larger in May than in April due to increased industrial activity and to a growth in exports.

Money market conditions grew worse during the month, marked by a drop in bank deposits, in lower bond and share quotations and by a

decrease in the foreign exchange reserves of the Bank of Poland. The last-named feature was caused by foreign banks calling in their short-term deposits and credits as a result of their own tightness of money.

State revenue and expenditure in May yielded a further deficit, one, however, which was

drop in the disbursements was brought about by a series of economic measures which cut down general expenditure by  $\text{zł}$  200 million, while salaries and wages of Government employees have been diminished by  $\text{zł}$  148 million for the current fiscal year.

Other economies totalling  $\text{zł}$  67 million were

# REVIEW OF THE GENERAL ECONOMIC SITUATION IN POLAND

M A Y 1931

	UNIT	MAY 1930	APRIL 1931	MAY 1931 *)
<b>STATE OF EMPLOYMENT:</b>				
UNEMPLOYED . . . . .		228,331	355,102	320,109
<b>PRODUCTION:</b>				
COAL . . . . .	thousand tons	2,662.0	2,643.0	2,677.0
OIL . . . . .		54.5	51.0	53.1
PIG IRON . . . . .		40.7	33.8	33.7
<b>AGRICULTURAL INDICES:</b>				
(CROP ESTIMATES)				
RYE . . . . .	5 points system	3.7	2.9	2.9
WHEAT . . . . .		3.9	3.3	3.4
BARLEY . . . . .		3.5	3.3	3.3
OATS . . . . .		3.4		3.3
<b>PRICES:</b>				
WHOLESALE PRICE INDEX . . . . .	(1914 = 100)	99.8	88.9	88.4
INDEX OF COST OF LIVING IN WARSAW . . . . .		115.2	108.8	108.8
<b>FOREIGN TRADE:</b>				
IMPORTS . . . . .	million zł	196.7	142.8	137.1
EXPORTS . . . . .		199.2	168.6	168.5
EXCESS OF EXPORTS (+) OR IMPORTS (—) . . . . .		+ 2.5	+ 25.8	+ 31.4
<b>TRANSPORTS:</b>				
RAILWAY TRAFFIC . . . . .	wagon loaded (15 tons) reg. ton	409,386	375,750	391,375
PORT TRAFFIC (DANZIG AND GDYNIA) . . . . .		540,309	547,004	600,112
<b>BUDGET:</b>				
RECEIPTS . . . . .	million zł	232.4	229.0	199.6
EXPENDITURE . . . . .		231.4	250.2	211.7
<b>MONEY CIRCULATION:</b>				
BANK OF POLAND NOTES . . . . .	million zł	1,332.7	1,258.9	1,222.4
COVER IN GOLD AND FOREIGN CURRENCIES . . . . .	% %	61.35	55.01	57.67
TOKEN MONEY . . . . .	million zł	227.0	238.3	236.7
<b>CREDIT:</b>				
(BANK OF POLAND)				
BILLS DISCOUNTED . . . . .	million zł	594.4	544.1	541.2
OFFICIAL DISCOUNT RATE . . . . .	% %	7.0	7.5	7.5
<b>FOREIGN CURRENCIES:</b>				
(WARSAW STOCK EXCHANGE AVERAGE RATES)				
U. S. A. DOLLAR . . . . .	zł	8.91	8.92	8.88
POUND STERLING . . . . .		43.34	43.37	43.34

\*) Provisional figures.

smaller than in the preceding month. It is noteworthy that this relative improvement took place in spite of lower receipts in May than in April, caused by smaller payments by the Monopolies to the State Treasury, as was to be expected in view of the current economic depression. The

effected by re-organisation of the State machinery of the Government. In this manner the State Budget was reduced to  $\text{zł}$  2,450 million; this sum will be covered by the actual revenue which could be estimated during the current depression caused by the working of the economic crisis.



## POLAND'S ECONOMIC PROGRESS SINCE 1926

THE SUMMER of this year marks a five-year stage of uninterrupted reform government commenced in May 1926. The current year has been conspicuous because of the deepening of the economic crisis which has been bearing down so heavily upon the whole world. Sales markets have been and are still shrinking, production is dropping steadily, the number of unemployed continues to grow when

Moreover, Poland had to face many other special difficulties which other countries did not encounter. For these reasons, in examining the present condition of Poland's economic life and the progress it has made, not only a comparative but also a relative review of the country's status should be made.

We shall here examine the results of the last five years' work in the economic field, but it is obvious that this should be considered in the light of previous years if an accurate idea of the



THE HON. A. PRYSTOR

*Prime Minister of the Polish Cabinet*

compared with past years, difficult financial and credit conditions prevail and the prices of farm produce have declined disastrously. All the adverse effects of an economic crisis — every symptom of that abnormal state — have been noted. It cannot be surprising, therefore, that the "economic psychology" of the public is far from satisfactory and that there is a distinct tendency to paint the situation in colours which are too dark, to err in appraising the actual state of affairs and to exaggerate in pessimism.

An impartial and objective examination of the last few years of Poland's economic development, however, yields a more rosy picture than could be expected in view of the manifold difficulties which have hindered progress and held up development.

situation is to be formed. The very unsatisfactory results obtained during the period 1920—1926 would hardly lead one to expect the magnificent achievements of the period we are here examining, but it should also be borne in mind that the effect of the former period was still very potent and far-reaching. The great difference in the results attained when comparing the two periods can be explained only by the fact that since 1926, the economic front in Poland has been manned by fresh talents and new forces. Polish industry has not fully realised its postulates to date, but this can be obviously explained by the adverse conditions reigning in the whole world for the last two years and by the aftermath of the special difficulties which faced Poland upon its restoration. These

difficulties were in general anticipated, but their magnitude and degree could not be foreseen nor fully effective preventive measures be taken in time.

In spite of this we believe that we can point with pride to the results attained during the past five years. Production has been developed and extended not only in all the branches existing before the War but also numerous new divisions of industrial output have been successfully inaugurated. The simplest means of ascertaining this will be to examine the figures given in the adjoined table, which affords data regarding industrial production by years during the period 1926—1930:

PRODUCTION OF INDUSTRIAL COMMODITIES IN POLAND  
(in thous. metric tons)

Commodity	1926	1927	1928	1929	1930
Bituminous coal . .	35,747	38,100	40,000	46,235	37,506
Pig-iron . . . . .	328	619	684	706	478
Steel . . . . .	789	1,244	1,439	1,377	1,238
Zinc . . . . .	124	150	162	169	175
Rolled products . .	563	920	1,050	962	905
Coke . . . . .	1,114	1,402	1,668	1,858	1,582
Salt . . . . .	658	498	549	569	535
Petroleum (crude) .	797	723	743	675	663
Gasoline (petrol) . .	94	90	97	102	122
Beet-sugar . . . . .	579	566	745	920	720
Cement . . . . .	558		1,051	1,008	824
Paper . . . . .	89	99	122	128	130
Artificial silk . . .	0·8		2·4	2·6	2·7
Glass . . . . .	67	88	90	109	78
Artificial manures:					
nitrates . . . . .	134	181	194	163	170
phosphorites . . .	250	291	345		297
potassium salts .	208	276	346	359	306

The fundamental commodity of Poland's industrial development is coal and it will be remarked that the extraction figure for 1930 is well over the 1926 level: this growth is all the more remarkable if it be recalled that 1926 was the year of the British coal-strike when conditions for Polish coal were exceptionally favourable whilst 1930 was a year of depression, crisis and reduced consumption. The domestic consumption of coal in Poland rose by 44 per cent. during the period May 1926 — May 1931.

The output of pig-iron, as will be seen, increased greatly from an index of 100 in 1924 to 209·8 in 1929, and dropped slightly to 143·8 in 1930 owing to the crisis. Over the period 1924 — 1930, the index of zinc-extraction rose from 100 to 187. The production of rolled steel and iron products exhibits an important increase over the 1926 figure, while the same applies to the coke and salt output. The only industry to report a drop in production was that of petroleum: the steady drop in naphtha extraction is, however, independent of economic factors to a great extent since the production of the Polish oil-fields had declined even before the War. The opinions of expert geologists, on the other hand, are favourable since they state that there is much oil-bearing terrain in Poland not yet developed in view of the slack market for petroleum products abroad.

Having examined the fundamental industries of the Polish Republic, let us now review the progress made by the manufacturing industries over the same period. The world-wide crisis in the beet-sugar

industry is too well known to require special comment, and the voluntary restriction of production in accordance with the Chadbourne plan has received much publicity. In spite of the drop in petroleum extraction, the output of gasoline (petrol) has increased steadily, this owing to the development of automobile and airplane traffic in Poland. The production of cement has made gratifying progress in Poland and the future can be confidently awaited. Excellent progress has been made in the manufacture of paper whilst the installation of modern machinery during the period under review affords ground for belief that continued development will take place. Glass manufactures have shown a steady although slight rise since 1926. The metal manufacturing industries are estimated to have produced 418,000 tons of goods in 1926, 601,000 in 1927, 876,000 in 1929 and about 700,000 tons in 1929. It has, unfortunately, proved impossible to make a reliable computation of last year's figures, but the margin of increase between 1926 and 1929 is great enough to allow for a considerable drop in 1930 and yet leave a higher figure than that for the beginning of the period here reviewed. Finally, the continual growth in the output of artificial fertilizers is a most gratifying feature since it indicates that agricultural production has been rising to a higher level.

Another proof of the economic progress made by Poland is afforded by data in respect of the consumption of industrial goods per capita of population. As against the 1926 level, the consumption of coal rose by 44 per cent. in 1929, coke by 78 per cent., gasoline by 147 per cent., pig-iron by 116 per cent., rolled products by 57 per cent., zinc by 55 per cent., zinc sheets by 129 per cent., lead by 92 per cent., copper by 500 per cent., rubber by 550 per cent., and rubber goods by 150 per cent. Comparing consumption per capita figures for 1926 with those for 1928 (since those for 1929 are not available in reliable form), we find that the consumption of cement increased by 71 per cent., sulphuric acid by 26 per cent., and paper by 56 per cent. The only drop in consumption is shown by cotton goods, which remained at the same level in 1929 as in 1926, in view of the low purchasing ability of the rural classes, as a result of the acute crisis in agriculture.

Another most significant feature marking the five years under review was the gain shown by domestic sales of industrial commodities and the relative drop in export business in the various items of that group.

The following table gives percentage data of Polish exports as against total production in 1926 and 1929:

Commodity	1926	1929
Coal . . . . .	45	34
Petroleum products	60	38
Potassium salts . .	11	3
Superphosphates .	15	7
Sulphuric acid . .	18	6
Raw zinc . . . . .	82	86
Iron pipes . . . . .	65	54
Lead . . . . .	82	62
Enamelled iron ware	51	35
Textile machinery .	92	70
Cement . . . . .	19	8
Plywood . . . . .	77	46



An enhanced ratio of exports as against domestic sales was also reported for turnovers in chemical and textile products, rock and brine salt, hatters wares and beet-sugar.

We believe that the foregoing will have demonstrated that the period 1926—1931 was marked by a general development in all nearly all divisions of output. It can even be stated that, allowing for the depression caused by the world-wide crisis during the last year or two, this progress has been maintained to this day. We have seen that the

legislation had to be accomplished and the final result brought up-to-date. What in other countries had taken scores of years to build up, had to be erected in Poland within the course of ten years. The enacting of such a vast mass of economic and judicial legislation by such a body as the Sejm proved in practice to proceed at a snail's pace: long debates, discussions, ministerial changes and party politics restricted the action undertaken.

It was only in May 1926, when Field-Marshal Piłsudski assumed office after organising his



THE HON. JAN PIŁSUDSKI

*Minister of Finance*

production of industrial commodities has increased, domestic consumption has become greater, new foreign markets have been gained for Poland's export trade and the range of Polish industrial production has been much extended, the growth of the paper, chemical and electrotechnical industries being cases in point. We have already indicated that the sudden improvement noted since the middle of 1926 and its maintenance throughout the five-year period here examined, can only be explained by the new spirit which entered Polish political and economic life five years ago.

Time had to pass before the unification of the country became not only an accomplished fact on paper but also in practice. The enormous task of co-ordinating three or four systems of law and

Reform Party that a distinct change for the better took place. The economic life of the country was activated to a remarkable degree since the new government knew how to make use of those creative talents which had formerly remained idle under the conditions of party politics. What amounted to a complete regeneration of the economic life of the country was commenced five years ago and, as we have seen, has lost none of its force to the present day.

Industry has received the special support of the Reform government since 1926. Customs tariff and treaty policies have been set up which afford full protection at home and optimum conditions abroad; customs duties on equipment and machinery have been freely reduced or rebated in full for import-

ant sums; financial assistance to industry increased in volume threefold, since at the end of 1926 the aggregate credits granted by Polish state banks came to only  $\text{zł}$  517 million as against  $\text{zł}$  1,544 million on December 31st., 1930. The Government paid special attention to increasing not only the volume of Polish export but also its value. The following table shows how Polish exports have fluctuated in respect of tonnage and value during the period 1924 — 1930:

growth in the average value per ton of exported commodities serves as an indication that Polish industry is producing more finished articles and that the needs of foreign markets are being more closely studied. This drop in the export of raw materials and the rise in that of finished articles is one of the most satisfactory changes noted in Poland's foreign trade.

Naturally, the development of Polish industry in the direction indicated called for the erection



BRIG.-GEN. FERDINAND ZARZYCKI  
*Minister of Industry and Commerce*

POLISH EXPORT TRADE		
Year	Volume (in thous. metric tons)	Value (in mill. $\text{zł}$ )
1924	16,000	2,200
1926	22,300	2,246
1928	20,424	2,508
1930	18,922	2,434

In considering the above figures, it should be borne in mind that prices have fallen greatly since 1924 and 1926, so that the gain in value is relatively much larger than that shown by the absolute figures. The level of Poland's export trade has been kept up at quite a satisfactory figure with only about 10 per cent. drop in volume in 1930 as against 1928 in spite of the crisis. The average value per ton of exported goods from Poland rose from  $\text{zł}$  95 in 1926, to  $\text{zł}$  111 in 1928, to  $\text{zł}$  122 in 1929 and to  $\text{zł}$  128 in 1930. This

of new plants, the installation of new machinery and the scrapping of out-of-date equipment. The investments made by the manufacturers in extending their plants were on a large scale and this called for additional capital whilst in certain branches of production the process went a little too far with the result that the financial obligations of the manufacturers proved in time to be excessive. Economically, of course, this was undesirable but it serves to show how whole-heartedly Polish industry had undertaken its reorganisation and modernisation.

One of the most striking achievements of the five years of Reform government in Poland was undoubtedly the great impetus given to the realisation of Poland's marine programme. The construction of the Port of Gdynia was pushed



forward with such energy that all records were broken. The traffic of Gdynia has already far exceeded that of such old ports as Riga, Reval, Lubeck, Königsberg, Libau and Memel; the new port is the most-modernly planned and equipped one on the Baltic and its continued progress is being marked by an unbroken growth in its turnovers. Another great step forward was made by the establishment of a Polish merchant marine during the five years in question. The advantages gained by Polish production as a result of this increased activity in marine affairs were two-fold: industry received large orders for the construction of the new port and the equipment necessary for it; new facilities for the marketing of Polish industrial commodities were obtained and Polish industry was not slow in taking advantage of them. About 50 per cent. of Poland's foreign trade now passes through Danzig and Gdynia.

Another important factor in the development of Polish industry was the large public service and State investment works programme of the Government and the municipalities. New railway lines were constructed (about 700 km. already completed) whilst the Upper-Silesia — Gdynia line is still in course of construction; road construction has been undertaken on a large and systematic scale; river regulation schemes have been carried out in many places and over 40,000 km. of new telegraph and telephone lines have been installed since 1926; a large, ultra-modern artificial fertiliser plant was erected at Moscie. The port-works at Gdynia have already been mentioned. In addition building was very strongly activated by nearly all the ministries in their special domains: this building programme was based on productive and not consumptive needs and its importance is therefore all the more to be emphasised.

We have given a very broadly treated summary of the results attained during the past five years covering the general lines of economic progress in Poland. The unprecedented world-wide economic crisis has naturally darkened the picture and made it rather difficult to appraise the progress made in spite of the depression. Polish industry is, however, coping well with the evil effects of the crisis and the favourable changes in Polish production show that its vitality is unimpaired. The question arises: how was it that an industry, which until recent times was in a state of chaos and lacking co-ordination of effort, could weather the crisis and even advance its level of production and efficiency? The answer would appear to lie in the vastly improved internal organisation of the industries, in the foundation of chambers of commerce and industry with far-reaching autonomy and in the rational cartelisation of the various branches of production. In all this fundamental organisation, the Government took a very active part, not contenting itself with supervision but in many cases taking the initiative by inducing factories to improve methods of production, to cut production costs, lower prices and to apply rational methods of marketing at home and abroad. Supremely important legislation was enacted during the past five years such as the Industries Act, the Chambers of Commerce Act, the Joint Stock Com-

panies Act, the Coal Trade Act and the State Export Institute Act. These measures constitute the backbone of industry and trade and their non-existence in former years made economic development extremely difficult. In addition a host of other, necessary legislative measures was enacted which cannot be here cited owing to lack of space.

In conclusion, it should be added that the economic development which has been noted covered virtually every branch of production and every field of endeavour. Emphasis should be laid on the fundamental nature of the work done, the co-ordination of effort secured and the unification of industry in strong associations and cartels. Lasting foundations have been built during the five years we have here reviewed and the structure which has arisen upon them is already far-advanced beyond all expectations considering the relatively short period which has elapsed: the future can therefore be confidently awaited without misgivings, the more so as the work of consolidation and advancement is being kept up and the rate of progress is being well maintained.

## POLAND AND THE ECONOMIC ORGANISATION OF EUROPE

AS A COUNTRY which has been especially hard-hit by the world-wide economic crisis, Poland has been following with the greatest interest all those signs of a growing tendency for common action amongst the nations of Europe against the current trade depression. The resolutions passed by the Commission of Inquiry for European Union in May this year at Geneva were most instructive in this respect. The background of the discussion had been the Austro-German customs understanding but it gave rise to the formulation of a plan of new work and the regulation of the most urgent economic problems in Europe, the neglect of which has to a great extent caused the present adverse economic situation of practically the whole of the European continent.

