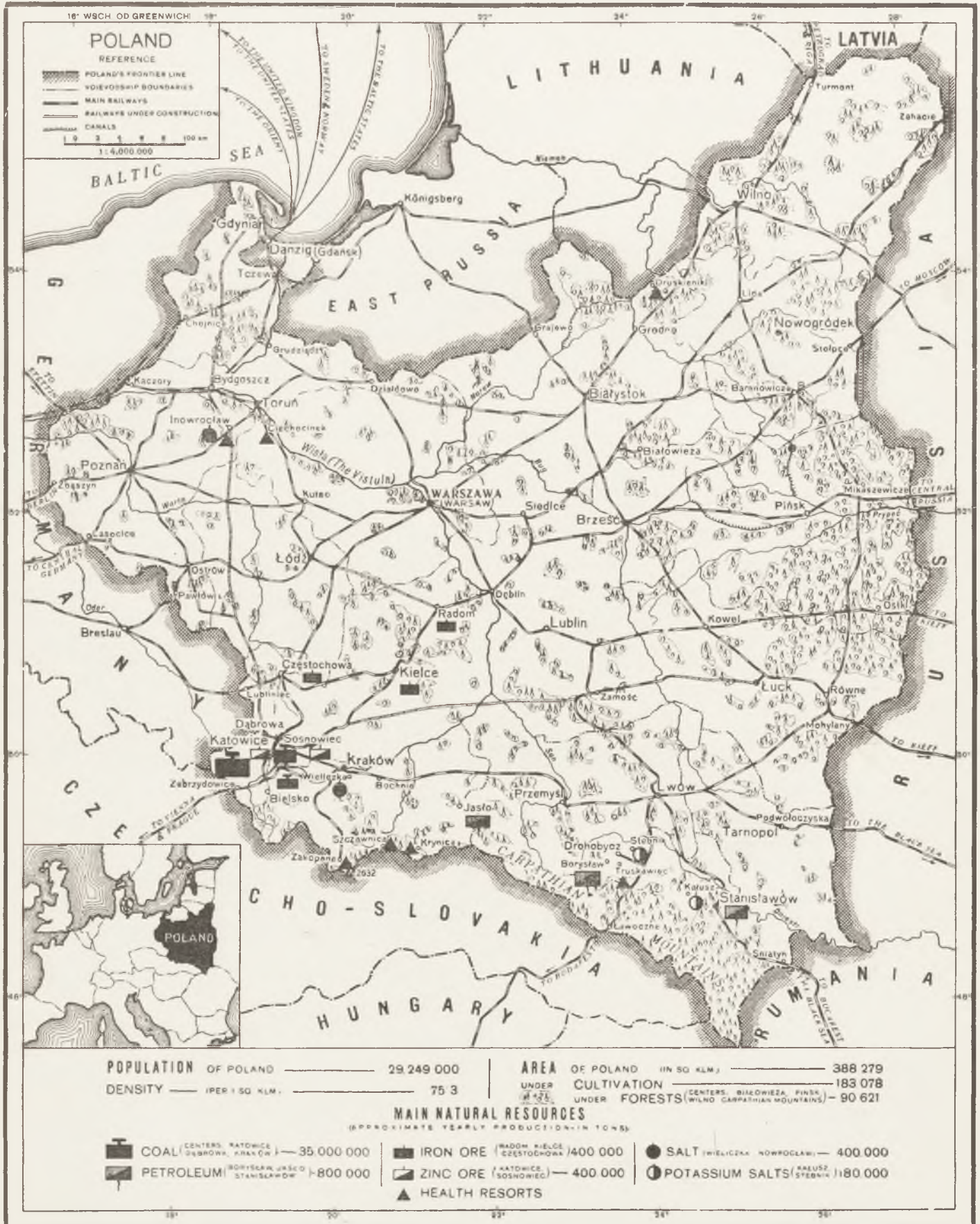


THE POLISH ECONOMIST



LOOK AT THIS MAP BEFORE GOING ANY FURTHER



IN MAY the chief characteristic was the adverse foreign trade balance. It was to be foreseen that the balance would be adverse as long as new reserves of grain did not appear on the market, for it is the shortage of grain in the current year that is one of the main causes of this unfavourable phenomenon.

The economic life of the country was under this cloud, although the adverse balance in the foreign trade had no damaging effects on either the activity of the Bank of Poland, or the production and the revenue from taxes, the conditions in these three provinces having been quite favourable.

In agriculture there was a distinct improvement in the crop prospects, which was due to the setting in of fine weather at the end of May and at the beginning of June. In this respect the month of May offset the negative influence of April.

Industry worked normally, while the number of workmen employed rose in May as compared with the preceding month and the beginning of the current year.

Prices experienced a certain increase, and although the rise was very small, yet the difference in the index of the cost of living assumed large proportions in the course of the last few months, which gave rise to a number of conflicts between employers and employees, who asked for increased wages.

The foreign trade balance in May, as already stated, showed an excess of exports over imports, which was solely due to the imports of grain and flour; it is therefore a passing phenomenon. At the same time the imports rose for another reason, which is of a more or less permanent character, and which is directly connected with the investment movement in Poland; but this latter increase is to a certain extent counterbalanced by the increase in exports.

The financial situation of the country continues to be favourable; the reserves of foreign currencies at the Bank of Poland were somewhat reduced in May, but it was already made good in the first ten days in June. The Zloty remained unchanged. As regards the Treasury there was, in May, a large surplus of revenue over expenditure.

	UNIT	MAY 1926	APRIL 1927	MAY 1927
STATE OF EMPLOYMENT:				
UNEMPLOYED		303,720	216,018	207,570
PART TIME WORKERS		110,190	31,804	35,024
PRODUCTION:				
COAL	thousand tons	2,234.9	2,599.0	2,733.0
OIL		69.3	60.6	61.0
STEEL		50.3	97.5	97.5
IRON		23.0	47.9	48.1
ZINC		10.1	12.1	12.9
AGRICULTURE:				
(crop prospects — agricultural indices)				
RYE	(5 points system)	2.9	3.3	3.0
WHEAT		3.4	3.5	3.3
BARLEY		3.2	—	3.0
OATS		3.3	—	3.1
PRICES:				
WHOLESALE PRICE INDEX	1914=100	196.9	206.0	208.1
INDEX OF COST OF LIVING IN WARSAW		184.6	202.8	204.5
FOREIGN TRADE:				
IMPORTS:				
including:		52.3	148.2	163.8
foodstuffs (edible fats, fish & herring, coffee, rice, wheat &c.)		154.5	435.9	506.6
animal products (tanned hides, dried skins &c.)		8.6	37.8	57.3
ores		14.9	106.8	177.8
chemicals (vegetable & animal fats, dyes, colours & varnishes, potassium salts &c.)		3.7	11.6	10.2
metals & metal products		1.5	3.8	2.9
machinery & apparatus		1.4	3.6	5.0
paper & paper wares		24.2	75.6	81.0
textiles & textile products	million	6.1	12.0	11.2
		16.2	51.3	39.9
		2.5	10.9	9.4
		14.4	70.8	56.9
		5.7	16.0	19.2
		1.4	3.8	4.3
		17.5	40.5	35.1
		5.7	12.9	11.3
EXPORTS:				
including:	gold ₯	89.7	119.4	114.2
foodstuffs (sugar, meat, eggs, forage, peas & beans, barley, hops &c.)		1,292.6	1,623.0	1,609.9
live animals — in thousands of heads	thousand tons	30.7	32.4	26.4
		110.9	94.4	64.5
timber and wood ware (planks, deals & battens, pulpwood, pit props, round wood & logs, veneers &c.)		4.4	7.4	9.9
		119.9	115.3	102.7
plants & seeds		16.2	34.8	30.2
		389.2	628.2	520.7
coal and coke		0.9	3.7	0.8
		6.6	9.0	3.7
petroleum products		10.9	14.8	17.2
		684.8	754.5	891.6
iron and iron products		4.9	4.2	3.8
		36.2	22.7	20.8
zinc		1.6	3.9	3.2
		5.9	16.0	12.0
textiles and textile products		7.9	10.5	9.0
		11.7	13.5	11.7
EXCESS OF EXPORTS (+) OR IMPORTS (-)		+ 37.4	+ 28.8	- 49.6



POPULATION of Poland		29,247,751	
DENSITY (per 1 sq. km.)		75.1	
OCCUPATION:			
agriculture		19.0	
industry		19.0	
commerce		13.0	
various		49.0	

POLAND'S PRINCIPAL TOWNS			
Warszawa (Warsaw)	936,713	Poznań	104,868
Łódź	451,974	Kraków	94,412
Lwów	219,388	Wilno	87,643
		Sosnowiec	86,432
		Częstochowa	80,473
		Białystok	76,792

AREA OF POLAND (in sq. km.)	388,279
area UNDER CULTIVATION (in sq. km.)	183,078
area UNDER FORESTS (in sq. km.)	90,621

THE POLISH ECONOMIST

A MONTHLY REVIEW OF TRADE, INDUSTRY AND ECONOMICS IN POLAND
THE LAST ISSUE, FOR JULY (No. 7), contains the following leading articles: Review of the Economic Situation in May, The Geneva Conference, The Sales Crisis and the Problem of Agriculture, The new Industrial Inquiry into Conditions and Costs of Production and Exchange, The Polish Tobacco Monopoly — and market reports covering grain, sugar, butter, timber, coal, petroleum, iron, zinc & lead &c., as well as notes on the state of employment, movement of prices, foreign trade, opening of trade with Poland, railway, port and aeroplane traffic, State budget, Stock Exchange, Bank of Poland &c.
It includes advertisements of Polish and Danzig firms.

	UNIT	MAY 1926	APRIL 1927	MAY 1927
TRANSPORTS:				
RAILWAY TRAFFIC	truck loaded	347,634	422,490	465,775
PORT TRAFFIC:	(15 tons)			
Danzig	reg. ton	259,756	337,595	330,103
Gdynia		19,912	23,700	35,554
BUDGET:				
RECEIPTS		136.6	202.5	210.0
including:				
taxes and public levies		80.0	93.3	121.5
monopolies		41.1	61.0	57.0
State undertakings	million ₯	1.8	15.9	11.5
EXPENDITURE		154.4	166.1	189.8
MONEY CIRCULATION:				
BANK OF POLAND NOTES	million ₯	413.0	693.9	705.2
COVER IN GOLD AND FOREIGN CURRENCIES	% %	32.25	54.23	52.57
TOKEN COINS	million ₯	442.2	434.7	399.1
CREDIT:				
(Bank of Poland)				
BILLS DISCOUNTED	million ₯	302.9	364.7	375.9
OFFICIAL DISCOUNT RATE	% %	12.0	8.5	8.0
FOREIGN CURRENCIES:				
(Warsaw Stock Exchange — average rates)				
U. S. A. DOLLAR		10.55	8.93	8.93
POUND STERLING		51.25	43.46	43.45
FRENCH FRANC		0.31	0.35	0.35
SWISS FRANC		2.05	1.72	1.72

SUMMARY OF LAWS, ACTS AND EXECUTIVE DECREES published in the "Official Journal of Laws of the Republic of Poland" ("Dziennik Ustaw Rzeczypospolitej Polskiej") during May 1927

- The establishment of ratio of manco in connection with wine production and storage ("Dz. Ust. R. P." No. 41, item 371).
- Extension of towns ("Dz. Ust. R. P." No. 42, item 372).
- Charges for the protesting of bills of exchange ("Dz. Ust. R. P." No. 43, item 381).
- The taking over of the bottling of denatured alcohol by the State Spirit Monopoly ("Dz. Ust. R. P." No. 43, item 384).
- Reduced railway fees to and from local health resorts ("Dz. Ust. R. P." No. 43, item 388).
- Regulations in regard to the sale of certain types of farms due to the parcelation of landed estates ("Dz. Ust. R. P." No. 44, item 390).
- Terms of acceptance of printed matter by the Post ("Dz. Ust. R. P." No. 44, item 392).
- Partial amendments of the decree dealing with the assistance to be given to credit institutions ("Dz. Ust. R. P." No. 46, item 400).
- Amendments of the law concerning the fines for the delay in the payment of taxes ("Dz. Ust. R. P." No. 46, item 401).
- Amendments of the law relating to the compulsory conversion into Zloty of the capital of private undertakings ("Dz. Ust. R. P." No. 46, item 402).
- The freeing of State bonds from the tax on capital and rents ("Dz. Ust. R. P." No. 46, item 403).
- The extension of the powers of the Minister of Labour in connection with the relief to the unemployed ("Dz. Ust. R. P." No. 46, item 404).
- Partial amendment of the law dealing with State guarantees (maximum guarantee fixed at gold ₯ 200 million) ("Dz. Ust. R. P." No. 46, item 406).
- State guarantee of the bonds of the State Agricultural Bank (to the amount of gold ₯ 125 million) ("Dz. Ust. R. P." No. 46, item 407).
- Modifications in the Hypothec regulations now in force in Eastern Poland ("Dz. Ust. R. P." No. 46, item 408).
- Regulations in regard to deposits made in connection with contracts between employer and employee ("Dz. Ust. R. P." No. 46, item 409).
- Compulsory insurance against fire ("Dz. Ust. R. P." No. 46, item 410).
- The fixing of the output of alcohol for the period 1927/30 ("Dz. Ust. R. P." No. 46, item 411).
- Supplementary retail prices for imported tobacco products ("Dz. Ust. R. P." No. 46, item 412).
- Regulations dealing with control apparatus for alcohol distilling plants ("Dz. Ust. R. P." No. 46, item 413).
- The protection of inventions, patents and trade marks, in connection with the Sanitary and Hygiene Exhibition in Warsaw ("Dz. Ust. R. P." No. 46, item 416).
- The protesting of bills of exchange through Postal Offices. ("Dz. Ust. R. P." No. 46, item 417).
- Slight amendments to the railway freight tariff ("Dz. Ust. R. P." No. 46, item 418).
- Final opening to the public of the Kalety — Podzamecze Railway ("Dz. Ust. R. P." No. 46, item 419).
- Tariff reduction for iron ore shipments from Poland to Czechoslovakia ("Dz. Ust. R. P." No. 46, item 420).
- Regulations dealing with the measurements of merchant ships ("Dz. Ust. R. P." No. 47, item 422).
- The prolongations of the customs duties on rye and rye flour ("Dz. Ust. R. P." No. 47, item 425).
- Opening to the public of the Chybie — Skoczów Railway ("Dz. Ust. R. P." No. 47, items 431).
- Modification and completion of the railway tariff, in connection with the conveyance of goods between Poland and Germany ("Dz. Ust. R. P." No. 47, item 432).

¹⁾ See "The Polish Economist" No. 6/1927, page 238. ²⁾ See "The Polish Economist" No. 7/1927, page 276. ³⁾ See "The Polish Economist" No. 7/1927, page 277. ⁴⁾ See "The Polish Economist" No. 6/1927, page 229. ⁵⁾ See "The Polish Economist" No. 7/1927, page 275.

THE POLISH ECONOMIST

A MONTHLY REVIEW OF TRADE, INDUSTRY AND ECONOMICS IN POLAND

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IN MAY the chief characteristic was the adverse foreign trade balance. It was to be foreseen that the balance would be adverse as long as new reserves of grain do not appear on the market, for it is the shortage of grain in the current year that is one of the main causes of this unfavourable phenomenon.

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good in the first ten days in June. The Złoty remained unchanged. As regards the Treasury, there was, in May, a large surplus of revenue over expenditure.

REVIEW OF THE GENERAL ECONOMIC SITUATION IN POLAND
MAY 1927

	UNIT	MAY 1926	APRIL 1927*)	MAY 1927
STATE OF EMPLOYMENT:				
UNEMPLOYED		303.720	216.018	207.570
PRODUCTION:				
COAL	} thousand tons	2.234.9	2.599—	2.733—
OIL		69.3	60.6	61—
IRON		23—	47.9	48.1
AGRICULTURAL INDEXES:				
(CROP PROSPECTS)				
RYE	} (5 points system)	2.9	3.3	3.0
WHEAT		3.4	3.5	3.3
BARLEY		3.2	—	3.0
PRICES:				
WHOLESALE PRICE INDEX	} (1914 = 100)	196.9	206.0	208.1
INDEX OF COST OF LIVING IN WAR-SAW		184.6	202.8	204.5
FOREIGN TRADE:				
IMPORTS	} million gold z	52.3	148.2	163.8
EXPORTS		89.7	119.4	114.2
EXCESS OF EXPORTS (+) OR IM- PORTS (—)		+ 37.4	— 28.8	— 49.6
TRANSPORTS:				
RAILWAY TRAFFIC	truck loaded (15 tons)	347.634	422.490	465.775
PORT TRAFFIC (DANZIG AND GDYNIA)	reg. ton	279.668	361.295	365.657
BUDGET:				
RECEIPTS	} million z	136.6	202.5	210.0
EXPENDITURE		154.4	166.1	189.8
MONEY CIRCULATION:				
BANK OF POLAND NOTES	million z	413.0	693.7	705.2
COVER IN GOLD AND FOREIGN CUR- RENCIES	% %	32.25	54.23	52.57
TOKEN COINS	million z	442.2	434.7	399.1
CREDIT:				
(BANK OF POLAND)				
BILLS DISCOUNTED	million z	302.9	364.7	375.9
OFFICIAL DISCOUNT RATE	% %	120	8.5	8.0
FOREIGN CURRENCIES:				
(WARSAW STOCK EXCHANGE-AVERAGE RATES)				
U. S. A. DOLLAR	} z	10.55	8.93	8.93
POUND STERLING		51.25	43.46	43.45

REMARK: — Figures appearing in the above table are intended exclusively to characterise the economic situation in May 1927; detailed comments on them, and in some cases the latest data, are given in the respective sections of this issue and in the "Latest news".

