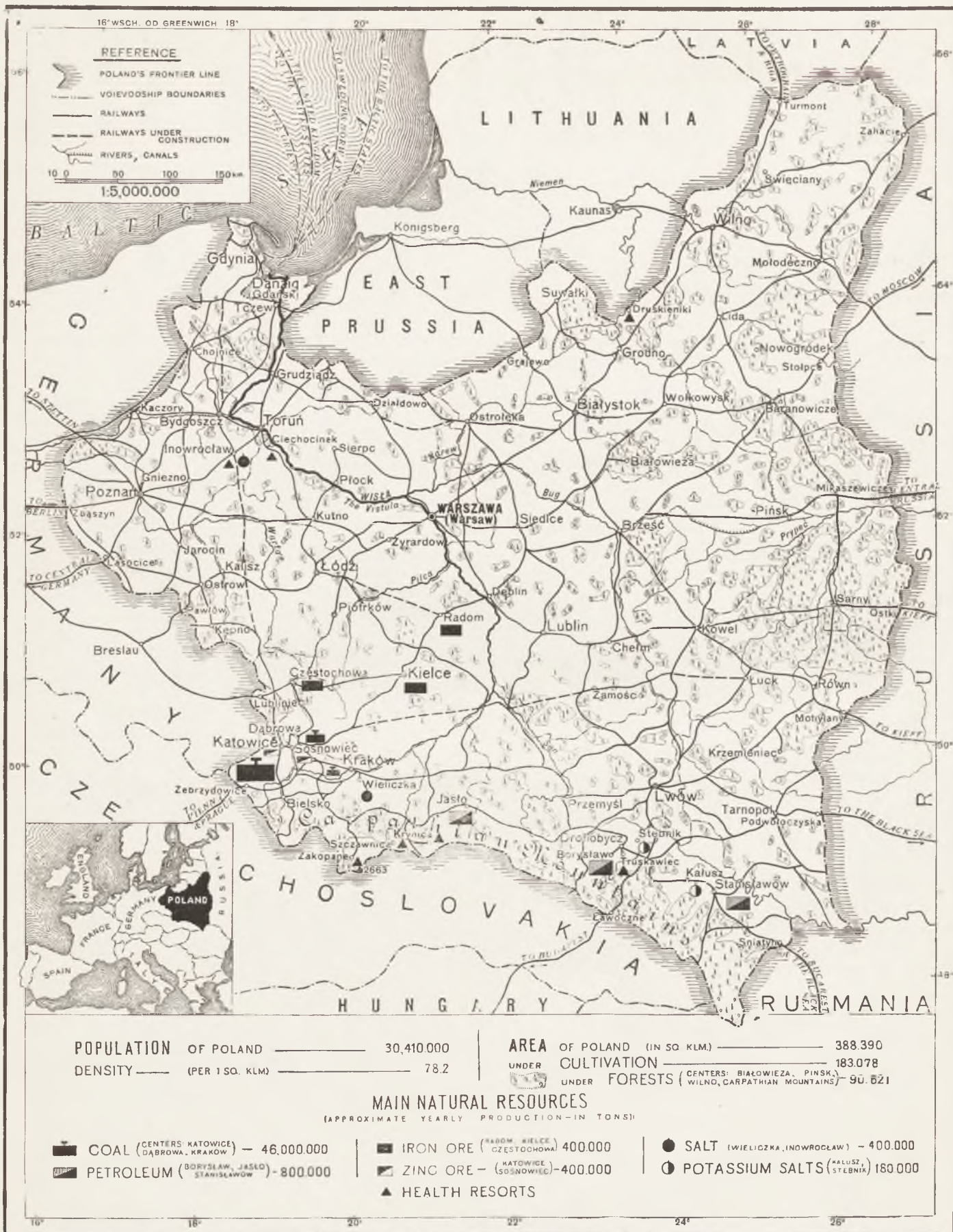


THE POLISH ECONOMIST





THE POLISH ECONOMIST

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

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SEPTEMBER yielded no important changes in the economic state of the Polish Republic. Factors dependent on the home market continued to show great resistive power and adaption in the direction of improvement. External factors, however, tended to demoralise the internal situation. The depreciation of sterling, the abandonment of the gold standard by other currencies and continual upheavals and disquiet in foreign exchanges in many countries have without doubt exercised an unfavourable, albeit indirect influence on the Polish market both in the domain of commodity and of money exchanges with the whole world and repercussions on the home market must take place to a greater or lesser extent.

The Money Market evinced distinct symptoms of a growing tension. The banks continued to restrict credit and this caused greater pressure to be applied on the Bank of Poland, which, however, retained its bill-portfolio unaugmented. A tendency to withdraw deposits was noticeable but at no time assumed larger proportions or greater oscillations in intensity. This movement was not due to lack of confidence but to the lack of credits mentioned above and to the need of ready cash for investment or turnover purposes.

The Currency situation still showed no signs of weakness and the foreign exchange turnovers of the Bank of Poland yielded only a small deficit; the foreign exchange reserves of the Bank declined by about 10 per cent. but gold stocks increased in volume.

Industry was affected by what may be called deflation operations. The level of production of producers' commodities, especially in connection with the earlier closing of the building season than usual, dropped greatly in September. The output of consumers' goods, however, yielded a seasona

increase. Coal and petroleum extraction and sales as also foundry turnovers, yielded no change. Coal exports even increased during the month in question.

Agriculture found its situation during September rather worse, although the prices of corn showed an upward trend. The deterioration was caused by the worse conditions for the export of breeding products accompanied by a drop in prices.

Prices, both wholesale and retail, continued to drop. During the current year, wholesale prices in Poland have dropped by about 15 per cent., the decline having been more or less uniform for both industrial and agricultural produce. As regards the prices of manufactured goods, the drop was not so evident in those divisions controlled by cartelised industries.

State Finances were marked by further improvement, the monthly deficit having been

REVIEW OF THE GENERAL ECONOMIC SITUATION IN POLAND

SEPTEMBER 1931

	UNIT	SEP. 1930	AUGUST 1931	SEP. 1931 *)
STATE OF EMPLOYMENT:				
UNEMPLOYED		167,454	251,608	251,378
PRODUCTION:				
COAL	thous. metric tons	3,417.0	3,302.0	3,482.0
OIL		56.3	53.6	51.6
PIG IRON		38.4	29.8	30.2
AGRICULTURAL INDICES:				
(CROP ESTIMATES)				
RYE	thous. metric tons	.	5,160	.
WHEAT	1,980	.
BARLEY	1,480	.
OATS	2,460	.
PRICES:				
WHOLESALE PRICE INDEX	(1914 = 100)	94.5	82.1	79.9
INDEX OF COST OF LIVING IN WARSAW		116.8	104.3	105.0
FOREIGN TRADE:				
IMPORTS	million zł	190.4	109.1	113.3
EXPORTS		211.8	150.1	171.5
EXCESS OF EXPORTS (+) OR IMPORTS (—)		+21.4	+41.0	+58.2
TRANSPORTS:				
RAILWAY TRAFFIC	wagon loaded (15 tons) reg. ton	517,170	447,981	450,390
PORT TRAFFIC (DANZIG AND GDYNIA)		545,285	612,433	604,115
BUDGET:				
RECEIPTS	million zł	222.6	169.1	173.6
EXPENDITURE		222.0	182.5	182.1
MONEY CIRCULATION:				
BANK OF POLAND NOTES	million zł	1,373.0	1,245.1	1,224.8
COVER IN GOLD AND FOREIGN CURRENCIES	‰ ‰	56.47	48.48	48.07
TOKEN MONEY	million zł	232.7	240.0	242.2
CREDIT:				
(BANK OF POLAND)				
BILLS DISCOUNTED	million zł	704.8	643.6	634.5
OFFICIAL DISCOUNT RATE	‰ ‰	6.5	6.5	6.5
FOREIGN CURRENCIES:				
(WARSAW STOCK EXCHANGE AVERAGE RATES)				
U. S. A. DOLLAR	zł	8.91	8.92	8.92
POUND STERLING		43.36	43.37	40.69

Commerce yielded a seasonal liveliness in certain divisions which even so failed to meet expectations. Export increased in volume greatly and a large favourable trade balance was returned. Prices continued to be hammered down by the process of deflation taking place in the whole world.

Freights, both in domestic and foreign turnovers, increased in volume, this applying especially to railway traffic. Consignments of industrial articles, however, fell off in volume, this applying to both raw materials and finished products.

reduced to a very small sum thanks to an increase in receipts. The budget for the fiscal year 1932/33 was presented to the Polish legislative chambers during October, and foresees a planned deficit of zł 77 million to be covered from existing Treasury reserves which are still far in excess of any possible or likely deficits during the current or coming fiscal years. Legislation enacting new or increased sources of income is being presented to the Sejm.

*) Provisional figures.

POLISH ADAPTION TO THE CRISIS

IN COMMON with the rest of the world, Poland continues to feel the effects of the crisis: factory orders are scarce, home and foreign consumption is declining steadily, export is much hindered and unemployment is rife. To these general symptoms in Poland's case, certain special factors must be added which tend to aggravate the present state of affairs. We allude to Germany failing to ratify

U.S.S.R., for example have been in terms of the pound and it is obvious that no profit can make good a loss of about 20 per cent. on the exchange rate. The drop in the sterling rate has therefore caused much confusion as regards payment, valorisation and terms of many transactions. The situation calls for a special effort.

The coal trade was much assisted by credits granted by the Polish Treasury in order to help tide over the transitory period following the



THE FIRST WELDED-STEEL BRIDGE IN THE WORLD

Our photograph depicts a new departure in bridge construction which has aroused the interest of engineers in the whole world, — the Bzura River bridge in Poland, constructed entirely without rivets and with all parts welded by a special process.

her commercial treaty with Poland although it was signed in March 1930 and has long ago been confirmed by the Polish legislature. The conditions of trading with the U.S.S.R. are well-known and trade with that country is both directly and indirectly affected by the crisis it is also feeling.

International financial disturbances, in particular the depreciation of the English pound, cannot but exert an adverse influence on the Polish money market. The Bank of Poland has in no way suffered and its position is as strong as ever, but Polish economic life feels the influence of these upheavals none the less. In the first place, Polish industry and commerce have suffered severe losses in their foreign trade turnovers in all cases where contracts were expressed in sterling, — for the most part in the provisions, coal and metallurgical trades. All transactions with the

depreciation in the English currency. The Polish coal trade has, for that matter, still considerable resources at its disposal which, when the time comes, can be applied in order to reduce costs of production. It is felt, however, that the time has not yet come for such action. It seems certain therefore that the Polish coal trade will retain the foreign markets it holds at present in spite of the increased competitive ability of the English coalowners.

As regards the Polish founding industries, their future is much dependent on the manner of settling sterling amounts due from the U.S.S.R., and on the question of guarantees for Soviet bills and acceptances.