In a very concisely drawn-up memorandum, the Secretariat of the League had indicated the causes of the world-wide crisis with special reference to the European crisis and drawing attention to some of the most potent sources of the present depression. It was stated: "the severity of the drop in prices and of the depression in general seems to be due to the existence of deepseated mal-adjustments between production and demand and in international economic relations, especially in international credit transactions, and to the absence of offsetting factors in the credit situation." It follows from these remarks that the first task to be undertaken in order to combat the crisis is to remove the "mal-adjustments" mentioned, if they can be removed by governmental or private action; the second is the creation of suitable and favourable conditions for the activating of international credit transactions. No opposition can be raised to the statement made by the League of Nations which says: "the date at which general recovery begins and the rapidity with which it progresses will depend... also on



events of a non-economic origin". Reference is made, of course, to the political situation. Unfortunately, that situation is today in Europe far from satisfactory and it cannot afford sufficient confidence if the wider interests of the continent are to be considered. In this respect, Poland has been making the greatest efforts to maintain the best relations possible with all other countries, since it is generally realised in Poland that only an enhanced feeling of confidence can overcome

currencies stable." Poland, as the initiator of the International Agrarian Conference in August 1930 at Warsaw, was the promotor of the idea of international long-term agrarian credit. The seed sown by Poland soon yielded rich fruit in the signature of the statutes and international convention in respect of an international mortgage credit institution, which would aid financially weak agrarian countries in Europe by granting credits against mortgage collateral. The next step now



RICHLY WOODED MOUNTAIN SLOPES IN SOUTHERN POLAND

*Twenty-six varieties of trees are to be found in Poland, but the majority of the timber is common pine, spruce, fir and oak although beech, alder, aspen and birch also grow in considerable quantities. Poland has 8,358,000 ha. of forest-land and the export of timber is one of the chief items in the Republic's export trade, in some years accounting for up to 25 per cent. of the total value of outgoing commerce.*

the present slackness in the credit operations of Europe.

As regards the application of economic measures for combating the crisis, the opinions expressed by the League of Nations and, for that matter, confirmed by economists the whole world over, are clear: credit aid to economically and financially weaker countries should be encouraged and extended on the one hand, and, on the other, efforts should be made to restore the lost equilibrium between production and demand in Europe. Both these postulates were included in the plan accepted by the Commission of Inquiry for European Union during its last session in May this year.

In the domain of credit affairs, there can be no doubt that the most important question is the furnishing of credits to the agrarian countries of Europe, who have been especially hard-hit as producers of corn and who have only by the most strenuous efforts "succeeded in resisting the strain on their balance of payments and maintaining their

demanding consideration is the organisation of a short-term credit body, which would have as its chief object the financing of the sales of crops every year. This matter was already discussed during the June session of the Committee on Marketing of Surplus Corn-stocks at Geneva.

There are other credit problems, which do not specially affect agriculture, but which are connected with the amelioration of conditions in countries whose financial state is weak, and whose difficulties have a reflex action on other countries not specially affected by financial troubles. This problem was discussed in detail during the formulation of the so-called "constructional plan", presented by France during the last session of the Commission of Inquiry for European Union. A committee of five representatives of European countries will meet at Geneva in order to discuss these matters. Poland, and the debtor-countries will not, however, be represented and it is doubtful therefore if its work will yield any positive results. It appears reasonable



to suppose that any discussion of theoretical credit transactions should be based upon an exchange of views between those granting the credit and those receiving it.

The foregoing would appear to cover the question of credits. Let us now turn to the rôle of Poland in the work of adapting European production to the demand. The task is one which is occupying the minds of the whole world and not only of Europe: as has been stated, this postulate ranks next in importance after the question of credit. The main problem of adapting the supply to the demand is split up into two sub-divisions: the proper mutual relationship of agrarian countries to industrial states on the Continent and the mutual relations of industrial countries or, to be more exact, of the industries of the various states of Europe. In the domain of relations between agrarian and industrial states in Europe, the question of customs preferential tariffs appears as the most vital issue. The agricultural states of Europe, as buyers of European industrial commodities, demand preferential treatment for European farm produce from those countries which have a deficit in their production of corn, and which are forced to import corn from other countries. The Committee on the Marketing of Surplus Corn-stocks has been considering this point for some time; it has as its chief aim the co-ordination of bilateral agreements of a preferential character and concluded by states exporting or importing corn. The settlement of this matter is fraught with difficulties in view of the delicate points raised by the most-favoured-nation clause which is contained in many commercial treaties concluded between those overseas countries exporting corn to Europe and those European states that import corn.

Overseas corn-exporting countries, naturally fear that European corn-exporting countries will prove serious competitors should the latter receive preferential treatment from their European buyers. Yet it was demonstrated during the corn conferences in Rome and London that the export surpluses of the European corn-exporting countries were far below the actual needs of the corn-importing countries of Europe. It was shown beyond any doubt that the volume of corn which European corn-producers could export would be insignificant compared with the requirements of corn-importing countries in Europe and that therefore overseas corn-exporters were faced by no real danger to their interests even if preferential tariffs were to be applied to European corn. It was proved that Europe has imported about 9,000,000 quintals of corn per annum during the last three years from European countries and about 209,000,000 quintals from overseas countries, i. e. European corn exports accounted for only about 4½ per cent. of the total foreign trade in corn. It seems reasonable to expect, therefore, that the overseas corn-producing countries will abandon their uncompromising attitude towards European agrarian preference in view of the importance of that concession to European agriculture and because of the close connection between the crisis in European agriculture and the general crisis in Europe and in the whole world.

As regards the mutual relations of the industries

of Europe, there appear to be many solutions offered for this problem. Germany proposes to solve it by making a Customs union with Austria; England suggests a general reduction of Customs duties on industrial commodities in Europe; France, as appears in the constructional plan proposed by her, supports the ideal of extending and strengthening international understandings and industrial cartels. A committee of experts in Geneva is at present considering the French proposal but in view of the varying views expressed and the insufficient preparation for such a complicated problem, it is difficult at this juncture to express any concrete opinions as to the results of the studies undertaken.

In any case, Poland possesses a number of industries which have already adhered to international industrial understandings, and the significance of the French proposal is well understood and valued in Polish economic circles. It is felt that the French idea is perhaps the best possible under the circumstances: the reglamentation of European industry appears to be preferable to the German project of regional Customs unions, which present so many dangerous complications of a political and economic nature, whilst the failure of negotiations for a Customs truce or the reduction of Customs duties on industrial commodities in Europe is well-known. The danger of the German proposition is well brought out in the League of Nations report on the world-wide economic crisis and its causes, where it is stated that "when political conditions are disturbed and confidence is shaken... trade conditions very rapidly deteriorate."

## THE POLISH PETROLEUM INDUSTRY

THE PRESENT condition of the Polish petroleum industry is marked by many difficulties both of a general and particular nature. On the one hand, the industry is feeling the world-wide crisis very acutely and on the other hand there are certain specific local factors which have been restricting the development of the industry to no small extent.

It is hardly necessary to discuss at any length the general difficulties which arise out of the economic crisis: they affect all divisions of industry not only in Poland but in every other country in the world. The Polish petroleum industry is largely occupied with export and finds difficulty in meeting the prices of competing countries on foreign sales markets; as regards the domestic market, however, conditions are somewhat better since the Polish government affords full protection against imported petroleum products with the result that prices on the home market are much higher than those for export transactions. This safeguarding of the home market is necessary in view of the steadily diminishing extraction of crude oil and the urgent need for aiding the development of the industry, encouraging prospecting and drilling works and assuring an adequate supply of petroleum in the future. With regard to export consignments, however, the Polish autho-



rities afford no special protection in the form of bounties, rebates, etc. It is considered that Polish petroleum products for export should adapt themselves to prices current on foreign markets; this principle makes foreign trading difficult for the Polish oil-producers, since prices in the chief buying-countries are fixed not by the local markets (producing little or no petroleum) but by those centres which produce the naphtha in enormous quantities. In many cases over-production forces

of conditions can be expected in the long run by continuing this system of double price-lists, but the structure of the Polish petroleum industry is such that a way out of the dilemma appears to be extremely difficult to find.

The beginnings of the Polish petroleum industry date back to the year 1884; in that year the production was as low as only 2,300 metric tons of crude oil but rose very quickly to 2,053,152 metric tons in 1909. The chief factors in this great



PETROLEUM-DERRICKS IN SOUTHERN POLAND

*The Polish petroleum deposits, together with the Rumanian oil-fields, are the only sources of large-scale petroleum production in Europe proper. The Polish petroleum industry easily covers all the needs of the home market and has a steady export trade to other countries. There is still much probable and likely terrain still awaiting exploitation as, for example in the Mraznica and Bitkow regions. There are likewise rich reserves of ozokerite and natural gas which are being fully exploited.*

prices to levels much below the Polish cost-price with the result that the prices of petroleum in Poland are some hundred per cent. higher than in the countries which import this product.

The need arises therefore for Polish oil-producers to fix by complicated and intricate methods special prices for the home market which would even up the losses on export transactions. At the same time, care must be taken that domestic prices be kept within reasonable bounds. This state of affairs, although not limited to the Polish petroleum industry, must nevertheless be considered as an anomaly to a certain extent, the more so as it evokes great difficulties in normally developing the industry. The situation is such, however, that the system must be continued for the time being since no radical or swift method of reform can be expected to lead to improvement. It is generally felt, moreover, that no stabilisation

increase were naturally of a technical nature and in this domain continual progress was made. Since 1909, however, the output of crude petroleum has been steadily declining and, in spite of further improvements in technique, still continues to decline. The uninterrupted increase in the production of crude oil during the period 1884-1909 enabled the refineries to develop their resources in line with the growth in output of the wells, but since 1909 this development has been restricted and the Polish petroleum industry has since that year been faced by a crisis in many respects similar to the world-wide crisis which is today affecting all industries.

With an enormous refining industry (the "Polmin" refinery, owned by the State, is one of the largest in Europe), the situation in Poland changed fundamentally since the estimated continued increase in crude oil output passed the peak of production



and steadily dropped thereafter. In 1910, the extraction of crude oil fell to 1,761,420 metric tons and in 1930 to 662,763 metric tons, i.e. more or less to the level of production in 1903.

The drop in the output of crude oil in Poland is naturally caused by the exhaustion of the existing wells and oil-fields. These are exploited as intensively as ever and a certain amount of new drilling is always in progress with favourable results. But, owing to lack of capital, prospecting and drilling is not conducted on a sufficiently large enough scale and new probable ground is avoided in favour of the proved but failing Boryslaw area. The Government has done much to encourage drilling, prospecting and development works and has even taken a direct hand in the work.

The considered opinions of expert and experienced geologists are all to the effect that Poland still has important undiscovered reserves of crude oil. They have prepared a prospecting programme which until adequate capital be found, can only be carried out to a limited extent. The programme should be carried out, however, in its entirety and the large sums necessary for it must be found; the terrain to be examined is not confined to the Boryslaw basin but includes the Carpathian slopes which in all probability hide rich petroleum deposits.

Opinions are divided as to the best solution of the problems facing the Polish petroleum industry and, naturally, this lack of unanimity further complicates the whole matter. From every point of view, however, there are two postulates which must be admitted: the output of crude oil must be

increased and the marketing of petroleum products must be rationalised. The realisation of both these *desiderata* can only become an accomplished fact after the petroleum industry in Poland has fully and completely organised itself internally and as a further stage, has completed the realisation of the petroleum programme already referred to.

A trial of such organisation is offered by the recent foundation of the Petroleum Industry Syndicate, which came into existence after much pressure on the part of the Government and after very protracted negotiations. The syndicate was formed three years ago, at a time when economic conditions were in no way similar to those now existing and the opinion is rife, even amongst the oil-producers and refiners, that this central organisation can hardly be expected to secure the interests of the industry much longer. This point of view seems justified since it must be admitted that the broad programme of the syndicate has only been executed to a very limited extent.

Both the petroleum industry of Poland and the State are equally interested in setting up and carrying out a wider and more lasting programme which would benefit not only the owners of the wells and those who refine their own crude oil but also the commercial refineries. The present situation affords hope for the future in as much as the whole industry appears fully to have realised its situation, the necessity for co-operation and for the realisation of a re-organisation of its system: there appears to be no other way for it to weather unfavourable economic cycles and to assure its prosperity in the future.

**CHANGES IN THE POLISH CABINET.** — The present premier, Col. Alexander Prystor, former Minister of Industry, and Commerce has appointed two new ministers, — one to fill the vacancy in his former Ministry and one to replace Mr. Matuszewski who resigned the post of Minister of Finance. The portfolio of Industry and Commerce has been entrusted to Gen. Ferdinand Zarzycki whilst the Ministry of Finance is now under the direction of Deputy Jan Piłsudski, hitherto Vice-Speaker of the Sejm.

Gen. Zarzycki was born in 1888 at Tarnow and graduated from the University of Krakow as a doctor of philosophy. Up to the outbreak of the War he followed a pedagogic career. He entered the Polish Legions in 1914 and rapidly advanced to the rank of general in 1924, when he was nominated Chief of the Army Administration and in that character, he was a member of the boards of the Administrative councils of the State Munition Plant in Warsaw and the State Explosives Works at Zagodzón. His ability as an organisator and administrator has often been marked whilst

his interest in and knowledge of industrial conditions affords ground for belief that Polish business will find in him an excellent guide and protector.

Mr. Jan Piłsudski, the present Minister of Finance, was born at Wilno in 1876. He graduated from the law faculty of Kazan University in Russia and practised in his native city until the outbreak of the War. During the German occupation of Poland, he was managing-director of the Essential Commodities Co-operative Society. After the proclamation of the Polish Republic he worked in several administrative posts where his legal knowledge proved of the utmost use. In 1921, he was named a judge of the Wilno Circuit Court and later one of the justices of the Court of Appeal. He was elected to the Sejm in 1928 as a member of the Non-party Block for Co-operation with the Government and during the 1930 elections was re-elected, later being chosen as Vice-Speaker of the Sejm. His legal and administrative experience should now stand him in good stead at his present post.

## SUMMARY OF LAWS, ACTS AND EXECUTIVE DECREES

published in the "Official Journal of Laws of the Republic of Poland" ("Dziennik Ustaw Rzeczypospolitej Polskiej").  
from May 15th to June 15th, 1931

**Reduced customs duties** ("Dz. Ust. R. P." No. 47, items 404 and 405).

**Automobile, motor-cycle and bicycle traffic across the Polish frontiers** ("Dz. Ust. R. P." No. 49, item 415).

**Partial amendment of the Postal Tariff** ("Dz. Ust. R. P." No. 49, item 416).

**Provisional trade understanding between the Polish Republic and Egypt** ("Dz. Ust. R. P." No. 50, items 419 and 420).

**Restrictions in the sale, delivery and consumption of alcoholic beverages** ("Dz. Ust. R. P." No. 51, item 423).

**Partial amendment of the Telephone Tariff** ("Dz. Ust. R. P." No. 51, item 426).

**Activities of commercial travellers and independent commercial agents** ("Dz. Ust. R. P." No. 51, item 429).





A VIEW IN THE STATE NITROGEN FIXATION PLANT AT MOŚCICE

Poland is not only an important producer of potassium fertilisers but also is making great strides in her output of artificial nitrate manures. Poland's imports of artificial fertilisers are decreasing year by year and her exports of the commodity are steadily growing. The enormous nitrogen-fixation plant at Mościce is one of the four in Poland and one of the largest and most up-to-date plants of its kind in the world. Polish agriculture in the economic year 1929/30 used the following quantities of home produced artificial fertilisers: 85,500 tons of nitrate products, 174,000 of superphosphates, 108,000 tons of sylvinite and 106,000 tons of kainite. It is only the question of another few years before Poland becomes quite self-sufficient in this domain.

## PRODUCTION AND TRADE

**STATE OF EMPLOYMENT.** — Further improvement in the labour market was noted during May this year and the number of registered unemployed fell from 355,102 on May 1st. to 320,109 on June 1st. The number of short-time workers, however, rose from 109,442 to 153,991. In spite of the improved situation, wages tended to decrease. The drop in unemployment noted in May was evoked by seasonal factors such as the resumption of large-scale earth-works, building and other investment works, conservation of existing construction and by a slight amelioration in the state of employment reported in certain industries. A restriction of employment took place in the coal

industry and in certain divisions of the metal industry which resulted in an increase in the number of short-time workers.

The following table gives the number of totally unemployed on the first day of every month during the last three years and in the current year:

	1928	1929	1930	1931
January	175,268	126,429	186,427	303,148
February	179,602	160,843	249,462	345,295
March	178,403	177,462	282,568	365,648
April	167,022	170,494	295,612	379,021
May	154,656	149,093	273,351	355,102
June	132,453	122,771	228,321	320,109
July	116,715	106,622	207,258	
August	103,451	97,191	194,279	
September	94,117	91,512	176,810	
October	79,885	83,062	167,454	
November	79,689	93,600	167,349	
December	94,132	126,644	211,918	

The numbers of short-time workers are given in the following table for the same days and years:

	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	118,753
May	54,385	21,791	142,647	109,442
June	27,461	26,343	127,511	153,991
July	28,728	30,299	94,065	
August	32,996	36,044	78,117	
September	25,911	38,837	89,811	
October	28,147	35,067	63,183	
November	25,189	34,572	119,498	
December	26,143	36,111	97,127	

Out of those who worked short-time during May this year, 5,786 were employed one day in the week, 4,872 two days, 45,593 three days, 30,119 four days and 67,621 five days. The average



number of days worked by this category of worker was therefore 4 days a week as against 3.9 days during April.

The table shown below quotes data in respect of totally unemployed by trade-groups on May 1st. and June 1st. this year:

	May 1 9 3 1	June 1 9 3 1	+ Increase — decrease
mining	13,098	13,880	+ 782
founndry	2,661	2,522	— 139
metal	28,758	26,318	— 2,440
textile	27,946	24,037	— 3,909
building	37,767	30,195	— 7,572
clerical	26,829	27,344	+ 515
miscellaneous	218,043	195,813	— 22,230
Total:	355,102	320,109	— 34,993½

The reduced demand for coal on the home market naturally resulted in lower extraction figures during May as against April. Production in the petroleum industry likewise decreased and the refineries were also affected adversely by the lower home demand as also by the drop in export. The number of miners out of work came to 10 per cent. of those employed.

Labour conditions in the iron founding industry during May showed a certain improvement as against those noted in April. An increase in the volume of orders received from home and foreign markets enabled the foundries to increase their output, especially with regard to pig-iron and steel. The production of zinc and lead, as a result of unfavourable export prospects, took a turn for the worse. Unemployed foundry workers constituted 5 per cent. of those on the pay-rolls.

The machine and metal industries could not report a fully satisfactory month, although the number of men at work in certain plants was somewhat increased. Factories producing agricultural machinery maintained a full force on account of extensive repair work; the sale of new machines, however, continued to be very low. Plants producing metal-working machine tools were well occupied, chiefly due to export orders for the U.S.S.R. Those industries which are more dependent on other divisions were very weakly occupied. The textile machinery plants reported a very disappointing flow of domestic orders during May. Boiler and heating apparatus plants for sugar factories were only occupied to the extent of 20 per cent. of their normal capacity. There was no improvement reported by the factories manufacturing internal combustion engines. Some amelioration in conditions was reported by the steam-boiler plants during the last two months.

No change in the state of employment at the railway rolling-stock plants was reported. In view of the exhaustion of stocks-on-hand, the larger screw and wire plants increased production and worked six days in the week. In the metal casting industry, in view of the low level of orders received, conditions in May were very difficult. The unemployed metal workers came to 33 per cent. of those working in the various plants.