THE GENEVA CONFERENCE

IN POLAND great importance is being attached to the results of the International Economic Conference, which was held in Geneva in May last. While there is no illusion that the Conference

should bring about a sudden and radical change in the economic relations of the world, there is, nevertheless, an unanimous feeling in Poland that the discussions in Geneva should give serious food for reflection.

According to Polish public opinion, the most important result of the Conference, which pushes all others to the background, is the establishment

*, Corrected figures.

of the fact that the economic regime of the world, which by way of evolution from individual barter, and later on through family and tribe relations, and exchange between nations, has arrived at the next stage, namely — that of world relations, and that in the conflict of these two last mentioned systems, the latter gains ground at the expense of the former. This evolution has been in progress for some considerable time, as is evidenced by the conclusion of a net-work of commercial treaties, which, by application of most-favoured-nation clauses, and additional protocols, have tended to

collective efforts. The taking of Poland as an example is interesting for still another reason: owing to statements based on erroneous conclusions, by certain circles taking part in the Geneva Conference, it is possible that a number of the members of the latter may have formed the false opinion that Poland is the country having the highest customs duties in Europe. That is not the case, as we have explained in detail on previous occasions*). It may be recalled that, according to our calculations, the protective duties in Poland are equal to the average in Europe; still, the fact that Poland



A PORTION OF THE KRÓLEWSKA HUTA FOUNDRY, KATOWICE

restrict national freedom. At this Conference it has been at last established that the evolution of world trade is from a practical point of view dependent on the loosening, and in the future the complete repeal, of all the ties harassing free international exchange, by the unrestricted will of any one country. The discussion went further, and even touched upon the necessity for the restriction of the privileges of any individual country to raise trade barriers; and although these desiderata cannot be realised at the moment, they should, nevertheless, be the primary goal of the economic policy of civilised countries.

This is exactly how the basic idea of the Geneva Conference is understood in Poland.

But what is the reverse side of the medal—that is the validity and the term of realisation of this generally approved programme, which we may be excused for calling the Geneva programme?

Poland affords a good example of what are and will be the causes which will tend to diminish the pace of evolution of the economic regime of the world, and also what are the chief problems, upon which the different nations should concentrate their

counts among the countries practising protectionism is really immaterial. The example holds good as it illustrates best the sources of trade protectionism.

Polish agriculture as well as mining and industrial undertakings, work, on the whole, under favourable natural conditions. Polish soil is fertile, coal is of good quality and easy to raise. The forests are most suitable for all kind of exploitation, while the labour is abundant, cheap and productive. Despite this, in a host of cases, the Polish producers must be protected by means of customs duties against foreign competition. What is the cause of it?

There are many reasons for this state of affairs in Poland, while in the case of other countries which are living under similar conditions, the causes may be different. As for Poland, the readers of "*The Polish Economist*" are already acquainted with the factors contributing towards that end, namely: the necessity for reconstruction of the country ruined by the war, which burdens to a certain extent the budget of the tax-payer; the

*) See "*The Polish Economist*" No. 2/1927, page 44.

necessity for making good the loss of time as regards capital investments, and land amelioration; the extension of means of communication; the

expenditure involved by the provision of means of livelihood for the unemployed, who, contrary to what took place before the war, are unable to



A VIEW OF THE OIL-BEARING AREA NEAR BORYSŁAW (PHOT. S. PLATER)

extension and rationalisation of various branches of production, which again burdens the population; finally, there is a separate group of a large yearly

emigrate abroad owing to the existence of emigration restrictions. But one of the main and special difficulties harassing the development of economic

life in Poland, is the excessive cost of credit, resulting from the shortage of capital. Polish authoritative circles have on several occasions called attention to the last named causes of the difficulties, through which the country is now passing. It was also pointed out that there is direct relation between the freedom of international exchange and the freedom of circulation of capital and labour*). The lack of appreciation of this truth on the part of many Western European economists and politicians constitutes one more proof that the opinions and views on economic matters must be subject to profound modification, before the ground for free trade reforms is completely prepared.

But in this respect also the International Economic Conference has made a step forward, which was emphasised in a speech which the President, M. Theunis, delivered at the concluding plenary sitting of the Conference, in the course of which he stated: "The principal impediments harassing the economic development are the barriers preventing free circulation of labour, and capital, and goods".

It will be seen therefore that there are still a large variety of impediments, which have to be cleared from the path leading to free trade. They are natural obstacles, and as already mentioned, some of them will be gradually removed by the suffering countries themselves, while others will only be done away with as a result of cooperation of all countries. It is certain that they will belong to the category of impediments, which had been created artificially, and which will be most difficult to remove. These barriers will have their sources either in the neglect on the part of certain countries of the recommendations of the Geneva Conference, or in the desire on the part of certain big powers to turn these recommendations into profit against the smaller countries. Unfortunately, there are some signs of the two tendencies already in evidence. Happily, so far they are isolated cases, and it is to be hoped that they will remain to be so; it is exactly there that lies the main danger to the Geneva resolutions.

Poland most loyally accepted the appeal of the President of the Conference, M. Theunis: to propagate, to defend, and to have its share in the putting into practice of the truths proclaimed by the Conference. It is prepared to spare no efforts to introduce free trade, and sincerely hopes that even if certain special conditions or particularly grave difficulties will oblige her to take measures ostensibly contrary to the general principles of free trade, they will bear only a passing character and will be of short duration. It should not be lost sight of, that the initiator of the Economic Conference, France, was compelled recently to consider the raising of its customs duties, and there can be no doubt that France, after all, is among the countries in favour of free trade.

It is gratifying to be able to say that, as far as Poland is concerned, there is no likelihood of such

a change taking place in the near future, which would necessitate the abandonment of the policy recommended by the Geneva Conference, which, in principle, was adopted by Poland over a year ago.

THE SALES CRISIS AND THE PROBLEM OF AGRICULTURE

THE ROOT OF THE UNIVERSAL economic crisis is to be traced to the impossibility of gaining a steady and regular commercial outlet. The sales crisis is therefore the chief cause of standstill in production, with all its heavy economic and social consequences.

The Great War brought about an entirely new situation. It changed the character and the sources of supply as well as trade routes and the conditions of exchange. The countries, which waged the war, were compelled to adapt their production to war requirements, and in this way their former markets were necessarily neglected; the compulsory separation of the different countries, the severance on account of the war of a network of commercial relations, resulted in the substitution of former suppliers by new ones, and the development of industry in those countries, which up till recently had been good sales markets, while the mere contact with the war contributed very materially towards the appearance of a tendency on the part of nearly all countries to become self-supporting. These modifications were responsible for the fact that with the conclusion of the war operations, people were not satisfied with making good the losses sustained during the war and the return to their former conditions of life in general, so much so that it became imperative to create entirely new conditions implying a higher standard of living.

The present economic crisis is confined in the first place to the difficulty of finding new outlets. Numerous considerations of an economic character, such as the necessity of equilibrium in foreign trade, the prevention of imports from the countries with depreciated currencies, the protection of home industries, as well as various internal difficulties of a social character, have compelled countries to surround themselves with high customs barriers, and to apply various restrictions and import prohibitions. These factors have rendered expansion very difficult. The purchasing capacity of the internal markets has also markedly decreased, for while the cost of production has risen as compared with before the war, the population has become impoverished, either directly through war operations, or indirectly, owing to inflation, unemployment, low level of wages, heavy taxation, &c.

This statement is corroborated by the figures contained in the report of the International Economic Conference, which indicate that while the production of the European states in 1925 was 105 per cent, with a simultaneous increase of the population by 1 per cent, the turnover amounted only to 89 per cent of the pre-war figure.

*) See "The Polish Economist" No. 2/1927, page 48; No. 3/1927, page 94; No. 4/1927, page 129; and No. 5/1927, page 169.

The way out of the present difficult situation may be found in the creation of new outlets, and in commercial liberalism. To achieve this, two methods may be resorted to.

The first, and apparently the most simple, is the doing away with the trade restrictions practiced by the different countries. The view that this policy is sound and may lead to the solution of the crisis within a short time, seems to dominate the public opinion, though, it is true, it cannot be entirely followed at present by all countries. The repeal of import restrictions in economically weak countries may prove effective at the beginning, for as a matter of fact, it would exercise an adverse influence on international exchange. In most cases the favourable foreign trade balance is the only

restrictions can be repealed is difficult and should be dealt with individually by each country.

The second method, by means of which the economic crisis may be successfully overcome, is by increasing the purchasing capacity of the population. Considering the causes, which brought about the decline in the purchasing ability of the rural populations after the war, it is significant to find that there is a close interdependence between the financial position of the different trade groups, and that prevailing in industry. An industrial crisis affects in a direct manner the purchasing capacity of the working classes: the number of unemployed and partly employed, increases; earnings shrink in relation to the cost of living, while those who have employment limit their expenditure to a very



A COUNTRY VIEW DURING HARVEST TIME

basis of equilibrium in the balance of payments, and a lack of equilibrium in foreign trade balance may easily result in a currency crisis with all its pernicious consequences. In this way the appeal addressed to the economically less developed countries to repeal import restrictions without simultaneously providing means for the maintenance of the equilibrium of their balance of payments, will in the long run prove inefficient, and even damaging to both—the exporting and the importing countries; for the depreciation of the currency in a given country automatically raises the prices of foreign goods as compared to those produced locally, and for these reasons imports necessarily tend to decrease if not to totally disappear. On the other hand, economic crises lead to the impoverishment of the population, reduce the working capital of industrial and commercial enterprises, which in turn exerts adverse influence on the purchasing capacity of the population, and therefore implies the decrease in the capacity of a given market for both the foreign and the local producers. The establishment of the limits to which import

marked extent through fear of the future; clerical workers are in a similar position. The earnings of people engaged in commerce are adversely affected, and a standstill in either of these two branches lowers the revenue of other trade groups. In this manner an industrial crisis leads to a general decline in the purchasing capacity of the rural population, which again aggravates the situation.

The only section of the community, the purchasing capacity of which it is possible to increase, despite the existence of such a crisis, is the rural population. The causes of the unsatisfactory state of affairs in agriculture are different from those, which have brought about the industrial depression.

There is no problem of world wide sales crisis in regard to agricultural production, for there can be no question of overproduction in the output of farm products of either animal or vegetable origin. The sale of farm products is ensured to a certain extent by the fact that they represent a commodity of the first necessity, and imply the class of unavoidable expenses, which, even in the case of most rigorous economy, cannot be dispensed with.

That is why, when dwelling on the subject of the raising of the purchasing capacity of the population, due attention should be given to the agricultural community. It should be noted that owing to the preponderance of the latter, a slight improvement in the individual purchasing capacity may give a very substantial increase in the sales of manufactured goods; consequently, in order to find a way out of the present impasse, to ensure a market for manufactured goods, and to develop exchange, it is necessary to raise the purchasing capacity of the rural population, which can solely be realised by the improvement of the conditions in agriculture.

The second method of solving the economic crisis, implying the increase of the purchasing

an increase in unemployment. It took the view that the problem of improvements in agriculture is one of vital importance, and that agricultural production is just as important as industrial production; consequently, it recommended that public opinion should be instructed to that effect. In improvement of the conditions prevailing in this branch of production, efforts should be made by the parties interested to introduce modern methods, in regard to the technique of cultivation and organisation of the trade in agricultural products, standardisation of produce, &c., as the protection of agriculture lies in the interests of every state. Stress was laid on the necessity for financial help, while at the same time attention was drawn to the fact that



POLISH BRED SHEEP

capacity of the population, was also discussed by the International Economic Conference. This problem, which was raised on the initiative of the agricultural commission of the Conference, was loosely referred to in the motions of the Conference, but it is dealt with more fully in the section "Agriculture" of the final report of this institution; in the first place it was emphasised by the attitude of the Conference to the rôle of agriculture in the economic life of nations, that it has also recognised the necessity for the improvement of the methods of agriculture.

The Conference has recognised the fact that agriculture is now passing through a general crisis, due in the first place to the disproportion between the prices which the farmer obtains in exchange for his products and those which he is obliged to pay for manufactured articles. The Conference recognised further that the purchasing capacity of the farmer has declined considerably, which has had a most adverse influence on the sales of manufactured goods, and which indirectly may lead to

the rates of interests and taxes are at present so high that they impede the development of production. The Conference addressed a demand to the League of Nations to examine the possibility of international credits to be granted to agriculture.

The attention which was paid to the agricultural problem, as well as the request addressed to the League of Nations, that all the organs dealing with economic questions should reserve to agriculture a footing proportional to the rôle played by it in the life of a country, constitutes a guarantee that the second method of solving the economic crisis of the world, that is by means of increasing the purchasing capacity of the community, will receive due attention from the League of Nations. This method is more effective and will make it possible to realise the common aims if not within a much shorter time, at any rate in a much more lasting manner, and will ensure the development of universal welfare without any menace of new crises to the weaker units.

THE NEW INDUSTRIAL ACT

THE POLITICAL STRUCTURE of Poland after the Great War had a decisive influence on the constitution of the legal regulations relating to trade and industry. Like the Polish territory, the present-day legal prescriptions are composed of the three separate laws of the former partitioning powers: Russia, Germany and Austria-Hungary, plus a fourth set of special economic laws, which, by a mere mishap, were not incorporated in the legislation of the Russian Empire, although they were in force in former Congress Poland (of 1815), a part of former Russian Poland. It should also be mentioned that in the Spiz and Orawa mountain districts there are still in force certain special prescriptions originating in the former Hungarian legislation.

As regards the characteristic features of the above mentioned laws applicable to industry and commerce, it should be stated that the least liberal were those in former Austrian Poland, as every industrialist and artisan was compelled to be a member of the relevant trade association covering the locality, in which his trade was exercised. In addition, every artisan desirous of exercising his trade had to prove that he possessed the necessary qualifications. This could be effected by means of a certificate issued by a special examination board legally founded and composed of duly appointed trade experts. In this way only authorised persons could stand at the head of workshops. Moreover, the laws of Austrian Poland provided for two kinds of industries, apart from handicraftsmanship, namely: that, the exercise of which necessitated a special licence from the State authorities, and that, which could be exercised without any concession.

In former German Poland, German legislation was in force; there was an optional system of trade organisation, for on the strength of government regulations or a permit issued by local authorities, a compulsory or a free guild might be formed in any district. The possession of trade efficiency certificates was only required from those of the artisans, who were engaged in the training of apprentices for the same trade. On the other hand artisans, who did not undertake this work, were not obliged to have these certificates.

The industrial legislation of former Russian Poland, both in Congress Poland and in the Eastern Voievodships, was far from liberal. According to the legal prescriptions, as foremen were considered only those persons who had passed the duly prescribed apprenticeship, passed an examination at the respective guilds, and obtained a duly recognised certificate of trade efficiency. Foremen as well as men and apprentices were registered at the respective guilds. Artisans, non-members of guilds, possessing no certificates of trade efficiency, were considered as workmen and could not take on apprentices, but the lack of the above mentioned trade efficiency certificates did not form an obstacle for people exercising handicrafts; and the special "liberalism" of the Russian legislation consisted in the fact that it was not respected and

was universally evaded. As regards heavy industries, there were in all the three provinces administrative prescriptions relating to safety, health, &c. Finally, in the different parts of the country there were various types of compulsory trade organisations, namely—Chambers of Commerce, although the latter were absent in former Russian Poland.

It is therefore easy to imagine the economic difficulties Poland had to face at the time of its restoration, on account of the differences in the trade and industrial legislation of the three partitions; this necessitated the maintenance of three heterogeneous sets of internal legislation resulting from the customs ruling in the different areas. No other of the countries which were called into being after the war was faced with such a problem.

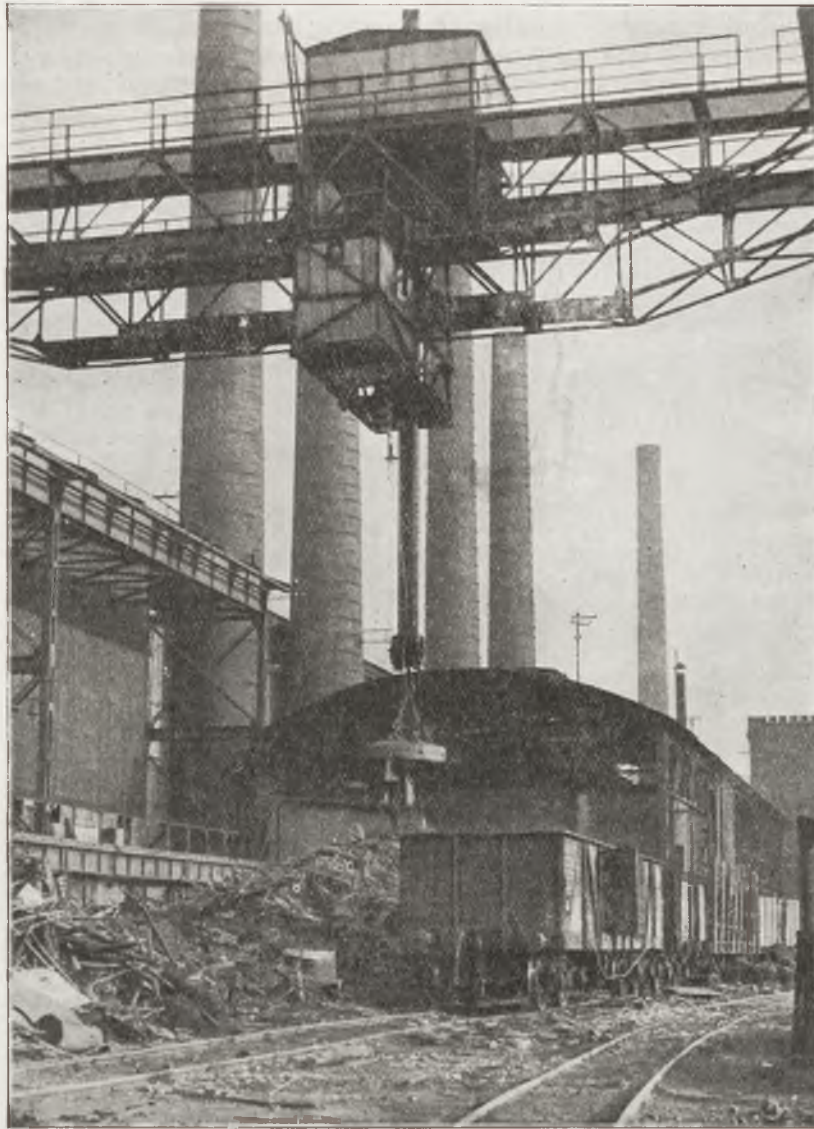
The political and administrative laws were unified and rendered homogeneous in a comparatively short time by means of the Constitution approved of by the Sejm, while the laws relating to the economic life of the country had to be gradually prepared, for, as is well known, problems of this nature, having direct influence on the actual every-day life of the population, cannot be solved in a day or so.