Agriculture continues to find its situation difficult since not only are prices nearing the level of unprofitability but consumption also is declining

in connection with the general economic crisis. At the time of writing, the situation cannot yet be defined since the marketing of harvests and storing for stock have not been completed.

The labour market this autumn shows an increase in unemployment as against previous years although the present figures (oscillating in the neighbourhood of 250,000 persons) are lower than in the spring of this year. Taking the constant deterioration of economic conditions into consideration, the number of unemployed has increased less than might have been expected. This would appear to indicate the considerable elasticity of the Polish economic structure and its powers of adaption to even the worst conditions. Of course, every effort is being made to keep the number of out-of-work persons at the lowest possible level and Government action in that domain is invaluable.

The budget continues to maintain equilibrium and here, too, this result is only attained by dint of great efforts on the part of the Government. Every period of crisis brings a drop in State receipts and a greater demand for governmental credits: although income drops, demands for tax relief, reduced Customs duties, lower railway tariffs, and cheaper Monopoly-produced goods tend to grow more and more insistent. It is obviously difficult to reconcile a smaller income with these demands on the part of the public. Expenditure is being reduced as far as possible in order to bring the most possible relief to tax-payers and this is well brought out by the budget estimates for the coming fiscal year being for a lower sum than in the current year.

The Polish currency shows no signs of weakness. A gold reserve exceeding the legal minimum and the cautious policies of the Treasury and of the Bank of Poland afford full guarantees that the Złoty will remain firm and free of all fluctuations. The public in Poland understand the importance of a strong currency and the authorities can at all times count upon the co-operation of the business interests of the country.

We wrote in our last number of the large-scale emergency relief afforded to the unemployed: the action undertaken has yielded good results. It is obviously solely a palliative, however, since unemployment can only be reduced by a weakening of the crisis and by greater prosperity increasing State income for public works.

The uncertainty reigning in the whole world of necessity exerts its influence on Polish economic life. It is fully realised that an improvement in world conditions must lead to one in Polish affairs. Yet, it is viewed with regret, the development of international relations is such that little hope appears for the difficulties impeding progress being removed within the near future. Disregarding, for the moment, the close connection between political and economic matters within the structure of every country, it should be emphatically stated that policies of political *révanche*, as appear with such force in Germany, must by their very nature evoke nervousness and disquiet within the structures of economic systems. Public opinion in Poland is convinced that the clearing up of the political situation in Europe in the direction of assuring

a permanent and real peace can do much to bring relief to the whole world and can be a creative factor in liquidating the present economic crisis.

Poland has always been and continues to be a factor for peaceful, creative work in Central Europe and, in spite of various endeavours made to cause her to change her attitude, still remains a power for pacification and economic order. It is obvious, however, that the state of disquiet and uncertainty in the whole world cannot but affect Poland likewise and hinder her in combating the economic crisis. In the interests of civilisation it is essential that the appropriate authorities in every country should understand that nothing but the fixing of pacification on the basis of existing treaties can yield suitable conditions for overcoming the economic crisis and protecting the foundations of the economic world from sudden and devastating shocks.

POLAND'S BUDGETARY POLICIES

THE FIRST few post-War years of Poland's regained independence were exceptionally difficult for the finances of the Polish Republic. The country had to be reconstructed after the unparalleled destruction of the Great War and of the Bolshevik invasion; the population had suffered enormous material losses, was greatly impoverished, and in this the depreciation of paper currency did much to aggravate the already bad conditions. It was therefore most difficult not only to unify the three distinct administrative areas of Poland, but also to make good the losses suffered and to build up the machinery of state from the bottom upwards. In these circumstances, it can occasion no surprise that budgetary deficits existed for every year during the period 1918—1925. These deficits were covered by credit operations, mostly by monies advanced by the State bank of issue.

Conditions took a turn for the better towards the middle of 1926. The budgetary year 1926/27 was concluded with a net surplus of income over expenditure amounting to $\text{zł}161$ million. It is of interest to note that not only was there a surplus for a whole fiscal year for the first time but there was also a surplus reported for every month of the fiscal year concerned. This state of affairs was maintained, i.e. monthly budgetary surpluses were invariably the rule, from July 1926 to the end of 1930 — a period of four and a half years. Of course the relative economic prosperity of the years 1927 and 1928 was an important factor in this end being attained.

During the fiscal years 1926/27 — 1929/30 budgetary surpluses yielded a total of $\text{zł}581,000,000$. This large sum remained partly in the coffers of the State Treasury Offices as a treasury reserve, was partly used for short-term credit granted by the Government and partly invested in urban and rural mortgage bonds.

The satisfactory state of public finance in the years 1926—30 made it possible for the Government to extend its capital investment operations by the sum of $\text{zł}1,653$ million, of which amount $\text{zł}624$

million were spent on railway works and $\text{zł}117$ million on the construction of the Port of Gdynia. During that period, likewise, expenditure on education was greatly augmented, the number of teachers, e.g. having been increased from 79,300 to 86,700. The situation of civil servants was much ameliorated by the cancellation of a 4 — 6 per cent. cut made in their salaries prior to 1926, by a raise of 10 per cent. in pay and subsequently, in 1928, by another increase of 15 per cent. Expenditure reached the highest level in 1929/30 when it totalled $\text{zł}2,992.7$ million. Thereafter it declined steadily.

The economic depression in 1930 caused a considerable drop in State receipts, which in Poland are marked by their elasticity and ready reaction to the fluctuations of the economic cycle. For this reason the Polish Treasury keeps close watch on the flow of income and on future probabilities, and a very efficient system of compressing expenditure and adapting it to receipts was introduced which has so far yielded excellent results.

Thus, when after a series of favourable fiscal years a drop in budgetary receipts was noticed during the first few months of the 1930/31 budgetary period, work was immediately commenced on the compression of the budget. Incoming sums from public levies had shrunk and the Monopolies made smaller and smaller payments to the Treasury, causing a drop of 7.4 per cent. in the income of the first quarter as against the corresponding period of 1929/30; subsequent quarters exhibited a continued downward trend in receipts and it became evident that the Budget would not be balanced from current income.

The reduction of disbursements in direct proportion to the drop in income is in principle difficult, since the State cannot immediately cut expenditure without changing current legislation and risking the disorganisation of the whole administrative machine by too sudden a shock. In addition, the continual growth in unemployment made it necessary, not to reduce expenditure in some respects, but even to increase it. Then again, certain items of state expenditure are obviously more or less invariable without regard to the status of the economic life of the country. The service of the National Debt is a case in point; this item accounted for 14 per cent. of the disbursements foreseen in the 1931/32 budget and it is clear that it cannot be reduced. The same applies to monies spent on supplies and Army veterans' disablement pensions, which account for 14 per cent. of the gross expenditure estimated for the current year. Finally, public order and the administrative apparatus of the country are important services which must be kept up, regardless of the economic state of the Republic.

Expenditure in connection with investment and other special works can, of course, be more easily regulated and adapted. But even here, costs can only be cut if disbursements are not governed by contracts or by categorical texts of special laws and acts of the Legislature.

One of the first economies effected by the Government in combating a budgetary deficit was carried through at the beginning of the 1930/31 fiscal year.

This consisted in reducing administrative purchasing and investment credits by means of understandings attained between the Ministry of Finance and the various other ministries, important sums being thereby saved.

Another highly important step was the introduction of monthly budgets. This system consists of the following: every month a financial plan is drawn up for the next month, the fundamental principle being individually to estimate and adapt monthly disbursements to receipts. Credits are opened by the Treasury covering only one month and are calculated for every ministry separately. Thanks to this system, it is possible to fix and forecast expenditure on the basis of the current monthly trend of income and to avoid unexpected deficits in the economy of the State. Thus, the 1930/31 Budget estimated expenditure at the figure of $\text{zł}2,941$ million: by means of compression and adaption this sum was decreased by $\text{zł}234$ million, i.e. by 8 per cent. It should be borne in mind, however, that the Ministry of Labour received $\text{zł}54$ million more than had figured in the estimates for the Unemployment Emergency Fund and disbursements for supplies were increased by $\text{zł}48$ million. These enhanced sums reduced the economies attained to $\text{zł}132$ million, which sum represents the difference between the estimated and the actual expenditure in the fiscal year 1930/31. Actual expenditure in 1930/31 was $\text{zł}183,000,000$ less than in 1929/30.

These methods, applied during 1930/31, were effective and reduced the budgetary deficit to the relatively low figure of $\text{zł}62$ million: budgetary equilibrium was successfully maintained without decreasing personnel and without cutting salaries. This deficit was less than 11 per cent. of the budgetary surpluses amassed during preceding fiscal years and was therefore easily covered from Treasury reserves.

Although the current budget was fixed at $\text{zł}75$ million less than in 1930/31, deficits began to appear during the first months of the period. The Government was forced to follow the example of other countries and to effect radical cuts in its personnel expenditure, which accounts for about 50 per cent. of all disbursements. A growth in expenditure was inhibited by no new appointments being made as also by promotions and automatic raises in salary being suspended. The rationalisation of administrative methods and the reorganisation of Government offices yielded not only greater efficiency but also fairly large reductions in the number of civil servants employed. The full effects of this measure will not, however, become apparent for some time to come since those dismissed are paid three to six-month salaries in lieu of notice.

It was therefore decided to adopt more drastic measures in order to effect immediate economies. As from May 1st., 1931, Army officers' pay was reduced by the 5 per cent. and civil servants' salaries by the 15 per cent. supplementary payment being withdrawn. Further cuts in the pay of certain civil servants made a total monthly economy of $\text{zł}14,000,000$ possible.

As can be seen from the periodical statements

of public finance issued by the Ministry of Finance, disbursements are lower and lower every month: they came to £250 million in April this year, to £219 million in June and to only £182 in September. Total expenditure during the first half of the 1931/32 fiscal year has been £1,264 million, i. e. 7 per cent. less than during the corresponding period of 1930/31. This total represents 44 per cent. of the estimated disbursements, the compression effected having resulted in a 12 per cent. economy.

In spite of this considerable decrease in expenditure, a deficit of £124 million arose during the first half-year of 1931/32, receipts having fallen to £1,140 million. Monthly deficits were observed but

covered from the surpluses of previous years already mentioned.

The estimated income is comprised of £1,272 million from public levies, Monopoly payments £695 million, administrative receipts £2 million and State enterprises are calculated to yield £142 million. The figures given appear to be justified, since they are 13½ per cent. lower than the actual total for 1930/31 and are in accordance with the half-yearly receipts (£1,140 million) for the current year. The difficult economic situation has therefore been taken into account. In addition, it should be remembered that the second half-year always yields more than the first; the income quoted above therefore represents less than 50 per cent. of this



A SCENE IN POLAND'S CHIEF INDUSTRIAL CENTRE

Poland's industries manufacture nearly all the products of the light and heavy industries for home and foreign consumption. The above view shows iron and steel foundries in Polish Upper Silesia.

since June they have been consistently shrinking every month.