The various textile mills in Łódź reported no change in their state of employment during May. Turnovers in cotton goods shrank to some extent. The woollen industry commenced production for the winter season. Labour conditions in the knitted-ware industries remained without change. The sale of knitted-ware increased in volume during May, doubtless on account of the fine weather. In the stocking industry, things were quite lively during the month under review. The spinning mills of the Bielsk district were fully occupied with the execution of orders for the winter season. The hat and fancy goods industries reported better conditions and a certain liveliness in turnovers. The average operation of the spindles in the Białystok area was as high as 85 per cent. occupied owing to large foreign orders which took up the whole production. The flow of orders was almost twice as large in May this year than a year ago, the chief foreign buyers being Great Britain and the British colonies. The out-of-work textile operatives constituted 19 per cent of those at work.

As a result of the greater liveliness shown in public works and building, a decided drop took place in the number of unemployed building trade workers and unskilled labour.

During May, the salaries of government and local-government employees were reduced by 15%. Cuts in wages were reported from a number of private enterprises.

## GRAIN

— Thanks to favourable weather, the state of the crops in Poland took a turn for the better, as can be seen from the following table based on data prepared by the Chief Bureau of Statistics (five-point system used):

	June 1930	May 1931	June 1931
wheat (winter)	4.1	3.3	3.4
rye (spring)	3.6	—	3.3
rye (winter)	4.0	2.9	2.9
barley (spring)	3.5	—	3.3
oats	3.5	—	3.3

The wheat crop promises to be a satisfactory one this year, and the winter sowings are in better state than the spring. Should the present condition of the crop remain constant, it can be expected that Poland will have a surplus of wheat for export next year, as was the case this year. The losses already suffered by the winter sowings of rye, even if conditions in the future remain fully satisfactory, will leave the rye crop this year at a lower level than last year.

The prices of corn during the period under review were marked by a firmer tendency as can be seen from the appended table. With the exception of wheat, the current prices exceeded those quoted last year and drew close to the level of profitability.

The prices of wheat ruled low this year owing to a larger crop and a drop in consumption, and in June the price dropped again owing to the supply being much in excess of the demand. The divergency in price between wheat and rye, however, was greatly narrowed during the month reviewed and on the average came to only  $\text{zł}$  3.37 per 100 kg. as against the  $\text{zł}$  8 normal difference in pre-war years.

Prices of rye on the home market were very firm and on a high level. This was due to the low prices having caused much of this corn to be stored or used as fodder; according to all probability, rye stocks next year will be much smaller than this year.

The prices of Polish barley, as in the case of rye, showed an upward tendency and outstripped last year's quotations. Domestic turnovers in this cereal were only very moderate, the chief business having been done in the milling and fodder types. Trade in brewery barley was very slack in view of the beer industry having ceased its purchases for the season in most cases.

The prices of oats exceeded those noted last year. The low figure of this year's crops and the use of the corn as fodder led to very small stocks remaining on hand. This has resulted in the prices ruling high in spite of the small demand.

Export trade in cereals is shown in the following table, where April and May 1931 are compared with May last year (in metric tons):

	May 1930	April 1 9 3 1	May 1 9 3 1
wheat	337	7,807	4,429
rye	23,814	19,228	6,204
barley	16,093	5,114	765
oats	8,057	535	289

Exports of Polish wheat went almost exclusively to Germany or were sold

## HOME AND FOREIGN CORN QUOTATIONS (Per 100 Kg.)

1931		H O M E E X C H A N G E S								Berlin	Chicago
		Warsaw		Poznań		Lwów		Average			
		zł	\$	zł	\$	zł	\$	zł	\$		
W H E A T											
May	1—8	34.50	3.87	33.03	3.71	28.41	3.19	31.98	3.59	6.73	3.06
"	9—15	33.50	3.76	30.05	3.37	30.12	3.38	31.22	3.50	6.95	3.09
"	16—22	35.25	3.96	33.16	3.72	31.75	3.57	33.38	3.75	6.80	3.06
"	23—31	35.50	3.99	33.50	3.76	31.75	3.57	33.58	3.77	6.66	3.05
June	1—8	35.37	3.97	32.58	3.66	31.41	3.53	33.12	3.72	6.44	2.89
"	9—15	34.25	3.85	31.45	3.53	29.75	3.34	31.82	3.57	6.52	2.94
R Y E											
May	1—8	26.37	2.96	27.77	3.12	23.45	2.63	25.86	2.90	4.72	1.38
"	9—15	27.66	3.10	26.81	3.01	26.25	2.95	26.90	3.02	4.64	1.48
"	16—22	30.06	3.38	29.27	3.29	29.64	3.32	29.62	3.33	4.74	1.47
"	23—31	29.91	3.36	28.62	3.21	29.62	3.32	29.38	3.30	4.80	1.47
June	1—8	29.75	3.34	28.74	3.23	28.72	3.22	29.07	3.26	4.69	1.44
"	9—15	29.75	3.34	28.35	3.18	27.23	3.06	28.45	3.19	4.70	—
B A R L E Y (brewing)											
May	1—8	—	—	—	—	—	—	—	—	—	2.30
"	9—15	—	—	—	—	—	—	—	—	—	2.39
"	16—22	—	—	—	—	—	—	—	—	—	2.27
"	23—31	—	—	—	—	—	—	—	—	—	2.20
June	1—8	—	—	—	—	—	—	—	—	—	2.16
"	9—15	—	—	—	—	—	—	—	—	—	2.09
B A R L E Y (ordinary)											
May	1—8	26.75	3.00	27.39	3.07	23.93	2.69	26.02	2.92	5.64	—
"	9—15	26.91	3.02	26.50	3.09	24.37	2.74	26.26	2.95	5.64	—
"	16—22	28.25	3.17	27.50	3.09	26.37	2.96	27.37	3.07	5.61	—
"	23—31	28.25	3.17	27.50	3.09	26.37	2.96	27.37	3.07	5.50	—
June	1—8	28.25	3.17	27.50	3.09	27.25	3.06	27.66	3.10	5.26	—
"	9—15	28.25	3.17	27.50	3.09	26.06	2.93	27.27	3.06	5.02	—
O A T S											
May	1—8	27.30	3.06	29.21	3.28	27.00	3.03	27.83	3.12	4.63	2.02
"	9—15	28.33	3.18	29.50	3.31	28.50	3.20	28.77	3.23	4.75	2.08
"	16—22	31.25	3.51	30.16	3.39	30.25	3.40	30.55	3.43	4.63	2.00
"	23—31	31.92	3.58	30.50	3.42	32.25	3.62	31.55	3.54	4.52	1.98
June	1—8	31.31	3.51	30.50	3.42	34.41	3.86	32.07	3.60	4.40	1.92
"	9—15	30.50	3.42	30.50	3.42	33.25	3.73	31.41	3.53	4.35	1.95

through German ports. The export of rye dropped threefold as compared with previous months, although the total value of rye exported came to  $\text{zł}$  2,848,000. Rye shipments were directed to Denmark (61.4 per cent.) Germany and German ports (29 per cent.), Belgium (5.1 per cent.) and Holland (3.2 per cent.). Exports of barley mostly went to Belgium (71.6 per cent.), France (13.3 per cent.), Germany (11.1 per cent.) to Latvia and to Czechoslovakia. All the oats sold abroad went as usual to Germany.

## BUTTER

— The situation on the Polish butter market in the second half of May and the first half of June was unsatisfactory due to an excess of supplies over demand and the difficulties in placing butter on foreign markets. In particular the sales of the lower qualities of butter which are apt to become rancid in

transit over long distances, were rather difficult to effect during the period under review. The production of butter rose considerably, due to an improvement in the pasture as a result of the abundant rainfalls with the result that the supplies showed an increase. On the other hand the demand continued to be on a small scale, prices declined and sales were difficult to conclude. Under these conditions the continued lowering of prices is to be expected in the next half-month period.

Prices of the first quality butter on the local markets during the second half of May and the first half of June were as follows (in  $\text{zł}$  per kg):

	May 15th—31st	June 1st—15th
Warsaw	4.90—4.40—4.00	3.60
Łódź	4.60—5.00	4.25—3.90
Poznań	—	4.80—3.80
Lwów	4.60—4.80—4.00	3.60—3.20—3.40
Lublin	4.80—5.00	3.80
Grudziądz	4.80	4.40

Exports of butter effected in May amounted to 641 tons, valued at  $\text{zł}$  2,996,000. Germany took 415 tons of Polish butter, Austria 88 tons, Switzerland 85 tons, and Great Britain 16 tons. Smaller quantities were sent to Belgium, Denmark, etc.

## EGGS

— The second half of May on the Polish egg market was characterised by a decline in prices, the weak demand and the adequate supplies. On the other hand, with the beginning of June the situation changed quite suddenly, the trade began to be very active due principally to a decrease in supplies on the market and an upward tendency in prices was reported from all the different centres of production. This upward movement became particularly accentuated towards the middle of June thanks to very good demand on the part of foreign buyers. The prices during the period under review on the different home markets were as follows (in  $\text{zł}$  per case of 1,440 eggs):

	May 15th—31st	June 1st—15th
Bochnia	—	110
Tarnopol	105—108	115—120
Kraków	115	125—130
Lwów	108—110—105—103	—
Warsaw	110—120	—

During May exports amounted to 8,302 tons valued at  $\text{zł}$  15,936,000 and was effected as follows: Great Britain took 2,578 tons, Germany 2,049 tons, Czechoslovakia 1,202 tons, Austria 1,711 tons, Switzerland 306 tons, Italy 183 tons, etc.

**POLISH PRODUCTION AND EXPORT OF EGGS.**—The number of hens in Poland is estimated to be in the neighbourhood of 35,000,000; since the average hen yields 80 eggs per annum, it can be very roughly estimated that Poland's annual egg output is about 2,900 million. A similar calculation for certain other European countries occupying leading places as egg producers, enables us to estimate their egg production in units and in metric quintals with a fair dose of accuracy since the average weights of the eggs are allowed for:

	Eggs produced millions of eggs	millions of metric quintals
Germany	8,000	4.5
Gr. Britain & Ireland	3,800	2.3
Poland	2,900	1.5
Spain	1,700	1.1
Denmark	1,100	0.7

There is no manner of even roughly, estimating the egg production of the U.S.S.R.; it is certain, however, that the reforms being conducted there have been causing great fluctuation in agri-



cultural production which have chiefly affected breeding products. For that matter Russia's influence on the international market is only very slightly dependent upon the home demand. Quite naturally, the magnitude of a country's export ability is the result of many factors which vary considerably depending on time and place, and export is not always to be measured by the same rule as production. Export, in the first place, is not always the exact difference between production and domestic consumption: thus, e.g. certain countries, such as Germany and Holland, are both importers and exporters, they substitute their own eggs often by imported eggs, they practise re-export, and so on. For these reasons, international statistics of egg production and trade are in a very confused state: should one add up the figures of the various countries, the total would be far in excess of the actual figure.

The annual consumption of eggs is given below for various countries (in number of eggs consumed per head of population):

Germany	172
Switzerland	165
Spain	139
Great Britain	135
Austria	111
Poland	60

As will be observed from the foregoing data, the consumption of eggs in Poland is very small, and can aggregate about 1,800,000,000 eggs per annum, or about a million metric quintals by weight. This leaves about 1,000 million eggs for export, i.e. about 500,000 m. quintals, which is in good agreement with the actual figure of Poland's egg exports. As an egg exporting country, therefore, Poland occupies second place in Europe: the excess of exports over imports in the egg trade yields the figure of 780,000 quintals for Holland, 530,000 quintals for Poland, 440,000 quintals for Russia, 430,000 quintals for Belgium, Ireland with 330,000 quintals etc.

Eggs are produced in all parts of Poland, but the largest centres are concentrated in three large zones, which are also the chief exporters of the product: these are, the southern voivodships, the voivodships of Poznań and of Lublin. The most important producer of eggs is the voivodship of Krakow, which furnishes the smallest eggs having an average weight of 51 grammes per unit. The Lwow, Stanisławów and Tarnopol voivodships produce a medium-sized egg, weighing from 49 to 54 grammes, whilst the Poznań voivodship produces the largest eggs weighing on the average above 54 grammes. The commercial organisation of all these centres is satisfactory; it is centralised for the most part with the agricultural co-operative societies, which control technical equipment and influence proper breeding methods. In addition to these societies, a large number of private firms also worked in the egg trade and it must be admitted that certain of them were more harmful than beneficial to the export, since they could not meet the requirements of foreign markets owing to their financial weakness. Certain of these small houses were simply re-

presentatives of foreign buyers and bought eggs direct from the farmers, then sending the produce thus acquired direct to foreign countries for sorting and further sale. Hamburg was and is still a large centre for this kind of trade and re-exports the eggs to other countries, unfortunately often branding only the lower grades as Polish-produced eggs.

This type of trade is hardly advantageous to the Polish producer and to the ultimate consumer, since the German middleman makes his profit for a quite unnecessary intermediary operation, which could just as well, if not better, be done in Poland on the spot. In 1927, about 100,000 metric quintals of eggs were sent to Germany in connection with this trade and subsequently sold to England. This would show that England and not Germany is the largest ultimate purchaser of Polish eggs.

Since, 1929, this state of affairs has taken a distinct turn for the better. i. e. concurrently with the enactment of the law of November 13th., 1928 which regulated the export of hens' eggs and controlled that trade by the application of a rational plan of organisation. It was intended not only to raise the quality of export eggs by standardisation but also fix the necessary commercial qualifications which an exporter should have in that trade. Egg exporters were bound to register their firms in chambers of commerce and to furnish proof of their commercial ability and experience, to possess cold storage facilities, sorting shops, etc. At the same time almost, legislation in respect of standardisation and marking of export eggs was put through; since then the regulations have been amended in accordance with the requirements of foreign buyers. The efficacy of these regulations was enhanced by the introduction of a fleet of refrigerator-cars on the railways, the construction of a large cold storage warehouse at Gdynia for the English trade, as also by the inauguration of regular marine communication between Gdynia, London and Hull by Polish vessels equipped with cold-storage facilities.

Further plans for raising the level of the Polish export trade in eggs include such measures as an executive decree making it obligatory for egg-exporters to include in all contracts with foreign buyers a clause agreeing to arbitration in case of disputes as regards the quality of the goods delivered or where the terms of the agreement have not been adhered to. Efforts are also being made to concentrate export trade in Polish eggs in order to decrease overhead charges and costs and to introduce greater system into the organisation of this commerce.

The measures already taken for the regulation of the Polish egg trade have, without any doubt, a most beneficial effect and this is confirmed by both Polish and by foreign merchants. The foreign middlemen, already referred to, continue to exist and operate, however, although in a more rational form than before. They now play the rôle of financiers and forwarders for the most part, but their co-operation still serves to confuse statistical data regarding the trade in question. With

this reservation, we quote the following figures, which illustrate Polish egg exports during the past few years (in thous. of metric quintals):

Destination	1928	1929	1930
Great Britain	86.8	85.5	123.5
Austria	73.3	69.0	83.9
Czechoslovakia	45.1	46.0	54.0
France	7.5	18.1	16.3
Holland	5.3	4.5	1.2
Latvia	4.7	5.5	4.4
Germany	270.8	269.4	228.0
Switzerland	8.1	11.8	15.5
Italy	40.7	21.2	22.1
other countries	3.3	3.9	2.2
Total:	545.6	534.9	551.1

It is worthy of note that Germany's share in the exports of Polish eggs is consistently dropping as it has been dropping since 1926. The cause of this is to be found in greater competition and in the Customs war against Polish goods which discriminates against Polish eggs by inflicting higher import duties on them. The most important cause is, however, to be found in the more direct contact attained between the Polish producer or exporter and the ultimate consumer; this means the gradual elimination of the German middleman. Thus the losses in German imports of Polish eggs are more or less equal to the increase shown in the imports of those eggs by England, France, Switzerland, Austria and Czechoslovakia. Actually, the number of countries buying Polish eggs is much larger than is shown by the table above since entrepôt trade is not allowed for. For example, two important consumers of Polish eggs are Spain and Argentina which do not figure in Polish statistics at all: Argentine official figures, however, include an item of 2,684 m. quintals of Polish eggs imported in 1929 through third countries. England and Germany are the chief suppliers of eggs to the Argentine: both countries are important importers of Polish eggs; it therefore seems reasonable to suppose that Polish eggs must reach South America in an indirect manner.

## TIMBER

— Conditions in the Polish timber market during May failed to yield any change for the better as against the month before. With the closing of the selling season for roundwood, remainder stocks left over are being at present liquidated at a rapid pace for lower prices. On the whole, therefore, stocks left over from the winter felling season are not large. It appeared even that the felling of standing timber had been adapted to a certain extent to the needs of the market, thus eliminating an excessive discrepancy between supply and demand, which could have led to an even worse slump in prices than is actually the case.

Whilst, therefore, one does not hear of large unsold stocks of roundwood (with the exception of pulpwood, which is finding sales increasingly difficult), there are many signs that the demand for sawn timber is far from being





BRAZILIAN BUSINESSMEN AND OFFICIALS INSPECT  
POLISH COAL

*Poland has been exporting coal to Brazil since 1928 and has since that year built up a strong and well-equipped organisation for the transport, loading and storing of coal. The above photograph shows a group of Brazilian manufacturers, merchants, ship-owners and large importers of coal visiting the Robur Co.'s coal-yard and quays on the island of Pombeba. The Polish coal trade to Brazil is making very favourable progress thanks not only to the excellent quality of the fuel but also as a result of its up-to-date methods of marketing and propaganda.*

satisfactory. Quantitatively, export of this material has not suffered compared with April returns, and this holds good even when allowing for the loss of the German market. Home sales of the material were most disappointing: two of the most important purchasers of sawn timber either failed to appear on the market or filed very small orders only; thus the building trade bought very little, whilst the Government as a buyer failed to realise expectations, especially for the needs of the railways. For that reason, the saw-mills are gutted with stocks, which can only be sold by serious cuts in price to a level below profitability, and far below the levels noted some months ago and which had already seemed depressed to the limit.