It was only in the year 1927, that the Polish Government, acting on the basis of the Constitution, has succeeded in passing two laws of a great importance from a practical point of view. These are: the new industrial law, and the decree relating to the establishment of Chambers of Commerce and Industry throughout the whole of Poland. The decree embracing the new industrial law, which was approved of by the Council of Ministers at the beginning of June last, repealed the laws of the three former partitioning powers, and introduced a new legislation for the whole country. This law provides also for the establishment of standard Boards of Artisans. On the other hand, the decree relating to Chambers of Commerce regulates the organisations of economic life and renders it uniform in the three former partitions. Although nine years have elapsed since the restoration of Poland, it is necessary for obvious reasons to provide for a certain transitory period, after the lapse of which all differences in the trade and industrial legislation of the three Polish provinces, will totally disappear. For the industrial law, the transitory period was fixed at five years and is confined solely to the production of the certificate of trade efficiency. The law as a whole will be made effective six months after its publication. The decree relating to Chambers of Commerce and Industry will come into force on the date of its publication; it provides for a delay, not exceeding a few months, necessary for the organisation of elections to these chambers.

The industrial law is not based on strictly liberal principles, as some would wish, but neither is it based on economic prohibition, as is feared by others. The law can be regarded as a compromise, so necessary under the existing conditions in Poland, a compromise of the two principles, with a decided tendency to industrial liberalism.

As stated, the compromise was necessary for the following reasons: firstly, there were the local habits resulting from the three and even four different systems of legislation, and secondly, there were to be accounted for the wishes of numerous

takings, which are exercised as a trade or calling, that is in a continuous manner, regardless of the fact, whether it is exercised with the view of the producing of raw materials, manufactured goods, or whether it is conducted as a commercial



A VIEW FROM THE PEACE FOUNDRY, UPPER SILESIA
(PHOT. S. PLATER)

groups of artisans in former Russian Poland, and the attitude towards these wishes of the artisans of the remaining parts of Poland. The largest differences were in regard to artisan guilds as well as in respect of freedom in the exercise of trade, and the production of the certificates of trade efficiency to be required at the time of the establishment of workshops. Consequently, the Government had to temper the antagonism referred to and to embark on the policy of compromise, which is reflected in the new law.

The new prescriptions are based on the following principles: within the meaning of the law, as a trade, is regarded every profit-earning occupation carried on by individual persons or under-

undertaking and purports to render certain specified services. Hence it will be seen that even commercial undertakings will be ruled by the new trade and industrial law. Nevertheless, a whole range of callings and undertakings enumerated in art. 2 are not subject to this law, and this for the reason that they are regulated by other special decrees, such as those issued in regard to agriculture, State Treasury, education, law courts, &c.

While based on the Constitution, the new trade and industry law is resting on the principle of freedom in the exercise of occupation, trade and industry. Deviations from this principle can only take place when public safety and public interests are in danger. In principle a person desiring to

exercise a trade needs only to register; exception to this rule is only made in regard to artisans, where the production of trade efficiency certificates is legally required, and for those industries, the carrying on of which necessitates a permit from the respective authorities. As already mentioned, the new law provides for the production of certificates of trade efficiency, but it must be mentioned that the obtaining of this certificate will not be made too difficult, while the prescriptions relating

of at the beginning of June. Together with the new trade and industry law it ensures new possibilities for Polish commerce and industry. The establishment of Chambers of Industry and Commerce is regarded as being of a great value, as on the one hand they are public organisations, and on the other, they are a source of impartial information for the Government. Moreover, they are bodies, with which the Government will be in a position to cooperate. In order that these aims may be realised, it is



A GROUP OF CRANES IN THE PORT OF DANZIG (PHOT. S. PLATER)

thereto cannot be regarded as emanating from trade and industrial prohibition. The new law maintains artisan guilds as free corporations of a social character, and provides for the establishment of the Boards of Artisans, which up to the present day existed only in former German Poland, as permanent compulsory institutions representing the interests of the different artisan groups.

The new law can, and certainly will, deal most efficiently with its main task, in that it will do away with regional differences, and will thus become one of the foundations of the economic development of the country.

The project of the decree in regard to the organisation of Chambers of Commerce was also approved

absolutely necessary that the activity of the Chambers should bear a continuous character, and be free from casual influences, which is ensured by their establishment in a legal manner. It should be remembered that the law also provides for the necessary funds; and being independent institutions, from a financial point of view, they will be in a position to perform their duties in a proper manner.

The necessity for Chambers of Commerce was long ago definitely recognised in Western Europe, and it is interesting to note that in the Western European countries they are either established by law, or perform their functions as representative bodies of merchants and industrialists in certain areas.

In France, Germany, Italy, Czechoslovakia, Rumania, Austria, Yugoslavia, and certain other countries, the Chambers were founded by the States, while in England, Belgium and Switzerland, they are private organisations. The existence of the Chambers of Commerce does not belittle the importance of individual trade associations, which, apart from special tasks of an organising character, will be called upon to provide the Government with exact information relating to their sphere of activity, information which the Chambers could not provide owing to their being representative of the opinion of industrial and commercial circles, and not of specific trades.

The chief task of the Chambers will be to state their opinion in connection with certain problems, and the provision of information for the Government, and in order that they may be in a position to discharge these duties, article 5 of the law makes it obligatory on the part of Government departments to submit all projects of law to the Chambers and secure their opinion before the projects are submitted to the parliament. Government departments are also connected with the branches of production and commerce represented in the Chambers; in addition, art. 6 stipulates that trade organisations and economic corporations operating within the area of the Chamber, should give the Chamber all the information and statistical data necessary for the proper performance of its functions.

The system of creation of the Chambers of Commerce and Industry is arranged in such a manner that those of the existing organisations which have good prospects for future development will be used; this method has also in view the gaining for the Chambers of the elements which have already acquired a certain experience in this kind of work. The Chambers are to be composed of an elected council; this body will be supplemented by councilors appointed by the Minister of Industry and Commerce and may also be completed by co-opted persons. The number of councilors will be fixed by the articles of association of each Chamber. The membership will fluctuate from 30 to 80, while the elections, which will be secret, will be carried out separately by industrialists and merchants.

The system of creation of the Chambers guarantees variety of representation and excludes all possibilities of casual influences, for the Ministry of Industry and Commerce will have the authority to appoint certain qualified persons, and the Chamber itself will have the advantage of being able to co-opt non-elected persons, the presence of whom is regarded as useful on account of their special training and experience.

The Chambers will act as component bodies of local authorities, and in this way their activity will be free from any outside interference. The Government reserves to itself the right of supervision and control: the supervision over the Chambers will be performed by the Minister of Industry and Commerce. Compared with Western European countries, the Polish Chambers are subject to a more

strict legal control, but, on the other hand, their scope is much larger.

The Chambers of Commerce and Industry are faced with the grandiose and important task of putting order into and unifying the conditions prevailing in Polish commerce and industry; moreover, these Chambers, together with the Boards of Artisans established by the new trade and industry law, will have to prepare the ground for the realisation of the prescriptions, contained in art. 68 of the Constitution relating to the union of economic self-government in the Chief Economic Chamber.

INQUIRY INTO CONDITIONS AND COSTS OF PRODUCTION AND EXCHANGE

THE POST-WAR general European, and to a certain extent the world wide economic depression, is undoubtedly more acute than any of the pre-war crises, which were caused by temporary disequilibrium between production and absorption. Under the influence of the war, all countries have developed their internal production to the utmost, particularly in certain directions, while also under the same influence the population of Europe has been greatly impoverished. The markets situated outside Europe have shrunk considerably, owing to the economic emancipation of colonies, and the transformation of the United States into a powerful supplier of capital and goods. In combatting this crisis, which requires great efforts in the sphere of organisation of world relationships and the economic relations within the different countries, the rôle of the State more and more tends to assume large proportions. In order to be able to follow a certain well defined policy, Governments are compelled to base it on a thorough knowledge of the problems and processes of production and exchange; they have to inquire into the manner, in which these processes react on the different economic factors and conditions and what is their influence on the general situation in international exchange.

Studies of this kind are especially indispensable in Poland, the State administration of which as late as 10 years ago was divided into three parts, each of which following a different line of economic life. That is why the interests of economic life, which is still under the cloud of the past, are very complicated, and that is why the primary aims of future economic policy for some considerable time to come will have to be laid down carefully and on the strength of most conscientious investigations.

The Polish community, and particularly the Government, were conscious of the necessity for a thorough investigation of the economic conditions of the country, which was reflected in the appointment, at the end of December 1926, of a Commission of Inquiry into the Conditions and Costs of

Production and Exchange, which has to carry out investigations in the more important branches of production. It has also been decided to organise a permanent Office of Investigations of Prices, as soon as the inquiry commission has completed its work.

The task of the Polish investigation Commission*) is to go into the conditions of the following branches of national husbandry:

- 1) extraction and transformation and sale of coal, coke and briquettes,
- 2) extraction and transformation and sale of crude oil and petroleum products,



A WATER BASIN IN THE GRÓDEK ELECTRICAL POWER STATION, POMERANIA

- 3) production and sale of iron and steel,
- 4) " " " " textile products,
- 5) " " " " hides and skins,
- 6) production and sale of ready made clothing, underwear and footwear,
- 7) purchase and sale of grain,
- 8) production and sale of bread,
- 9) " " " " sugar,
- 10) production, transformation and sale of grain, meat and farm products,
- 11) production and sale of bricks, cement, lime, wood and metals, parts of dwellings, as well as wages of those engaged in the construction of houses,
- 12) production and sale of artificial fertilizers,
- 13) " " " " concentrated fodder,
- 14) production, transmission and sale of electrical power.

After the examination of this programme, the Commission of investigation will submit to the Government its resolutions; they will be prep-

ared with a view to the rationalisation of production and exchange, and the reduction of prices for the articles produced in those industries which have been the object of investigation.

It will be seen that the scope of activity of the Commission is wide, and that the task is very extensive. It will have to examine the undertakings both from within and from without, it will have not only to establish facts, but to formulate recommendations, which would serve as a basis for the economic policy to be adopted by the Government.

According to the programme, the first task of the Commission embraces the examination of ex-

ternal conditions of production and exchange. These are the two factors, which are imposed on the undertakings by the general political and economic structure of Poland, quite independently from the will of their leaders. In the first place the question of supplies of means of production, such as raw materials (particularly the problem of transportation and tariff), technical appliances, labour (social policy and the activity of workmens' associations), capital (the problem of credits), &c., will have to be dealt with. To these external conditions should be added the commercial and tax policies of the State, as well as the system of organisation of undertakings.

The second part of the programme concerns the internal conditions of production in undertakings; this will involve the investigation of their administrative and technical organisations (administrative functions, division of labour, allocation of competence, division of responsibility, system of wages,

*) The decrees of the President of the Republic and of the Council of Ministers dated Dec. 22, 1926, and Jan. 14, 1927 respectively.

the use of raw materials, technical appliances, manual labour, premises, &c). Stress will be laid on the reduction of waste in industry, for it is certain that without capital investments there is a great deal of room for improvement in a large number of undertakings, where good results can be obtained by the application of the rational organisation of production.

the excessive number of middlemen, which is a peculiar feature of Polish trade.

As regards the methods of investigation, the Polish Commission of investigation will not follow the example of the American or the German Commissions, whose methods include the fixing of the most important conditions and economic factors and the analysis of the influence exerted by each



A PORTION OF THE PORT OF GDYNIA, UNDER CONSTRUCTION (PHOT. S. PLATER)

The third point of the programme of the Commission concerns the cost of production and the sale of commodities by their producers. Here the task will comprise the establishment of average costs for several years in a given branch of production, as well as the fixing of the influence on prices of the external and internal conditions of production, forming part of the first two points of the programme.

The examination of commercial undertakings, together with the prices quoted by them, will be conducted in the same manner as that of industrial undertakings. The difference lies in that while in the case of industrial undertakings, the chief attention of the Commission will be directed to the cost of production, in the case of exchange from the producer to the consumer, the different undertakings will be considered as links in this process. The aim is to establish the degree of waste in the chain between producer and consumer, owing to

of these phenomena on the economic life. The direct connection between the task of the Commission and the processes of production (investigation of the cost of production and its rationalisation) made it necessary to resort to a different method of investigation. All necessary data are compiled in connection with the investigation of the undertakings themselves; it is not the different phenomena that are inquired into, but the different undertakings individually; search is made for phenomena, which have a decisive influence on the working of certain groups of undertakings. General conclusions will be arrived at on the strength of the influences brought about by the different factors on the working of the industrial and commercial enterprises. For this reason the organs of the Commission have been adapted not to particular problems but to well defined branches of production. Special sub-commissions were appointed: energy, metallurgical, building, clothing, agricultural and alimen-

tary. In addition, a special sub-commission was set up for the examination of general economic and financial problems concerning all branches of production; there is also a special sub-commission, which, after the elaboration of the programme of the Commission, registers the results achieved by the other sub-commissions.

As regards the order of investigations, in the first place are undertaken the preliminary inquiries, which embrace only a few undertakings of each branch of production and have the object of verifying the exactness of the questionnaires; further investigations will bear a meritorious character; in addition to the investigation by means of questionnaires with statements in writing (the investigations embrace the largest possible number of undertakings in a given industry), the Commission will undertake the investigation of the undertakings by personal inquiries by the members of commissions, on the spot.

The work of the Commission, which at first was estimated to last 6 months, will probably be completed by the end of 1927 or at the beginning of 1928.

As stated in the opening phrases of this article, Poland is still in process of unification, so that the views on the different economic problems in Poland are more difficult to reconcile than in any other country. In order to formulate a well defined view on the chief problems concerning production and exchange, the Government has appointed to the Commission representatives of industry, agriculture and the legal professions. The Commission is thus composed of: 6 representatives of industry, commerce and finance; 6 representatives of agricultural producers and agricultural boards; 9 representatives of workers' trade unions; 2 representatives of central co-operative societies and 6 economists and businessmen.

The competence of the Commission as well as the sanction guaranteeing its proper function are far-reaching; it is authorised to summon and examine persons, the opinion of which may be useful, and enjoys the unlimited privileges including the control of their means of production, books and documents. Commercial and technical secrets of the investigated undertakings are considered as strictly confidential; the reports of the Commission should not contain either the name of the undertaking or that of its proprietor. The information received cannot be used for the purposes of taxation.

THE POLISH TOBACCO MONOPOLY

THE TOBACCO MONOPOLY, which was introduced by the Law of June 1st 1922, as a homogeneous manner for the taxation of tobacco in the whole of Poland, is by no means a new institution. It is in a way a continuation of the old Polish State Monopoly which was first established in 1777, to begin with in the form of a concession leased to a private concern, and subsequently commencing with the promulgation of the law of 1789 passed by the so-called Four Year Sejm, it was controlled

by the Treasury and managed by the Tobacco Directorate. The taking over of the monopoly by the Treasury increased its revenue from this source by about 30 per cent.

After the splitting up of Poland, the alien Governments introduced their own systems of taxes on tobacco; thus the monopoly system in former Austrian Poland; the excise duty in former Russian Poland; in former German Poland there was a system of taxing the home grown raw material by weight, and an import duty *ad valorem* was imposed on raw material and finished articles of foreign origin, and from 1906 on, there was a system of excise duty on cut tobacco and cigarettes and an import duty *ad valorem* on cigars.

During the Great War the Austrian and German authorities introduced a commercial tobacco monopoly in former Russian Poland.

This variety in the systems of tobacco taxing, which existed at the time of the restoration of Poland, lasted effectively up to August 1st 1924, for, in spite of the promulgation of the Law of June 1st 1922, establishing a homogeneous monopoly for the whole of Poland, the question was only definitely settled in 1924.

In November 1918 the Polish Government took over the factories and warehouses of the German and Austrian occupation authorities, while in January 1919 the Directorate of the Tobacco Monopoly was created, which, utilising only the profit derived from the manufacture of tobacco products, succeeded gradually in restoring factories located in former Austrian Poland, and in erecting a new factory in Warsaw; in view of the shortage of tobacco products on the home market, one of the main tasks of the Directorate was the importation of cut tobacco and cigarettes, mainly from Bulgaria and Holland. Also thanks to the above mentioned shortage of tobacco products and favourable trend in the tobacco export business, a number of private factories resumed and extended their operation, particularly in the Central Voievodships (former Russian Poland), while in the Eastern and Western Voievodships even a number of new factories were established. At the time when the Monopoly Law was made effective, that is in the middle of 1922, there were in Poland 184 private factories of tobacco products, of which only twenty were of any large size.

The Law of June 1st 1922, which was published on June 29th of that year, provided for a full tobacco monopoly throughout Poland embracing the production, import and sale of raw tobacco, and tobacco products. The functions of the head of the tobacco monopoly are performed by the Minister of Finance. It is he who appoints the personnel directly responsible for the management of the Monopoly. In accordance with the executive decree of May 30th 1923, the articles of association of the Monopoly stipulate that this work is to be performed by the Directorate, which operates the factories and the different establishments on commercial lines, as separate undertakings, for the liabilities of which, apart from the assets representing the property of

the State Tobacco Monopoly, the Treasury is also responsible. From the sum of net profit, that derived from the factories is dealt with separately. This profit is calculated in such a manner that the consumption tax and all other costs connected with the production, administration and the sales, due to the Treasury, are deducted from the total profit. The consumption charges up to October 1923 amounted to 45 per cent, in 1924 to 50 per cent, and in 1925 to 45 per cent. The reduction of charges in 1925 is to be ascribed to the fact that a large portion of the production and consumption was in respect of the tobacco of lower grades.