Disbursements in the second half-year (October 1st. — March 31st., 1932) will probably be smaller than in the first six months of the fiscal year in question. Reductions in pay and dismissals began to make themselves felt as late as in May and partly in July, and the service of the National Debt calls for less money in the second half-year than in the first.

If expenses in the second half year are estimated at £1,200 million, the total expenditure in 1931/32 should not exceed £2,450 — 2,470 million. Compared with the actual disbursements in 1930/31, those in 1931/32 should be £340 — 360 million lower, i.e. actual expenditure this year should be smaller by about £400 million, or about 14 per cent.

The Treasury Bill and Budget Estimates for the coming fiscal year (April 1st., 1932 — March 31st., 1933) have already been presented to the Sejm. Income has been estimated at £2,375 million and expenditure at £2,452 million; there will thus be a planned deficit of £77 million which is to be

year's incoming sums. Another factor to be considered is that of additional income from new levies and increases in the Income Tax, Real Estate, wine, beer, yeast, mineral oils, and electrical current taxes, besides Stamp Fees. The Government has wisely planned the incidence of these increases in taxation in such manner that the burden is carried by those most able to bear it. Thus house-owners have had rents are fixed by law and it is but fair that they also sacrifice part of their income.

The total expenditure for the 1932/33 budgetary year comprises the following: Supreme Authorities £19 million, Defence £832 million, Social Welfare and supplies £393 million, Education £348 million, Political Administration £213 million, the remaining ministries £359 million, payments to State enterprises £8 million and service of the National Debt £280 million. Should the crisis deepen and receipts fall off still more during the coming fiscal year, further compression of expenditures will be strictly followed. Continued reorganisation of the administrative system is being kept up and should yield further economies. The Hoover plan of a moratorium for certain international debts will probably be

extended next year and this will no doubt result in a cut in the amount necessary for the service of the National Debt. It is confidently expected

that the budget for the coming fiscal year will be balanced, the more so as reserves are ample and expenditure will, if anything, be decreased.

PRODUCTION AND TRADE

STATE OF EMPLOYMENT. —

The Polish labour market in September yielded no important changes as against August, the number of registered unemployed having dropped only from 251,608 on September 1st. to 251,378 on October 1st. The number of short-time workers dropped from 128,431 to 125,225 on the same days. This small decrease would tend to indicate that the seasonal period of declining unemployment is nearing its close; during the period April—October, it yielded a decrease of 127,643 in the figure of unemployed as against 128,158 during the corresponding period of last year. The usual seasonal increase in unemployment will now commence due to the stopping of building construction, excavation works, etc.

The following table affords data of total and partial unemployment by months during 1930 and the current year:

	Totally unemployed		Short-time workers	
	1930	1931	1930	1931
January	186,427	303,148	36,663	103,707
February	249,462	345,295	88,722	94,434
March	282,568	365,648	117,973	94,148
April	295,612	379,021	109,519	118,753
May	273,351	355,102	142,647	109,442
June	228,321	320,109	127,511	153,991
July	207,258	276,378	94,065	151,077
August	194,279	261,059	78,117	119,518
September	176,810	251,608	89,811	128,491
October	167,454	251,378	63,183	125,225
November	167,349		119,498	
December	211,918		97,127	

As on October 1st., of the total number of short-time workers, 3,945 persons worked one day in the week, 11,073 two days, 37,475 three days, 30,351 four days and 42,481 five days in the week. The average number of days worked by this category of worker came to 3·8 days.

The following table gives figures regarding total unemployment by trades as on September and October 1st. this year:

	Sept. 1 9 3 1	October 3 1	+ increase — decrease
mining	13,800	13,295	— 505
foundry	2,503	2,449	— 54
metal	21,420	22,222	+ 802
textile	21,209	20,192	— 1,017
building	15,858	16,403	+ 545
clerical	31,687	34,230	+ 2,543
miscellaneous	145,131	142,587	— 2,544
Total:	251,608	251,378	— 230

To date the fall in the sterling rate has not affected Poland's coal export

trade and in fact, during September, this export yielded an increase in volume; this caused a greater extraction and a drop in unemployment amongst the colliers. The petroleum industry reported no important changes.

The iron and zinc foundries showed a tendency to decrease output but maintained their position fairly well. The metallurgical and machine industries found conditions worse with few exceptions and unemployment increased. The autumn selling season in the agricultural machine and tool industry was most disappointing and the factories were only about 25 per cent. occupied. The machine-tool plants were quite busy but the locomotive works reduced output due to restrictions in Government orders. The bridge and steel construction works were well occupied and have orders in hand which will keep them busy for some months to come. The wire, nail and screw plants entered their slack season earlier than usual this year.

The cotton mills of Łódź reduced output somewhat but the woolen mills were busy and even increased the number of operatives at work, although hours of work were reduced. The hosiery and knitted wares mills were well occupied but worked with great caution in order to avoid over-production. The Białystok textile mills are most busy in the second half of the year, and in September the spinning mills were occupied 160 per cent. of the normal shift.

Wages continued to exhibit a downward trend, especially in the mining and founding industries of Upper Silesia.

GRAIN

— A slight rise in corn-prices was noted on the Polish market during September this year; this was evoked by a drop in supply caused by the delay in harvesting due to the prolonged rains during the summer.

The following table shows how prices shaped during the second half of September and the first part of October:

AVERAGE POLISH AND FOREIGN CORN QUOTATIONS (per 100 kg)

Date	Poland		Berlin	Chicago
1931	zł	\$	\$	\$
W H E A T				
Sep. 16—22	21·00	2·36	5·03	1·87
23—30	20·29	2·28	5·13	1·85
Oct. 1—8	20·00	2·24	5·10	1·85
9—15	20·20	2·27	5·10	1·85
R Y E				
Sep. 16—22	21·75	2·44	4·38	1·81
23—30	21·66	2·43	4·49	1·45
Oct. 1—8	22·31	2·50	4·48	1·81
9—15	22·35	2·51	4·43	1·81
B A R L E Y (brewing)				
Sep. 16—22	23·66	2·66	—	2·27
23—30	24·00	2·69	3·90	2·29
Oct. 1—8	24·21	2·72	3·97	2·20
9—15	24·90	2·79	3·95	2·22
B A R L E Y (ordinary)				
Sep. 16—22	19·58	2·20	3·63	—
23—30	20·12	2·26	3·62	—
Oct. 1—8	20·46	2·30	3·64	—
9—15	20·95	2·35	3·67	—
O A T S				
Sep. 16—22	20·70	2·32	3·23	1·68
23—30	20·00	2·24	3·32	1·58
Oct. 1—8	20·15	2·26	3·38	1·61
9—15	20·62	2·31	3·42	1·65

Wheat prices in Western Poland continued to be affected by the low rates in other countries and ruled below those quoted for rye. In the other provinces of Poland, situated farther from export trade routes, wheat prices exceeded the export rates often by considerable margins. The low prices ruling in the rest of the world made wheat exports from Poland unprofitable and only 3,165 tons were sent to other countries.

The smaller supply of rye caused a rise in prices during October to above the export quotation level. In September 16,946 metric tons of rye were exported to Czechoslovakia and to the Scandinavian states.

Brewery barley of good quality found a ready market both abroad and at home; prices as a result exceeded those quoted for other corns. Fodder barley remained at a low level, its prices being hammered down by the competition of cheap Argentine maize. The export of barley from Poland during September came to 17,918 metric tons.

In spite of the fairly good oats crop, prices were well maintained. On the Warsaw Produce Exchange, oats were quoted higher than wheat and rye as a result of considerable buying on the part of the Army. Exports of this cereal were quite insignificant during the month.

Total exports of the four basic corns from Poland came to 38,163 metric tons during September this year, the declared value of the trade having been £7,602,000. This result is far above the August returns, which were 10,375 m. tons declared at £2,228,000.

BUTTER

— The low demand for butter during the latter half of September on the internal market, the low prices ruling on foreign markets and the breakdown of the pound all contributed towards the falling-off of prices on the Polish butter market.

The situation improved somewhat during the first half of October as a result of a decrease in production of milk due to the change from fresh to winter fodder. The period of sugar-beet harvesting affords cheap fodder, and as a rise in supplies is anticipated, prices will probably go down in the near future.

The following statement gives the prices per kg. of first quality butter in the different centres of production:

	August 15th—31st	September 1st—15th
Łódź	4'30—4'10—4'00	4'00—4'00
Katowice	4'30—4'10—4'00	4'00
Lwów	3'10—3'30	3'00—3'20
Wilno	3'60—3'80	3'20—3'40
Poznań	4'40—4'20	4'40
Warsaw	—	3'80—4'00
Lublin	—	3'20—3'40

Exports during September amounted to 1,455 tons valued at £ 6,954,000. Of this quantity Germany took 926 tons, Switzerland 238 tons, Belgium 104 tons. etc.

EGGS

— During the second half of September the situation on the Polish egg market was rather strong, whereas the characteristic feature of the first half of October was a considerable decline in prices due to the decreased demand from foreign markets, especially from England, which is one of the most important consumers of Polish eggs. The last events in England disorganised the Polish egg market; wholesale dealers were forced to look for other importing markets and in spite of the fact that large quotations were placed in France and Czechoslovakia, business was slack and prices showed a downward tendency.

Prices of eggs on the internal markets during the period under review

were as follows (in £ per case of 1,440 eggs):

	Sep. 15th—30th	Oct.* 1st—15th
Lwów	130—132	—
Bochnia	—	145
Jarosław	—	140
Tarnopol	—	130—135

During September 4,852 tons of eggs were exported from Poland valued at £10,396,000; this quantity was distributed as follows: 1,105 tons were sent to Germany, 941 tons to England, 927 tons to Czechoslovakia, 807 tons to France, 575 tons to Austria and smaller quantities to Switzerland, Italy and other countries.

HOGS, BACON AND HAMS

— September was a most difficult month for the hog and pork market not only in Poland but also in the whole of Europe. The first week of that month passed normally although the usual seasonal drop in English buying was expected and the supply of hogs increased. Then the pound sterling rate dropped and caused much uncertainty on the Polish market in view of Poland's large exports of bacon to England. The breakdown of the pound sterling resulted in a temporary lack of turnover funds since English letters of credit could not be realised owing to the lack of currency quotations. This did not last long and the situation was soon overcome with the help of the Polish Ministry of Industry and Commerce. The second dangerous symptom appeared in the shape of prices in England being maintained at the former level, i.e. the Polish exporters were faced by a real drop in prices and actual losses. Then Scandinavian exchanges began to tumble in sympathy with the pound and this enabled Denmark to export on better terms than Poland and made competition more difficult. In spite of this new factor, during September, Polish bacon exports were well maintained as regards volume.

Killings during September for the bacon plants came to 79,846 head. Bacon exports amounted to 1,409 metric tons, with prices far from profitable and even in one week brought serious losses. The export of hogs to Austria came to 15,577 head of live and 5,477 head of slaughtered pigs, with prices tending slightly upwards. Towards the end of the month, a shortage of foreign exchange caused difficulties on the Austrian market which up to the time of writing have not been fully solved.