The prices fixed by the State Forest Directorates for wholesale transactions ex wagon at loading station are as follows in zlotys per cub. m. or stacked metre; it will be observed that in some cases, prices are not quoted: this is because for certain types of timber no transactions are being done due to a seasonal weakening of sales and to the effects of the crisis:

	April 1931	May 1931
pine logs for sawmills (per cub. m.) Warsaw	31'00	30'00
" " " Radom	28'00	—
" " " Siedlce	24'00	—
" " " Wilno	23'00	—
" " " Białowieża	24'00	22'50
" " " Poznań	30'00	28'50
" " " Bydgoszcz	27'00	27'00
" " " Toruń	30'00	28'00
spruce logs for sawmills (per cub. m.) Siedlce	20'00	—
" " " Lwów	20'50	21'50
oak logs for joinery (per cub. m.) Łuck	155'00	155'00
oak logs for sawmills (per cub. m.) Białowieża	58'00	55'00
pine pit props (per cub. m.) Warsaw	21'00	21'00
" " " Radom	19'00	—
" " " Siedlce	16'00	—
" " " Poznań	—	—
" " " Bydgoszcz	19'00	19'00
" " " Toruń	19'00	19'00
pulpwood (per stacked cub. m.) Siedlce	—	—
" " " Wilno	—	—
" " " Białowieża	—	—
pine fire wood (per stacked cub. m.) Warsaw	13'00	13'00
" " " Radom	11'00	—
" " " Siedlce	8'60	—
" " " Wilno	9'00	—
" " " Białowieża	12'25	12'00
" " " Poznań	14'50	—
" " " Bydgoszcz	14'00	14'20
" " " Toruń	13'50	13'50
spruce fire-wood (per stacked cub. m.) Lwów	5'25	5'25
beech fire-wood (per stacked cub. m.) Lwów	7'00	7'00

## COAL

— As was to be expected, the situation in the Polish coal industry during May was not so good in April, as a result of the natural drop in consumption on the home market. Export, on the other hand, maintained its level well, this having been due to a drop in production in certain coal-districts in England, Northern France and Belgium. On the whole, however, conditions were worse as already stated, and the extraction of coal in May was 8 per cent. smaller than in April.

The following table shows the state of the Polish coal industry in May as compared with April (in thous. metric tons):

Coal mining districts	Output	Home consumption	Exports	Stocks at pit-heads
Upper Silesia	2,129	913	1,021	1,340
Dąbrowa	426	253	133	602
Kraków	122	107	1	78
Total:	2,677	1,273	1,155	2,020
April '1)	2,902	1,373	1,101	1,919
May in relation to April	— 225	— 100	+ 54	+ 101

It will be observed from the above that the extraction of coal in April was 225,000 tons in excess of the May figure of 2,667,000 tons. Total sales diminished by 35,000 tons having come to 2,438,000 tons, of which 1,273,000 tons (a drop of 100,000 tons) represented domestic consumption. Pit-head stocks came to 2,020,000 tons, — an increase of 101,000 tons.

The number of coal-miners at work in May came to 105,910 which was 2,334 less than in April this year. The number of registered unemployed in the coal-mining industry came to 13,880 persons. The average extraction of coal per worker-day amounted to 1,300 kg. for the three coal-basins of Poland, but to 1,431 kg. in the case of Upper Silesia. Wages tended downwards and amounted to £ 8'19 — 10'39 per day on the average. The wages dispute in the Dąbrowa and Kraków districts was settled by an arbitration award which maintained the present scale of pay; as a result, the collective agreement was prolonged to March 31st. 1932.

Domestic prices of coal ex pit-head remained without change as was also the case for export coal to convention markets. Prices f.o.b. Gdynia or Danzig amounted to 11s. 0d. and 10s. 0d. per ton for Upper Silesian and Dąbrowa large respectively; this cut in price was forced by the keen competition of British and of Rhine-Westphalian coal. Railway tariff rates remained constant as did also ma-



rine freights to Sweden, Norway and Denmark. Freight charges to Italy, however, and to the north coast of France rose somewhat.

The export of coal to the different countries during May is shown in the following table (in thous. tons):

Countries	1928 1929 1930			1 9 3 1		
	M a y			April	May	Increase (+) or decrease (-) in relation to April
1. Convention markets:	850	886	240	265	221	- 44
a) Central European markets:	302	336	204	236	198	- 38
Austria	191	189	122	152	117	- 35
Hungary	34	71	21	37	18	- 19
Czechoslovakia	77	76	61	47	63	+ 16
Germany	—	—	—	—	—	—
b) Other markets:	48	50	36	29	23	- 6
Danzig	22	27	20	23	16	- 7
Yugoslavia	26	23	16	6	7	+ 1
2. Non-Convention markets:	679	716	592	764	846	+ 82
a) Northern European markets:	560	555	507	544	618	+ 74
Sweden	263	241	235	263	272	+ 9
Norway	66	61	35	47	83	+ 36
Denmark	106	138	121	121	140	+ 19
Finland	67	61	54	36	62	+ 26
Latvia	38	37	50	40	33	- 7
Lithuania	9	3	7	5	3	- 2
Estonia	—	3	—	7	4	- 3
Memel	6	10	1	6	8	+ 2
Russia	5	—	4	14	10	- 4
Iceland	—	1	—	5	3	- 2
b) Other Europ. markets:	110	160	85	212	222	+ 10
France	36	68	40	105	108	+ 3
Italy	39	55	24	58	64	+ 6
Rumania	11	10	5	6	4	- 2
Switzerland	12	15	11	11	11	—
Holland	7	9	2	9	13	+ 4
Belgium	5	3	3	23	20	- 3
Spain	—	—	—	—	2	+ 2
c) Non-European markets:	9	1	—	8	6	- 2
Algeria	4	1	—	—	6	+ 6
Brazil	5	—	—	8	—	- 8
3. Bunker coal:	45	65	108	72	88	+ 16
Total:	1,074	1,167	938	1,101	1,155	+ 54
Loaded at:						
Danzig	487	541	426	494	529	+ 35
Gdynia	161	241	228	220	377	+ 57
Total:	648	782	654	814	906	+ 92

The shares of the different coal markets in the Polish export trade are given below (in percentages):

Convention markets	19.06
Northern European markets	53.55
Other European markets	19.24
Non-European markets	0.52
Bunker coal	7.63
Total:	100.00

Coal exports to non-convention markets came to 846,000 tons (a growth of 82,000 tons as against April returns) of which 618,000 tons were shipped to Northern European markets, whilst 222,000 tons were sent to other non-convention states in Europe. Bunker coal shipments came to 88,000 tons.

The production of coke during May remained at the April level, i.e. amounted to 109,498 tons. Total sales came to 82,759 tons, this representing a de-

crease of 2,946 tons as against April figures.

The output of briquettes during May was greater than in April, amounting to 17,763 tons; sales also increased to 19,494 tons. The raising of lignite was more or less at the same level as in April but domestic sales were rather smaller.

## PETROLEUM

— Conditions in the petroleum industry remained unsatisfactory although the output of crude oil increased somewhat during May this year. The demand from the refineries was restricted and the well-owners found difficulty in disposing of the product. Domestic consumption of petroleum products was much below the level noted last year. Export sales were more or less well maintained at the level of a year ago.

The extraction of crude oil during May this year is shown in the following table (in metric tons):

	April 1931	May 1931
Jasło district	7,877	8,250
Drohobycz	39,217	40,827
Stanisławów	3,873	4,088
Total:	50,967	53,165

Of the quantity extracted in the Drohobycz area, 30,000 m. tons were accounted for by the Borysław oil-fields, as against 36,393 m. tons a year ago.

Labour conditions were quiet on the whole and only one strike took place, i.e. at the Amelja Oil-fields in the Jasło district; the dispute lasted from May 28th. to June 5th. and was ended by the workers receiving a part of their demands. Wages in the petroleum industry remained unchanged. The number of men at work came to 9,527 as on May 31st., whilst the unemployed were reported at the figure of 6,429.

Drilling operations continued to be weakly conducted in the Drohobycz district, doubtless owing to difficulty in marketing the available petroleum. One new field was registered (at Daszawa) producing earth gas; four new drillings were commenced, and 16 temporarily abandoned borings were taken up anew. The Zuzanna Oilfields at Mraznica reported that oil was struck at their No. 1 well on May 17th. at the depth of 1,476 m. with a stabilised daily output of 17 tons of the crude.

Stocks-on-hand of petroleum in the cisterns of the storage companies in the Drohobycz area on May 31st. came to 6,726 metric tons, a growth of 3,439 tons over the April figure. Stock in the Stanisławów area came to 2,604 metric

tons. The price of crude oil per 10-ton cistern came to  $\text{zł}$  1,825: retail prices, although tending to drop, remained firm, while export prices continued to be critically low.

The following table illustrates the condition of the natural-gas industry during May this year:

	April 1931	May 1931
output of gas (in thous. of cub. m.)	40,016	—
throughput of gas (in thous. of cub. m.)	23,096	24,006
output of gasoline (in tons)	3,331	3,266
home consumption	3,521	3,063
number of workmen employed	283	279

There were twenty-two gasoline extraction plants in operation during May, the average yield per 100 cub. m. being 13.6 kg. The average price of earth-gas supplied as fuel was fixed at  $\text{zł}$  5.08 per 100 cub. m. as against  $\text{zł}$  5.20 in April. The production of earth-gas showed no change during the month.

The export of ozokerite during May came to 15.5 metric tons, while export (to Germany) was for 16.8 metric tons. Prices continued to be low and conditions remained most unsatisfactory.

The following table affords data regarding the working of the refining industry during May and April this year (provisional figures in metric tons):

	April 1931	May 1931
throughput of crude oil	47,686	42,561
output of petroleum products	44,308	37,990
home consumption	24,216	23,433
exports	14,790	16,231
stocks of petroleum products at the end of month	236,229	237,000
number of workmen employed	3,675	3,687

The following table shows the quantities of the various petroleum products produced, home and foreign sales, stocks-on-hand during May this year (provisional data in metric tons):

	Gasoline	Kerosene	Gas oil	Lubricating oil	Paraffine wax	Total
output	6,978	12,358	8,950	5,996	2,501	37,990
home consumption	7,636	5,182	4,314	2,861	500	23,433
exports	5,851	1,663	3,804	2,174	1,174	16,231
stocks on May 31st	40,304	28,155	21,307	41,383	5,380	237,000

The export of petroleum products during May increased by 1,500 tons over the April figure and came up to the average level per month of last year (16,015 metric tons). The following table quotes figures in respect of the various products exported and the country of destination (in metric tons):

Country	Gasoline	Kerosene	Gas oil	Lubric. oil	Other prod.	Total
Austria	374	15	288	128	337	1,142
Czechoslovakia	3,673	653	—	566	217	5,109
France	27	43	46	56	10	182
Germany	13	—	—	15	1,016	1,044
Switzerland	52	—	1,009	16	18	1,095
Other countries	602	80	354	395	237	1,668
Danzig	1,110	872	2,107	998	904	5,991
Total:	5,851	1,663	3,804	2,174	2,739	16,231

## IRON

— A certain improvement in the output of the Polish iron and steel foundry industry took place during May this year as can be seen from the following table, which quotes data for every month this year in percentages of the average monthly production in 1913:

	Jan.	Feb.	March	April	May
	1	1	9	3	1
blast furnaces	37.6	41.3	43.0	39.3	39.2
steel works	66.0	70.1	71.6	62.6	75.5
rolling mills	59.8	65.5	64.2	60.4	68.5

The extraction of iron ore remained the same in May as in April, a contributory cause being the fact that the output of pig-iron was marked by the greatest drop in the foundry trade. The keen competition of imported ores was another factor restricting the growth of iron-ore extraction, since the foreign ores prove to be better material technically and more economical in use. Extraction and foreign trade in iron-ores during April and May this year and in May last year are given in the following table (in metric tons):

	Extraction	Imports	Exports
April 1931 <sup>1)</sup>	25,804	17,802	4,529
May 1931 <sup>2)</sup>	25,800	37,303	4,500
May 1930	39,115	30,087	5,006

In view of the fact that production of iron-ore in Poland was maintained unchanged, while there was one working day less during the month of May, the average daily output showed an increase of 4 per cent. The number of workers employed in the mines rose from 2,491 in April to 2,749 in May, and as against 4,066 in May 1930.

The production of the chief divisions of the iron and steel trade is shown in the following table (in metric tons):

	Pig iron	Steel ingots	Rolled products	Pipes
April 1931 <sup>1)</sup>	33,787	86,593	63,585	4,570
May 1931 <sup>2)</sup>	37,692	104,495	71,000	5,937
May 1930	40,786	113,981	78,983	6,600

As can be seen from the above, the output of pig-iron decreased by the

insignificant figure of 95 tons, i.e. by 0.3 per cent. Domestic sales increased from 13,608 tons in April to 14,814 tons in the month under review; since the increase in sales exceeded the drop in production, stock-on-hand decreased.

The output of steel rose by 17,902 tons, or by 20.7 per cent., whilst the daily output increased by 25.7 per cent. In view of the fact that the production of finished articles also rose, stocks-on-hand remained without change.

The rolling-mills increased their production by 7,415 tons, i.e., by 11.7 per cent. Domestic sales of rolled products increased by 5,746 tons, or by 41.7 per cent., while export rose by 4,004 tons, i.e. by 13 per cent. The total increase in all sales came to 22 per cent., and stocks-on-hand shrank to some extent.

The output of pipes and tubes increased by 1,367 tons, or by 30 per cent.; the average daily output, however, increased by 33 per cent. Domestic sales came to 2,159 tons, while foreign sales accounted for 3,921 tons; thus total sales came to 6,080 tons and since the output was reported to be 5,937 tons, stocks decreased to some extent.

The number of workers employed in the iron foundries decreased very slightly during May, falling from 38,253 to 37,803; the number of men employed in May 1930 came to 45,236.

According to the reports of the Polish Iron Foundries Syndicate (which do not embrace sales of pig-iron, tubes and foreign orders), the total volume of orders received during May this year came to 19,547 tons, as against 13,801 tons in April. Of this figure, 17,954 tons were ordered by private firms (as against 13,614 tons in April), this representing an increase of 40 per cent. Orders from the wholesale trade grew by 23 per cent. and orders from manufacturing industries by 70 per cent. The total volume of orders received during May last year came to 23,583 tons, of which amount 23,242 tons represented private transactions.

Foreign trade in foundry products is shown in the following table, where data for May and April this year are compared with those for May last year (in metric tons):

	Imports			Exports		
	April 1931	May 1931	May 1930	April 1931	May 1931	May 1930
pig iron	980	356	133	60	161	243
rails, iron and steel articles	1,700	2,292	2,982	26,544	24,348	19,240
iron and steel sheets	600	221	1,164	4,595	10,795	7,127
pipes	100	71	90	3,484	3,921	3,439
Total:	3,380	1,940	4,369	34,683	39,225	30,049

From the foregoing it will be seen that exports in May this year exceeded the April figure by 13.1 per cent. The total value of the export trade in question came to £ 13,381,000 in May as against £ 10,009,000 in April and £ 12,126,000 in May 1930. The average value per ton exported in May 1931 came to £ 341 as against £ 404 a year ago.

## ZINC AND LEAD

— The condition of the zinc and lead industries in Poland continued to be grave during May this year. Nevertheless, the foundries endeavoured to avoid a too rapid drop in production in order to decrease their overhead charges, also desiring to assure themselves a higher quota should the international zinc cartel be renewed. Fundamentally, there is complete agreement with the formation of a cartel by the chief producers in Europe, but the success of the whole movement depends upon the Canadian and Mexican producers, with whom a meeting has been arranged for the beginning of July this year.

Conditions in the lead industry, so closely bound up with the zinc foundries, were also bad; the crisis is affecting the zinc and lead ore-mines to a greater extent, than the foundries. The cause is to be found in the enormous drop in zinc and lead prices, which makes it unprofitable to extract the relatively poor ores mined in Poland in view of the competition of richer, imported ores.

The situation in the zinc and lead industries is well expressed in the following table, which furnishes percentage data of production in 1931, the basic 100 being the average monthly production in 1913:

	Jan.	Feb.	March	April	May
	1	1	9	3	1
raw zinc	92.5	82.0	82.8	75.2	74.2
lead	87.5	68.6	80.2	74.1	75.2

The total extraction of zinc and lead ores in May this year came to 54,091 metric tons, as against 66,174 m. tons in April and 87,778 m. tons a year ago. The import of zinc ore dropped from 15,786 tons in April to 10,929 tons in May, and as against 15,052 tons in May 1930. The number of workers employed in the mines during May came to 2,805 as against 3,730 in April this year.

The following table affords data regarding the production of the chief

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

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



products of these industries (in metric tons):

	Sulphuric acid 50° Be	Zinc	Zinc sheets	Raw lead	Silver (kg)
April 1931 <sup>1)</sup>	13,101	11,972	1,127	2,991	768
May " <sup>2)</sup>	12,272	11,888	1,459	2,793	1,130
" 1930	17,017	14,768	2,228	2,749	942

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

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

From the foregoing it will be seen that the production of zinc remained virtually without change. Since sales were well maintained, stocks-in-hand stayed at more or less their April figure. The output of zinc sheets increased in May this year compared with April returns, the increment being 29 per cent. The number of workers employed in the zinc foundries came to 9,088 on May 31st., as against 9,192 on April 30th. and 11,085 on May 31st., 1930.

The following table gives figures in respect of the export of zinc and lead foundry products during April and May this year and May last year, data for volume and value being furnished:

		Zinc (dust incl.)	Zinc sheets	Refined lead	Total
April 1931	tons thous. of £	11,887 6,543	664 473	2,575 1,638	15,126 8,654
May "	tons thous. of £	11,920 6,136	687 501	1,162 649	13,769 7,286
" 1930	tons thous. of £	14,575 11,373	1,298 1,308	1,192 949	17,065 13,630

It will be observed from the above that the aggregate export shrank by about 9 per cent. in volume compared with April returns and about 15·8 per cent. in value. Compared with May 1930, the drop is 19·3 per cent. in volume and 46·7 per cent. in value. The average value per ton exported in May came to £ 529 as against £ 800 in May 1930.

**MOVEMENT OF PRICES.**— In spite of the continued tightness felt upon the money market, there was an unbroken upward tendency exhibited by the level of prices. This trend was not a strong one and, as in former months the gain was restricted solely to the prices of farm produce, and was primarily caused by the exhaustion of home stocks. The tightness of money continued adversely to affect the prices of industrial goods.

Data covering the movement of price-indices during the period May, 1930 — May, 1931 are furnished in the following table (the basic 100 representing the general price index in the year 1913):

	Wholesale price Index:	Retail price Index:	Cost of living Index:
May 1930	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
March "	86·6	135·2	108·6
April "	88·9	137·4	108·7
May "	88·4	137·8	108·8

As can be seen from the above the index of wholesale prices increased by 0·7 per cent. and that of retail prices grew by 0·2 per cent. The cost of living index in May showed no change as against the April figure.

The increase shown by the wholesale-price index, as has been stated, was caused by a gain of 3·5 per cent. in the index of farm produce; the index of wholesale industrial prices decreased by 1·3 per cent., while that of the autonomous groceries group declined by 0·7 per cent.

The price indices of farm produce rose both in the plant products group (by 4 per cent) as also in the breeding group (by 2·8 per cent.) In the manu-

factured goods group the drop was caused by a lower index of textile groups which slumped by 2·9 per cent, this having been chiefly due to a drop in the prices of wool. The index for metals dropped by 1·8 per cent, following a further drop in the prices of semi-base metals; the prices of coal and wood remained constant while the remaining industrial articles as a group yielded a drop of 0·1 per cent. in their prices.