The introduction of a full monopoly, provided for by the Law of 1922, could not be realised at

It was only in 1924 that, thanks to the completion of the negotiations for the Italian Loan in March of that year, it was possible to liquidate the private tobacco factories and to render the monopoly effective over the whole of Poland. The transitory period, up to the commencement of the liquidation of the private undertakings (April 1924) saw a decline in their number to 99; just before the purchase of the factories by the Government another 33 factories were liquidated, while of the remaining 66 (among which there were only 20 employing over 100 hands) 12 were bought together with premises and equipment, while in the remaining 54 factories only equipment was acquired. The cost of liquidation of the private tobacco



CIGARETTE MAKING AT A POZNAŃ STATE-OWNED FACTORY

once, owing, in the first place, to the shortage of the necessary funds required for the purchase of the private factories. During the transitory period from the middle of 1922 to the middle of 1924 full Monopoly embracing both production and sale, was only in force in former Austrian Poland — a continuance of the old Austrian Monopoly, whereas in the rest of Poland there was only a sales monopoly; the State tobacco industry was also being developed (the number of State owned factories was increased to 9 and all of them were supplemented with new equipment), while supervision of private tobacco factories was also exercised.

This two year transitory period allowed for the making uniform of the different legal bases of the taxes on tobacco, a reform which was urgently required, owing to the different laws in force in each of the former partitions of Poland.

industry amounted approximately to zł 24 million.

The Italian Loan, based as it was on an agreement arrived at on March 10th 1924 between the Polish and Italian Governments, was financed by an Italian consortium, headed by the Banca Commerciale Italiana and was guaranteed by the Italian Government. The sum borrowed was Lira 400 million bearing an interest of 7 per cent, repayable in instalments spread over 20 years. In connection with this loan the Polish Government granted to the financial group, as well as to the Italian Government, a number of guarantees and advantages, one of which was that the Italian Government and the financial group should enjoy the privilege of supplying 60 per cent of the requirements of the Polish State Tobacco Monopoly to be purchased abroad, on the condition, however, that the de-

liveries should be strictly in conformity with the samples and that the prices should not exceed those of the most favourable offer submitted by competitive tenderers. The Polish State Tobacco Monopoly invites tenders for 20 per cent of its requirements, and the results of these offers serve as a basis for the decision of the Italian consortium, as to whether it will avail itself of the privilege of supplying a further 60 per cent of the raw tobacco on analogical terms.

After the taking over of the private factories, the property of the Monopoly on December 31st 1925 rose to the sum of 38 million, including the capital investments made in the course of that year, which chiefly included the construction of factories and the establishment of new dépôts. The methods of manufacture of tobacco products were standardised in the course of that year, while at the same time all the factories were provided with up-to-date equipment, and the products themselves were also standardised as regards quality (during liquidation of the private undertakings there were on the market about 1,500 different brands, while at present there are about one hundred).

The introduction of a full monopoly confirmed the conclusion based on the experience gained from 1919 to 1924, that the only rational, and incidentally the most favourable to the Treasury, tax on tobacco is a State Monopoly controlled and supervised by the Treasury.

The consumption of tobacco products, after the introduction of the tobacco monopoly, rose by 7 million kg. or over 70 per cent in 1925, as compared with 1923. The increase in the consumption can only in a small degree be recognised as a natural increase, all the more so as a heavy economic crisis began at that time in Poland; the prohibition of the cultivation of tobacco by the peasants also exercised a small influence on the increase of consumption; the same remark applies to the improvement in the methods of sale. The main reason for the increase prior to the introduction of the Monopoly, in addition to legal consumption, well established by the Treasury authorities on the strength of the charges levied by the monopoly, there was the stoppage of illicit sales of foreign and locally produced articles (fraud on the part of private factories or smuggling of foreign goods).

After the introduction of the full monopoly, the production showed an enormous increase. Compared to the average figures for the years 1921 and 1923, the increase amounted in 1925: for cigarettes 59.1 per cent, and for loose tobacco 123.9 per cent. Compared with the year 1924, during a part of which the monopoly was operative, the increase in the course of 1925, apart from a decline in the consumption of cigars amounting to 6.3 per cent, was 29.5 per cent in regard to cigarettes and 71.3 per cent tobacco.

The development of production as well as a substantial increase in the consumption of tobacco products that is cigars, cigarettes and cut tobacco in the course of the last two years compared

with 1923 and 1924 are illustrated by the following statement:

	1923	1924	1925	1926 (Jan.-Sept.)
Production				
cigars — pieces	95,999,991	60,446,910	56,609,815	—
cigarettes — pieces	5,104,095,295	6,041,719,830	7,825,720,635	—
tobacco — kg.	5,811,597	7,036,469	12,051,479	—
Total — kg.	10,094,213	11,784,160	17,727,310	13,519,487
Consumption				
cigars — pieces	72,301,189	55,169,155	52,159,035	—
cigarettes — pieces	4,886,998,754	5,481,314,040	7,754,293,955	—
tobacco — kg.	5,793,174	7,125,196	11,631,906	—
Total — kg.	9,761,198	11,376,395	17,303,209	12,988,000

The financial results of the Monopoly show a steady increase in revenue. Already previous to its introduction the revenue of the Treasury derived from excise was incommensurately small in relation to the revenue of the Treasury from the Monopoly. The increase in the revenue of the State Tobacco Monopoly in 1925 and partly in 1924 (from excise and monopoly) is illustrated by the following table (in million Z):

1923	42.4
1924	133.8
1925	182.4
1926	270.0

In 1924 the net profit derived from the manufacture of tobacco products (without monopoly charges) amounted to Z 32.6 million, in 1925 to Z 51.0 million, in 1926, from January to September— Z 5.80 million.

The budget of the Tobacco Monopoly for the year 1927/28 foresees a payment to the Treasury of the sum of Z 270 million.

The cultivation of tobacco also deserves to be dealt with here. It is generally the policy of all monopolies, irrespective of countries, to cover the requirements for raw materials on their home market; the same policy was adopted in Poland, but the natural conditions and the climate are not suitable for the production of high grade tobacco.

The volume of tobacco leaves bought by the Monopoly on the home market is steadily increasing (from 149,319 kg. in 1920 to 2,326,429 kg. in 1926) but the results are far from satisfactory, especially when it is taken into consideration that from 1900 to 1913 the Austrian Tobacco Monopoly bought 3,650,000 kg. per annum in former Austrian Poland.

The maximum yield of home grown tobacco in Poland does not exceed 8 million kg. per annum. The policy of the Tobacco Monopoly in this connection is to augment the area of the different plantations, to check fraud and to render financial assistance to the planters by means of credits, advances &c.

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 1927

Regulations in regard to the sale of certain types of farms due to the parcellation of landed estates ("Dz. Ust. R. P." No. 44, item 190).

Terms of acceptance of printed matter by the Post ("Dz. Ust. R. P." No. 44, item 392).

Partial amendment of the decree dealing with the assistance to be given to credit institutions ("Dz. Ust. R. P." No. 46, item 400).

Amendments of the law concerning the fines for the delay in the payment of taxes ("Dz. Ust. R. P." No. 46, item 401).

Amendments of the law relating to the compulsory conversion into Złoty of the capital of private undertakings ("Dz. Ust. R. P." No. 46, item 402).

The freeing of State bonds from the tax on capital and on rentes ("Dz. Ust. R. P." No. 46, item 403).

The extension of the powers of the Minister of Labour in connection with the relief to the unemployed ("Dz. Ust. R. P." No. 46, item 404).

Partial amendment of the law dealing with State guarantees (maximum guarantee fixed at gold zł 200 million) ("Dz. Ust. R. P." No. 46, item 406).

State guarantee of the bonds of the State Agricultural Bank (to the amount of gold zł 125 million) ("Dz. Ust. R. P." No. 46, item 407).

Modifications in the Hypothec regulations now in force in Eastern Poland ("Dz. Ust. R. P." No. 46, item 408).

Regulations in regard to deposits made in connection with contracts between employer and employee ("Dz. Ust. R. P." No. 46, item 409).

Compulsory insurance against fire ("Dz. Ust. R. P." No. 46, item 410).

The fixing of the output of alcohol for the period 1927/30 ("Dz. Ust. R. P." No. 46, item 411).

Supplementary retail prices for imported tobacco products ("Dz. Ust. R. P." No. 46, item 412).

Regulations dealing with control apparatus for alcohol distilling plants ("Dz. Ust. R. P." No. 46, item 413).

The protection of inventions, patents and trade marks, in connection with the Sanitary and Hygiene Exhibition in Warsaw ("Dz. Ust. R. P." No. 46, item 417).

The protesting of bills of exchange through Postal Offices ("Dz. Ust. R. P." No. 46, item 417).

Slight amendments to the railway freight tariff¹⁾ ("Dz. Ust. R. P." No. 46, item 418).

Final opening to the public of the Kalety-Podzamcze Railway²⁾ ("Dz. Ust. R. P." No. 46, item 419).

Tariff reduction for iron ore shipments from Poland to Czechoslovakia³⁾ ("Dz. Ust. R. P." No. 46, item 420).

Regulations dealing with the measurements of merchant ships ("Dz. Ust. R. P." No. 47, item 422).

The prolongation of the customs duties on rye and rye flour⁴⁾ ("Dz. Ust. R. P." No. 47, item 425).

Opening to the public of the Chybie-Skoczów Railway ("Dz. Ust. R. P." No. 47, item 431).

Modification and completion of the railway tariff, in connection with the conveyance of goods between Poland and Germany ("Dz. Ust. R. P." No. 47, item 432).

German-Polish Railway Convention ("Dz. Ust. R. P." No. 48, items 433 and 444).

Regulations in regard to State-owned horse-breeding establishments and in regard to the granting

of premiums for stallions ("Dz. Ust. R. P." No. 48, item 435).

The principles of amortisation of loans granted in connection with the reconstruction scheme ("Dz. Ust. R. P." No. 48, item 436).

Partial amendment of the law dealing with compulsory State Administration of private undertakings ("Dz. Ust. R. P." No. 49, item 437).

New statutes of the State shipping company—the "Żegluga Polska" ("Dz. Ust. R. P." No. 49, item 440).

Prescriptions dealing with the statistics of slaughtered animals ("Dz. Ust. R. P." No. 49, item 441).

Partial amendments of the law embracing means for the maintenance of budgetary equilibrium ("Dz. Ust. R. P." No. 50, item 447).

Communal fund for relief and loans ("Dz. Ust. R. P." No. 50, item 448).

The conversion of savings deposited in strong currencies at the Postal Savings Bank through the intermediary of Polish State Institutions ("Dz. Ust. R. P." No. 50, item 451).

The fostering of extensions to the City and to the Port of Gdynia¹⁾ ("Dz. Ust. R. P." No. 51, item 452).

Partial amendment of the regulations dealing with customs statistics ("Dz. Ust. R. P." No. 51, item 458).

Registration of machinery and appliances employed in the manufacture of tobacco products ("Dz. Ust. R. P." No. 51, item 459).

The Industrial Law²⁾ ("Dz. Ust. R. P." No. 53, item 468).

Partial amendments of the Usury Act ("Dz. Ust. R. P." No. 53, item 469).

¹⁾ See page 276.

²⁾ See page 277.

³⁾ See "The Polish Economist" No. 6/1927, page 229.

⁴⁾ See page 275.

¹⁾ See page 277.

²⁾ See page 252.

PRODUCTION AND TRADE

STATE OF EMPLOYMENT IN MAY.—During the four weeks of May, from the 1st to 28th, the approximate number of unemployed decreased from

226,018 to 207,570, by 18,448 or by 8.3 per cent. Unemployment at the end of each of the first five months of 1927 was as follows:

January	251,702
February	256,392
March	243,375
April	226,018
May	207,570

It will be seen that, ever since March 1927, the decrease in unemployment is progressing; during the three months following, the unemployment lessened by 48.822 or by 19.2 per cent, the rate of decrease being greater: in March — which had an average of 2.603 per week, in April — 4.339, and in May — 4.612.

The continued improvement of the labour situation is, as in the preceding months, a result of revived economic activity, and only to a very small degree a result of workmen emigration. Emigration to Germany, which amounted to 50,000 during the last two months, has ended; to Canada it greatly lessened, and only that to France showed an increase.

The improvement taking place in the economic activity was due to the development of work in general, the intensification of seasonal industries, especially building — and good prospects in the other branches of industry. There was a betterment even in coal mining, in spite of a slight reduction in the number of workmen.

Taken as a whole, the state of employment in May was more favourable than in the preceding months. Thus a certain rise in wages, though of a local character, was made possible: building workers and farm hands in the Poznań area received an increase of from 7 to 12 per cent; in the Biała district, after a 2-day strike, private employees were granted 10 per cent additional wages; a larger rise, by about 40 per cent, was granted to workers in the brick factories near Łódź.

The following table gives the number of unemployed according to trade:

	April	May	+ Increase — decrease
mining	25,661	26,312	+ 651
foundries	5,440	5,177	— 263
metal	15,161	14,257	— 904
textile	21,783	20,272	— 1,511
building	16,105	12,187	— 3,918
clerical	21,705	21,201	— 504
various	120,163	108,164	—11,999
Total:	226,018	207,570	—18,448

The rise of unemployment in mining, was the result of further reductions in the number of workmen in coal mines, in spite of great demand for coal on the part of home industry, and larger foreign sales, in the face of hard competition.

The output of coal increased very little. In oil mining, drilling is increasing; but uneasiness is caused by the fall of the world prices for crude and petroleum products. Unemployed miners were 19 per cent of the employed.

The situation of foundries was good, although the expected turnover augmentation in connection with the fall of iron

prices, did not materialise. In view of the favourable state of home orders, foundries are not greatly interested in foreign markets, on which, in general, lower prices would be obtained. In the near future, important orders are expected from the Ministry of Communication. Foundry labourers out of work were 10 per cent of those at work.

In the metal industry, agricultural machinery factories are in full swing, employing extra workmen and work overtime in order to satisfy the farmers' constant demand. The augmentation of the farmers' purchasing capacity, likewise resulted in greater sales of enamelled ware. The state of employment in pipe, wire and nail factories is favourable. There was a slight increase in the demand for building iron, and iron constructions. The textile machinery department alone feels the lack of orders. In general, the state of employment in the metal industry showed improvement, the number of unemployed therein lowered by 904, and was about 19 per cent of those at work.

The situation in the textile industry continues to be good. In the Łódź cotton industry there is full employment, and as the result of difficult credit conditions, sales fell off to a certain extent. There is lack of activity in the knitting industry, since the season commences only at the end of July. In the woolen industry, after complete sale of summer materials, factories are preparing intensively for the winter season; in the Bielsk district, winter production has begun in earnest. There are more orders for winter fabrics than was the case for summer fabrics, both at home and abroad; therefore, new looms were set in motion. In the Białystok area, the situation has not improved, a large number of works being inactive. But the state of employment in the textile industry as a whole changed for the better. Unemployment decreased by 1,511, unemployed were 13 per cent of employed.

Unemployed in the building trade declined considerably, by 3,918, or nearly 25 per cent. The reason lies in the development of building activity which, nevertheless, did not reach the proportions expected.

The number of unemployed clerical workers decreased slightly, by 504; but there was a great fall of unemployment in the "various" group, by 11,999, comprising the trades not mentioned above, and non-qualified workmen. In the latter group, the improvement was chiefly due to the development of seasonal labour.

Part time employed were 35,024 in April; thus 92 worked one day in the week; 124 — 2 days; 2,943 — 3 days; 10,867 — 4 days; and 21,208 — 5 days in the week. On the average, the part-time worker was employed 4.2 days as against 4.3 days in April.

STATISTICS OF JOINT STOCK COMPANIES IN 1926. — It must be remarked, in the first place, that the data concerning joint stock companies, only partly reflect Poland's industrial and commercial activity, because, in addition to joint stock companies, there is a well developed form, borrowed from Germany, of limited liability companies (in Germany—G. m. b. H.); and also there are partnerships, formed especially in the mining industry. In addition, there are a fair number of State enterprises.

Nevertheless, the joint-stock company is the predominant form of business enterprise in Poland and has developed very strongly after the war.

Similarly to many other countries, in Poland, during the period of inflation, joint stock companies were established at too great a rate, besides which, the fall of the currency allowed many companies to be founded on too small a capital. A sanatory measure, to a certain degree, was taken through the amendment of the Joint Stock Company Law, which among other things, laid down the minimum capital permissible at gold zł 250,000.

But the consequences of unhealthy flotations during the period of inflation, became apparent with the first stabilisation of the currency, with the result that there were many bankruptcies and liquidations of companies.

The traces of these happenings are still to be found in the year 1926, despite the fact that this year was in many ways favourable to Polish economic life. The number of joint stock companies was reduced in 1926 by 87, that is from 1,842 to 1,755. During the year, 112 such companies were liquidated; while at the beginning of 1927, 225 companies were either in the hands of the receiver or rapidly approaching that position; this number should be greater still, owing to the circumstance that the Chief Statistical Office has not yet been able to gather data concerning 341 companies, of which number, it is supposed, that the greater part are also in a state of inaction. Thus the number of active joint stock companies in Poland can be estimated at 1,300. In 1926, 25 new companies were floated.