Exports to Czechoslovakia increased greatly and came to 6,718 head of live

and 964 head of slaughtered pigs in September. Exports to France were commenced in this trade on a small scale. Smoked and cured pork were fairly lively and 703 tons of hams were sent to England.

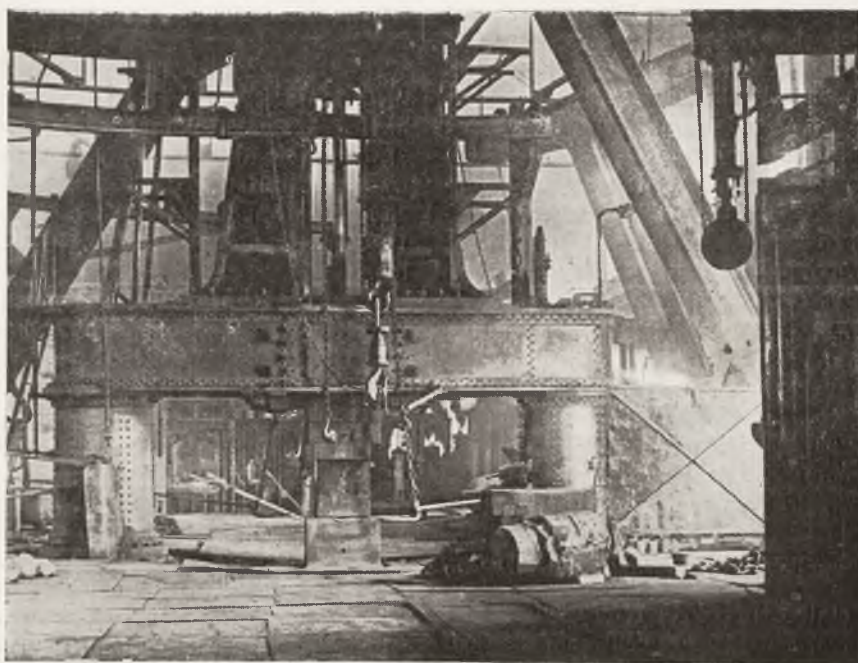
TIMBER

— The timber industry is nearing the end of its 1930/31 season marked by great changes adversely affecting that trade and offering little hope of improvement for the future. The deterioration in the sterling rate and in those of the Scandinavian countries will be sure seriously to hamper business on the markets in question, which had taken the place of the barred German market. The radical embargo on timber imports to France has been a serious blow to timber exporters. The German market yielded an insignificant demand even for the types of timber not embraced by discriminatory prohibitive tariffs. In these conditions export to less important markets was the only one maintained and could give little relief.

The chances of extended domestic timber sales continue to be very slight and the future looks dark for the timber industry in more than one respect: it appears certain that the Government will have to step in and afford some measure of help and relief.

COAL

— The state of the Polish coal-mining industry yielded no greater changes during September as the slight drop in domestic sales was made up for by enhanced export shipments, whilst extraction increased by 5'48 per cent., due to the longer working-month. Domestic consumption declined through a smaller demand from the railways, from industry in connection with the crisis, but the early cold weather caused an increase in household fuel orders. On the whole the seasonal growth in orders failed to come up to expectations. Exports orders to Austria and Hungary grew in volume due to the accumulation of stocks for the winter. The trade to Hungary is expected to fall off since the Government there is to introduce restrictions in order to favour local collieries, and to reduce the demand for foreign exchanges. In Belgium too, the import quota system is to be introduced and buyers increased their orders for stock. Exports to Italy increased considerably, but shipments



A STEAM-HAMMER IN A POLISH FOUNDRY

Poland's metallurgical industries stand on a high level and when normal conditions return should develop greatly owing to the large home market and good export possibilities.

to France fell off by about 40 per cent. due to import restrictions.

During the second half of September the Polish coal export trade was faced by the changed situation brought about by the fall in the sterling rate. English coal began to compete more keenly especially on the Scandinavian markets, where Polish coal had gained a good foothold due to its quality and low prices. The drop in the pound combined with a stabilisation of miners' wages at the old level will certainly help the English coal trade. The Polish coal-owners and exporters are rapidly adapting themselves to the new conditions and with the help of the Government should cope successfully with the present situation.

The following table furnishes data regarding the situation of the coal-mining industry in Poland during September as against August (in thous. metric tons):

Coalmining districts	Output	Home sales	Exports	Pit-head stocks
Upper Silesia	2,598	1,149	1,187	1,569
Dąbrowa	659	378	191	651
Kraków	225	183	1	73
Total:	3,482	1,710	1,379	2,293
August 1931	3,301	1,717	1,298	2,190
Jan.—Sep. 1931	27,586	13,608	11,445	2,293
" " 1930	26,967	13,998	9,095	1,998

The number of colliers at work on September 30th, came to 107,218 as

against 106,238 on October 31st., with only 13,295 men registered as unemployed. Wages remained unchanged. The average output per man-shift came to 1,424 kg. for all Poland and to 1,544 kg. in Upper Silesia. Railway and marine freights (in terms of Polish zlotys) showed no change but rates to Belgium were very firm.

Coal exports are covered by the following table by sales-groups and countries (in thous. metric tons):

Countries	1928	1929	1930	1 9 3 1	Aug. Sep.
Northern markets:	555	526	572	717	742
Sweden	241	234	300	333	314
Norway	44	33	33	56	77
Denmark	120	154	135	166	174
Finland	59	49	42	83	82
Latvia	61	38	40	39	54
Lithuania	22	10	13	16	20
Estonia	—	3	2	5	4
Russia	5	—	5	12	6
Iceland	—	—	2	7	11
Central markets:	416	435	546	261	292
Austria	260	312	206	174	139
Hungary	74	111	68	33	43
Czechoslovakia	81	70	70	54	59
Other markets:	147	191	155	210	238
France	40	59	79	123	50
Italy	53	45	45	54	55
Rumania	28	11	7	5	6
Switzerland	16	10	15	8	10
Holland	2	5	8	14	15
Belgium	8	—	—	8	61
Yugoslavia	35	15	5	4	5
Danzig	29	38	30	35	33
Bunker coal	62	61	64	56	62
Total:	1,245	1,283	1,202	1,298	1,379

The output of coke in September grew to 125,040 m. tons and sales of this product to 146,537 m. tons, whilst stocks dropped to 206,426 m. tons, with 2,290 men engaged in the industry. Briquette production also gained, returning the figure as 28,624 m. tons, with sales reported at 28,389 metric tons. The extraction of lignite also grew and came to 3,133 metric tons with a firmer trend in domestic sales.

PETROLEUM

— During September this year, the output of petroleum was fairly well maintained and domestic sales increased although export transactions fell off in volume. The refineries were well engaged and their throughput exceeded the average monthly figure for last year.

Extraction of crude oil during September came to 51,592 metric tons (provisional estimate) as against 53,838 m. tons in August, the output of Borysław Standard Crude having been 31,736 and 33,206 m. tons respectively. Wages were decreased by 7 per cent. but no important labour disputes were reported; unemployment continued to grow in this industry, and came to 5,796 persons as on September 30th. Negotiations were commenced between the unions and the mine-owners in order to stop further cuts in wages and the men demanded the introduction of a six-hour day in order to make the employment of a larger number of men possible. The number of workers on the pay-rolls on September 30th. came to 9,432 men. Prices remained fairly stable but showed a weak trend.

Boring operations were weakly conducted: only nine new derricks were erected, one new boring (at Schodnica) was registered and 11 temporarily stopped borings re-commenced work. The pumping of air into the deposits at Schodnica gave excellent results and caused the output to rise by 150 per cent.

The following table shows the status of the refineries during August and September this year (provisional data in m. tons):

	August	September
	1 9 3 1	
throughput of crude oil	52,054	53,815
output of petroleum products	48,263	49,406
home consumption	33,207	37,218
exports	20,857	17,215
stocks of petroleum products at the end of the month	243,341	240,852
number of workmen employed	3,752	3,774

Data regarding exports of petroleum products during September are afforded

by the figures given below (in metric tons):

Country	Gasoline	Kerosene	Gas oil	Lubricating oil	Other prod.	Total
Austria	329	73	371	233	309	1,315
Czechoslovakia	4,624	2,002	10	430	120	7,186
France	129	14	229	30	50	452
Germany	—	—	—	16	1,323	1,339
Switzerland	171	—	1,504	15	56	1,746
Other countries	571	178	107	394	679	1,929
Danzig	404	26	1,493	454	931	3,248
Total:	6,228	2,293	3,714	1,572	1,887	1,521

IRON

— Conditions in the iron and steel industries in Poland during September remained fairly constant on the whole. Orders, employment and sales were well maintained, but financial conditions, due to the fall of the English pound, were distinctly worse than in August; in addition, the general financial crisis in Europe made it most difficult to discount U.S.S.R. bills and acceptances. Production continued to be well below the pre-War level. The fourteen iron-ore mines now working in the country felt the full effects of the crisis and reported an output of 20,098 tons in September as against 23,198 tons in August. Imports of iron-ore came to 32,375 metric tons as against 25,006 tons in August.

The following table affords data regarding production in the chief divisions of the Polish iron and steel industries (in metric tons):

	Pig iron	Steel ingots	Rolled products	Pipes
August 1931 ¹⁾	29,841	99,683	73,072	4,695
Sept. " ²⁾	30,178	92,701	70,455	6,036
" 1930	38,434	110,606	77,703	8,050

Domestic sales of pig-iron came to about 13,000 m. tons. The steel-works reduced their output by 7 per cent. and, with fewer sales, worked mostly for stock. The rolling-mills likewise cut production but reported an increase in domestic sales to 38,000 tons with a drop in foreign sales to about 33,900 metric tons. The pipe and tube plants increased

their daily output by 23.6 per cent. and reported total sales at the figure of 5,815 metric tons as against 5,153 m. tons in August. The orders received by the iron and steel foundries during September included an order for 25,000 tons of rails and permanent way equipment for the new Silesia—Gdynia railway line.

Foreign trade in foundry products is represented in the following table (in metric tons):

	Imports			Exports		
	Aug. 1931	Sep. 1931	Aug. 1930	Aug. 1931	Sep. 1931	Sep. 1930
pig iron	114	166	133	273	251	—
rails, iron and steel articles	3,309	1,118	4,758	31,371	26,905	20,614
iron and steel sheets	372	770	928	8,858	6,770	7,175
pipes	72	66	150	4,123	4,252	5,035
Total:	3,867	2,120	5,969	44,625	38,177	32,824

Total exports therefore yielded a decrease of 14.5 per cent. and as their value came to £13,833,000, the drop in money-yield was one of 21 per cent. as against August this year. September 1930 exports were, however, only for £13,204,000.