The rise in the retail price index was caused by the growth shown by the retail index for farm produce, which grew by 0·9 per cent., only partly offset by a drop by 0·2 per cent in the prices of manufactured goods.

The cost of living index finished the month without change in spite of a growth of 0·2 per cent in the cost of food, a drop of 0·6 per cent. in the cost of fuel and one of 0·1 per cent in the item covering the remaining miscellaneous constituents of the index. The prices of clothing and rent in May remained unchanged.

The general crisis appears to have lost nothing of its force and the decline in consumption is as strong as ever with industrial prices dropping perilously close to the margin of unprofitableness. The slight improvement in the state of the rural classes, due to better prices for farm produce, is not expected to raise the buying ability of the provinces to any great extent since in most cases the profit is reaped by the middlemen and merchants who purchased the crops out-right or on option before the growth in prices took place.

## VARIOUS

### POLISH PORCELAIN INDUSTRY.

The chief raw materials necessary for the china industry are coal and kaolin clay, the latter being in the case of

Poland, imported for the most part. Poland has deposits of this clay but unfavourably located for cheap transport, and exploitation is therefore not actively or fully conducted. The Polish china and porcelain industry covers only about 80 per cent of the home demand, this being because an insufficient number of types of finished products are manufactured. For this reason, Poland not only exports china and porcelain goods but also imports certain types, the two trades more or less balancing each other. The chief countries sending porcelain goods to Poland are Czechoslovakia, Holland, Germany and Great Britain. Germany and Holland supply decorative goods, whilst Great Britain furnishes the better qualities of tableware. The reduced purchasing capacity of the Polish public has resulted in import declining to a certain extent, but has given fresh impetus to export activities. For this reason, in 1930, the foreign trade in such products showed a quantitatively favourable balance. The following table affords data regarding foreign trade in china and porcelain goods in 1929 and 1930 (in metric quintals):

Year	Polish production	Imports	Exports
1929	96,500	20,450	18,922
1930	80,000	15,624	24,996

It will be seen that Polish exports of china and porcelain wares have increased by 26 per cent. over the 1929 figure. The export was chiefly occupied with the cheaper grades of goods and the sum of £ 2,359,000, representing the total value of all china and porcelain exports, contains an item of £ 1,309,000 covering plain or single-coloured goods. The following table quotes data covering exports to the chief buyer countries in 1929, and 1930 (in metric quintals):

	1929	1930
Total	19,023	24,983
Holland	8,731	8,927
Roumania	5,463	7,156
Germany	3,583	5,026
Great Britain	198	2,211
Latvia	720	868



ONE OF THE STATE-OWNED COAL-MINES IN POLISH UPPER SILESIA

*The Polish State is the owner of several coal-mines in Polish Upper Silesia, which have been organised as an autonomous enterprise under the title of the Skarboferme Company. The Skarboferme Company, pays its way and yields profits without any special help from the Government, being fully as efficiently operated as any of the private coal-mining companies. The above view depicts one of the collieries of the Company, whilst in the foreground stocks of pit-props from the state-owned forest-lands are to be seen.*

Smaller consignments of Polish china and porcelain wares are likewise sent to such countries as Canada, the United States, Brazil, Argentina, Egypt, Palestine and the East Indies. The figures derived from Polish statistics are, however, probably very incomplete, since a large share of the goods bought by Germany, Holland and England are re-exported to other countries, especially by the first named country.

The Polish china-ware and porcelain factories have their own trade organisation known as the Association of Fire-proof Wares and Porcelain Goods Producers. This body does not engage in marketing or controlling its member-factories and limits its activities more to questions of representation, research, intervention, etc. A special commercial organisation exists, however, under the title of the "Centrofajans" Company, which markets the products of the member-factories.

**ALIEN INDUSTRIAL RIGHTS.** — Article 4 of the Decree signed by the President of the Republic on June 7th., 1927 in respect of the Industries Law reads as follows:

"Aliens conducting industries enjoy the same rights as citizens of the Polish State, provided, however, that Polish citizens possess the same rights in the country of such aliens on a basis of mutual reciprocity.

"Reciprocity should be proved by reference to international agreements. If a given alien cannot prove reciprocity in the above manner, the Minister of Industry and Commerce, acting jointly with the Ministers of Foreign Affairs and of the Interior, can permit him to acquire industrial rights and to conduct an industry after having heard the opinions of Chambers of Commerce or Artisans Chambers."

Art. 2 of the executive Decree of December 7th., 1927 enacts: "Each and every person not possessing Polish citizenship shall be considered as an alien.

"The citizen or subject of a given country with which the Polish Republic has concluded an agreement (treaty or convention) should, when applying for industrial rights and the conduct of an industry in Poland, affix to his written application, a statement certified by a Polish consular representative and issued by the appropriate authorities of his country stating in which manner Polish citizens are treated in the given country as regards industrial rights and the conducting of industrial enterprises.

"The special regulations, fixing the conditions for granting foreign companies to operate on Polish territory, shall remain in force."

In this connection the Ministry of Education brought up a point of law

for decision by the Ministry of Industry and Commerce as the competent authority and which it would be of interest to quote. The query was in respect of the duty or right of aliens to attend trade schools and the rules governing their recognition as master-artisans or as skilled workers. The Ministry of Education pointed out that such aliens have no duty but only the privilege of attending free schools of the type in question, and cannot therefore be forced to attend same. On the other hand, the finishing of such a school course is one of the conditions essential for being recognised as a skilled guild worker and for receiving the rights which such recognition implies in the domain of industrial production.

The Ministry of Industry and Commerce laid down the following ruling in this matter:

The granting of industrial rights to aliens is, according to art. 4 of the Industries Law, dependent on reciprocal regulations reserved in agreements with given countries. If alien apprentices are to be permitted on that basis to receive industrial rights in Poland, they will be bound to attend a trade school, since the deposition of proof of having passed an auxiliary trade school course is one of the conditions for accepting candidates for the examination of skilled guild workers and craftsmen and thereby granting them industrial rights.





A VIEW OF THE DOCKS AND PLANTS OF THE INTERNATIONAL SHIP-BUILDING AND ENGINEERING CO. LTD., DANZIG

*Polish interests have an important share in this enterprise, which is one of the largest to be found within the Free City of Danzig. From an unimportant port in pre-War years, with only about 920,000 net reg. tons of ships entering the harbour in 1913, Danzig has become one of the busiest ports on the Baltic with the highest figure of goods traffic of any port on that sea. Polish energy and enterprise, and the fact that Danzig is a part of the Polish Customs area, have brought prosperity to the ancient port of Poland. The goods traffic of the port in 1930 came to over 8,000,000 tons.*

#### **POLISH - GERMAN INSURANCE CONVENTION.**

— After five years of negotiation the Polish-German Insurance Convention was duly signed at Berlin on June 11th. this year. This convention will serve to abolish or rectify all the inconveniences, losses and disabilities which have been endured by large groups of citizens of both countries in respect of social insurances. The understanding thus attained covers the largest complex of insurance affairs ever settled by international agreement and will be used as a model for future agreements with other countries.

The three fundamental matters settled by the Convention in question are:

1. persons insured first in one country and then in the other will have the two terms combined and receive the same benefits as those persons belonging to one of the insurance systems for the whole period; this measure will safeguard many insured persons against losing the benefits of

many years' insurance when passing from one country to another:

2. citizens of one country insured in the other will receive full and equal treatment with the nationals of the second state; thanks to this, no discrimination will be made against foreigners of German nationality and restrictions which have so far existed in Germany will be removed, whilst Poles insured in Germany will receive insurance annuities even after leaving that country;

3. the Convention likewise assures to insured persons and to their families many facilities and special help in obtaining benefits from the social insurance services of the two signatory countries.

The number of Polish citizens who will be affected by the conclusion of this agreement comes to several hundred thousand, since, whilst emigration to Germany is much restricted at present, the number of Polish workers employed

in Germany in past periods was in the aggregate quite large. The very large range of German social insurance and the benefits accruing to insured persons are so large that the conclusion of the agreement will not be without its financial and material importance to Poland and its balance of payments.

This Convention, like all inter-State agreements, contains many signs of compromise. Many of the Polish postulates have not been realised, especially in the domain of mutual settlement accounts. The understanding has however resulted in the solution of a very complicated and difficult problem in accordance with the tenets of art. 312 of the Versailles Treaty. The difficult nature of the negotiations can be understood if it is realised that all the divisions of social insurance are covered i.e. sick, disability, accident and old age insurances as also the insurance of miners, mental workers, etc. covering all categories of employees and wage-earners,



## TREATIES

**TREATY OF FRIENDSHIP, COMMERCE AND CONSULAR RIGHTS BETWEEN POLAND AND UNITED STATES.**

— The Polish Ambassador at Washington and Secretary of State Stimson signed the Polish-American Treaty of Friendship, Commerce and Consular Rights on June 15th, this year. The Treaty is based upon the model prepared after the War by the U. S. Senate, and which is adapted as the need arises in order to agree with the legislation of the countries signing such treaties with the United States.

The Treaty contains thirty-one articles which regulate all matters of spiritual, cultural, commercial and economic cooperation between the two nations. The status and rights of the citizens of the two Republics are covered by the Treaty and both Polish and U. S. citizens are reciprocally guaranteed the safety of their persons and personal property. As regards taxation, reciprocal treatment is granted to citizens of both Republics. Commercial travellers will receive most-favoured-nation treatment as regards customs dues, fees and taxation of all kinds. Polish companies or enterprises wishing to settle, open branches and operate on the territory of the United States will have to receive a permit from the U. S. authorities; U. S. firms wishing to operate in Poland will have to obtain permission from the Polish authorities.

In the matter of commerce, the Treaty contains detailed rules as regards customs and customs treatment, merchant marine, port-dues and transit charges. As regards customs dues, maximum most-favoured-nation treatment will be reciprocally granted with the normal exceptions of frontier traffic, Customs unions, etc.; further exceptions are made in favour of the U. S. as regards Cuba, the Panama Canal Zone and American possessions, and in the case of Poland as regards trade between German and Polish Upper Silesia. The Treaty does not envisage any special customs tariff reductions but foresees complete autonomy in respect of Customs legislation. It is worthy of mention, however, that most-favoured-nation treatment has been applied to the commerce of the two Republics since 1925 in accordance with the Provisional Commercial Treaty signed in that year.

The Treaty also regulates in great detail all consular matters, such as the establishment of consular agencies, the rights and privileges of consular officials in the execution of their duties, etc. Poland has received the right to extend full protection to Polish emigrants in the United States, thus satisfying a long-felt want in that direction.

The Treaty has been formally concluded for the term of one year, with the right of denunciation on six months notice being given. It foresees, however, the automatic extension of the Treaty for further periods by mutual consent and so the Treaty will probably remain in force for many years without change, since it contains no stipulations as regards Customs reductions, etc. The Treaty enters into force thirty days after the exchange of ratifications.

As regards commercial turnovers between the two countries, no special facilities are afforded by the Treaty, beyond the fact that its signature will have created a general basis for the normal development of economic relations.

The conclusion of such a broadly designed Treaty will without doubt favourably affect Polish exports to the United States. The businessmen of Poland are increasingly turning their attention towards enhancing trade with America. The balance of trade between the two countries has always been in favour of the United States. In 1930, Polish imports from the United States were valued at £ 270,819,000, whilst U. S. imports from Poland amounted to only £ 21,910,000. American statistics show a smaller adverse balance for Poland, but this is because their figures make no allowances for intermediary countries. This adverse balance is, however, not necessarily economically unsound since about 55 per cent. of the imports from the U. S. are accounted for by raw cotton, which is an essential raw material for one of Poland's fundamental industries. In years of prosperity, raw cotton imports to Poland accounted for as much as 70 per cent. of all imports from the United States and represented a value of \$ 30,000,000. Next in importance is lard, the import of which was valued at £ 32,000,000 in 1929. This item, however, should decrease steadily in view of the growth of domestic production. Other important imports from America are: leather (£ 12·8 million), automobiles (£ 11·5 million) and tobacco (£ 9·2 million).

Polish exports to the United States are so small chiefly because Polish merchants have not yet adapted themselves to the different conditions in America. It has been planned for some time past to create a special commercial company for trading with the United States, one which will be particularly adapted to its task and which will help to develop a livelier trade with the New World.

## FOREIGN TRADE

— The foreign trade of the Polish Customs area (which includes the Free City of Danzig) was as follows during the month of May; imports totalled 272,261 metric tons valued at £ 137,140,000 — a growth of 41,523 tons in volume and a drop of £ 5,750,000 in value; exports were returned at a total of 1,503,563 metric tons having a declared value of £ 168,567,000, i. e. 25,008 metric tons more than in April but £ 128,000 less in value. May, therefore, yielded a favourable balance of £ 31,427,000.

Imports were marked by the following more important changes and fluctuations. In the consumers' commodities group, the import of rice increased relatively greatly (by £ 5·1 million) while that of tobacco shrank in volume.

Both commodities are subject to large fluctuations in volume due to the fact that shipments arrive every few months and serve to swell the import figure very greatly. On the whole the crisis tended to force down the import of consumers' goods on account of smaller consumption. The import of herrings dropped (by £ 300,000) to less than half the import of May last year. Tea, coffee and cocoa imports declined by £ 600,000, tobacco by £ 2 million, etc. The import of furs and hides yielded a seasonal growth of £ 1·1 million. Imports of oil-bearing seeds exceeded the April figure by £ 600,000.

In the foundry raw materials group, a decreased volume of zinc ore imports was reported, which not only fell below the April returns but also last year's figures to a remarkable degree. Imports of iron ores, however, greatly increased in volume (by £ 1·1 million), while the import of scrap-iron remained at the fairly high level of April.

In the chemical products group, the import of artificial manures continued to shrink (by £ 400,000 as against April returns); the import of this commodity during the first five months of the current year was only an eighth of the figure for the corresponding period last year. The import of technical vegetable oils and greases grew by £ 1·8 million and that of animal technical fats by £ 1·4 million.

The import of machines and apparatus declined by £ 2·2 million, all divisions being affected, whilst a heavy drop took place in the import of electro-technical goods which fell below the April figure by £ 1·3 million. The import of automobiles in May was valued at £ 400,000 less than in April.

The import of waste-paper and rags for the paper industry increased in value by £ 400,000, although part of this trade may have been destined for the textile industry. Raw cotton imports declined in value by £ 1·7 million, while combed wool declined by £ 1·4 million. The import of ordinary wool, however, showed an increase of £ 4·1 million and jute imports rose by £ 100,000.

Cotton and silk yarn imports remained at the same level as in April, but imports of woollen yarns decreased by £ 600,000. Woollen fabrics shrank in volume by £ 500,000. Incoming trade in silk fabrics slumped heavily by £ 2·3 million but as consignments on approval are included in these figures, this drop affords no indication as to consumption.

Export yielded slight general changes but considerable fluctuations in particular items of the balance of