The capital of the 1,189 companies, concerning which the Chief Statistical Office has accurate information, was, on January 1, 1927, zł 1,872 million. On January 1, 1926, their capital was zł 1,419 million. And so, together with the falling out of unhealthy enterprises, there is, in 1926, an augmentation of the activity of healthy concerns. The amount of capital, in each case, varies from zł 100,000 to 15,000,000, and upwards, wherefore Polish joint stock companies can be divided into groups, as follows:

companies with a capital of z	15 million and upwards	19
" " " "	10 to 15 million	11
" " " "	5 " 10 "	48
" " " "	1 " 5 "	241
" " " "	0.5 " 1 "	165
" " " "	100 " 500 thousand	410
" " " "	100 thousand or less	295

Changes in the capital of joint stock companies, in the most important groups, in 1926 appear as follows (in thousands of z):

	Total:		Capital per company:	
	1925	1926	1925	1926
foundries	74,416	231,366	7,442	15,424
mining	250,250	337,267	5,820	7,176
gas, water, electricity	47,915	83,823	2,819	4,191
textile	275,380	311,899	2,648	3,119
communication, posts, telegraphs	48,996	84,399	2,445	2,813
banks	136,647	131,853	1,608	2,060
paper	32,401	40,243	2,543	1,750
foodstuffs	197,864	212,114	1,178	1,262
machinery	80,190	86,294	922	1,040
minerals	49,777	52,499	889	925

The largest increase of capital is seen in mining, foundries, public utility companies (gas, water, electricity) and trans-

port; the average capital per company in the bank group, augmented strongly, and the number of banks lessened.



IN THE DANZIG HARBOUR (PHOT. S. PLATER)

GRAIN

— The characteristic feature of the month of May was lack of warmth and a comparatively small number of sunny days, as well as frequent winds, chills and hail storms. The temperature, however, was more or less uniform, and fluctuated within the limits from 9 to 11.5° C. which was lower than the average for many years by 2 to 4° C. Although the rain-falls were

less numerous than in April, the amount of moisture continued to be excessive. The unfavourable weather conditions which have lasted for the past two months, affected adversely the winter sowings which, compared to the preceding month, were a little worse. On the other hand, spring grains, the sowings of which were delayed, were somewhat better than in the corresponding period of last year. According to the data published by the Chief Statistical Office, the state of sowings calculated on the

basis of the 5 point system*), was the following at the end of May:

	April			May	
	1	9	2	7	1926
wheat sown in autumn	3.5	3.3	3.4		
rye " " "	3.3	3.0	2.9		
barley " " "	3.3	3.1	3.2		
wheat " " in spring	—	3.2	3.2		
rye " " "	—	3.0	2.9		
barley " " "	—	3.0	3.2		
oats " " "	—	3.1	3.3		

It was only towards the end of the month under review that a favourable change set in; this news was forthcoming from all parts of Poland. Thanks to this improvement, the state of the sowings improved considerably even in the Wilno, Nowogródek and Polesie Voievodships, where the estimates were least favourable in the middle of May. The estimates calculated for the whole of Poland at the beginning of June showed the following marked improvement in winter sowings: wheat—from 3.3 to 3.6; rye—from 3.0 to 3.2 barley—from 3.1 to 3.4; and in spring sowings: wheat from 3.2 to 3.4; rye from 3.0 to 3.1; barley from 3.0 to 3.3; oats—from 3.1 to 3.3.

Prices on the Polish grain market showed a further increase owing to the shortage of supplies and were as follows (see next page):

Prices for wheat and rye in Poland are now higher than those quoted on the American and English corn exchanges. Prices for wheat ruling on the Warsaw corn exchange have already reached the level of those quoted on the Berlin exchange. Compared with October of last year, the increase in the prices of grain at the present moment amounts to about 50 per cent. The high prices of grain, as well as the great shortage of certain kinds of this commodity, had a distinctly adverse influence on the internal trade, for not only all export of grain ceased but there arose the necessity of getting large supplies from abroad. The shortage of supplies of grain on the internal market was also due to the increase of home consumption. Aiming at the stoppage of the steady increase in prices, the Government adopted a kindly attitude towards the import of grain.

At the same time the regulations issued on January 15, 1927, in regard to the export duty on rye and rye flour, were prolonged to August 31st 1927.

The imports of grain in May were much larger than in the preceding month, and were valued at z 55,010.020

*) 5—excellent; 4—good; 3—moderate; 2—bad, 1—very bad.

	April 1st—15th		April 16th—30th		May 1st—15th		Percentages of difference	
	₤	\$	₤	\$	₤	\$	₤	\$
W H E A T :								
Warsaw	61.55	6.90	61.10	6.85	59.76	6.70	— 2.19	— 2.19
Poznań	58.34	6.4	57.09	6.40	54.95	6.16	— 3.75	— 3.75
Lwów	56.99	6.39	56.68	6.35½	55.21	6.19	— 2.59	— 2.60
Average price	58.96	6.61	58.29	6.53½	56.64	6.35	— 2.83	— 2.83
Berlin RMk.	30.09	7.16½	29.36	6.99	30.32	7.21½	+ 3.27	+ 3.22
Chicago	—	5.16	—	5.32½	—	5.34½	—	+ 0.38
R Y E :								
Warsaw	53.30	5.97½	51.78	5.80½	52.80	5.92	+ 1.97	+ 1.98
Poznań	51.06	5.72½	50.97	5.71½	51.20	5.74	+ 0.47	+ 0.44
Lwów	48.57	5.44½	48.43	5.43	47.31	5.30½	— 2.31	— 2.30
Average price	50.98	5.71½	50.39	5.65	50.44	5.65½	+ 0.10	+ 0.09
Berlin RMk.	27.51	6.55	27.19½	6.47½	27.91	6.64½	+ 2.63	+ 2.63
Chicago	—	4.29	—	4.40½	—	4.52½	—	+ 2.72
B A R L E Y :								
a) Brewing:								
Warsaw	47.27	5.30	48.17	5.40	47.90	5.37	— 0.56	— 0.56
Poznań	42.28	4.74	43.—	4.82	43.98	4.93	+ 2.28	+ 2.28
Average price	44.78	5.02	45.58	5.11	45.94	5.15	+ 0.79	+ 0.78
Berlin RMk.	24.69	5.88	24.52½	5.84	25.49½	6.07	+ 3.95	+ 3.94
b) Feeding:								
Poznań	36.22	4.06	—	—	—	—	—	—
Lwów	34.29	3.84½	—	—	—	—	—	—
Average price	35.25	3.95	—	—	—	—	—	—
Berlin RMk.	22.57	5.37½	—	—	—	—	—	—
Chicago	—	—	—	4.04	—	—	—	—
O A T S :								
Warsaw	45.53	5.10½	45.81	5.13½	45.32	5.08	— 1.07	— 1.07
Poznań	43.61	4.89	43.83	4.91½	43.26	4.85	— 1.30	— 1.32
Lwów	39.42	4.42	40.32	4.52	38.00	4.26	— 5.75	— 5.75
Average price	42.88	4.80½	43.35	4.86	42.19	4.73	— 2.68	— 2.68
Berlin RMk.	24.12	5.74½	24.15	5.75	25.30½	6.02½	+ 4.78	+ 4.78
Chicago	—	3.30½	—	3.38	—	3.41	—	+ 0.89

as against £ 27,095.195 in April. They consisted of the following (in tons):

	April	May
wheat	45,071	64,424
rye	5,424	31,298
barley	193	570
oats	5,662	15,913

Wheat was imported chiefly from Russia — 34.2 per cent, Germany — 23.3 per cent, Argentine—13.8 per cent and Australia — 12.8 per cent; rye: from Germany — 59.1 per cent and from Russia—14.4 per cent. The chief supplier of barley was Rumania — with 74.9 per cent and Germany — with 20.1 per cent of the total imports of this commodity. As regards oats, the main supplying

countries were: Russia — with 53.2 per cent, Germany—with 22.7 per cent, and Rumania — with 19.2 per cent.

There was a further decline as compared with April in the exports of grain which were valued at £ 1,843.893 as against £ 2,812.811 in the preceding month. The exports effected in May consisted of the following (in tons):

	April	May	May
	1 9 2 7	1926	1926
wheat	406	284	44
rye	546	447	20,809
barley	5,118	2,543	14,505
oats	649	426	9,945

The bulk of rye and most of the wheat shipments were directed to Ger-

many, whereas barley was chiefly marketed in Denmark which took 41.8 per cent of the total volume of exports, and in Belgium and Germany which received 36.0 per cent and 10.0 per cent respectively.

BUTTER

— The rainy and cold weather in the second half of May, prevented a fall of butter prices, which is a usual occurrence at this time of the year, and only at the end of May, when the weather changed, prices for butter decreased considerably.

In the first half of June there was an augmentation of the butter supply caused by the growth of pastures and the good weather. The tendency on the butter market was weak, and there was a simultaneous increase in the export of butter. The chief foreign consumer is Germany, which imports butter from the adjacent Polish provinces in the Poznań and Pomerania Voievodships.

The export of butter in May rose greatly in comparison to April: 420 tons of the value of $\text{Z} 2,023.487$, against 264 tons. Of the total exports, Germany received 73.2 per cent, Austria 24.0 per cent, and England 0.3 per cent.

The export of butter during the first five months of 1927 was 1,686 tons; during the same period in 1926 it was 844 tons.

Prices on the home market in the second half of May, and the first part of June, were as follows:

	May 15th-31st		June 1st-15th		Percentages of difference	
	Z	$\text{\$}$	Z	$\text{\$}$	Z	$\text{\$}$
Warsaw	5.83	0.65	6.00	0.56	-14.2	-14.0
Wilno	5.73	0.64	5.10	0.57	-11.0	-11.9

EGGS

— Chills and rains, which were the characteristic feature of the first half of May, brought about a firm tendency on the Polish egg market; however, the trend weakened somewhat towards the end of the month, owing to the circumstance that wholesalers stopped their purchasing activities in the expectation of better weather conditions, which usually bring with them an increased supply and a certain decline in prices.

In the first half of June the tone continued to be firm as the result of large consumption; the demand was very brisk and exceeded the available supplies. During the period under review wholesale prices on the local markets per case of 1,440 eggs, were the following (in Z):

	May	June
	15th—31st	1st—15th
Warsaw	175 to 190	180 to 190
Lublin	158.40	180 to 190
Lwów	145 to 180	—

During the period from May 15th to June 15th, both local dealers and exporters displayed considerable interest in this commodity, although the export of eggs was not very profitable owing to weak prices ruling on the foreign

market, which was brought about by increased supplies of eggs of Russian origin. The price for two shallow cases of 720 eggs each fetched $\text{£} 4.0.0$ to $\text{£} 4.2.0$ or $\text{\$} 21$ to $\text{\$} 22$ franco frontier station.

The exports of eggs during May amounted to 9,502 tons valued at $\text{Z} 20,534.625$ and were practically the same as in the previous month. The bulk of the shipments were directed to Germany which took 48.0 per cent; England received 29.1, Austria 17.2, while smaller quantities were sent to Czechoslovakia, Switzerland, Italy, Holland, Latvia, Belgium and Jugoslavia. The export of eggs during the first five months of this year was 30,057 tons as against 23,661 tons in the corresponding period of last year.

TIMBER

— The end of the timber season set in much earlier this year than usual, and the transactions in raw timber from the 1926/7 season are rare and far between. There are signs of the commencement of the new cutting season which is reflected in the search for forests for winter exploitation. Although the present prices for round timber show on the whole a slight downward tendency in relation to those ruling in April,



A NEWLY CONSTRUCTED FOREST HIGHWAY

nevertheless there are signs indicating that the demand in the coming season will be larger than the supplies, and that prices will assume an upward trend. A decisive rôle in this respect will be played by the attitude of Germany in regard to the import of Polish sawn timber, which up to the present was one of the main causes contributing towards a favourable situation for the forest owners, although, it is true, that the rise in prices for round wood adversely affected the saw mills both in Germany and in Poland.

The increase in prices of sawn wood could not reach a higher level than in April although it appears that certain efforts were made in that direction. In some cases a slight increase for certain kinds was reported on the home market, while owing to increased activity on the part of the Scandinavian exporters in the spring and summer months, the prices for Polish wood on foreign markets remained unchanged.

Exports of Polish timber in May amounted to about gold $\text{Z} 30$ million or about 25 per cent of the total exports. On the whole the transactions were more favourable than in the preceding month: exports of semi-finished wooden articles having reached 200,000 tons during May, which is the highest figure noted up to the present. Further decline was reported in the exports of raw wood, round wood and pulpwood, though a certain increase was observed in the case of pit props.

The prices in various forest Directorates free on truck at loading stations were in May as follows (in Z per cubic metre):

		April	May
pine logs for saw mills (per cubic m.)	Warsaw	55.27	55.—
	Radom	36.—	36.—
	Siedlce	38.—	35.—
	Wilno	35.—	35.—
	Białowieża	38.—	38.—
	Poznań ¹⁾	35.31	34.86 ²⁾
	Bydgoszcz ¹⁾	37.98	38.90
Toruń ¹⁾	52.75	48.20	
pine logs for building purposes (per cubic m.)	Siedlce	32.—	30.—
	Białowieża	29.—	29.—
	Wilno	26.—	24.—
pine pit props (per cubic m.)	Warsaw	35.59	32.—
	Radom	22.—	22.—
	Siedlce	—	—
	Poznań ¹⁾	24.71	24.30
	Bydgoszcz ¹⁾	21.04	21.16
	Toruń ¹⁾	24.65	26.60
spruce logs for saw mills (per cubic m.)	Siedlce	32.—	32.—
	Lwów	30.17	— ¹⁾
oak logs for joinery (per cubic m.)	Białowieża	95.—	85.—
	Łuck	95.—	110.—
pulpwood (per stacked cub. m.)	Siedlce	23.—	25.—
	Wilno	21.—	22.50
	Białowieża	23.75	23.—

¹⁾ Measured l. o. b.

²⁾ For timber affected by the "panóts flammae".

³⁾ Figures not available.

pine fire wood (per stacked cub. m.)	Warsaw	15—	15—
" " " "	Radom	11—	11—
" " " "	Siedlce	8—	8—
" " " "	Wilno	6·50	6·50
" " " "	Białowieża	11·30	12—
" " " "	Poznań	10·31	10—
" " " "	Bydgoszcz	10·88	10·24
" " " "	Toruń	12·35	9·35
spruce fire wood (per stacked cub. m.)	Lwów	7·56	1)
beech fire wood (per stacked cub. m.)	Lwów	12·02	1)

Prices for export material loco Danzig were unchanged.

The export of timber in May compared with the preceding month, is illustrated by the following figures (in tons):

	April	May
pulpwood	56.190	51.355
pit props	77.940	86.316
logs and stems	187.875	152.845
telegraph poles	5.645	7.086
deals, boards, battens	148.764	178.323
railway sleepers	18.402	18.696
coopers' ware	3.452	3.183

COAL

— There was noticeable, in May, a certain improvement in the coal industry, which was due to an increased demand for coal on the home market, and in some measure, from abroad. The total extraction of coal was slightly greater in May than in April, and, as extraction exceeded sales, the stocks at the pit-heads were slightly augmented.

The increased home sales are explained by the exhaustion of coal supplies by industry, and the stabilisation of coal prices owing to the prolongation of the General Polish Coal Convention.

As regards the export of Polish coal, the steady, though slow decline,

¹⁾ Figures not available.

owing to the termination of the strike in England in May, at last was checked. In that month, exports even showed a small increase over April, attributable to the stabilisation of coal prices on foreign markets, which, until recently, owing to the supplies of English coal, were falling, but towards the end of May prices again began to decline, so that exporters refrained from making large transactions.

The state of the Polish coal industry in May, in the different mining areas, is illustrated by the following statement (in tons):

Coal mining districts	Extraction	Home consumption	Exports	Stocks at pit-heads
Upper Silesia	2,023.000	1,047.000	704.000	1,113.000
Dąbrowa	542.000	325.000	148.000	375.000
Kraków	168.000	141.000	380	89.000

Total for May:	2,733.000	1,513.000	852.380	1,577.000
Total for April ¹⁾ :	2,599.000	1,436.000	829.000	1,571.000
+ in relation to April:	+ 134.000	+ 77.000	+ 23.380	+ 6.000

Thus it is seen that the total extraction of coal in Poland was in May 2,733.000 tons, being 134.000 tons or 5·16 per cent more than in April. The total sales increased to 2,365.000 tons, by 100.000 tons, or by 4·42 per cent. The stocks at the pit-heads were, at the end of May, 1,577.000 tons, showing a rise over the preceding month of 6.000 tons or 0·38 per cent. Home sales increased to

¹⁾ Corrected figures.

1,513.000 tons, by 77.000 tons or 5·36 per cent. As was remarked above, coal export augmented slightly — to 852.000 tons, by 23.000 tons or 2·77 per cent.

The export of coal in May to foreign markets is shown in the following table (in thousands of tons):

Destination	1925	1926	1927:	
	1st sem.	1st sem. ²⁾	April ¹⁾	May
	(monthly average)			
Austria	194	214	144	156
Hungary	36	42	24	31
Sweden	—	144	232	216
Denmark	2	72	93	123
Czechoslovakia	47	41	40	36
Latvia	1	18	27	34
Yugoslavia	8	14	25	36
Switzerland	2	10	16	16
Italy	1	49	99	96
Rumania	6	8	8	7
Lithuania	1	3	2	1
Memel	1	3	—	1
Holland	—	1	—	—
Finland	—	9	19	14
France	—	23	15	15
Norway	—	7	19	12
England	—	37	—	—
Germany	451	1	1	—
Belgium	—	—	16	4
Russia	—	—	—	—
Other countries	—	1	8	5
Total:	750	697	788	203
Danzig	26	37	24	25
Bunker coal	—	38	17	24
Total:	776	772	829	852
Export, Germany not included	325	771	828	825
Shipped through:				
Danzig	29	225	—	362
Gdynia	—	30	—	77
Tezew	—	5 ³⁾	—	19

The export to foreign countries was augmented, particularly to Denmark (by 30.000 tons), in a lesser degree to Austria (by 12.000 tons), to Yugoslavia (by 11.000 tons), to Hungary (by 7.000 tons), to Latvia (by 7.000 tons), and very slightly to Danzig. In addition, there were greater sales of bunker coal, increasing from 17.000 tons in April to 24.000 tons in May. To the remaining countries, exports declined: most notably to Sweden (by 16.000 tons), to Belgium, (by 12.000 tons), to Norway (by 7.000 tons), and to Finland (by 5.000 tons); in a lesser degree, exports fell off in the case of Czechoslovakia, Italy, Rumania and Lithuania.