ZINC AND LEAD

— Conditions in the Polish lead and zinc industries during September remained unchanged until the fall in the sterling rate took place. The depreciation of the English currency did not, however, cause any greater liveliness in sales, since prices were raised by 25 per cent. in the case of zinc and by 32 per cent. in that of lead. These increases exceeded the drop of 20 per cent. in the sterling rate and would appear to indicate an improvement in prices independently of any currency corrections. Zinc was quoted at £12.17s.6d. on September 30th. and lead at £14.3s.9d. Poland's output of zinc has been fixed at 9,000 m. tons by the Cartel agreement and the September figure of actual output came to

8,893 m. tons. The output of lead shrank in the face of unprofitable prices.

The zinc and lead-ore mines increased their extraction, the September figure having been 33,145 m. tons as against 31,407 m. tons in August. Employment was well maintained at the level of 2,167 men. Imports of zinc ore came to 11,935 m. tons and of lead ore to 1,072 tons.

The output of the zinc and lead refineries and foundries is given in the following table (in metric tons):

	Sulphuric acid 50° B _e	Zinc	Zinc sheets	Raw lead	Silver (kg)
August 1931 ¹⁾	13,284	9,218	1,712	3,352	1,352
Sept. " ²⁾	11,760	8,893	1,381	2,671	650
" 1930	22,008	14,061	1,828	3,209	2,257

Both domestic and foreign sales dropped off in volume as against last year's returns and stocks-on-hand came to about a month's production. The close of the building season has caused a distinct drop in domestic demand but export orders were fairly well maintained. Domestic sales of lead were small and transactions with other countries were also difficult to put through. The number of workers engaged in the zinc and lead industries came to 7,113 on September 30th. as against 7,247 on the last day of August.

The following table affords data regarding zinc and lead exports from Poland during August and September this year:

	Zinc (dust incl.)	Zinc sheets	Refined lead	Total
Aug. 1931	m. tons 10,272	1,119	2,271	13,662
" " ²⁾	thous. of £ 5,775	831	1,276	7,882
Sept. " 1930	m. tons 8,595	599	2,440	11,634
" " ²⁾	thous. of £ 4,441	433	1,335	6,209
" 1930	m. tons 16,646	867	1,472	18,981
" " ²⁾	thous. of £ 11,682	736	1,191	13,609

A drop in exports of over 38 per cent. is visible from the foregoing figures as against last year's returns in point of volume and one of nearly 55 per cent. as regards value. The average export price per ton came to £534 as against £722 a year ago.

MOVEMENT OF PRICES. — The economic depression continued during September to depress the level of prices, we furnish statistical data for the period Sept. 1930 — Sept. 1931 by months and show how steadily prices have been dropping as can be seen from the following table (1913 = 100):

	Wholesale price index	Retail price index	Cost of living index
September 1930	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
June "	86.9	136.3	107.3
July "	83.4	132.3	105.4
September "	79.9	126.4	105.0

¹⁾ Corrected figures.

²⁾ Provisional figures.

It will be seen from the above that the wholesale-price index dropped by 2.4 per cent., the retail-price index by 3.4 per cent. and the cost-of-living index by only 0.4 per cent.

The drop in the index of wholesale prices was evoked by a decline of 3.6

¹⁾ Corrected figures.

²⁾ Provisional figures.

per cent. in farm produce, by one of 1·2 per cent. in industrial commodities and by grocery prices decreasing by 6·3 per cent. It is worthy of note that manufactures have been evincing a steadier downward trend in price than farm produce. During the current year so far the index of agricultural produce has declined by 14·2 per cent. but that of industrial commodities has fallen by 16 per cent. Compared with the 1927 level, however, the former has dropped by 43·8 per cent. and the latter by 32·9 per cent. The gap between industrial and agricultural prices is therefore only now being distinctly narrowed.

Reverting to the review of conditions during September, it must be added that the drop in farm produce prices was caused by a decrease of 28 per cent. in the prices yielded by plant products and by one of 4·5 per cent. in those reported for breeding products. The drop in the index of industrial commodities arose but of the lower prices for textiles (2·6 per cent.), timber (15 per cent.), metal (1·1 per cent.) and other items (0·1 per cent.). Prices of coal remained constant but the drop in prices was otherwise quite general, the goods produced by certain cartelised industries forming outstanding exceptions.

The drop in retail prices was caused by farm produce prices being lowered by 4·1 per cent. and industrial prices by 3 per cent. The cost-of-living index was reduced by foodstuffs dropping in price by 0·5 per cent., clothing by 0·9 per cent., fuel by 0·2 per cent. and miscellaneous items by 0·1 per cent. Rents remained unchanged during the month.

VARIOUS

— The Polish beet-sugar campaign this year is expected to yield 540,000 metric tons of sugar. Of this amount 276,000 tons will be exported and the remainder will be consumed in Poland as will also be about 86,000 tons of the 175,000 tons left over from last year's campaign. (Iskra)

— The Warsaw City Council is at present negotiating for four foreign loans: a French long-term school-construction loan, a French and a German short-term loan, and a Swiss street-traction credit.

— The building of the Kraków—Miechów railway line has been approved by the Seym; surveying and field-work have already been started on the 52 km. of the new route, which will be important for both internal and transit traffic.

— Deposits in the communal savings banks of Poland have increased since July 31st. by nearly 10 per cent. and

aggregated $\text{z}583$ million on September 1st.

— All leather and hides produced by Polish tanneries must bear measurements solely in the metric system and any markings according to other standards must be effaced. Imported hides can be admitted up to January 1st., 1932 if upon entry, their packing bear measurements in the metric system, but upon unpacking, the hides must be individually marked.

— In order to reduce unemployment, it has been decided to go on with the construction of the Płock—Sierpce railway line; the earth-works were completed some time ago and permanent-way construction will now be speeded up.

— English importers have filed large orders with Łódź hosiery and knitting works following a compromise attained regarding payment for past deliveries. These were payable in sterling and the sums due have been increased by 10—15 per cent. in order to cover the factories' losses on the English currency.

— Polish steel-works have received $\text{£}80,000$ as a first instalment of the $\text{£}300,000$ credit granted to them by English interests for bridge-building contracts filed by the Polish Government.

— The Gdynia—America Line is the only transatlantic line which has reported an increase in passenger traffic during the past year; the gain is stated to be about 50 per cent. as against last year's figures.

— A decennial general census will be held in Poland on December 9th., 1931, covering all aspects of national, business and cultural life.

— Owing to the danger of infection by the Colorado beetle, French potato exports to England have been banned. Several shipments of the Polish product have been sent to Great Britain through Gdynia and it is expected that a steady trade will now develop in that line.

— A special supplementary fee will be levied on all out-going correspondence by the Polish Post Office authorities: the proceeds will serve to increase the Unemployment Relief Fund (*"Dz. Ust. R. P."*, No. 91, item 711).

— After many years of refusal the German Government has now agreed to permit the feeding and watering of the many thousand horses sent in transit by Poland through Germany to France, Belgium and Holland. Hitherto the railway journey, lasting several days, had caused undue and unnecessary suffering to the animals. (P.A.T.)

— The Polish Postal Savings Bank has arranged to open the Bank Polska Kasa Opieki S. A. at Buenos Aires on November 1st. The new institution is planned to serve the large Polish colony in the Argentine and to aid in protecting emigrants from losses on deposits or in sending remittances. (P.A.T.)

— The Gdynia—Silesia railway line is being pushed ahead with great energy

and the winter will not stop construction. At present 7,500 workmen are engaged, 25,000 tons of rails have been ordered and over half a million sleepers.

— Poland's trade with Belgium is steadily increasing: during the first eight months of the current year, exports were for 84,466,000 and imports for 81,812,000 francs, according to Belgian statistics.

— The Franco-Polish Railway Co. has concluded field survey work on the local line from Siemkowice to Częstochowa. This line, 55 km. in length, will be commenced early next year, as a part of the Gdynia—Silesia system.

FOREIGN TRADE

— The favourable balance of trade for the Polish Customs area came to $\text{z}58,164,000$ in September this year, this being $\text{z}17,166,000$ in excess of the favourable balance returned for August. Total exports were for 1,756,753 metric tons valued at $\text{z}171,488,000$, whilst imports aggregated 268,343 metric tons declared at $\text{z}113,324,000$. Compared with August this year, these figures yield an increase of 171,725 tons in volume and one of $\text{z}21,378,000$ in value as regards exports; imports grew by only 8,455 metric tons and by $\text{z}4,222,000$ in value.

It is of interest to note that Polish exports have exceeded imports from the very beginning of the present economic depression, i.e. from July 1929; the favourable balance has a distinct tendency steadily to increase and during the current year has been $\text{z}32·4$ million monthly on the average. There can be no doubt that this stabilisation of favourable trade balances is a happy sign and that it explains Poland's strength during these times of stress and crisis in a great measure. The first nine months of 1931 have yielded a favourable balance of trade amounting to $\text{z}291·7$ million as against $\text{z}125·3$ million during the corresponding period of last year.

The growth in imports merits attention since hitherto these had tended downwards as a natural result of the general depression. The increased imports were mostly in the consumers' commodities division. Thus foodstuffs came to $\text{z}19·2$ million in September as against $\text{z}13·9$ million in August, the growth having been caused by enhanced rice, tea, coffee and grocery imports. The import of textile fabrics also rose. A seasonal growth in raw hide and fur imports took place; iron ore, automobile tyres, technical animal greases, tanning extracts, paint and lacquers, jute, and waste-paper all

yielded higher import figures. None of these gains were, however, of great magnitude as against the data reported in our last issue.

The drop in imports of machinery and mechanical equipment was more characteristic, power-engines and agricultural machinery being most affected; the total import in this branch came to £8.1 million in September as against £9.1 in August this year and £14.5 million a year ago. This drop indicates that capital investment is being restricted in both industry and agriculture and this can be only considered as a sound development under the circumstances. The import of electrotechnical goods, automobiles, textile raw materials (except jute), woollen, silk and cotton yarns decreased in September to a greater or lesser extent.

Exports from Poland increased greatly in volume and in value, but in both respects fell short of last year's returns for that month, although better than any preceding month this year. The drop in exports is explained by the restrictive precautionary measures adopted by many European countries hard-hit by the German crisis and insolvency. The drop in the English and Scandinavian currencies could not have any effect in September, but difficulties will arise, the more so as Polish exporters are pledged to fulfil their contracts expressed in such currencies even at a loss.