## I M P O R T S

## E X P O R T S

GOODS	M a y		April	May	January-May		GOODS	M a y		April	May	January-May	
	1 9 3 1			1930	1931	1930		1 9 3 1			1930	1931	1930
	tons	Value—in thousands of £						tons	Value—in thousands of £				
TOTAL:	272,281	137,140	142,890	196,685	675,517	969,397	TOTAL:	1,503,563	168,567	168,680	199,201	788,545	1,065,937
Foodstuffs	39,366	20,675	19,414	31,598	105,399	168,272	Foodstuffs	113,763	57,802	58,033	60,779	247,196	330,637
including:							including:						
wheat	111	33	45	92	223	1,135	wheat	4,429	1,188	1,658	134	5,998	3,441
maize	3,787	747	243	686	1,302	1,529	rye	6,204	1,394	3,201	4,336	11,755	33,561
rice	18,008	5,264	169	6,657	5,546	14,265	barley	765	209	1,073	3,677	8,121	30,243
plums	214	264	797	365	5,017	4,539	oats	289	87	122	1,484	433	7,600
lemons and oranges	1,633	1,044	1,304	1,269	6,166	6,670	wheaten and rye flour	4,616	1,126	2,174	941	12,651	4,691
tea, cocoa, coffee	1,275	3,414	4,095	5,030	19,644	24,669	peas	975	395	406	1,209	2,740	6,662
herrings	1,395	813	1,000	1,700	13,358	26,830	beans	481	207	320	426	2,709	3,988
tobacco	578	878	2,941	6,480	14,376	24,255	sugar	44,027	10,776	12,371	9,830	38,262	75,481
Live animals	2,076	108	171	218	681	2,031	bacon	5,947	13,329	10,604	6,949	47,715	29,713
Animal products	1,740	10,028	11,941	20,329	54,781	77,527	ham	787	2,451	1,920	923	9,865	3,860
including:							butter	641	2,996	3,883	3,638	17,906	18,911
raw skins	1,229	2,243	2,826	3,173	13,617	14,464	eggs	8,302	15,936	9,130	17,717	41,176	51,496
raw furs	132	1,728	1,859	3,337	12,373	13,312	forage	7,829	1,188	1,388	2,636	7,045	26,649
tanned hides	74	2,500	2,977	7,075	13,988	28,266	Live animals (head)	182,032	8,399	8,325	10,654	44,110	72,223
Timber and wood ware	2,767	1,068	1,511	1,967	6,182	9,194	including:						
Plants and seeds	6,608	4,035	4,035	2,977	13,036	12,591	cattle	1,898	1,154	1,538	1,155	9,242	12,332
including:							pigs	41,365	5,325	4,740	8,023	26,255	53,511
oil seeds	5,422	2,211	1,641	1,782	5,597	6,946	geese	3,274	22	2	59	422	362
Building materials	88,602	1,741	1,698	2,976	8,128	12,877	Animal products (head)	2,101	4,663	5,412	6,341	24,812	80,371
including:							including:						
glass	414	448	633	1,050	2,958	5,494	raw furs	880	1,864	2,683	3,782	10,992	13,187
Fuel and petroleum products	7,517	789	707	1,317	3,629	5,010	horse hair, bristles and	121	837	664	757	4,393	5,680
Rubber	313	1,750	2,330	3,778	11,208	15,617	feathers						
including:							Timber and wood ware	164,938	20,554	21,882	33,689	88,216	148,152
tyres and inner tubes	118	928	1,363	2,263	4,712	7,428	including:						
Chemicals	18,364	14,826	12,489	16,937	67,379	110,039	pulpwood	14,160	628	644	3,169	4,548	17,981
including:							pit props	12,933	594	538	1,455	3,551	6,351
inorganic chemicals	9,500	1,688	2,181	3,446	10,859	38,464	round wood and logs	16,899	1,331	1,592	3,921	5,442	18,001
artificial fertilizers	1,362	199	723	1,227	3,495	28,771	planks, deals, battens	81,094	11,801	12,932	15,039	50,404	61,379
organic chemicals	8,137	10,891	7,869	11,071	44,326	57,014	railway sleepers	20,036	2,372	2,139	3,043	6,518	13,004
technical veg. oils	3,799	4,003	2,218	3,158	14,195	17,940	furniture	349	765	821	1,387	3,675	6,053
technical animal fats	2,133	2,425	1,008	2,213	7,062	10,605	veneers	1,780	1,161	1,498	1,934	6,549	10,605
tanning extracts	1,025	949	1,045	1,222	5,372	6,227	Plants and seeds	5,484	2,589	3,145	2,520	23,724	33,658
dyes, paints, varnishes	504	1,224	1,268	1,402	6,246	7,741	including:						
misc. chemical products	223	1,023	1,171	1,018	5,948	6,820	fodder plant seeds	4,347	1,964	2,276	2,056	14,942	21,284
Ores, metals and metal products	34,320	9,155	10,287	16,273	49,114	72,933	sugar beet seeds	2	4	219	123	4,357	7,637
including:							oil-bearing seeds	696	419	395	161	2,596	1,831
scrap iron	30,875	3,173	3,439	3,919	15,069	13,635	Fuel	1,109,910	30,505	29,630	30,261	148,150	155,119
copper and products	489	1,123	1,564	2,326	6,489	10,329	including:						
Minerals not specially designated	53,547	4,188	3,541	7,239	22,618	38,614	coal	1,089,749	26,978	26,034	25,853	129,461	129,193
including:							gasoline	5,339	1,072	774	1,276	4,209	4,903
iron ores	37,303	2,007	911	1,392	7,497	9,196	paraffine wax	1,348	988	1,622	504	6,270	8,870
zinc ores	10,929	872	1,261	2,652	6,426	17,006	Rubber	120	780	1,241	1,004	3,254	4,859
Machinery and electr. appliances	1,045	6,815	9,024	13,700	43,557	74,658	including:						
including:							rubber footwear	115	761	1,214	954	3,988	4,623
engines	43	307	565	725	3,186	5,491	Chemicals	14,227	3,684	5,481	4,010	22,869	33,028
electrical machinery	42	549	1,812	1,719	5,682	9,426	including:						
textile machinery	164	909	1,095	823	5,195	10,341	inorganic chemicals	11,061	1,892	3,492	1,948	14,196	20,346
agricultural machinery	183	585	790	1,541	2,690	4,768	artificial fertilizers	7,530	1,145	3,070	1,138	11,138	15,923
boilers and heating appliances	66	578	794	1,996	4,612	8,863	organic chemicals	2,752	1,248	1,412	1,192	6,486	9,180
electrotechn. appliances	254	3,571	4,622	5,519	24,987	34,923	chemical products	1,486	708	701	338	3,707	5,012
Means of communicat.	356	2,631	2,802	9,372	14,141	29,611	benzol	1,900	1,252	978	1,198	5,894	8,512
including:							Metals and metal products	58,340	22,619	20,318	27,627	140,582	141,165
motor cars	239	1,460	1,847	6,000	8,656	19,027	including:						
Paper and paper ware	4,789	3,928	3,273	3,893	15,893	22,984	iron and steel rails	24,398	6,466	5,866	6,036	29,023	34,081
including:							iron and steel sheets	687	501	473	1,308	2,928	6,851
waste paper	2,900	1,840	1,467	1,132	5,800	7,238	pipes	3,921	2,660	2,216	2,964	11,671	17,909
books, pictures, etc.	324	1,157	1,261	1,458	6,765	7,972	lead	1,162	649	1,638	949	5,601	4,705
Textiles and textile products	11,768	45,121	47,426	47,788	199,912	229,790	zinc and zinc dust	11,920	6,136	6,543	11,372	29,545	49,348
including:							zinc sheets	687	501	473	1,308	2,928	6,851
cotton and waste	5,437	13,737	15,402	16,444	61,775	76,454	Paper and products	1,915	835	821	983	4,160	5,480
lute	1,406	975	833	1,201	5,637	9,771	Books, pictures	30	345	285	331	1,625	1,877
wool	3,422	10,552	6,473	5,275	31,361	37,370	Textiles and textile products	2,011	11,553	10,738	16,525	57,379	86,899
combed wool	338	3,134	4,550	3,946	17,247	11,926	including:						
cotton yarns	139	2,206	2,186	2,530	11,848	11,837	flax and waste	785	481	467	903	2,308	7,743
woolen yarns	135	2,363	2,927	2,012	13,140	14,716	cotton yarns	46	296	215	952	1,562	4,984
silk yarns	45	2,286	2,485	1,354	9,339	5,860	woolen yarns	358	4,763	3,661	6,839	20,495	25,859
cotton fabrics	100	2,351	2,334	3,689	10,981	13,867	cotton fabrics	87	742	854	1,154	5,101	9,224
woolen fabrics	20	606	1,156	1,589	4,577	3,273	woolen fabrics	78	1,253	1,514	2,344	9,056	12,962
silk fabrics	26	3,969	6,258	5,625	21,251	24,337	silk fabrics	47	981	1,087	1,163	4,082	4,256
Precision instruments	81	2,454	2,628	3,461	12,315	15,913	Clothing and fancy wares	4	185	1,087	1,168	8,268	4,256
Clothing, fancy wares	42	1,638	1,999	2,689	8,270	12,032							

trade. Corn exports dropped in all divisions: wheat by £ 400,000, rye by £ 1·8 million, barley by £ 900,000, and rye and wheaten flour by £ 1·1 million. Pod-plant products decreased in volume, beans showing the greatest drop (£ 100,000). The export of beet-sugar decreased by £ 1·7 million. Animal breeding products, however, increased in volume, bacon gaining £ 3·7 million, cured meats and hams £ 600,000, and the export of eggs increased in value by £ 6 million. Butter exports, however declined by £ 900,000 as against April export figures. The export of live animals was well maintained during May, i.e. as far as pigs were concerned (a gain of £ 600,000), since cattle exports were below the April figure by £ 300,000. The export of raw-hides decreased in value by £ 800,000 and outward bound shipments of feathers, down and eiderdown, etc. shrank in value by £ 200,000.

In the timber industry, almost no change was observed as against April, although the slackness this year was very marked compared with last year's turnovers. The export of sawn material however, showed a drop in value amounting to £ 1·1 million.

The export of plants and seeds yielded its usual seasonal decrease, one which especially affected trade in fodder plant and grass seeds (a drop of £ 300,000), beet-seeds (£ 200,000), etc. Coal exports increased in value by £ 0·9 million and gasoline (petrol) by £ 0·3 million, but the export of kerosene declined by £ 0·6 million.

Outbound trade in rubber and elastic goods (especially shoes) decreased in value by £ 0·4 million.

In the chemical products group, the export of artificial fertilisers decreased by £ 1·9 million. Metals and products yielded an increase of £ 2·6 million, of which figure iron and steel accounted for £ 0·6 million and pipes for £ 0·4 million. The export of lead dropped rather heavily, however, (by £ 1·0 million) as did also that of zinc and zinc dust (by £ 0·4 million).

In the textile industries, an increase of £ 1·0 million was reported in exports: wollen yarn exports grew by £ 1·2 million, and cotton yarn by £ 0·1 million. Exports of fabrics, however, decreased in value and caused a drop of £ 0·3 million in the woollen fabrics group, one of £ 0·1 million in the cottons goods division and silk fabrics declined by £ 0·1 million.

**POULTRY AND GAME EXPORTS.**—Poland is very richly endowed with game of all kinds including many species which are unknown in other European

countries. For this reason, Poland's imports of edible game are quite insignificant and her exports much larger, although not to the extent which might be supposed since the annual out-going volume is only about a thousand tons valued at about two million zlotys. This state of affairs has been brought about by the relatively small home market and the lack of proper commercial organisation so necessary for foreign transactions.

In recent times, however, there has been a distinct trend for conditions to improve in this respect and prospects for export have become better. The supply on the domestic market has become greater and in 1930 much exceeded the demand with the result that prices slumped heavily. Whilst this did not immediately result in an enhanced export, it had to come about sooner or later; thus, the low domestic prices and the increased interest shown by foreign buyers soon caused a proper marketing organisation to arise. Since there were no firms which traded solely in game, and the existing trade was excessively scattered in the hands of small dealers, foreign buyers had tended to get into direct contact with the large country-estates. The foreign market was therefore restricted to the countries neighbouring with Poland, and most of the purchases were made by Germany, which in turn re-exported considerably to other countries. The trouble under this system was that there were relatively few estates which could furnish larger batches of game and which had the proper commercial relations.

It has been realised, however, that this trade can only be developed by organising a proper centralised system of purchase and sale. Work on this problem has been commenced and has already yielded gratifying results. Preliminary studies have brought home the fact that Polish game can be fairly easily disposed of in Germany, England, France, Switzerland and Belgium. It has been decided to entrust the foreign sales of Polish game to existing poultry exporters, who would appear to be best suited for the trade, having an appropriate buying and selling organisation already operating, cold storage facilities, freezing equipment, warehouses, etc. Many of these firms have already put through important transactions with Great Britain, the English buyers having reported that the shipments reached their hands in the best of condition and attained the highest prices quoted on the London market. These transactions were more in the nature of trial orders and their success has encouraged other houses to take up this profitable and promising export business, the volume of which should grow considerably during the current year.

Poland, is also an exporter of live game for breeding purposes, the chief centres for this trade being in the western voivodships. This branch of commerce has been organised under the auspices of the Polish Hunting Institute and is to be conducted by a special commercial organisation to which the larger country land-owners of Western Poland belong. Here, too,

preliminary studies have shown that foreign transactions could easily and profitably be made with Italy, Belgium and France.

**ARGENTINE-POLISH TRADING COMPANY.**—A group of Polish merchants and manufacturers in Buenos Aires has undertaken the formation of a trading company which, under the title of the "Sociedad Comercial Argentino-Polaca", will develop Polish export to Argentina and commercial relations generally between the two republics.

The preliminary work of the Company will comprise a propaganda campaign in the Spanish, Polish and Jewish press, a collection of samples and offers from Polish factories, a study of their costs and sales calculations, the study of the Argentine market with a view to ascertaining which goods are most in demand and the organisation of a Polish sample exhibition in order to acquaint Argentine buyers with Poland's industrial production.

There is quite a considerable colony of Polish citizens in Argentina and their initiative in developing trade with their mother-country should yield favourable results

## TRANSPORTS

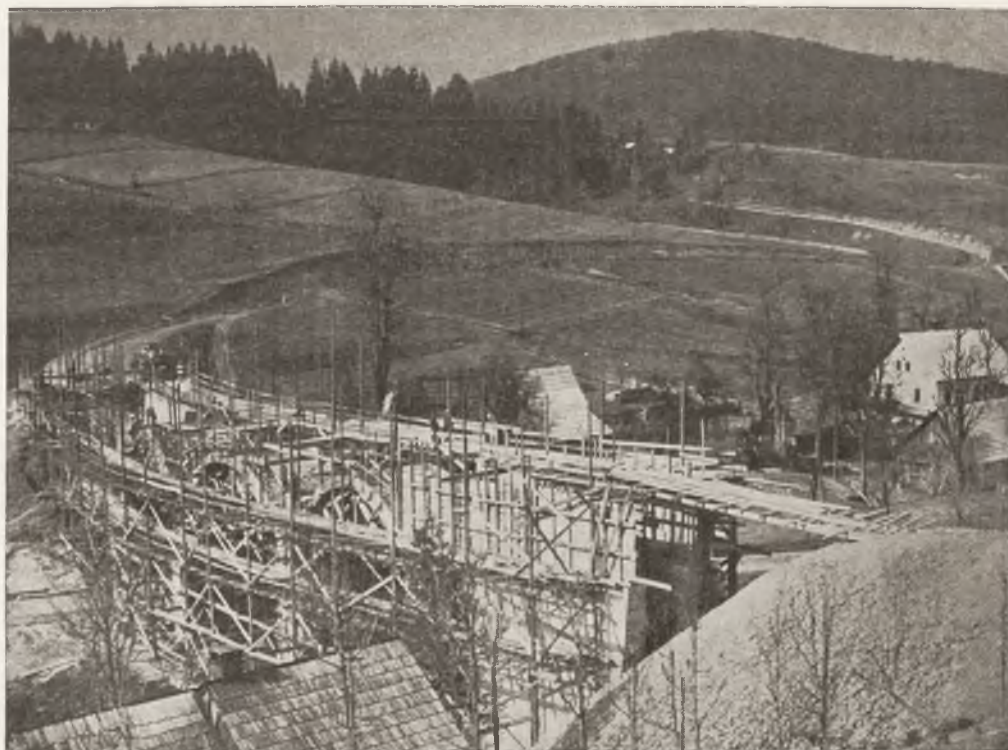
**RAILWAY TRAFFIC**, during May rose from the daily average of 12,525 wagon-loads per day in April to 12,625 wagon-loads per day. This rise took place in spite of the seasonal drop in coal loadings for the home market and the drop in agricultural consignments. It is of interest to note that the gain was due in its entirety to a greater volume of freight accepted by Polish stations. The following table bears this out and affords data of daily average loadings of 15-ton wagons during April and May this year and May last year:

	May 1930	April 1931	May 1931
Loaded for home stations	8,887	7,942	8,087
" " abroad	2,806	3,082	3,102
Total :	11,693	11,024	11,189
received from abroad	433	360	337
transit via Poland	1,080	1,141	1,099
Total :	13,206	12,525	12,625

As can be observed from the foregoing statistics, freight consignments received for transport by Polish stations were the only to increase their figure (by a daily average gain of 165 wagon-loads) of which the daily average for shipments to Polish stations accounted for 145 wagon-loads per day gain, and export consignments for 20 wagon-loads per day. The number of wagons-loads received from abroad and in transit decreased slightly.

The following table shows the average daily number of railway freight consignments by commodity groups in April and May this year as also May last year (in 15-ton wagon loads):





CONSTRUCTION OF A VIADUCT ON A NEW RAILWAY LINE  
IN POLAND

*Since Poland has regained her independence, it has proved necessary to reconstruct the whole railway system by changing the main lines of communication from an east-west direction to north-south. Many vitally needed lines have been built and still more remain to be constructed, the Gdynia-Silesia line and the Wista-Głębiec line (illustrated above) being cases in point. Foreign capital is taking increasing interest in the many profitable railway-construction schemes set up by the Polish Government.*

	May 1930	April 1931	May 1931
coal	2,254	2,348	2,128
crude oil	164	170	155
timber	773	520	613
farm produce	699	809	747
manuf. prod.	1,906	1,407	1,611
various	3,091	2,688	2,839
Total:	8,887	7,942	8,087

The foregoing table indicates that a relatively large drop in coal shipments took place; a drop also is to be observed in the petroleum products and farm produce groups. These losses were compensated for by larger consignments of raw materials and of industrial commodities, of timber and of miscellaneous goods. The growth in the volume of railway freights of raw materials and industrial goods would seem to indicate a growth in industrial turnovers and also, to a certain extent, in the building trades.

The following table affords data regarding export consignments accepted by the Polish lines in April and May 1931 and in May a year ago (in 15-ton wagon loads):

	May 1930	April 1931	May 1931
coal	1,983	2,416	2,450
crude oil	39	37	38
timber	479	278	313
farm prod.	65	46	29
various	240	305	242
Total:	2,806	3,082	3,102

The shares taken by the various commodity groups in the transport of exports by rail shows no important changes, but the enhanced export of coal and timber is quite noteworthy.

**RAILWAY TARIFF REDUCTIONS FOR POLISH IRON.** — Some time ago, the Roumanian railways had reduced transport charges on Polish iron destined for consumption in Roumania. As a result of the pressure applied by the Roumanian foundries, these reduced rates were cancelled except for a few articles which do not especially interest Polish exporters.

In order to arrive at a satisfactory compromise, a Polish-Roumanian Railway Conference was held at Bucharest in June this year, with the result that a 25 per cent. reduction was allowed on almost all Polish iron products entering Roumania for buyers in that country, a slightly varying scale being,

applied however, according to the distance from the Polish frontier.

**PORT TRAFFIC.** — Traffic in the Port of Danzig remained at a relatively high level during May this year. The figures showed that traffic was greater in that month than in April and in excess of the returns for May last year. The number of vessels which entered the Port came to 543 ships totalling 358,865 net reg. tons (347,098 net reg. tons in April); departures came to 551 vessels with an aggregate tonnage of 357,596 net reg. tons (348,300 net reg. tons). The total tonnage of the vessels entering and clearing from the Port of Danzig during the first five months of the current year came to 3,130,497 net reg. tons as compared with 3,240,421 net reg. tons during the corresponding period last year.

The nationalities of the ships which entered the Port of Danzig during May, 1931 is quoted in the following table

	Arrivals:		Departures:	
	ships	net reg. tons	ships	net reg. tons
<b>Poland &amp; Danzig</b>	<b>34</b>	<b>26,413</b>	<b>32</b>	<b>19,210</b>
Germany	158	77,606	166	85,322
Finland	10	8,571	11	9,282
Russia	—	—	3	617
Estonia	15	7,843	17	9,125
Latvia	30	26,515	28	23,388
Lithuania	7	2,969	7	2,539
Sweden	126	65,448	128	67,667
Norway	35	26,288	33	24,114
Denmark	89	62,239	89	62,040
Great Britain	11	16,147	11	13,881
Holland	8	4,564	7	4,398
France	11	13,230	8	9,548
Spain	1	2,138	2	4,539
Italy	2	4,823	—	—
Greece	6	14,071	7	19,627
Panama	—	—	1	2,280
Hungary	—	—	1	19
<b>Total:</b>	<b>543</b>	<b>358,865</b>	<b>551</b>	<b>357,596</b>

Out of nineteen flags represented in the traffic of the Port, the Polish flag occupied sixth place after Germany Sweden, Denmark, Norway and Latvia.

The goods traffic of the Port rose in volume as against April returns, having been 703,746 metric tons compared with 692,084 m. tons. The gain in May was due solely to enhanced exports, which increased from 628,579 tons in April to 666,462 tons in May; imports dropped from 63,505 metric tons to 37,284 tons.

As usual, the export of coal occupied first place, accounting for 528,740 metric tons in May as against 494,208 tons in April. Coal shipments were directed to thirteen foreign countries as can be seen from the following table (excluding bunker coal):

	Metric tons
Denmark	97,265
Sweden	74,337
Italy	71,136
France	83,281
Latvia	24,991
Norway	24,230
Finland	18,137
Belgium	15,459
Russia	10,111
Africa	9,740
Iceland	4,900
Spain	2,350
Lithuania	1,710
<b>Total:</b>	<b>437,647</b>

Shipments of timber accounted for 104,088 metric tons as against 98,747 tons in April this year; on the whole, timber exports through Danzig are being maintained at a relatively high level and are much in excess of last year's returns. In addition, 5,851 tons of corn were exported through Danzig, 2,025 tons of sugar, 4,355 tons of petroleum products and 21,403 tons of general cargo. On the import side, the most important item was as usual mineral ore which totalled 22,803 tons, then followed scrap-iron with 1,046 tons, artificial manures with 3,280 tons and general cargo with 10,155 tons.