In comparison with May 1926 (704.000 tons), the export of coal showed an increase by 148.000 tons, or 21·02 per cent.

The average daily export of coal from the mines was in May (with 24 working days) 35.500 tons, against 33.160 tons in

¹⁾ Corrected figures.

²⁾ The monthly average figures for separate countries have been calculated by dividing the respective figures for the first semester by 6; but in fact, these figures were reached for the exports of coal to Holland—during 2 months, to Finland—during 5 months, to Norway during 4 months. The exports to England date since June, in which month they amounted to 221.000 tons.

³⁾ Average quantity for 6 months; this figure has been calculated as explained in note No. 2; exports via Tezew lasted only 4 months.



INTERIOR OF A POLISH COAL MINE

April (with 25 working days) — that is an increase by 2.340 tons or 7.06 per cent.

There was a further tendency to export through the Polish ports. In comparison with April, the export rose by 52.000 tons or 12.81 per cent, to 458.000 tons. And in relation to the total Polish coal exports, it was 53.76 per cent against 48.97 per cent in April. Thus 362.000 tons were sent through Danzig, that is 33.000 tons or 10.03 per cent more; and through Gdynia 77.000 tons, being 14.000 tons or 22.22 per cent more; while through Tczew 19.000 tons, showing an increase of 5.000 tons or 35.71 per cent over April.

A certain improvement in the mining situation was indicated by a lessening of "idle days"; these in relation to working days represented 6.5 per cent in May against 18 per cent in April.

The number of employees decreased, in comparison with April, by 1.11 per cent; it was, in general, caused by the reduction of temporary workers who were taken on for the boom during the English strike.

And thus the number of registered unemployed miners rose from 25.661 on April 30, to 26.312 on May 28, or by 651.

As a result of less "idle days", the average daily efficiency rose slightly to 1.147 kg. or by 26 kg.

Wages in the mines did not change. In Upper Silesia negotiations between miners and employers, who on June 1 interrupted the agreement, have not yet been brought to a close. There is ground for the supposition that there also wages will not change, and that the result of the conference will be the same as in the Dąbrowa and Kraków areas.

The average wage of all the workmen, together with extras and payment in kind, according to data for April, slightly augmented in relation to March.

Home and export prices to countries within the Convention, were not changed. Prices f. o. b. Danzig showed a weak tendency: at prices as low as 14/- to 14/3 per ton, only small consignments could be sold. Demand was lacking, therefore the sellers, in order to pull through this period of depression, and not to lower prices excessively, refrained from selling.

At the end of May, the price of large Upper Silesian coal f. o. b. Danzig-Gdynia, was 14/4 to 14/5 per ton; Dąbrowa coal was 1/6 cheaper.

In general, English competition is more keenly felt, and the tendency is downward.

The railway tariff for coal transport in May did not change. On June 15 reduced rates to Tamka Garbarska were introduced for the shipment of coal by the Warta and the Oder to Stettin for the purpose of augmenting Polish export through that port, owing to decreased exports of Polish coal by that route, after the termination of the English strike. The new tariff rate from the coal basin to Tamka Garbarska will be zł 6.20. Industrialists are demanding this reduction to be effective from June 1. Other tariffs were without change.

PETROLEUM

— The production of crude oil augmented in May, in comparison with April, and was, according to provisional data, about 61.000 tons, of which 44.000 tons were from the most important Polish petroleum basin, Borysław, which includes the territories of Borysław, Tustanowice and Mraźnica.

The increase of production is due to the completion of drillings in Mraźnica, and the renewal of activity of several small output wells, the exploitation of which has again become remunerative on account of the high prices for oil.

In Mraźnica the well "Union I", at the depth of 1.466 m. produced 40 tons in 24 hours.

This well indicates efficiency of output in the deep level of the adjoining Tyśmienica area, and promises a favourable future for the whole of this territory. It is necessary to remark that the above well has already produced in the shallow level (so-called Borysław sand-stone) of 1.270—1.275 m. over 5.000 tanks (50.000 tons).

In questions pertaining to labour and wages, there was no change during May.

The crude oil market, after a downward tendency in the first half of May, subsequently became firm. At the beginning of the month, the price per ton of Borysław petroleum was \$ 24; and at the end of the month, it was \$ 24.5. Transactions on the market were few; small refineries, owing to the high price of the raw product, decided to await better prospects and reduced their throughput.

On the petroleum product market the tendency was weak: due both to the fall of the demand for petroleum with the coming of summer, and the worse conjunctures in exports, on account of overproduction in America, and the

consequent cheapness of the American article.

In April, the extraction in Poland was as follows (in tons):

In the Drohobycz district	49.887
" " Jasio	6.115
" " Stanisławów	3.421
Total:	59.423

In general it can be said that there was a marked improvement in the state of production in the most important refining district, Drohobycz, following a crisis which had lasted for half a year.

In all the districts of the Borysław basin, wells of relatively high output were drilled. For instance, "Ratoczyn", at a depth of 1.637 m., gives 50 tons per day.

Worthy of special attention is the well "Stateland XV", which is on the Government land in Tustanowice, for it indicates that in this territory there is a large expanse of oil-bearing deposits, which will allow the development of drilling activity on a large scale.

In April, consultations were held in Kraków and Lwów between the representatives of the Polish refining industry, in the matter of regulation of the sale of products. The question of the prospects for a combined sales organisation were also brought up, but owing to the diversity of opinion (especially in the matter of crude oil import to Poland, brought forward by refineries lacking their own sources of extraction), for the time being no understanding was reached.

In the refineries, production was as follows (in tons):

throughput of crude oil	50.188
output of petroleum products	46.066
home consumption	23.305
exports	23.375
stocks on May 1st	146.079
number of workmen employed in refineries	5.387

Exports in April were as follows (in tons):

benzine	5.219
petroleum	2.855
gas oil	5.455
lubricating oil	4.932
paraffine wax	1.751
other products	3.163
Total:	23.375

of which amount, there was exported to:

Austria	2.486
Czechoslovakia	7.894
Germany	1.452
Switzerland	2.794
Other countries	2.948
Danzig	5.801
Total:	23.375

In April, there was obtained 21,279.000 cubic metres of natural gas, and 2.375

tons of gasoline, of which latter 2,246 tons were sent to home refineries, for mixing with heavy benzine and for production of motor spirit, and only 70 tons were sent abroad.

There was extracted in April 73 tons of ozokerite (in March 80 tons). A certain decrease was caused by the holidays.

The wax industry is entering into relations with America, in order to gain serious buyers, in connection with the poor prospects of the European markets.

IRON

— The situation in the coal mining industry in May was not subject to any great changes as compared with the preceding month, although on the whole a slight depression was noticeable, which was due to various causes of both internal and external nature. It was under the cloud of the general European standstill in this branch. After certain fluctuations, the prices for iron were finally stabilised; these fluctuations exerted favourable influence on the inflow of orders, which were comparatively slack in the first half of May, for both consumers and wholesalers refrained from placing orders in the expectation of a decline in prices of iron which, it will be remembered, were raised in April.

Since May 15th, when the prices for iron on the home market were stabilised, the situation on the internal

market improved considerably, which was reflected in extensive orders being placed with the foundries. Despite this, the total number of orders for iron, the sales of which are regulated by the Syndicate, has not reached the level of the previous month as it amounted only to about 33,500 tons; this quantity includes the deliveries in respect of Government orders which were insignificant as they represented 220 tons, that is 0.5 per cent, while those placed by wholesalers represented 17,940 tons or 53.5 per cent, the corresponding figures for April being: 40,500 tons, total orders; 3,000 tons or 7.4 per cent — orders of the Government; and 17,000 or 42 per cent — orders of the wholesalers. The unfavourable situation prevailing on the European market in the first half of May also affected adversely the Polish iron industry which was evidenced in the decrease of exports and the difficulty of accepting foreign orders owing to low prices. In this respect, however, the situation improved towards the end of May, the prices on the European market for all grades of iron having experienced a certain rise. The output of rolled products declined, whereas that of pig iron somewhat decreased. Despite the weak, and as is generally believed, temporarily depressed situation, iron masters expect to be able to further raise their output, although on the other hand some difficulty is experienced in obtaining scrap. For this reason efforts have been made for some time past to

construct new blast furnaces and to ensure the supply of iron ore. Import of rich iron ores was maintained at a high level, and the local iron mines are steadily increasing their output.

The extraction, the imports of iron ores in May (in tons), as well as the number of workmen employed — are given below:

		Extraction	Imports	Number of workmen employed
April	1927	39,179 ¹⁾	58,100	5,887
May	1927	41,670 ²⁾	58,113	6,268
"	1926	22,315	18,027	3,381

The total extraction of iron ores up to and during May amounted to 197,555 tons as against 95,274 tons in the corresponding month of last year, the increase thus being 107 per cent. The average monthly extraction per workman was maintained at about the same level, which is confirmed by the following figures: April 1927 — 6.65 tons, May 6.64 tons, May 1926 — 6.59 tons.

The output of iron foundries was as follows (in tons):

		Pig iron	Steel ingots	Rolled products	Number of workmen employed
April	1927	47,873 ¹⁾	97,469 ¹⁾	73,294 ¹⁾	42,642 ¹⁾
May	1927	48,088 ²⁾	97,460 ²⁾	66,132 ²⁾	43,608 ²⁾
"	1926	22,968	50,282	35,320	31,911

The output during the first five months of this year was as follows: pig iron — 228,502, steel — 505,745, and rolled products — 357,570 tons, the increase as compared with the same period of 1926 being for: pig iron — 81 per cent, steel — 100 per cent, and rolled products — 109 per cent. The question of supplies of scrap iron was settled in so far that iron foundries have already secured sufficient quantities of this material to keep them going for some time; for the moment they can do without the supplies of German scrap iron. The stoppage of imports into Poland of this material, since the expiration of the Geneva Convention on June 15th, has neither caused any crisis nor any inconvenience. The imports of scrap iron were: in April 63,547 tons, in May 50,912 tons, the aggregate imports for the first five months of the year totalling 213,419 tons. The exports of iron products decreased somewhat in May as compared with the preceding month, which was due to the general depression prevailing in May on the European iron market. The decline amounted to 2,500 tons or 17.2 per cent as compared with April.



INTERIOR OF ONE OF THE SHOPS AT A BOILER AND IRON CONSTRUCTION WORKS (PHOT. S. PLATER)

¹⁾ Corrected figures.

²⁾ Provisional figures.

Imports and exports of iron products are illustrated by the following table (in tons):

	Exports:		Imports:		
	April 1927	May 1927	April 1926	April 1927	May 1927
pig iron	1,603	2,145	1,187	1,443	1,214
rails, iron and steel articles	5,552	3,696	784	1,830	1,568
iron and steel sheets	4,994	3,583	1,575	1,088	687
pipes	2,362	2,587	2,345	149	233

Exports in May were valued at gold zł 3,200,000 as against gold zł 3,930,000 in the preceding month. During the period from January to May exports of iron products amounted to 71,048 tons valued at gold zł 17,920,000, the corresponding figures for the same period of last year were 22,022 tons and gold zł 6,450,000. It will be seen that the average value per ton was this year about gold zł 253, and last year gold zł 292. Polish exports of iron and iron products were mainly directed to European countries and were mostly conveyed by railways, and smaller quantities through the ports of Danzig and Gdynia. According to the data of the Export Union of Polish Iron Foundries, exports of foundry products, exclusive of pig iron, pipes and rolled products, during the first four months of the year, amounted to 46,900 tons, value gold zł 9,700,000.

This figure embraces exports to European countries (including England, without colonies) amounting to 35,750 tons valued at gold zł 7,825,000 or 76 per cent of the total weight and 80.5 per cent of the value, the remainder 24 per cent of the weight and 19.5 per cent of the value being directed overseas. The following table contains the chief importing countries of Polish iron during May:

	Exports from Poland:			Percentages in relation to the total value of exports
	in tons	in percents	in zł 1,000	
Germany	8,125	17.3	1,790	18.4
Japan	6,912	14.7	1,210	12.5
Russia	4,631	9.9	850	8.7
Rumania	4,058	8.7	865	8.9
Denmark	3,745	8.0	740	7.6
Austria	3,512	7.5	552	5.7
Czechoslovakia	2,386	5.1	535	5.5
Hungary	2,258	4.8	520	5.3
China	1,946	4.1	267	2.7
Sweden	1,193	2.5	235	2.5
Argentina	1,153	2.4	191	1.9

Exports to other countries were below 1,000 tons.

"WARSZAWSKA SPÓŁKA AKC. BUDOWY PAROWOZÓW". — This undertaking, the oldest of the three existing locomotive works in Poland, has recently doubled its capital from zł 2.5 million to zł 5 million by second issue of shares, the emission price being zł 35.

"TOW. SOSNOWIECKICH FABRYK RURI ŻELAZA". — This undertaking, which was organised with the aid of French capital, has conducted for several decades the well known iron work, producing chiefly piping, which is exported to a large number of countries. This firm has recently increased its capital by means of a second issue amounting to zł 6 million. The issue price is zł 84 per share.

"J. JOHN" LTD. — This old established Łódź firm, which is engaged in the manufacture of high grade lathes and Stroebel boilers, has increased its capital by zł 109,000 to the sum of zł 1,673,000. This issue was the fourth in succession, the price per share being zł 230.

"K. WASILEWSKI AND CO". — This Warsaw firm of long standing, manufacturing pen nibs, has recently been transformed into a joint stock company with a capital of zł 600,000. The works of this undertaking are being extended.

THE POLISH TELEPHONE COMPANY LTD., which exploits the Warsaw telephone service, has organised a second issue of shares at zł 100 each, thereby increasing its capital by zł 1,491,000 to zł 11,466,000.

THE KRAKÓW CITY ELECTRIC TRAMWAYS. — The tramways of Kraków are now organised as a joint stock company with a capital of zł 4,300,000.

ZINC AND LEAD

— The zinc and lead industry maintained its output in May at a normal level despite the unfavourable situation prevailing on the international metal market. In the course of the last few months a certain change occurred in the utilisation of local and foreign ores as the quantity available of the former decreased, while that of rich foreign ores, augmented. This change was due, in the first place, to the efforts on the part of the Polish zinc and lead undertakings to improve their methods of production of the metals and of the ore, the latter being subject to special treatment, with the view to

improve their quality and thereby obtain better results as regards the quality of the final product. Without the necessary improvement the Polish zinc and lead industry would not be in a position to compete with other countries which, owing to the application of modern processes, are able to reduce self-cost for their products. For this reason the Polish undertakings were to a certain extent compelled to make extensions and to resort to the latest technical appliances with the result that, for the time being, the zinc and lead mines are worked at a much slower pace. The trials made so far with the new appliances gave excellent results, and there is every reason to believe that after the completion of the modifications to the works, both extraction of ores and the output of zinc will be raised considerably. At present import of zinc and lead ore is carried on on a large scale, and this enables the effecting of certain savings of locally produced ores. The extractions and imports of zinc and lead ores in May are given below (in tons):

		Extraction	Imports of		Number of workmen employed
			zinc ores	lead ores	
April	1927	77,522 ¹⁾	16,362	1,107	7,826 ¹⁾
May	1927	72,150 ²⁾	21,581	1,327	7,964 ²⁾
	1926	89,010	5,309	877	9,804

¹⁾ Corrected figures.
²⁾ Provisional figures.



AN UP-TO-DATE WASHER AT A ZINC MINE (PHOT. S. PLATER)

The output of zinc and lead ores during the period January-May 1927 amounted to 411.115 tons as against 486.516 tons during the same period of last year, the decline being 15.5 per cent. Imports during the same period amounted to 86.353 tons as against 27.247 tons in 1926, the increase amounting to 216 per cent.

The output of raw zinc rose in May by 729 tons, or by 6 per cent as compared with April. The output of lead was maintained at the same level as in April. A certain improvement took place in the production of zinc sheets, the output of which, as compared with the preceding month, rose by 328 tons, or by 28 per cent.

The statement below illustrates the output of zinc, zinc sheets and of lead in May (in tons):

		Raw zinc	Zinc sheets	Raw lead	Number of workmen employed
April	1927	12.128 ¹⁾	1.159 ¹⁾	2.530 ¹⁾	12 655 ¹⁾
May	1927	12.857 ²⁾	1.487 ²⁾	2.516 ²⁾	12.605 ¹⁾
	1926	10.116	918	2.440	11.464

During the first five months of this year the output of zinc was 59.812 tons, zinc sheets — 5.961 tons, lead — 12.876 tons, the corresponding figures for the same period of last year being: zinc — 49.466 tons, zinc sheets — 3.222 tons and lead — 10.298 tons. The increases are as follows: zinc — 21 per cent, zinc sheets — 90 per cent and lead — 25 per cent.

The exports of zinc and lead, despite the unfavourable situation ruling on the world market, rose as compared with April, the increases being as follows: for zinc — 3 per cent, for zinc sheets — 15 per cent, and for lead — 37 per cent. These exports are illustrated by the following figures (in tons):

		Raw zinc, zinc dust incl.	Zinc sheets	Refined lead
April	1927	10.589	844	1.675
May	1927	10.715	973	2.305
	1926	11.056	607	1.482

During the first five months of this year export of zinc amounted to 49.263 tons, and that of zinc sheets and of lead — 5.041 tons and 8.110 tons respectively. The increases as compared with the same period of last year are for zinc 3 per cent, for zinc sheets 88 per cent, and for lead 47 per cent. It is

interesting to note that 82.4 per cent of the total output of zinc produced during the period January — May 1927 were directed abroad, the corresponding figures for zinc sheets and lead being 84.6 and 63 per cent respectively.