The growth in exports during September this year can be ascribed to enhanced outgoing trade in breeding and farm produce, as the following table shows (in thous. £):

	Sept., 1931	Aug., 1931
Corn and flour	8,636	2,690
Peas and beans	1,013	433
Bacon	9,709	5,994
Cured meats	1,863	1,618
Butter and eggs	17,350	13,068
Cattle (live) and hogs	3,783	3,005
Geese	2,453	884

The growth in exports of Polish breeding and farm produce is due to the steady progress made in the organisation of production and sales and to rational adaption to foreign requirements. This is well brought out by the continual growth in bacon, ham and geese exports in spite of a shrinking market. All these products seem not only to be consolidating their position on foreign markets but are even gaining new customers, with better prices yielded as quality is raised and the consumers become accustomed to the Polish product. The export of live animals, however, is constantly impeded on its chief foreign markets, i. e. in

Germany, Austria and Czechoslovakia with the result that this year's exports so far come to only £52.6 million, or to less than half last year's results for the same period. September, however, was more favourable for this trade than August since the artificial barriers erected by buyer countries proved too weak in the face of the actual demand.

The export of timber and products came to £18.9 million as against £19.6 million in August. This drop did not affect the export of furniture, veneers, and other manufactured goods. Coal exports came to 1,297,400 m. tons valued at £31.9 million as against £28.8 million in August. The export of foundry products fell to £20.0 million (£23.3 million in August); lead and pipe exports gained slightly. Textile exports were satisfactory, yielding gains in fabrics (export came to £9.2 million as against £7.0 million in August); silks yielded the figure of £3.4 million as against £2.4 million a year ago and seem to be developing their foreign markets very well. The export of cheap ready-made clothes developed well also and appears likely to reassume its pre-War importance. The total export of garments and linen goods came to £3.4 million as against £1.1 million in September 1930. The possibility of England introducing import duties caused large orders for ready-made clothing to be received from English importers.

TRANSPORTS

RAILWAY TRAFFIC.—Railway consignments during September increased in September as usual during that month of the year, the daily average of 15-ton car-loadings having been 15,013 wagons as against 14,451 in August.

Data regarding loaded wagons handled by the Polish railway lines during August and September are quoted below (in 15-ton wagons):

	Sept. 1930	Aug. 1 9 3 1	Sept.
Loaded on the Polish State Railways:			
destined for home stations	11,887	9,669	9,848
destined for abroad	3,467	3,383	3,667
Total:	15,354	13,052	13,515
received from abroad	449	326	360
transit via Poland	1,436	1,073	1,138
Total:	17,239	14,451	15,013

There was, however, not only an increase in internal transports but also

in those destined for abroad (3,667 wagons as against 3,383 wagons per day in August), loaded wagons received from other countries rose from 320 to 360 loaded wagons per day, whilst loaded wagons crossing Poland in transit increased in number from a daily average of 1.073 loaded wagons in August to 1.138 in September. The increase in traffic therefore covered all divisions of railway transport.

The following table gives figures (by commodity groups) of consignments to Polish destinations (in 15-ton wagons):

	Sept. 1930	August 1 9 3 1	Sept.
coal, coke	3,619	3,114	3,151
crude oil	195	191	201
timber	709	524	581
agric. produce	1,097	726	882
raw mat.	2,258	1,792	1,637
various	4,009	3,322	3,396
Total:	11,887	9,669	9,848

Enhanced shipments of coal for export and domestic use accounted in a great measure for the growth in loadings. Consignments of farm produce, following the harvests, also gained in volume, this applying especially to sugar-beet shipments. Loadings of raw materials for the factories grew considerably during the month under review.

PORT TRAFFIC.—Ship traffic in the Port of Danzig was only slightly smaller in September than in August and a year ago. Entrances numbered 564 vessels of 360,049 net reg. tons (383,336 net reg. tons in August), whilst clearances came to 579 vessels of 366,535 net reg. tons (371,711 net. reg. tons during the previous month). The total tonnage of entrances during the past nine months of the current year came to 6,067,399 net reg. tons, as against 6,184,778 net reg. tons during the corresponding period of last year.

The nationality of vessels using the Port of Danzig during September is given in the following table:

	Arrivals: ships net reg. tons	Departures: ships net reg. tons
Poland & Danzig	22	27
Germany	159	160
Finland	16	14
Estonia	19	19
Latvia	30	32
Sweden	150	155
Norway	24	27
Denmark	87	89
Great Britain	11	12
Holland	14	15
France	12	11
Greece	9	6
Other	10	8
Total:	564	579
	360,049	366,535

The goods turnovers of the Port in September, according to provisional

data, came to 778,405 metric tons as against 745,840 tons in August. Exports amounted to 692,198 tons in August as against 715,928 tons in September. Imports grew from 53,642 tons to 62,477 tons.

Coal exports accounted for 599,440 tons (563,548 tons in August) sent to thirteen overseas countries. Timber exports dropped from 84,664 to 55,748 tons, this having been doubtless due to the English crisis. 29,464 tons, of corn were exported, 1,975 tons of mineral oils, and 29,301 metric tons of general cargo. Imports grew, iron-ore imports having risen to 46,838 metric tons, artificial fertilisers to 5,567 tons and general cargo to 10,077 metric tons.

Passenger traffic at the Port came to 979 arrivals and 1,082 embarkations, these figures including coast-wise and Gulf traffic.

The volume of cargo handled in Gdynia was about the same as in the preceding month (489,220 tons as against 482,739 tons). The number of incoming ships decreased from 308 to 222 and the net registered tonnage from 244,948 net reg. tons to 238,774 net reg. tons. The number of outgoing vessels remained at almost the same level (293 as against 295 in August) and the net reg. tonnage fell slightly from 240,722 net reg. tons to 237,580 net reg. tons.

As regards nationalities of ships, a considerable change in order took place as compared with August. Poland, which always occupies the second place in Gdynia's ship traffic moved in September to the third place, whilst Germany took her place. Great Britain occupied fourth place, Norway the fifth

and Denmark moved from fourth to seventh. place.

Imports amounted to 58,458 tons as against 55,089 tons in August, a considerable increase being shown in scrap iron (43,950 tons as against 29,416 tons), fruits (542 tons as against 98 tons) and herrings (218 tons as against 16 tons in August). On the other hand there was a decrease in the import of Thomas slag (10,050 tons as against 14,430 tons) and that of cotton (from 587 tons to 170 tons).

Exports showed a slight increase as compared with the preceding month from 452,924 tons to 429,475 tons. This increase is to be attributed to the growth of the export of polished rice (3,274 tons as compared with 1,956 tons in August), bacon (4,007 tons as against 3,505 tons), artificial fertilizers 1,622 tons as against 330 tons, coal 388,916 tons as compared with 387,735 tons and a slight increase in the exports of textile fabrics. Fruit appeared for the first time on the export side (plums sent to England); a shipment of rails was sent to Holland. Exports of zinc fell off from 1,647 tons to 937 tons.

Passenger movement showed a decrease in September. There were 457 persons landed (1,755 in August) and 670 who left the port (1,383 in August).

SHIPBUILDING AT DANZIG. — The Danzig International Engineering and Shipbuilding Co. Ltd. has completed the s. s. "Dalvangen" and effected delivery of the vessel to her owners, the Karaibien Co. of Oslo, Norway. The unit has the following dimensions: overall length 88'20 metres, beam 13'80 metres, draught fully loaded 5'3 metres and deadweight 3,500 metric tons. The

engines are installed amidships and yield a speed of 11 knots.

Another yard at Danzig has constructed two vessels for the Philippine Government, a twin-screw Customs cruiser the "Arayat" and a spud suction dredger of the most modern design. The cruiser has a length of 64 metres, a draught when fully loaded of 3'85 metres and measures 904 gross tons. The dredger has a length of 41'50 metres: its dredging capacity is 300 tons per hour on a sandy bottom.

The Polish and Danzig yards are fairly well occupied in spite of the general slump in shipping, the more so as the Polish merchant marine is steadily growing. By the spring of 1932, four new class A-1 vessels, now under construction, will be added to the fleet. Two of the ships will ply on the Gdynia-England route and the other two are destined for the Baltic trade.

AERIAL COMMUNICATION IN SEPTEMBER. — The first month of the autumn, September, had its effect on the air service, and there was a decrease in every item except in the amount of goods transported. The number of flights fell off from 569 in August to 483 and the distance covered from 157,180 km. to 129,227 km. The regularity of flights was much lower (97'8 per cent instead of 99'6 per cent in the preceding month) and the number of passengers came to 1,460 as against 3,006 in August. The amount of goods carried increased slightly and amounted to 40,542 tons (38,025 tons in August). On the other hand that of mail showed an increase being only 4,795 tons as compared with 7,487 tons in the preceding month.

FINANCE AND BANKING

POUND STERLING TRANSACTIONS. — The Warsaw Chamber of Commerce has circularised its members recommending that they execute all orders and contracts for deliveries to England and payable in sterling, without regard to the depreciation in the English currency. Since this will mean losses for many firms, it is further advised that friendly understandings and compromises be arrived at with British buyers with a view to cutting these losses to a minimum. Where, however, payment is made in depreciated sterling and no compensation is received, Polish exporters should, it is stated, make reservations safeguarding their interests in the event of the pound sterling being revalorised in the future.

Where, however, contracts were made

with non-British firms, who only specified sterling as a gold standard currency, or where this was their obvious intention, Polish exporters are instructed to demand full compensation for losses on the sterling exchange offered in payment. In cases where a friendly understanding cannot be attained, recourse should be had to arbitration. The same principle is recommended for domestic contracts expressed in sterling, the Chamber offering its services as arbitrator free of charge.

Finally, the Chamber expresses the hope that future export transactions will be as far as possible expressed in Polish currency. Wherever, the inclusion of such a clause proves impossible, exporters should insist on contracts

containing provisions safeguarding the Polish firm against loss through exchange depreciation.

As far as British firms are concerned, there can be no doubt that the sums due far exceed those owed by them. It is impossible to quote exact current figures of such indebtedness, but as on January 1, 1930, Poland owed English interests about £1,000 million and had due from them about £270 million. Since then, the latter figure has been much reduced since the £212 million of sterling holdings held by the Bank of Poland on that date had been reduced to nil before the pound slumped. The remaining £58 million represented £16 million of goods credits and about £42 million of bank deposits.

Poland's indebtedness to Great Britain

presented itself as follows on January 1, 1930, the data being of course roughly estimated:

Type of indebtedness	millions of £
I. Long-term debts:	
National Debt	270
Local Govt. debt	30
Bank, private and mortgage-bonds	50 Total: 350
II. Short-term debts:	
a) advances to:	
Sugar industry	127
Textile industry	33
Founding industry	25
Foodstuff industry	11
Timber industry	10
Misc. industries	29 Total: 235
b) Goods credits	105
c) Bank credits	136
III. Capital and reserves in:	
Textile industry	26
Joint-stock banks	17
Chemical industry	16
Petroleum industry	14
Electric industry	8
Miscellaneous	24 Total: 105
Grand Total:	931

It is very doubtful if any important changes have taken place in Groups I. and III. The items of group II. are in a constant state of flux and it is extremely difficult to secure exact figures for that reason. As regards British bank credits to and deposits with Polish banks, more recent data can be furnished: the item of £ 136 million quoted above, increased to £ 179 million on January 1st, 1931, dropped to £ 133 million on March 30th., 1931 and rose to £ 174 million on June 30th., 1931, of which last sum, £ 126 million represented short-term credits of up to six-month duration.