The following table affords data in respect of passenger traffic in the Port of Danzig during May this year:

	Arrivals:		Departures:	
	ships	net reg. tons	ships	net reg. tons
Coast-wise traffic	3, 82	5,753		
Copenhagen	37	63		
London	51	4		
Hull	69	—		
<b>Total:</b>	<b>3,339</b>	<b>5,820</b>		

The anticipated rise in the port traffic of Gdynia in May materialised in all lines. It is worthy of note that there was not only an increase in the export traffic of coal but also that the traffic in almost all other commodities showed further development.

The ship traffic was exceptionally intensive. There arrived 286 ships of 240,585 net reg. tons (207,636 net reg. tons in April) and 289 ships of 242,516 net reg. tons left the Port (198,704 net reg. tons).

The participation of foreign flags in the whole ship traffic of Gdynia in May was as follows:

	Arrivals:		Departures:	
	April	May	April	May
	1 9 3 1	1 9 3 1	1 9 3 1	1 9 3 1
<b>Poland &amp; Danzig</b>	<b>35</b>	<b>35</b>	<b>35</b>	<b>37</b>
Great Britain	5	7	4	7
Denmark	28	25	30	26
Estonia	10	9	8	6
Finland	7	6	4	9
France	—	3	—	3
Holland	3	2	1	3
Lithuania	1	1	1	1
Latvia	11	16	13	17
Germany	53	66	50	70
Norway	20	27	18	23
U.S.A.	3	4	3	4
Sweden	78	83	81	80
Hungary	—	2	—	2
Yugoslavia	—	1	—	—
Brazil	—	—	1	—
Czechoslovakia	—	—	1	—
Greece	—	—	1	—

The goods turnover in May amounted to 490,653 tons as against 402,053 tons in April. Imports amounted to 66,520 tons as compared with 44,191 tons in April and consisted of scrap iron (33,286 tons), rice (16,206 tons), Thomas slag (8,900 tons), phosphates (5,334 tons), oil seeds (606 tons), etc.

Exports also showed an growth due mainly to increased coal exports which amounted to 376,889 tons (together with bunker coal). Several items of the export trade decreased slightly owing to seasonal factors. This may be applied in the first place to grain which fell from 5,095 tons in April to 1,932 tons and to sugar (18,398 tons in April and 10,029 tons in May) as also to potatoes which fell from 2,395 tons to 1,089 tons. On the other hand new items of exports trade appeared: thus, during May 2,532 tons of polished rice and 800 tons of rice meal were exported. Exports of bacon rose considerably, from 4,185 tons in April to 6,051 tons in May. Parallely with the above exports an increased rise in the exports of ham (832 tons in May) was noted. Exports of timber, which

is a new product for Gdynia, showed satisfactory growth (3,711 tons in May). Exports of zinc and zinc sheets remained at the April level.

Passenger traffic was rather active; in May 1,256 persons disembarked and 196 persons departed.

**AERIAL COMMUNICATION.** — In May, thanks to favourable weather aerial traffic showed a considerable increase over the preceding month, while at the same time the regularity of flights rose from 99.4 per cent to 99.6 per cent. The total number of flights rose from 462 in April to 525 and the distance flown from 127,335 km. to 146,689 km. There was also an increase in the amount of goods carried from 26,730 kg. to 35,067 kg. The mail transported amounted to 5,664 kg. as compared with 3,696 kg. in April.

Despite the fact that the aeroplanes are heated and provide practically the same comfort throughout the whole year, the public seems to avoid aerial communication during the winter months, for with the approach of spring the passenger traffic shows a marked increase. Thus, during the last three months, with the rise of the temperature the number of passengers carried rose from 987 in March and 1,067 in April to 1,425 in May.

**AEROPLANE SERVICE TO SALONICA.** — As a result of agreements signed by Poland with Rumania, Bulgaria and Greece, the existing Polish air-line to Bucharest has been extended to Sofia and Salonica. The agreement in the case of Roumania and Bulgaria grants to Polish interests a ten year concession and as regards Greece a seven year period with the right of a further five years if desired.

This means that the Baltic-Aegian air-line becomes an accomplished fact and is important, not only from the political point of view, but also from the economic. The line will connect up the countries mentioned with Poland and will help to strengthen those ties of friendship which already exist, at the same time furnishing air transport to countries which had hitherto been without it. In addition, the new line will prove of great convenience to travellers as the railway facilities available are for many reasons far from satisfactory. The time of travel from Warsaw to the cities served will be cut to about a fourth of the present time by rail.

The length of the Baltic-Aegian air-line is 2,163 km. and will be served throughout by the "Lot" Polish Airlines Co. Sleeping and restaurant accommodation at fixed prices have been arranged by the "Lot" Company at



Bucharest since the outward and home journeys will be broken there in order to avoid night flights.

The following tariff has been fixed as binding for the first year of operation (in  $\text{zł}$ ):

Danzig—Salonica	330	Bucharest—Sofia	60
Warsaw—Salonica	280	Sofia—Salonica	55
Danzig—Sofia	285	Bucharest—Salonica	110
Warsaw—Sofia	235		

# FINANCE AND BANKING

**STATE REVENUE AND EXPENDITURE.**—The total sum received during May this year was less than that netted in April by  $\text{zł}$  29.4 million and below the May 1930 figure by  $\text{zł}$  32.8 million. The total receipts of the Treasury in April and May this year came to  $\text{zł}$  428.6 million, i. e. 14.95 per cent. of the amount estimated in the Budget for the whole current fiscal year and 15.59 per cent. of the actual receipts during the budgetary year 1930/31.

State expenditure during May 1931 was reduced in volume. Smaller payments for the service of the National Debt and a restriction in wages and salaries paid led to the total disbursements being  $\text{zł}$  38.6 million less than in April this year. Compared with May a year ago, expenditure was  $\text{zł}$  19.8 million less: the service of the National Debt was then the same as this year and the reduction in outgoing monies

was solely due to a lower scale of remuneration for Government employees. The aggregate sum expended in April and May 1931 came to  $\text{zł}$  461.8 million, this figure including  $\text{zł}$  83.5 million for the service of the National Debt, and amounting to 26.68 per cent. of the sum foreseen in the Budget for that purpose.

The amount quoted above for total expenditure represents 16.11 per cent. of the total budget credits, only the needs of the administration having been taken into consideration, since such items as State enterprises only took  $\text{zł}$  0.1 million from the Treasury. Excluding the service of the National Debt, the execution of the disbursement side of the budget, i. e. including pensions and veterans aid payments which accounted for  $\text{zł}$  53.9 million, came to 14.83 per cent. of the amount foreseen for the whole year. The total of the expenses realised in April and May this year was 16.48 per

cent. of the whole sum effected in the fiscal year 1930/31 (excluding the relief period).

**TAXES.** — Public levies yielded  $\text{zł}$  115 million during May 1931; this sum was higher by  $\text{zł}$  1.7 million as compared with April this year but it was smaller by  $\text{zł}$  26.2 million than the sums received in May 1930.

During the month under review the revenue from the monopolies amounted to  $\text{zł}$  55.6 million which sum was by  $\text{zł}$  2.7 million higher than in the preceding month and smaller by  $\text{zł}$  6.4 million when compared with May 1930.

During the first two months of the 1931/32 fiscal year, public levies (ordinary and extraordinary) yielded  $\text{zł}$  228.4 million, while the monopolies gave  $\text{zł}$  108.5 million, thus totalling  $\text{zł}$  336.9 million. Both the component parts of this total failed to realise the theoretical two-twelfths of the amounts estimated, amounting to only 13.68 per cent. of the budget estimates for 1931/32, and to 14.85 per cent. of the sum received from these sources in the 1930/31 fiscal year.

The revenue from public levies and monopolies in May as compared with April 1931, May of last year and the monthly average for the 1931/32 budget are given in the following table (in millions of  $\text{zł}$ ):

	Actual revenue:		$\frac{1}{12}$ th of the annual budget for	
	April		May	
	1931	1930	1931	1931/32
Direct taxes	55.7	72.1	59.3	58.8
Indirect taxes	14.3	15.5	14.8	15.5
Customs duties	19.1	25.9	15.6	29.2
Stamp fees	13.4	15.1	13.8	15.1
Property Tax	1.3	1.2	1.4	3.6
10 per cent Extra-ordinary Tax	9.5	11.4	10.1	9.4
Total of public levies:	113.3	141.2	115.0	131.6
Monopolies	52.9	62.0	55.6	73.5
Total of public levies and monopolies:	166.2	203.2	170.6	205.1

**THE WILNO 5% BOND ISSUE.**—This loan was floated in London in 1912 for the sum of 4,244,562 roubles (the equivalent of £ 449,360 sterling) and was to be redeemed by 1978. The proceeds were destined for the construction of a water-works and for other

	Revenue (in millions of $\text{zł}$ )		Expenditure (in millions of $\text{zł}$ )	
	actual May 1931	annual 1931/32 budget estimates	actual May 1931	annual 1931/32 budget estimates
A) Civil service ... ..	134.7	1,848.1	211.6	2,851.9
The President of the Republic. ...	0.0	0.2	0.2	3.6
The Parliament... ..	0.0	0.4	0.8	10.0
State Control ... ..	0.0	0.2	0.5	7.6
The Cabinet ... ..	0.0	0.0	0.3	3.7
Ministry of Foreign Affairs ... ..	0.3	11.4	3.3	51.1
" " War. ... ..	0.3	5.2	58.7	836.2
" " the Interior ... ..	1.2	12.7	16.3	253.3
" " Finance ... ..	122.8	1,692.7	9.3	137.3
" " Justice ... ..	4.2	44.5	8.1	129.8
" " Industry and Commerce ... ..	0.8	14.4	3.3	33.8
" " Communication ... ..	0.0	0.5	0.3	4.8
" " Agriculture ... ..	0.6	9.7	2.6	48.8
" " Education and Religions ... ..	0.2	4.9	31.2	445.2
" " Public Works. ... ..	1.1	18.6	5.5	118.6
" " Labour and Social Welfare ... ..	0.0	1.0	17.6	104.3
" " Land Reform... ..	0.1	6.8	1.9	51.1
" " Posts and Telegraphs... ..	0.0	0.0	0.1	2.7
Pensions ... ..	3.1	24.9	11.1	131.4
Grants to disabled soldiers ... ..	—	—	15.5	163.5
State liabilities ... ..	—	—	25.0	315.1
B) State enterprises... ..	9.3	136.6	—	14.0
C) Monopolies ... ..	55.6	882.0	—	—
Total A + B + C:	199.6	2,866.7	211.6	2,865.9

municipal investment works in Wilno, then under Russian rule.

The Municipality was forced by the Russian government to deposit the proceeds of the loan in St. Petersburg banks and when the Germans occupied Wilno in 1915, about 600,000 roubles were still on deposit in Russia. This sum (representing about 23 per cent. of the loan) must be considered as a total loss. Other municipal funds had by law to be kept in Russian banks, with the outcome that the City suffered heavy losses owing to the nationalisation of the banks in Russia. As a result of this and also owing to the German occupation, it proved impossible for the Wilno Municipality to effect interest or sinking-fund payments as from the autumn of 1915.

During the first few years after the War, the principles applied to the settlement of rouble debts were in a state of chaos all over the world. To this day there are rich and powerful institutions in America which still offer to settle their rouble debts by offering paper-money not worth the paper it is printed on. As far as Poland is concerned, an equitable compromise was quickly furnished by process of law, whereby varying scales of valorisation and conversion were fixed in a spirit of fairness to creditors and of reasonable relief to debtors who had in most cases lost their all through events in Russia. The Polish General Valorisation Law for debts in Russian, Austrian or German currency affects both Polish and foreign creditors impartially and its working has been admittedly fair to both creditors and debtors.

The Municipality of Wilno took up the stand that the loan issue was in roubles and that it therefore should be converted on the basis of the Polish Valorisation Law of 1924. A registration of bond-holders was commenced in 1925 and negotiations were commenced with a view to finding a common basis for arranging the conversion. The negotiations, however, dragged out so long that the Polish government was forced to take a hand in the matter, and on May 13th. this year the Ministry of Finance announced that it would arrange for interest payments to be resumed as from May 15th., 1931 and for the conversion of the old bonds.

The conversion of the issue will be governed by the following principles:

1. 5 per cent. sterling bonds will be issued in the place of the old rouble bonds bearing the same interest, the ratio of conversion being 100 per cent. sterling equivalent of the pre-War rouble nominal value;

2. the bonds will be redeemable by sinking-fund operations to be concluded by 1990, i.e. in 59 years; amortisation will be either by drawings, or by purchase on the open market;

3. bond-holders will be registered, since a differentiation will be made between persons in possession of the bonds on May 21st., 1924 and those who acquired them after that date. All those who registered their bonds in 1925 will, however, be included in the former group. The registration will last three months, but a period of grace lasting six months will be granted for furnishing

proof of ownership on the date indicated;

4. bond-holders of the first group will, immediately their rights are recognised, receive payment of the interest coupon due May 15th., 1931 and a provisional sterling certificate from the British Overseas Bank, the fiscal agent for the issue in question;

5. the service of the loan will be guaranteed by the Polish Treasury.

In line with this conversion scheme, the Municipality of Wilno has arranged for the Floor Committee of the London Stock Exchange to delete the rouble bonds in question from the lists, this having been duly done on May 13th.

The principle of differentiating between original holders of rouble bonds or shares and those who acquired them at a later date is a well-defined and generally applied one on the Continent. Those who acquired their rouble bonds for nil or next to nothing can hardly expect to receive the same treatment as those who paid full gold-value for their bonds in pre-War days. In one case it is a pure and simple speculation in a totally bankrupt currency whilst in the other it was a bona fide investment. In many cases, bonds were deposited by private citizens in Russian banks, confiscated after the nationalisation of the banks, and sent to England by devious routes to be sold for a mere song. The danger of treating such bonds on a par with bonds whose ownership is above doubt is obvious.

As was to be expected, the owners of bonds of the second category demanded equal treatment with the original subscribers. Apart from the question of the legal ownership of the bonds, the Wilno Municipality, which lost so heavily owing to events in Russia and which actually received only about three-quarters of the proceeds of the loan, cannot be expected to add to its sacrifices for the benefit of get-rich-quick speculators or the confiscators of private-owned bonds in Russian banks. Wilno has a certain moral obligation towards the original subscribers and can stretch a point in securing them from currency depreciation which none foresaw before the War. The City has, however, no moral or legal obligation under common law, equity or Polish law to convert those bonds acquired after May 1924 on the same basis.

The general opinion in Lombard Street, in English legal and press circles is that a fair and equitable compromise has been attained which should more than satisfy those who subscribed to the loan in 1912 or who purchased bonds prior to the time-limit fixed. Poland's action is generally commended and "The Times" for instance, writes: "We think it fitting that credit should be given to Poland for the action she has taken in intervening on behalf of the holders of the debt of one of her municipalities. In this respect she has set an example that might well be followed by other foreign debtors."

Not a single post-War loan taken up by Poland has ever been in default for interest or amortisation payments, whilst the conversion of the Wilno loan issue now gives a clean bill as regards pre-War loans to municipalities in Poland.

## STOCK EXCHANGE

— The demand for actual U. S. currency was somewhat larger on the Warsaw Stock Exchange during May than in April but failed to reach any more striking dimensions. The dollar rate rose by  $\pounds$  1 and was slightly weaker for the remaining currencies.

Drafts on New York decreased by  $\pounds$  4 and cable transfers by  $\pounds$  8 per dollar. The Brussels and the Prague rate fell by  $\pounds$  1 per 100, the sterling rate by  $\pounds$  2½ per pound, Milan by  $\pounds$  6½, Stockholm by  $\pounds$  16, Vienna by  $\pounds$  22 and Amsterdam by  $\pounds$  25 per 100. The only exchanges to show a gain were those on Paris, with a rise of  $\pounds$  2½ and the Swiss exchange, which rose by  $\pounds$  57 per 100.

Turnovers in foreign exchanges, were on the whole very slack and rarely even exceeded average figures. Drafts, mail and cable transfers on New York were most in demand with sterling cheques following closely.

The zloty rate on foreign Stock Exchanges tended upwards, with the exception of Prague where the rate dropped very slightly

## SHARES

The situation of the shares market continued to be far from satisfactory during May, as was to be expected in view of the general weak trend in the stock exchanges of the whole world. The public, taught by sad experience, refrained by buying or selling, the more so as it finds the discounting of bills much more profitable and certain whilst the high private interest rate makes the business quite attractive.

As can be seen from the list of shares quoted on the Warsaw Stock Exchange, turnovers in shares are shrinking steadily and many shares, even of rich and powerful companies failed to bring up their figure to the requisite minimum necessary for the Floor Committee to quote market prices. This does not mean that the aggregate turnover was below the minimum of  $\pounds$  1,000, but that no single transactions over this sum were put through. Most of the business was done in Bank of Poland shares, but even these turnovers tended to dwindle as the month progressed. Amongst the industrials, metallurgical shares proved most popular but were mostly dealt in for speculative purposes, although in normal times enormous turnovers had been for purely investment purposes.