TEXTILES

DIRECT PURCHASE OF COTTON IN THE UNITED STATES. — Poland, having had for many decades a strongly developed textile industry, imports annually, from the United States of America and Egypt, about 60,000 tons of cotton to the value of some \$ 30 million. The considerable pre-war imports from Turkestan, have now ceased altogether.

Polish industry does not obtain American cotton, which represents the bulk of the import, directly, but through the intermediary of England or Germany. This abnormal state of affairs arose from the fact that the textile industry, ruined in the war, needed long-term credits for the purchase of cotton, which American exporters were not inclined to grant for Europe, and which could only be obtained through middlemen, established in England and Germany.

Łódź, the greatest cotton consumer in Poland, at present enjoys credit mainly in the form of acceptances in English banks, in the London and New York agencies of the Banca Commerciale Italiana, and from cotton importers in Bremen.

The forms in which the credits are granted are as follows:

- a) acceptance credits, granted by English banks or by the Banca Commerciale Italiana, generally for 4 to 6 months, with continuous unlimited renewal, which form was the most common before the war. At present, only enterprises

resting on firm financial foundations, can enjoy these credits; and even those concerns, which do dispose of them, cannot always satisfy their requirements by this means.

The cost of such credit is about 10 per cent per annum. Thus, the bank charges 5 to 6 per cent for its acceptance, while the cost of discount of these acceptances on the London market, which is paid by the manufacturer, is from 3½ to 4 per cent, or together 8½ to 10 per cent. The conclusion of such an arrangement by the agency of the Bank Gospodarstwa Krajowego (State Bank), increases the total cost by 1 to 1½ per cent;

- b) Direct credits from American exporters have only been utilised since 1919; before that time the opportunities for credit from foreign banks, had made this practice unnecessary. At the beginning, this new movement developed very slowly, and only the largest American exporting firms were willing to give 4 to 6 months direct credit, exclusively to first rate Łódź enterprises.

In the majority of cases, however, transactions for the purchase of cotton by Łódź textile firms are arranged in such a way that half of the sum due is paid by the acceptance credit granted by English banks, and the other half in promissory notes made out directly to the exporters, for a term of 4 to 6 months. These promissory notes are counter-signed by the exporters, and discounted in American banks. Some Łódź firms enjoy this last form of credit to the full amount of the invoices. The cost of this credit, according to the conditions in the contract, is generally 8 per cent per annum.



THE „SCHOEN“ COTTON SPINNING AND WEAVING MILLS
AT SOSNOWIEC

¹⁾ Corrected figures.

²⁾ Provisional figures.

**THE SOCIETY
FOR
FOSTERING
OF
PEASANT HOME
INDUSTRIES
IN
THE REPUBLIC
OF
POLAND**

WARSAW, 1, TAMKA

Offers:

Garden furniture — Kilims
Home spun woolen cloths
Peasant pottery
Wood wares
Toys — Batik
work etc.

credit terms answering the needs of the Polish industry. A result was reached only in 1926, when overproduction of cotton in the United States, and the consequent sales crisis, caused understandable anxiety on the part of planters to secure and develop sales markets. After lengthy deliberations, the American interests have submitted the following plan:

In Poland, there will be created a union of manufacturers or importers of cotton, in the form of a joint-stock company. The statutes shall read that the members place in the treasury of the company securities, valued in Dollars, to a sum, for instance, double the value of their individual needs for cotton. The securities may be in the form of mortgages on real estate, or, in the case of stronger firms, they can be in any form whatsoever. The union will issue, within the limits of the sums and securities received, obligations in Dollars, payable in the United States after 9 months. These obligations will be in the form of papers, accepted in America by the empowered representative of the Union, and endorsed by the Bank Gospodarstwa Krajowego, or directly by the Treasury.

The Americans, on their part, will create a special organisation, the aim of which will be the purchase and delivery unto ships of cotton, at the lowest market prices for the goods, transport, insurance, sorting &c.; and the representative of the Union will have the right to examine the cotton efficiency control books, to investigate the cost of operation, &c. The seat of this organisation is in the cotton and banking centre of the South-Eastern states: Atlanta and Georgia; it will be supported by the Atlanta Federal Bank, which will make the whole conception realisable, by the purchase of the above mentioned papers at prices paid for the best local bills of exchange.

The organisation will be competent to effect a series of operations, with the cooperation of the representative of the Polish Union, who will have his office in Atlanta: thus purchases (the cost of brokerage comes to about 1 per cent of the value on the spot), and a series of operations, connected with purchase and transport to the sea, will be effected by the organisation, which will also finance the purchase, at a cost of 3 per cent of the price of the goods f. o. b. the ship.

To this cost will be added the discount of the Federal Bank (4 per cent per annum, or 3 per cent for 9 months). Theoretically, this cost may reach 6 per cent per annum, according to the rate of discount of the Bank. In practice, however, such a rise is not foreseen.

The realisation of the above plan is of great importance to Poland, as by diminishing the agency of England and Germany, it lowers the cost of credit for cotton from 9 to 7 per cent. The importance to the United States lays in the fact that the scheme enables increased sales to Poland. It must be expected that, in one form or another, direct relations between American cotton planters and Polish buyers will come about.

**THE
POLISH
TEXTILE
EXPORTING
ASSOCIATION
LTD.**

**ŁÓDŹ
9, MONIUSZKI**

VARIOUS

RESULTS OF SEA FISHING FOR 1926. — These results were, similarly as in the preceding year, very modest. The strip of Polish sea coast, although peopled from long ago by fishermen (about 1,200, with 800 fishing smacks, of which only 82 have auxiliary power), was never an important fishing territory in Germany, to which country it belonged during the last century. The fishing is therefore of a purely local character, and deep sea fishing is not undertaken, for which reason the figures for the 1926 catch are meagre: 1,812 tons, as compared with 1,497 tons in 1925, mainly composed of herring, salmon, sprats, plaice.

The annual consumption of fish in Poland, during the last years, has averaged about 100,000 tons, of which 20,000 tons is supplied by home river and sea fisheries; and 80,000 tons valued at about £ 40 million, is imported from abroad.

The question of Polish fishing, which together with a series of other matters has been deferred for future consideration, owing to lack of funds, has at last been brought up. The creation of home deep sea fisheries will, it is hoped, be settled within a few months. This branch of production, together with the non-existent fish product industry, has good prospects of favourable development.

THE PORCELAIN AND CERAMIC PRODUCTS FACTORY AT ĆMIELÓW is one of the oldest and most popular Polish undertakings in this branch. Apart from ceramic articles used in industry and building, which is the main speciality of the undertaking, it has also a department producing artistic porcelain wares. It has recently issued a second series of shares of £ 10 each, thereby increasing its capital by £ 300,000 to £ 1,200,000.

"MARMURY KIELECKIE" LTD. — This undertaking exploits marble deposits situated in Central Poland. The output is steadily increasing, as the products made from Polish marble are becoming more and more popular. It may be mentioned that the "Marmury Kieleckie" firm is the only undertaking of this kind in Poland. It has recently increased its capital by £ 100,000 to £ 350,000 by the issue of a second series of shares at a price of £ 11 each.

c) Since that post war period, when capital again began to flow into Germany, that is during the last two years, Bremen middlemen have commenced to compete energetically with American cotton firms; more than once beating the American price on the Łódź market. Bremen is increasingly gaining serious influence in Łódź, granting 100 per cent credits on own acceptances, or single promissory notes of the textile manufacturers, easily prolonging them in case of difficulty in the term of payment. These credits are granted not only to the top-most concerns, but also to the feebler, which have insufficient, or are wholly lacking, in English credit sources. Such credit costs from 8 to 10 per cent per annum.

From the above it can be seen that Łódź, in covering its full demands for raw material, must, under the existing arrangements, pay high costs of middlemen, for to the costs mentioned, must be added exchange clipping, the maximum rates on loading, transport, storage, &c., which are charged to the Polish buyer on account of his disorganised and sporadic purchases; also the difference in price, resulting from the necessity of obtaining special kinds of cotton, adapted to the spindles of the manufacturer. The purchase of cotton in one batch for the whole industry or at least for a large group of producers, would make serious economies possible. It is seen, from the above examples, that the credit enjoyed by Łódź, is not cheap. The average rate may be taken as 9 per cent; adding the costs of transport, storage, insurance, &c., it comes to 12 per cent — the price of German-English intermediation. These costs seriously burden the Polish balance of payments.

In connection with such a state of affairs, the parties interested, that is the Government and the textile industry, commenced efforts to organise direct purchase of cotton in America, on

MOVEMENT OF PRICES IN MAY.

The indexes of prices showed in May a further upward tendency, as follows (1914 = 100):

	Wholesale prices index:		Retail prices index:		Cost of living index:	
	nominal	gold	nominal	gold	nominal	gold
Jan.	195.2	112.8	255.8	147.8	201.8	116.6
Feb.	197.1	114.1	255.2	147.8	201.3	116.5
March	199.5	115.8	253.5	147.1	200.3	116.0
April ¹⁾	206.0	119.6	254.5	147.7	202.8	117.7
May ²⁾	208.1	120.8	258.4	150.0	203.5	118.7

The index of wholesale prices rose in May by 1.0 per cent, of retail by 1.5 per cent, and of cost of living by 0.8 per cent. Gold indexes remained unchanged for the rewere no variations of the Złoty rate in May.

The index rises are by no means a result of general increase of prices, but are caused by the quick increase, in connection with certain conjunctures, of the prices of special commodities.

During May, owing to the exhaustion of home stocks of grain, the local market became largely dependent on the higher prices obtaining on the world markets, and agricultural products till recently keeping below the average European prices, exhibited a tendency to equalisation. Thus, the wholesale index for agricultural products of vegetable origin, rose by 5.4 per cent; it was characteristic that a downward tendency was noticeable in the group of agricultural products of animal origin; the index for this group fell by 2.6 per cent. Between the two tendencies, the nominal index resulting from the two, rose from 231.5 to 235.9, or by 1.9 per cent.

Wholesale index prices for industrial products, showed large variations; for the whole group, the nominal index rose from 192.1 to 192.6, or by 0.2 per cent. Timber showed the largest increase, by 2.0 per cent, which was due to rises in sawn material: owing to considerable demand on the part of foreign markets, and at home, the tendency was strong; prices of unsawn material were without change. Textile products increased in price by an average of 1.1 per cent, due to the rise in prices of cotton and wool raw material. Coal prices remained unchanged; metal prices went down by 2.0 per cent, and were influenced by the lowering of prices for iron by the Syndicate of Iron Foundries in May, and the fall of prices of zinc and lead. Lastly, the index of "various" prices,

embracing those industrial prices not mentioned above, rose by 1.0 per cent and this rise was caused chiefly by the increase in the price of skins.

If the prices for the first half of 1925 are taken as standard, the gold index of wholesale prices in May is 88.3. Thus, in spite of the rise noted during the last few months, prices are keeping to a markedly lower level than in the period preceding the depreciation of the Złoty.

The index of retail prices rose a little more (by 1.5 per cent) than that of wholesale (1.0 per cent). And the cause was that retail prices have only now begun to react to the rise of wholesale prices, which was especially large in the preceding month. It is characteristic that while the retail prices of agricultural products rose by 4.1 per cent, the retail prices of industrial articles fell by 0.5 per cent.

FAIRS AND EXHIBITIONS

SANITARY AND HYGIENE EXHIBITION IN WARSAW.—On the occasion of the International Congress of Army Medicine and Pharmacy, held in Warsaw at the end of May, an International Sanitary and Hygiene Exhibition was opened, on the spacious grounds of the former Military Academy situated in the centre of the City. There were about 1,000 home and foreign exhibitors. Sanitary appliances, medical and ambulance equipment were shown. Special attention was drawn by the pavilion of the Association of Polish Health Resorts, the examples of sanitary arrangements in Warsaw, the model hospital of the Polish Red Cross, &c.

FOREIGN TRADE

— According to calculations of the Chief Statistical Office, May closed with an unfavourable balance of trade of gold zł 49,637,000, where import was gold zł 163,814,000, showing, in comparison with April, an increase of gold zł 15,576,000, and export was gold zł 114,177,000, having decreased by gold zł 5,254,000. The appended table, containing detailed statistics, will make it possible to study the character of the changes which have come about in Polish trade, and will serve as the basis of their analysis.

In several instances, when foreign trade in preceding months was analysed, attention was called to the fact that the improvement of the economic situation of Poland must needs be joined with a passing unfavourable balance of trade. Thus, as a result of augment-

ed means of production and raw material, for the satisfaction of industry and agriculture, and the increased home consumption, import, by the improved purchasing capacity of the people, will not immediately be entirely covered by an increase of exports. It should also be remembered that the widening of the unfavourable balance was largely caused by the absence of grain export, and even the necessity of its import, owing to the poor harvest in 1926, this last factor of the trade balance being specially noticeable in May. In comparison with data for April, the import of cereals shows a rise: in wheat—by gold zł 7,039,000, rye—by gold zł 6,712,000, barley—by gold zł 101,000, oats—by gold zł 2,355,000, maize—by gold zł 2,093,000, showing a total increase in the import of grains of gold zł 18,300,000.

It was the necessity for the import of grains which decided that, for the first five months of 1927, the balance of trade should be unfavourable. The balance, for the above period, was gold zł 65,443,000, and the import of grains for the same period, was gold zł 78,394,000.

Thus, the answer to the question, whether the import of cereals will further burden the trade balance, is important. Without going into the matter of crop prospects, which is treated separately, it is necessary to mention that the good atmospheric conditions at the end of May and the beginning of June, greatly improved the state of sowings. Therefore, it may be assumed that, although in June this import will still be considerable, in July the position will commence to improve and, if the harvest is good, will continue so for many months.

In addition to grain, worthy of note in the group of foodstuffs is the increase in the import of flour amounting to gold zł 1,143,000, and of groats. In other groups, there was an augmentation in the import of zinc ores, by gold zł 1,130,000; machinery, electrical appliances, and means of communication (motor cars) by gold zł 3,218,000; rags and waste by gold zł 565,000. Imports in the chemical group in general declined, owing to the finish of the importing season for artificial fertilizers, though special oils, dyes, and other separate items, showed an increase. The most serious fall in imports was that of the textile group, by gold zł 5,349,000, where cotton decreased by gold zł 2,289,000, wool (combed incl.) by gold zł 2,397,000, and cotton fabrics by gold zł 440,000; imports of jute and silk fabrics slightly rose. Of other goods, decrease in shown in: scrap iron—by gold zł 994,000,

¹⁾ Corrected figures.

²⁾ Provisional figures.

copper and copper products — by gold z 630,000, animal products — by gold z 1,401,000, clothing and fancy ware — by gold z 380,000.

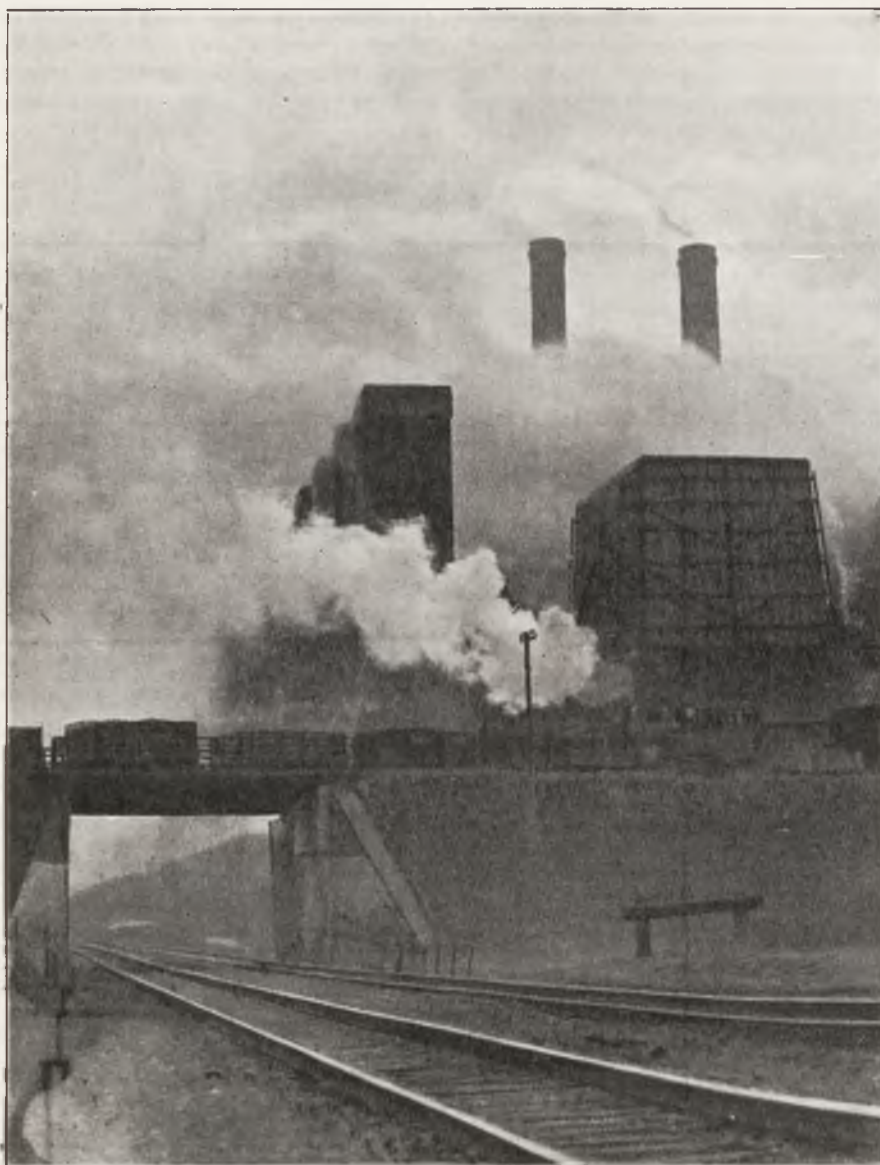
It may be seen from the above data that the productive character of imports, excepting grains, was maintained in May. It is true that imports of raw

materials for the textile industry fell, the reasons being: the intensity of these imports in the preceding months, and the uncertain cotton situation caused