STATE REVENUE AND EXPENDITURE. — Budgetary receipts during September this year came to £ 173·6 million, i.e. £ 4·5 million more than in August but £ 4·9 million less than a year ago. Of this sum, public levies and the Monopolies yielded £ 143·3 million, which figure almost coincides with the August returns but was £ 43 million below the September 1930 level.

Disbursements yielded a total of £ 182·1 million as against £ 182·5 million in August and £ 222·5 million in September 1930.

Total receipts for the first six months of the 1931/32 period amounted to £ 1,140 million, i.e. 41·48 per cent. of the actual sum received in 1930/31. This figure was composed of the following income: public levies £ 593 million, Monopoly payments £ 331·2 million, State enterprise payments £ 78·3 million and Administrative receipts £ 137·5 million. Receipts for the corresponding period of 1930/31 came to £ 1,363 million.

The aggregate expenditure for the first half-year of the current fiscal year came to £ 1,264·1 million, i.e. 44·10 per cent. of the Budget estimates and 44·99 per cent. of the actual disbursements in 1930/31, in which year the total expenditure came to £ 1,358·3

STATE REVENUE AND EXPENDITURE

	Revenue (in millions of £)		Expenditure (in millions of £)	
	actual Sep. 1931	annual 1931/32 budget estimates	actual Sep. 1931	annual 1931/32 budget estimates
A) Civil service	99·4	1,848·1	182·1	2,851·9
including:				
Ministry of Foreign Affairs	1·0	11·4	5·3	51·1
" " War.	0·2	5·2	60·0	836·2
" " the Interior	1·1	12·7	17·7	253·3
" " Finance	86·5	1,692·7	8·4	137·3
" " Justice	3·7	44·5	7·9	129·8
" " Industry and Commerce	0·9	14·4	1·7	33·8
" " Agriculture	0·5	9·7	2·0	48·8
" " Education and Religions	0·2	4·9	26·8	445·2
" " Public Works.	2·1	18·6	6·4	118·6
" " Labour and Social Wel-				
fare	0·3	1·0	7·3	104·3
" " Land Reform..	0·1	6·8	1·4	51·1
Pensions	2·7	24·9	12·2	131·4
Grants to disabled soldiers	—	—	12·8	163·5
State liabilities	—	—	4·0	315·1
B) State enterprises..	14·1	136·6	—	14·0
C) Monopolies	60·1	882·0	—	—
Total A + B + C:	173·6	2,866·7	182·1	2,865·9

million. In spite then of £ 31 million more being expended on the service of the National Debt, the current year has yielded important economies as against last year's disbursements.

BRITISH TELEPHONE LOAN. — The loan announced in our June issue this year has now been ratified by the Polish legislative chambers and can therefore be accepted as an accomplished fact.

The transaction is for £ 550,000 (gold) and is guaranteed by the Polish Treasury, the Polish Post-office having furnished debtor-scrip bonds. The Telephone and General Trust Co., which has granted the loan in question, will also permit the Polish State Telephone Works to produce automatic telephone equipment according to all the patents and licences of the Strowger system for a term of twelve years. The service of the loan will be assured by one-third of the gross income of the telephone system, deposited with the Postal Savings Bank at Warsaw. The bonds issued by the Post-office can only be sold to the public in the event of the Polish authorities agreeing to that step. The loan is to be issued at par and to bear 8½ per cent. interest: it is therefore one of the cheapest loans floated by the Polish Government.

The telephone service in Poland is growing at a very rapid pace (12 per cent. per annum) owing to the fact that the possibilities of the country have scarcely been touched upon. There are only 120,000 subscribers and this figure will be increased many times over during the next few years. The necessity for installing the most

up-to-date equipment at the outset is therefore vital; the Government has decided to manufacture complete automatic installations itself and thus avoid importing costly machinery which would bear down heavily on the balance of payments. The Trust Co. is to furnish technical instructors and to school Polish mechanics and engineers in producing and operating the complicated equipment necessary. Before production is organised, however, exchanges will have to be imported from England to the value of £ 300,000 but after that the output will be fully Polish, both as regards labour and materials. Apart from the organisation of a new industry, the country will benefit by large orders subsequently being given to various other industries producing cables, wiring, accumulators, installation materials, etc. for the needs of the extended telephone lines and exchanges.

STOCK EXCHANGE

— September this year was marked by an event of great international importance to the financial world, — by the breakdown of the sterling rate.

Probably as a direct result of the depreciation of the English pound, the withdrawal of private deposits from American banks commenced on a large scale during the first half of October, whilst the various central banks of the world were faced by a much enhanced demand for gold on the part of the public. As a result and also probably

as a reaction following the former rise of the actual dollar-note rate, the U. S. dollar rate in Poland commenced to decline. The rate fluctuated considerably within narrow limits but the supply was consistently greater than the demand in view of the fact that the general public, having very large sums hoarded in dollars, then switched over to the hoarding of gold. During the second half of October, this tendency abated somewhat under the influence of the wise policies of the Bank of Poland.

The actual dollar-note was quoted below par during October: i.e., at 8.87 on October 9th. and at 8.82 on the next day but rose to 8.89 on the 12th. to drop again to 8.88 on the 15th. of the month. From September 21st. to 26th., the sterling rate quoted was purely nominal, but as from the 28th. the rate became stabilised with a depreciation of about 20 per cent. Scandinavian and Australian currencies were not quoted by the Warsaw Stock Exchange as from September 22nd. in view of the fall in those exchanges: the rates quoted by us are average figures for the whole period, which was marked by great discrepancies between the buying and selling rates.

Differences in quotations for the period August 31st. — September 30th. are as follows: the Pound dropped by $\text{£}8.89\frac{1}{4}$ per unit, Milan by $\text{₡}12\frac{3}{8}$ and Amsterdam by $\text{₡}87$. Cables on New York gained by $\text{₡}0.40$ per dollar, whilst Paris and Prague rose by $\text{₡}15$ and $\text{₡}0.5$ per hundred. The Swiss franc increased its rate by $\text{₡}1.28$ per 100 frs. As on October 15th. the Dutch florin appreciated to $\text{₡}362$ per 100 fl. and the Swiss franc to $\text{₡}175.15$. Foreign

State, Municipal & Land Loans		August 31st	Sept. 1—30	Sept. 30th	Nominal
5%	Conversion Loan	44.50	44.30	43.25	₡ 100 —
7%	Stabilisation Loan	69.50	64.80	—	\$ 100 —
6%	External Dollar Loan 1920 ...	—	64.45	51.50	\$ 100 —
3%	Premium Building Loan ...	—	31.75	30 —	gold. ₡ 50 —
4%	Premium Investment Loan ...	83 —	85.35	81 —	gold. ₡ 100 —
10%	Railway Loan (1st series) ...	106.50	101.15	—	gold fr. 100 —
8%	National Economic Bank Bonds	94 —	94 —	94 —	gold ₡ 100 —
8%	State Land Bank Bonds	94 —	94 —	94 —	gold. ₡ 100 —
8%	National Economic Bank Communal Bonds	94 —	94 —	94 —	gold. ₡ 100 —
8%	Land Credit Association Bonds	—	68.25	—	₡ 100 —
4%	Land Credit Association Bonds	36.50	37 —	—	₡ 100 —
4%	Land Credit Association Bonds	—	47.85	—	₡ 100 —
8%	City of Warsaw Credit Association Bonds	69.50	67.45	61 —	₡ 100 —
5%	City of Warsaw Credit Association Bonds	—	51.55	—	₡ 100 —
4%	City of Warsaw Credit Association Bonds	—	49.75	—	₡ 100 —

exchange transactions remained on an average level as regards volume during September. The Złoty rate abroad was quoted fundamentally without change,

New York reported no change, Vienna returns showed a rise in the rate, whilst Zurich, Danzig, Berlin and Prague reported a slight drop, one, however,

S H A R E S	August 31st	Sept. 1—30	Sept. 30st	Nominal
Bank of Poland	112—	114.20	112.50	₺ 100 —
Bank Zachodni	—	41.—	—	₺ 100—
Potassium Salts Exploitation Co.	—	85—	—	₺ 100—
Chodorów	—	117.25	—	₺ 100—
Częstocickie Tow. Fabr. Cukru	—	29—	—	₺ 100—
Warsaw Coal-mining Co.	18—	18.65	—	₺ 100—
Lilpop, Rau & Loewenstein	—	13.10	—	₺ 25—
Modrzejów	—	4—	—	₺ 50—
Ostrowiec ("B" series)	—	40.85	—	₺ 50—
Warsaw Parowozy Locomotives	—	10.50	—	₺ 25—
Starachowice Steel	—	7—	—	₺ 50—
Haberbusch & Schiele Breweries	—	66.50	—	₺ 100—

allowing for the depreciation of other, exchanges: thus London quoted the Złoty as the same level as did Warsaw,

not exceeding normal day to day market oscillations.

S H A R E S

The difficult conditions reigning on the money markets of the world caused a further drop in security trading in Warsaw. Larger buyers or sellers were rare and for that reason the quotations sheets of the Stock Exchange bear many blank spaces. Haberbusch Breweries were in good demand as were also Ostrowieckie Steel, but the remaining items did not command much interest on the market. The most popular shares on the Floor continued to be Bank of Poland and Lilpop, Rau & Loewenstein Carworks.

STATE, MUNICIPAL AND LAND LOANS

The world-wide crisis has gone so far that even fixed-rate interest bearing securities have now been affected. The public and business circles are mostly interested to getting ready money and investments are bound to suffer. Thus,

E X C H A N G E S		par value	August 31st	September 1—30	September 30th
Warsaw Exchange					
London	£ 1	43.39 $\frac{1}{4}$	43.39 $\frac{1}{4}$	42.06 $\frac{2}{8}$	34.50
New York	\$ 1	8.921	8.921	8.924 $\frac{11}{25}$	8.925
New York Cables	\$ 1	8.925	8.925	8.928 $\frac{1}{2}$	8.929
Paris	Fr. Fr. 100	35 —	35 —	35.05 $\frac{4}{5}$	35.15
Brussels	Belg. 100	124.50	124.50	124.29 $\frac{2}{5}$	124.50
Zurich	Sw. Fr. 100	173.72	173.72	174.23	175 —
Milan	Lire 100	46.71	46.71	46.58 $\frac{2}{5}$	—
Amsterdam	Fr. 100	358.31	—	359.87	359 —
Vienna	Sh. 100	125.48	125.48	125.48 $\frac{3}{4}$	—
Prague	Kc. 100	180.62	26.43 $\frac{1}{2}$	26.44 $\frac{2}{5}$	26.44
Stockholm	Kr. 100	238.89	—	238.97	—
Foreign Exchanges					
London	£ 1	43.38	43.37	41.39	32.50
New York	₡ 100	11.22	11.22	11.22	—
Zurich	₡ 100	58.14	57.55	57.37 $\frac{1}{5}$	57.25
Vienna	₡ 100	79.55	79.57	79.59 $\frac{1}{2}$	—
Prague	₡ 100	55.36	377 —	377.10	376 —
Berlin	₡ 100	47.09	47.25	47.21 $\frac{19}{20}$	47.20
Danzig	₡ 100	57.63	57.605	57.60.44	57.52

the supply of even gilt-edged scrip much exceeds the demand and quotations are consistently dropping although already often far below parity. In Warsaw, almost all loan issues depreciated somewhat and especially so for stock of large denominations since the number of small investors is much larger than that of their richer brethren.