Shares of the Bank Zachodni, which had stood at such a low level at the beginning of the month without apparent



HOME AND FOREIGN ZLOTY QUOTATIONS (in  $\text{zł}$ )

		April 30	May 1-9	May 11-16	May 18-22	May 26-29	May 30	par value
<b>Warsaw Exchange</b>								
London	£ 1	43·38 <sup>3</sup> / <sub>4</sub>	43·40 <sup>2</sup> / <sub>3</sub>	43·39 <sup>9</sup> / <sub>10</sub>	43·41 <sup>1</sup> / <sub>4</sub>	43·38 <sup>3</sup> / <sub>8</sub>	43·36	43·38
New York	\$ 1	8·914	8·918 <sup>3</sup> / <sub>8</sub>	8·918 <sup>1</sup> / <sub>4</sub>	8·918 <sup>4</sup> / <sub>5</sub>	8·914 <sup>3</sup> / <sub>4</sub>	8·91	8·90
New York Cable	\$ 1	8·922	8·926 <sup>1</sup> / <sub>8</sub>	8·925 <sup>3</sup> / <sub>8</sub>	8·925 <sup>2</sup> / <sub>5</sub>	8·92 <sup>1</sup> / <sub>4</sub>	8·914	—
Paris	Fr. Fr. 100	34·87 <sup>3</sup> / <sub>4</sub>	34·88 <sup>7</sup> / <sub>8</sub>	34·91 <sup>19</sup> / <sub>20</sub>	34·91 <sup>3</sup> / <sub>5</sub>	34·90 <sup>5</sup> / <sub>8</sub>	34·90 <sup>1</sup> / <sub>2</sub>	172·00
Brussels	Belg. 100	124·13	124·14 <sup>1</sup> / <sub>5</sub>	124·14	124·18 <sup>1</sup> / <sub>4</sub>	124·17	124·12	123·95
Zurich	Sw. Fr 100	171·88	171·93 <sup>7</sup> / <sub>8</sub>	171·99	171·09 <sup>3</sup> / <sub>5</sub>	172·44 <sup>1</sup> / <sub>2</sub>	172·45	172·00
Milan	Lire 100	46·73	46·73 <sup>5</sup> / <sub>8</sub>	46·72 <sup>7</sup> / <sub>10</sub>	46·73 <sup>3</sup> / <sub>10</sub>	46·69 <sup>3</sup> / <sub>4</sub>	46·66 <sup>1</sup> / <sub>2</sub>	172·00
Amsterdam	Fl. 100	358·75	358·75 <sup>4</sup> / <sub>7</sub>	358·55 <sup>1</sup> / <sub>5</sub>	358·53 <sup>3</sup> / <sub>4</sub>	358·59 <sup>1</sup> / <sub>4</sub>	358·50	358·31
Vienna	Sh. 100	125·50	125·56 <sup>3</sup> / <sub>10</sub>	125·48	125·42 <sup>2</sup> / <sub>5</sub>	125·35 <sup>1</sup> / <sub>2</sub>	125·28	125·43
Prague	Kc. 100	26·42	26·43 <sup>1</sup> / <sub>2</sub>	26·43 <sup>1</sup> / <sub>2</sub>	26·44	26·42 <sup>3</sup> / <sub>4</sub>	26·41	180·62
Stockholm	Kr. 100	—	239·22	239·21 <sup>1</sup> / <sub>2</sub>	239·30	239·06	—	238·89
<b>Foreign Exchanges</b>								
London	£ 1	43·40	43·40 <sup>1</sup> / <sub>3</sub>	43·40 <sup>3</sup> / <sub>5</sub>	43·41 <sup>4</sup> / <sub>5</sub>	43·42	43·42 <sup>1</sup> / <sub>2</sub>	43·38
New York	$\text{zł}$ 100	11·21 <sup>1</sup> / <sub>2</sub>	11·21 <sup>1</sup> / <sub>2</sub>	11·21 <sup>1</sup> / <sub>2</sub>	11·21 <sup>11</sup> / <sub>20</sub>	11·22	11·22	11·22
Zurich	$\text{zł}$ 100	58·20	58·17 <sup>7</sup> / <sub>9</sub>	58·16 <sup>1</sup> / <sub>2</sub>	58·12	58·—	57·90	58·14
Vienna	$\text{zł}$ 100	79·62	79·60 <sup>2</sup> / <sub>7</sub>	79·65 <sup>1</sup> / <sub>2</sub>	79·66	79·65 <sup>3</sup> / <sub>4</sub>	79·66 <sup>1</sup> / <sub>2</sub>	79·55
Prague	$\text{zł}$ 100	377·80	377·82	377·70	377·61 <sup>7</sup> / <sub>8</sub>	377·56 <sup>1</sup> / <sub>4</sub>	—	55·36
Berlin	$\text{zł}$ 100	47·025	47·025	47·035	47·025	47·162 <sup>1</sup> / <sub>2</sub>	47·15	47·09
Danzig	$\text{zł}$ 100	57·63	57·62 <sup>4</sup> / <sub>9</sub>	57·62 <sup>1</sup> / <sub>2</sub>	57·54 <sup>3</sup> / <sub>10</sub>	57·60 <sup>3</sup> / <sub>8</sub>	57·64	57·63

cause, gained  $\text{zł}$  7·50 before the end of the month. Bank Handlowy shares, allowing for the dividend payment of 8 per cent. for 1930, evinced a gain during the month. Ostrowiec Steelworks

maintained their position but the majority of the remaining stock declined. The Bank Zachodni shares were quoted ex 1930 dividend coupon for 6 per cent, whilst Lilpop, Rau & Loe-

wenstein were ex dividend coupon paying 10 per cent. and Habermusch Breweries ex coupon paying 8 per cent. dividend for the past year.

WARSAW STOCK EXCHANGE SHARE QUOTATIONS (in  $\text{zł}$ )

S H A R E S	April 30	May 1-9	May 11-16	May 18-22	May 26-29	May 30	N o m i n a l
Bank Polski .. . . .	126·—	124·90	126·45	125·80	123·65	123·—	$\text{zł}$ 100·—
Bank Dyskontowy Warszawski .. . . .	—	—	—	—	—	—	$\text{zł}$ 100·—
Bank Handlowy w Warszawie .. . . .	—	104·—	100·—	100·—	—	100·—	$\text{zł}$ 100·—
Bank Zachodni .. . . .	—	55·—	60·—	62·20	62·50	—	$\text{zł}$ 100·—
Bank Zw. Sp. Zarobkowych .. . . .	—	65·—	—	60·—	—	—	$\text{zł}$ 100·—
Warsaw Coal Mining Co. .. . . .	—	28·—	28·—	27·—	24·35	—	$\text{zł}$ 100·—
Chodorów .. . . .	—	—	—	—	—	—	$\text{zł}$ 100·—
Cegielski .. . . .	—	—	—	—	—	—	$\text{zł}$ 100·—
L. Zieleniewski & Fitzner-Gamper .. . . .	—	—	—	—	—	—	$\text{zł}$ 100·—
Norblin, Buch & Werner .. . . .	—	—	—	—	—	—	$\text{zł}$ 100·—
Starachowice .. . . .	—	10·50	10·—	—	8·75	—	$\text{zł}$ 50·—
Lilpop, Rau & Loewenstein .. . . .	21·25	21·—	20·65	—	17·65	16·75	$\text{zł}$ 25·—
Ostrowiec ("B" series) .. . . .	—	36·85	—	36·65	36·75	—	$\text{zł}$ 50·—
Modrzejów .. . . .	—	—	—	5·50	5·90	5·50	$\text{zł}$ 50·—
Rudzki .. . . .	—	—	—	—	—	—	$\text{zł}$ 50·—
Warsz. Sp. Akc. Budowy Parowozów .. . . .	—	—	—	—	—	—	$\text{zł}$ 25·—
Borkowski (Eligor) .. . . .	—	—	—	—	—	—	$\text{zł}$ 25·—
Wysoka .. . . .	—	—	—	—	—	—	$\text{zł}$ 100·—
Siła i Światło .. . . .	—	—	—	46·—	40·10	40·50	$\text{zł}$ 50·—
Zakłady Chem. Ludwik Spiess & Syn .. . . .	—	—	—	—	—	—	$\text{zł}$ 100·—
Zjedn. Brow. Warsz. Habermusch & Schiele	—	92·50	—	90·—	83·—	—	$\text{zł}$ 100·—



A QUIET CORNER IN THE FISHING PORT ON THE HEL PENINSULA

*In spite of Poland's small sea-board, her fishing industry is already well-developed and is making good progress. There are over a thousand fishing vessels, most of which are motor-driven, with 32,000 nets in use. Poland is predominantly a Roman Catholic country and fish are therefore an important article of diet: this is why the fishing industry has such good chances of success and why even foreign capital in conjunction with Polish has interested itself in organising an up-to-date fishing fleet under the Polish flag. The chief catches are: plaice, salmon, cod, herrings, sprats and conger-eels, the total catch in 1930 having been over 32,000 metric quintals.*

#### STATE, MUNICIPAL AND LAND LOANS

Conditions on the bond-market were, as in the case of the shares market, very slack and with most limited turnovers, which continued to shrink.

The continued and severe lack of ready money was no doubt the cause of this state of affairs and bond-owners

were often forced to sell on the falling market and in spite of the low demand in order to realise their holdings: this naturally forced the prices down.

In the Government loans group, the greatest losses were suffered by the premium loans although the quotations of all Government scrip fell to some extent. The 10 per cent. Railway Loan was the only one to maintain its April

level more or less, as did also the bond issues of the State banks, which retained their prices without loss.

In the mortgage bond group, the supply of bonds issued by the long-term mortgage associations was quite large and offerings plentiful. In spite of this, the great majority of the bonds offered were taken up, and therefore the quotations remained almost without

#### AVERAGE BOND QUOTATIONS (in $\text{zł}$ )

State, Municipal & Land Loans	April 30	May 1—9	May 11—16	May 18—22	May 26—29	May 30	Nominal
5% Conversion Loan ... ..	48.75	48.30	48.20	48.40	48.25	48.—	$\text{zł}$ 100.—
7% Stabilisation Loan ... ..	—	—	80.—	80.75	77.50	—	\$ 100.—
6% External Dollar Loan 1920 ... ..	—	71.95	71.80	70.85	71.65	—	\$ 100.—
3% Premium Building Loan ... ..	—	45.—	45.—	42.80	38.90	—	gold $\text{zł}$ 50.—
4% Premium Investment Loan ... ..	88.—	87.85	86.75	86.20	83.50	82.—	gold $\text{zł}$ 100.—
10% Railway Loan (1st series) ... ..	—	105.15	104.90	—	105.15	—	gold fr. 100.—
8% National Economic Bank Bonds ... ..	94.—	94.—	94.—	94.—	94.—	94.—	gold $\text{zł}$ 100.—
8% State Land Bank Bonds ... ..	94.—	94.—	94.—	94.—	94.—	94.—	gold $\text{zł}$ 100.—
8% National Economic Bank Communal Bonds	94.—	94.—	94.—	94.—	94.—	94.—	gold $\text{zł}$ 100.—
8% Land Credit Association Bonds ... ..	—	—	—	—	—	—	$\text{zł}$ 100.—
4% Land Credit Association Bonds ... ..	—	—	—	—	—	—	$\text{zł}$ 100.—
4½% Land Credit Association Bonds ... ..	—	51.70	51.90	52.15	51.80	51.50	$\text{zł}$ 100.—
8% City of Warsaw Credit Association Bonds	73.25	73.50	73.75	73.90	72.95	72.60	$\text{zł}$ 100.—
5% City of Warsaw Credit Association Bonds	—	57.25	57.80	57.95	57.65	—	$\text{zł}$ 100.—
4½% City of Warsaw Credit Association Bonds	—	53.50	53.60	53.60	53.50	—	$\text{zł}$ 100.—
8% City of Warsaw School Loan 1925 ... ..	—	—	—	—	—	—	gold $\text{zł}$ 100.—



change with only slight losses. This refers, however, only to the 4½ per cent. Land Mortgage Bonds and to the 8 per. cent. City of Warsaw Mortgage Credit Association bonds; the 5 per cent. City of Warsaw Mortgage Bonds showed a gain during the month whilst the 4½ bonds of the same issue remained at their April quotation.

## BANK OF POLAND

— Foreign exchange trading by the Bank of Poland in May resulted in a much smaller adverse balance than in preceding months this year, excepting of course March since in that month the first instalment of the Match Loan was paid and a favourable balance of £ 45·7 million was reported. April yielded an adverse balance of £ 47·2 million. May resulted in an adverse balance of only £ 19·2 million. This result was encouraging since in May last year, the deficit was £ 44·6 million; sales of foreign

exchange this year in May were £ 26·3 million less than a year ago but sales were also much smaller in volume, by as much as £ 51·8 million. The better result shown by May trading as against that in April was also due to the great drop in sales, which fell from £ 195·1 to £ 129·7 million. Sales to clients of the Bank and on the Stock Exchange showed little change in volume (£ 93·5 million as against £ 95·6 million in April). The improvement was due solely to smaller demand from the Treasury (a drop from £ 62·6 million to £ 35·1 million) and to the fact that, though £ 35·8 million had been remitted to the B. I. S. in April, no payments were made to that institution in May.

The reserves of the Bank, thanks to much more favourable trading in May, increased from £ 344·7 million to £ 355·5 million, the whole increase having affected the cover of bank-notes and sight liabilities. The cover in question increased from £ 228·6 million to £ 256·4 million during the month, while reserves not included in the

cover dropped from £ 116·0 million to £ 99·1 million.

The second component part of the gold-foreign exchange cover of the circulation and sight liabilities (gold) also showed an increase, due, as usual, to over-the-counter purchases. The whole cover was as shown in the following table on May 31st. and prior dates (in millions of £):

	January 1st	April 30th	May 31st
	1	9 3	1
gold	562·2	567·4	567·6
foreign currencies and assets	288·4	228·6	256·4
Total:	850·7	796·0	824·0

As can be seen, the cover of the circulation and sight liabilities has decreased by only £ 26·7 million during the first five months of the current year: when the expected larger inflow of foreign exchange in the beginning of June is realised the semi-annual balance should present itself even more favourably.

## BALANCE SHEET OF THE BANK OF POLAND (in £)

	April 30th 1931		May 10th 1931		May 20th 1931		May 31st 1931	
<b>Assets:</b>								
Bullion:								
gold in vaults - - - -	485,660,570·44		485,727,857·36		485,809,032·94		485,869,482·71	
" abroad - - - - -	81,715,741·90		81,715,741·90		81,715,741·90		81,715,741·90	
silver (gold value) - - -	—		—		—		—	
	567,376,312·34		567,443,599·26		567,524,774·84		567,585,224·61	
Foreign currency, drafts and assets - - - - -	228,640,558·45	796,016,870·79	229,640,475·53	797,084,074·79	239,683,359·20	807,208,134·04	256,438,345·79	824,023,570·40
Foreign currency, drafts and assets not included in the cover - - - - -		116,042,663·20		103,181,779·82		101,832,949·38		99,092,874·98
Silver and token coins - -		19,900,324·68		22,957,493·01		22,978,374·09		22,997,173·49
Bills of exchange - - - -		544,147,568·32		532,051,876·92		522,185,048·85		541,293,388·18
Loans against securities -		75,317,607·01		74,001,350·01		71,220,768·39		76,690,991·39
Own interest-bearing se- curities - - - - -		11,805,433·96		11,923,293·40		12,072,566·84		12,170,302·19
Reserve funds invested in securities - - - - -		90,666,821·71		91,682,781·33		93,595,281·33		93,595,281·33
Loans to Government - - -		20,000,000·—		20,000,000·—		20,000,000·—		20,000,000·—
Property - - - - -		20,000,000·—		20,000,000·—		20,000,000·—		20,000,000·—
Other assets - - - - -		150,189,766·13		148,985,005·32		147,445,056·40		121,550,737·63
		1,844,087,055·80		1,821,867,654·60		1,818,538,179·32		1,831,330,319·59
<b>Liabilities:</b>								
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 - - -	26,358,508·63		31,133,820·25		50,699,344·27		29,402,492·49	
outstanding current ac- counts - - - - -	137,687,566·83		167,569,899·26		202,653,266·41		154,760,114·93	
silver purchases a/c - - -	13,000,000·—		13,000,000·—		13,000,000·—		11,813,907·57	
State credit fund a/c - -	21,968·19		21,968·19		21,968·19		1,956,455·39	
various accounts - - - -	10,910,241·12		9,676,595·78		9,504,311·68		8,509,393·70	
	187,978,284·77		221,402,283·48		275,878,890·55		206,442,364·08	
Notes in circulation - - -	1,258,938,930·—	1,446,917,214·77	1,201,901,890·—	1,423,304,173·48	1,142,064,780·—	1,417,943,670·55	1,222,389,600·—	1,428,831,964·08
Special account of the Treasury - - - - -		20,000,000·—		—		—		—
Other liabilities - - - - -		132,169,841·03		134,563,481·12		136,594,508·77		138,498,355·51
		1,844,087,055·80		1,821,867,654·60		1,818,538,179·32		1,831,330,319·59

The gold-foreign exchange cover, calculated in percentages, came to 55.29 per cent. on January 1st. this year, 55.01 per cent. on April 30th. and 57.67 per cent. on May 31st., the statutory minimum being 40 per cent. The gold cover alone came to 36.54 39.21 and 39.72 per cent. on the same dates, the statutory minimum being 30 per cent.

The relatively larger increase in the percentage of cover in May than in the gold-foreign exchange reserves was due to a shrinkage in the circulation and sight liabilities, which fell in the aggregate from  $\text{zł}$  1,446.9 million to  $\text{zł}$  1,428.8 million. The whole decrease was caused by the note-circulation which declined from  $\text{zł}$  1,258.9 million to  $\text{zł}$  1,222.4 million, since sight liabilities even rose in volume, from  $\text{zł}$  188.0 million to  $\text{zł}$  206.4 million.

The growth in sight liabilities was only due to an increase in current

account credit balances which rose from  $\text{zł}$  164.0 million to  $\text{zł}$  184.2 million, Treasury accounts increasing their figure from  $\text{zł}$  26.4 million to  $\text{zł}$  29.4 million, while private accounts rose from  $\text{zł}$  137.7 to  $\text{zł}$  154.8 million.

The drop in the note-circulation to a level much below that noted in May 1930 ( $\text{zł}$  1,332.6 million a year ago), is of course closely connected with the growth in current account deposits and with the slight shrinkage noted in discount credits although the outflow of foreign exchange is no doubt also a contributory factor.

Discount credits taken up by the Bank's clients decreased by  $\text{zł}$  2.9 million during May to  $\text{zł}$  541.2 million, i.e. to a level much below that reported for May last year ( $\text{zł}$  594.4 million), while collateral security loans rose a little in volume,—from  $\text{zł}$  75.0 million on April 30th. to  $\text{zł}$  76.7 million ( $\text{zł}$  78.1 million on May 31st., 1930).

Amongst the other items of the bank cover of the circulation, the foreign bills portfolio showed a slight rise in value, the token and silver coin stock increased as did also the Bank's holdings of interest bearing securities.

The following table depicts the whole Bank cover of the notes in circulation and sight liabilities as on May 31st, and on prior dates (in millions of  $\text{zł}$ ):

	January 1st	April 30th	May 31st
		1931	
bills	672.0	544.1	541.2
foreign bills of ex- change	107.1	87.7	81.8
Polish silver coins and token money	12.2	19.9	23.0
loans against se- curities	86.3	75.3	76.7
own interest-bear- ing securities	8.8	11.8	12.2
liability of the Treasury	—	20.0	20.0
Total:	886.5	758.9	754.8

## LATEST NEWS

### WARSAW EXCHANGE:

	10.6.31	20.6.31
\$ 1 = $\text{zł}$	8.912	8.925
£ 1 = „	43.37½	43.41½

### BANK OF POLAND:

ASSETS:	10.6.31	20.6.31
Gold reserve ... .. $\text{zł}$	485,933,789.04	485,986,238.20
Foreign balances ... „	283,170,968.01	228,179,981.27
(not included in the cover) „	99,934,003.84	104,579,717.52
Bills of exchange ... „	524,380,962.22	536,044,978.22
Loans against securities „	73,258,946.39	75,570,886.39

### LIABILITIES:

Notes in circulation ... „	1,177,181,160.—	1,127,447,640.—
Current accounts ... „	202,974,751.10	232,298,895.16
Other sight liabilities ... „	112,153,267.02	101,768,302.07

### BANK NOTE COVER

(gold & foreign currencies)	54.46%
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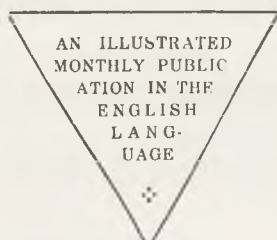
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