The only bonds to maintain their position well were the issues of the State banks; these remained firm and lost nothing in price. Certain private bond-issues, giving a large yield on the capital outlay and recognised as bond and trust scrip, showed a slight downward trend. A gratifying feature of September trading on the Stock Exchange was the relative ease with which even large batches of scrip were taken up by buyers.

BANK OF POLAND

— The balance of foreign exchange trading by the Bank of Poland during September differed little from that noted in the month before. It is true, the August balance was favourable and the September one adverse, but the surplus of August (over $\text{zł} 11$ million) and the September figure (over $\text{zł} 7$ million) were both small and it can be stated that the net result was a virtual state of equilibrium. Compared with September 1930, however, the difference is great. This month is always marked by greater selling than buying of exchanges and a year ago the deficit came to $\text{zł} 70$ million, although it must be added that the panic on the German money market then was in a great measure responsible for this large figure.

During September, the needs of the State rose, chiefly for the service of the National Debt, from $\text{zł} 24$ million to about $\text{zł} 55$ million; with sales to private clients rather lower in volume, these movements caused an increase of nearly $\text{zł} 17$ million in selling. Purchases of foreign exchanges were on about the same level as in August ($\text{zł} 179.5$ million as against $\text{zł} 181.5$ million) and in both months the Bank received about $\text{zł} 60$ million as bank credits.

The foreign-exchange reserves of the Bank dropped from $\text{zł} 280.7$ million in August to $\text{zł} 250$ million in September. That part of the reserve included in the note and sight-liabilities cover declined

little (from $\text{zł} 135.5$ million to $\text{zł} 134.1$ million), and almost the whole decrease was borne by the reserves included in the cover, which fell from $\text{zł} 145.2$ million to $\text{zł} 115.8$. The second component part of the cover, the gold stocks, grew slightly as usual. The whole gold stock and foreign-exchange cover of the note-issue and sight-liabilities yielded a drop of about 4 per cent. and this is confirmed by the following figures (in million zł):

	January 1st	August 31st	Sep. 30th
	1	9	3
gold	562.2	568.0	568.1
foreign currencies	288.4	145.2	115.8
Total:	850.7	713.1	683.9

The cover quoted above came to 48.07 per cent. of the total note-circulation and sight-liabilities as on September 30th. as against 48.48 per cent. on the last day of August, the statutory minimum being 40 per cent. Gold cover alone came to 39.92 and 38.61 per cent. on the same dates, the minimum being fixed at 30 per cent.

The ratio of cover fell relatively less than the sum of cover reserves, since the circulation and sight-liabilities were reduced in September from $\text{zł} 1,471.1$ million to $\text{zł} 1,422.8$ million.

Both component parts of this item decreased during September. Sight obligations dropped from $\text{zł} 226.0$ million to $\text{zł} 198.0$ million, chiefly as a result of reduced current account credit balances (from $\text{zł} 169$ million to $\text{zł} 148.6$ million); the State Silver Purchase Fund balance was reduced from $\text{zł} 11.6$ million to $\text{zł} 3.6$ million.

The circulation of bank-notes was reduced from $\text{zł} 1,245.1$ million to $\text{zł} 1,224.8$ million, i.e. much below the level of $\text{zł} 1,373.0$ million in September 1930. This reduction in the figure was caused partly by the outflow of exchanges and partly by the contraction of credits granted by the Bank.

The domestic bill portfolio of the Bank yielded a decrease during September of $\text{zł} 9.1$ million, but collateral security loans rose by $\text{zł} 4.8$ million. Compared with the status on September 30th., 1930, discount credits were lower this year by $\text{zł} 70.3$ million, but collateral loans greater by $\text{zł} 23.1$ million. Other items of the bank cover of the note-issue and sight-liabilities include the foreign-bill portfolio, which increased during September by $\text{zł} 6.9$ million, and the token coin stocks which grew by

$\text{zł} 7.3$ million. The whole bank cover presented itself as follows (in million zł):

	January 1st	August 31st	Sep. 30th
	1	9	3
bills	672.0	643.6	634.5
foreign bills of exchange	107.1	113.3	120.1
Polish silver coins and token money	12.2	22.3	29.6
loans against securities	86.3	98.0	102.8
own interest-bearing securities	8.8	13.2	13.7
liability of the Treasury	—	20.0	20.0
Total:	886.5	910.5	920.8

In October the Bank of Poland increased its gold stock considerably, mostly by purchases in America. The gain was for about three million dollars and brought the value of the Bank's gold up to $\text{zł} 594$ million. This transaction caused a decrease in the foreign exchange reserves of the Bank which fell by $\text{zł} 30.1$ million to $\text{zł} 209.9$ million. The balance of foreign exchange trading in October was almost even, foreign credits received by the Bank itself having helped to some extent to augment the inflow of foreign exchanges. The note-circulation increased in volume during the month by $\text{zł} 29.2$ million. This rise in the figure of notes was caused by a growth in credit granted by the Bank, the bill-portfolio having increased by $\text{zł} 27.7$ million. The percentage gold cover of the note-issue and sight liabilities rose during the month from 39.92 per cent. to 41.87 per cent., and gold and foreign-exchange cover fell from 48.07 per cent to 47.39 per cent.

LATEST NEWS — Warsaw Exchange:

Oct. 10, 1931	Oct. 20, 1931
\$ = zł 8.928	zł 8.923
£ = „ 34.36	„ 34.49

Bank of Poland:

(in zł ; 000's omitted)

Assets:	Sep. 30, 1931	Oct. 10, 1931	Oct. 20, 1931
Gold reserve	568,056	576,047	583,009
Foreign balances	115,841	98,989	86,200
Foreign balances (not inc. in cover)	134,114	130,627	126,946
Silver & token coins	29,642	29,548	29,958
Bill portfolio	634,468	630,242	621,462
Collateral loans	102,845	111,541	112,224
Own securities	13,693	13,772	13,878
Treasury debt	20,000	20,000	20,000
Other assets	234,750	227,170	248,403
Liabilities:			
Capital and reserves	264,000	264,000	264,000
Current accounts	148,598	183,906	203,997
Other accounts	49,440	32,580	32,772
Note issue	1,422,832	1,403,531	1,390,317
Other liabilities	259,803	263,528	282,885
% gold & exchange cover	48.07	44.10	48.28

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BALANCE-SHEET OF THE STATE LAND BANK

AS ON OCTOBER 1ST., 1931

ASSETS			LIABILITIES		
	₹	ₐ		₹	ₐ
1. Cash in hand and with banks	9,695.701	40	1. Capital	130,000.000	00
2. Foreign Exchange	172.221	75	2. General reserve fund	15,919.124	13
3. Interest-bearing securities	103,357.009	57	3. Mortgage Bond and Improvent Debenture Bond Reserve Fund	15,892.744	35
4. Shares and stock	7,537.794	67	4. Special Reserve Fund for doubtful debts	1,744.199	25
5. Securities forming part of the Mortgage Bond and Improve- ment Debenture Bond Reserve Fund	9,097.743	61	5. Other special reserves	1,565.890	16
6. Redemption of mortgage bonds drawn	25.192	—	6. Funds allocated for social and scientific purposes	155.659	55
7. Bills discounted	94,317.801	04	7. Sinking Funds	1,569.580	74
8. Bills protested	3,658.097	—	8. Treasury time-deposits	88,197.000	—
9. Loans secured by bills and other documents	139,940.782	74	9. Deposits	34,059.334	64
10. Advances secured by goods	24,638.710	44	10. Current accounts	20,663.884	77
11. Purveyors of goods (advances)	2,578.825	41	11. Bills re-discounted	67,967.308	10
12. Amounts due for land purchased	9,109.900	55	12. Correspondents	69,337.552	—
13. Settling account with Treasury	40,003.001	04	13. Mortgage and Debenture bond issues	339,313.816	—
14. Sundry debtors	15,718.107	53	14. Redemption of mortgage bonds drawn	101.054	—
15. Goods	142.678	68	15. Mortgage Bond Sinking Fund	3,108.486	67
16. Amounts due subject to legal proceedings	12,172.885	81	16. Interest fund for mortgage and Debenture bonds	12,320.098	94
17. Doubtful debtors	901.626	26	17. Payable Coupons on Mortgage Bonds in circulation	69.881	82
18. Loans in the form of mortgage and other bonds	339,313.816	—	18. Advance instalments of loans in Bonds	259.398	03
19. Preliminary dues on loans in bonds	208.883	98	19. Creditors for land purchased	2,522.693	05
20. Instalments of loans in bonds	32,673.936	83	20. Payments on account and instal- ments due for land purchased	635.541	70
21. Coupons of drawn mortgage and land-amelioration bonds	2.574	62	21. Purveyors of goods	2,207.488	12
22. Grain Reserve	38,937.416	55	22. Settling account with Treasury	45,835.797	63
23. Country - estates in course of parcellation	25,890.937	30	23. Sundry creditors	10,463.372	07
24. Real estate and buldings	8,404.618	53	24. Transitory entries	3,498.819	23
25. Movable Property	3,055.524	58	25. Provisional credit balances on various accounts	2,867.181	08
26. Transitory entries	89.572	36	26. Land Reform Working Fund	925.467	43
27. Administrative charges	9,921.212	23	27. Funds arising from loans granted by the former State Land Banks of the partitioning powers	20,735.824	85
28. Administrative charges for the next year	52.295	86	28. Obligations assumed arising out of the indebtedness of the former State Land Banks of the partitioning powers	1,069.328	60
	932,418.768	35	29. Interest and commission	15,763.460	35
			30. Interest and commission for the next year	353.974	79
			31. Sums at the disposal of the Treasury	23,295.806	30
				932,418.768	35
1. Administered funds	419,847.173	30	1. Administered funds (Treasury grants)	419,847.173	30
2. Collections	799.501	97	2. Sundries for collection	799.501	97
3. Debtors by virtue of granted guarantees	10,342.740	—	3. Creditors by virtue of granted guarantees	10,342.740	—
4. Deposits	109,414.197	02	4. Sundries to deposits	109,414.197	02
Total:	1,472,822.380	64	Total:	1,472,822.380	64

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EN HAUTE SILÉSIE

KRÓLEWSKA HUTA
(SILESIA)

9-15, RYNEK

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