IMPORTS

EXPORTS

G O O D S	Jan. - May			Jan. - May			G O O D S	Jan. - May			Jan. - May		
	May 1927	1927	1926	May 1927	1927	1926		May 1927	1927	1926	May 1927	1927	1926
	Volume — in tons			Value — in thousands of gold z				Volume — in tons			Value — in thousands of gold z		
TOTAL:	506.569	2,948.185	808.039	163.814	659.955	288.416	TOTAL:	1,609.943	8,315.400	5,732.868	114.177	594.518	471.650
Foodstuffs	177.828	483.677	89.221	57.316	176.534	59.255	Foodstuffs	64.506	433.708	595.691	26.408	154.515	154.738
including:							including:						
wheat	64.424	146.642	576	20.242	44.577	166	wheat	284	1.717	36.108	99	550	9.506
rye	31.298	73.868	1.297	8.056	17.522	190	rye	448	3.353	87.459	146	891	14.591
barley, oats and maize	48.534	90.016	6.991	9.074	16.295	1.144	barley	2,543	32.895	61.816	710	7,835	10.669
rice	6.388	21.657	9.006	2.417	8.776	3.674	oats	426	3.808	43.510	116	820	7.240
wheat and rye flour	2.913	5.116	251	1.345	2.341	102	peas and beans	663	6.912	16.629	207	2,069	3.971
lemons and oranges	1.936	11.358	9.504	896	4.906	3.722	potatoes	7,282	61.520	48.134	523	4,865	5.659
tea	144	896	781	847	4.680	3.745	sugar	6,958	112.254	131.322	2,820	44,350	38.434
cocoa	354	1,964	1,077	656	3.629	1.741	meat	2,412	14.681	16.862	3,314	20,005	16.569
coffee	640	2,755	2,523	1,768	7,394	6,967	butter and cheese	540	2,327	1,418	1,343	5,626	3,046
fish and herrings	2,778	39,982	24,604	1,430	14,192	8,792	eggs	9,502	30,057	23,661	11,918	40,594	30,948
edible fats of animal origin	1,419	6,436	2,046	2,152	10,070	3,544	forage	31,496	148,857	105,213	4,246	19,851	8,882
edible fats of vegetable origin	497	4,691	2,548	810	5,775	3,456	Live animals (head)	102.686	470.625	548.000	9.896	33.988	31.654
tobacco	1,325	7,907	5,772	2,020	10,077	11,600	including:						
Live animals (head)	68.548	118.201	16.364	299	636	59	pigs	72.696	249,856	317,545	9,269	29,651	22,367
Animal products	2.9.6	16.375	6.176	10.168	45.322	14.862	Animal products	770	6.106	9.504	1.551	10.073	10.129
including:							Timber and wood ware	520.733	2,617.100	1,753.855	30.231	140.555	81.267
dried skins	1,709	9,282	1,426	2,764	14,370	1,629	including:						
tanned hides	420	2,352	1,704	4,614	20,191	9,091	pulpwood	51,335	416,373	275,375	1,536	12,107	6,613
Timber and wood ware	2,508	10,024	8,708	806	3,418	1,382	pit props	86,316	443,043	302,019	2,125	11,077	6,460
Plants and seeds	4,018	16,910	9,134	1,833	9,180	5,595	round wood and logs	152,843	766,920	382,141	8,032	38,754	14,204
oil seeds	3,259	12,388	4,509	1,133	4,547	1,813	planks, deals, battens	178,323	763,654	517,545	14,880	60,958	35,065
Building materials and ceramic prod.; glass	92.381	429.807	278.624	2.704	11.778	4.889	railway sleepers	25,782	97,306	198,053	1,436	5,262	9,588
ceramic products	9,544	42,610	15,503	1,179	4,996	1,468	Plants and seeds	3.701	38.225	30.907	840	16.157	8.803
Fuel and petroleum products	19.194	70.692	35.565	862	3.100	1.301	Building materials and ceramic prod.; glass	58.422	271.099	68.341	861	4.897	1.305
Chemicals	39.929	289.856	123.055	11.175	64.906	35.141	Coal, coke, briquettes	893.696	4,551.692	2,914.696	17.281	86.513	51.443
including:							Petroleum products	20.844	133.435	169.616	3.770	25.026	26.840
vegetable fats	1,984	9,689	6,275	2,016	9,732	6,207	including:						
animal fats	1,621	6,577	4,946	1,476	6,324	4,603	petroleum motor and lubricating oils	3,139	19,732	35,221	505	3,142	3,641
Ores, metals and metal products	35.730	180.864	107.969	14.618	70.580	52.117	benzine	8,544	55,060	71,227	1,062	6,800	7,270
including:							paraffine wax	4,987	30,807	21,954	1,309	8,143	6,119
iron ores	58,113	257,932	93,856	1,075	4,449	2,203	chemicals	7,901	56,067	56,190	1,766	10,426	9,017
zinc "	21,581	81,948	25,354	3,162	12,627	2,959	Ores, metals and metal products						
scrap iron	50,912	213,419	39,306	3,019	12,547	1,490	including:						
copper and copper products	447	3,212	1,254	846	5,398	2,033	iron and steel, rails	3,696	24,316	2,527	771	4,491	591
Machinery, electrical wares, means of communication	6.547	23.559	15.648	19.215	69.788	33.918	" " steel sheets	3,583	22,388	6,072	1,272	7,146	1,652
including:							pipes	2,587	14,566	7,982	870	5,105	2,709
textile machinery	704	2,313	796	2,572	8,436	2,282	lead	2,305	8,110	5,504	1,537	5,621	3,978
agricultural machinery	1,115	3,075	1,742	1,928	6,000	2,843	zinc and zinc dust	10,715	49,263	47,842	8,097	37,815	35,941
electrical appliances	1,171	4,905	3,241	3,879	16,228	6,864	" sheets	973	5,041	2,684	865	4,729	2,297
motor cars	875	2,311	687	3,464	9,634	2,895	Machinery, electrical wares, means of communication	370	3,068	2,871	378	2,719	3,365
Paper, books, and pictures	6.815	29.034	10.193	4.291	18.588	6.270	Paper, books and pictures	1,436	7,347	7,936	652	2,931	2,637
including:							Textiles and textile products	1.801	16.494	15.129	5.000	33.672	32.327
waste and rags	3,132	13,617	4,771	1,804	7,351	1,101	including:						
paper and paper wares	2,266	9,746	3,791	1,502	6,906	2,832	flax and hemp	747	10,256	9,787	387	4,727	5,509
Textiles and textile products	11.285	56.399	28.712	35.116	169.500	89.937	cotton yarns	115	690	1,060	610	2,483	1,892
including:							" fabrics	231	2,368	1,173	1,386	12,569	6,477
jute	1,990	9,809	3,220	1,633	7,888	4,099	wool yarns	115	574	627	1,338	6,423	6,678
cotton yarns	6,334	31,607	19,614	13,147	61,841	48,397	" fabrics	86	245	207	885	3,029	2,469
" fabrics	332	1,369	349	2,501	10,178	3,324	Clothing and fancy wares	19	127	117	214	1,415	1,839
" " fabrics	153	635	389	2,053	8,610	5,033	Various	14	64	200	108	1,041	1,151
wool (combed incl.)	1,764	9,436	3,497	10,135	49,416	17,474							
" yarns	157	818	200	2,086	10,787	2,486							
silk fabrics	18	87	39	1,966	8,883	3,551							
Clothing and fancy wares	70	354	357	1,502	7,595	6,609							
Various	431	1,824	853	3,882	16,891	8,352							



ELECTRICAL POWER STATION AT A POLISH CHEMICAL WORKS
(PHOT. S. PLATER)

by the Mississippi flood. But the import of machinery further increased, and reached a serious amount.

As regards exports, in comparison with the data for April, there is found a large fall in textiles: by gold zł 3,375,000, of which gold zł 2,951,000 relates to cotton fabrics. This undoubtedly is the direct result of the increased Rumanian customs tariff. Exports of foodstuffs declined by gold zł 1,700,000, where, besides a further diminution of grain, the exports of potatoes fell by gold zł 823,000, sugar — by gold zł 703,000, and meat — by gold zł 1,031,000. The exports of butter and cheese were increased. In the timber group, with a general decline of gold zł 747,000, sawn timber rose by gold zł 2,009,000, while

the fall was caused mainly by raw timber. Lastly, export of plants and seeds decreased by gold zł 1,227,000, petroleum products — by gold zł 1,067, and in a small measure the export of animal products, metals, &c. Increases of exports were shown in: pigs — gold zł 2,843,000, coal — by gold zł 2,815, and several smaller products.

In view of the decrease of the total exports, and in order to make a just appraisal of the export situation, a comparison is made of exports of some of the most important articles in April and May, with the average monthly exports during the first quarter of 1927, at which time the balance of trade was still favourable (in thousands of gold zł):

Exports :	Monthly average for the 1st 3 months of 1927	April 1927	May 1927
sugar	12.659	3.523	2.820
meat	4.115	4.345	3.314
eggs	5.575	11.952	11.918
fodder	4.156	3.137	4.246
pigs	4.555	6.426	9.269
timber and products thereof	26.449	30.978	30.231
plants and seeds	4.417	2.067	840
coal, coke and briquettes	18.255	14.466	17.281
petroleum products	5.473	4.837	3.770
zinc and zinc sheets	8.253	8.823	8.962
other metals (ores excluded)	5.303	5.981	5.456
textiles	6.366	8.975	5.600

The above statistics, for the most important articles, show that a decided decline is found only in products subject to seasonal influences, such as sugar and seeds; excepting petroleum, which for a long time has been in a critical situation, and textiles, the check of which in exports can only be considered as temporary; but there is clearly a large increase in egg exports, which, as in the case of the larger average timber exports, can be treated as seasonal phenomena. At the same time there is an augmentation of pig exports, metal and metal ware, while in May the export of coal, in spite of the adverse period of the year, rose nearly to the average in the first quarter of 1927.

The general amount of exports in April and May, is somewhat lower than the average for the first quarter of the year, but it is wrong to suppose that such a state of affairs will continue. In comparison with the corresponding five months of 1926, statistics for 1927 show a serious increase, at a time which is always most unfavourable to a country with preponderant agricultural exports. The building up of industry through import of means of production, after a time will give results; and after the harvest, if it prove satisfactory, the export of grain will commence. It is difficult to foresee when the balance of trade will again be equilibrated; yet the nature of the imports, and the shaping of the exports, seem to indicate that the conditions necessary for this end are existing.

POLISH-SWISS TRADE IN 1926. — On the strength of statistical data recently published by the Swiss Government, it is noted that Polish exports in 1926 to Switzerland totalled Swiss Fr. 31,394,000, while imports from Switzerland amounted to Swiss Fr. 19,689,000, the balance in favour of Poland being Swiss Fr. 11,705,000.

Exports from Poland included the following (in thousands of Swiss Francs):

coal	7.960
petroleum products	4.050
boards	2.230
fire-wood	2.030
barley	2.030
potatoes	1.380
milling waste	1.370
eggs	1.290
oats	1.170

On the other hand, imports from Switzerland included the following (in thousands of Swiss Francs):

silk and silk manufactures	4.260
machinery and tools	2.479
cotton and cotton manufactures	1.838
wool and woolen fabrics	1.820
dyes	1.785
watches	1.523
metal products	1.457
fine chemicals and pharmaceutical products	1.295

Poland's share in the total value of Swiss trade was in 1926 1.3 per cent in respect of imports, and 1.6 in respect of exports, the corresponding figures for the year 1925 being 0.51 and 1.35 per cent. Thus the volume of trade between the two countries is growing from year to year.

OPENINGS FOR TRADE AND BUSINESS WITH POLAND

Particulars of any of the under-mentioned offerings may be secured on applying to the Editor, "The Polish Economist", and quoting the respective Ref. No.

The Editor accepts no responsibility for the consequences of the transactions concluded.

Ref. No. 79: Polish manufacturers of screws and rivets seek foreign buyers.

Ref. No. 80: Polish undertaking producing locomotives, railway waggons, agricultural machinery, iron constructions for building purposes, is desirous of getting into touch with foreign firms interested in these lines.

Ref. No. 81: Manufacturers of silver plated ware offer their products for export.

Ref. No. 82: Manufacturers of Diesel internal combustion engines are desirous to enter into relations with foreign firms.

Ref. No. 83: Polish ceramical works offers its products for export.

CUSTOMS DUTIES AND FOREIGN TRADE REGULATIONS

EXPORT DUTY ON RYE AND RYE FLOUR.—Temporarily established by a decree of January 15, 1927, the export duty on rye and rye flour (X 15 per 100 kg.),

was prolonged, by a decree of May 30, 1927, to August 31, 1927. This duty is purely of a passing character, and aims to restrict the export of this article which, being the main source of sustenance of the Polish rural population, was in 1926 insufficient in quantity to allow of its free export, as a result of that year's poor harvest. Before the end of August, rye from the new harvest will find its way unto the market, and it will then be possible to lower the export duty.

HAND BAGGAGE IN TRANSIT.

According to a circular of the Treasury of April 26, 1927 ("Dz. Urzęd. Min. Sk." No. 14, item 172), small objects, subject to duty, and carried by passengers in transit by rail and water routes through Polish territory, are to be passed conditionally, on the basis of verbal notification, after a customs deposit in money has been received.

Goods, forbidden and restricted in entrance according to §§ 5 and 6 of the customs regulations (i. e., poisons, narcotics, counterfeit money, guns and ammunition, &c.), are not allowed for transit transport in hand baggage.

Of the goods subject to monopoly and excise tax, may be taken in transit in hand baggage, to be passed conditionally, tobacco, spirits; and sugar, in amounts permitted by § 6 of the Customs Regulation, independently of the amounts which passengers may carry for their own use free of duty.

The passenger will receive, as a certificate of conditional entry, a customs receipt stating: "Transit Conditional pass. Date of exit, with reimbursement of customs fees, up to.... incl."

The time for exit has been determined as being within one month from the date of entrance.

The customs office (railway or sea), to which the passenger presents the goods in transit together with the customs entrance receipt, is bound, after determining the identity of the goods presented, to reimburse immediately to the passenger the whole of the amount paid upon entrance, without subtraction of handling charges.

TRANSPORTS

RAILWAY TRAFFIC IN MAY.

After the slackening off of transport in March and April, there was renewed intensity on the Polish State Railways in May. The average daily movement of 15 ton goods waggons augmented from 14.083 in April to 15.025 in May, or by 6.7 per cent. The main factors were the greater home transports and imports, while the other categories of transport, as can be seen from the data given below, were subject to slight changes. The causes of the increased traffic were the economic revival of the country, already mentioned during the

last months, and the situation in the pre-harvest period; stocks of grain in many localities have been exhausted therefore transports to these places were made from such territory which still disposed of corn, and from abroad. In comparison with May 1926, the average daily movement of 15 ton goods waggons shows a very serious rise, by 3.811 per mean day, or by 33.9 per cent.

The average daily supplies of 15 ton waggons are given below:

	April	May
loaded on the Polish State Railways:		
destined for local stations	9.290*	10.067*
destined for abroad	3.059	3.040
total	12.349	13.107
received from abroad	723	855
transit via Poland	1.011	1.063
Total:	14.083	15.025

From the above it will be seen that the total increase of transports by 942 cars per mean day was influenced mainly by the increase of goods loaded in home stations, by 758; in the latter case augmentation was only in respect of deliveries to home stations by 777 waggons per day on the average, as deliveries abroad decreased by 19 waggons per mean day. There was a more marked rise, by 132, of transports loaded abroad, and only a slight increase — by 52 per mean day, in transit.

The following statement illustrates the average daily car-loadings of the different groups of merchandise dispatched to home stations (in 15 ton waggons):

	April	May
coal, coke and briquettes	2.463	2.700
crude oil and petroleum products	153	155
timber	930	1,061
agricultural products	792	897
raw materials	1,855	1,972
miscellaneous	3,097	3,282
Total:	9,290	10,067

The most important increase is noted in transports of coal, coke and briquettes, by 237 trucks per mean day, which indicates greater coal demand on the part of industry; likewise greater industrial activity is corroborated by the rise by 117 cars per mean day of raw industrial products, and of timber by 131, though here, to a certain extent, enters the factor of the building season. The increase of agricultural products by 105 is explained by the above mentioned pre-harvest period. Transports of petroleum products remained practically unchanged (average rise by 2 waggons per day), while miscellaneous transports augmented by 185.

* Together with the loadings in Danzig.

The following statement gives the average daily car-loadings of goods dispatched to foreign countries (in 15 ton waggons):

	April	May
coal, coke and briquettes	1,748	1,721
crude oil and petroleum products	53	52
timber	977	982
agricultural products	39	37
miscellaneous	242	248
Total:	3,059	3,040

Deliveries to foreign countries showed very little change; in comparison to April, there was a slight decrease of transport in this group of coal, coke and briquettes — by 27 cars average daily, petroleum products — by 1 car per mean day, and agricultural products — by 2. At the same time there was a small increase in transport of timber, by 5 per mean day, and "miscellaneous" — by 6 goods waggons average daily.



A RAILWAY BRIDGE OVER THE STRYJ RIVER AND THE SWOBODA TUNNEL

FREIGHT TRANSPORT BY THE POLISH RAILWAYS IN 1926.—The recently published final railway traffic

statistics give the following results of the freight transport operations (except railway administratory deliveries) of the

Polish normal gauge railways during 1926 (in tons):

	1926:					1925:		
	Home consignments	Consignments for Danzig, Gdynia and for abroad	Receptions from Danzig, Gdynia and from abroad	Transit	Total	Percentage	Total	Percentage
grain and pod plants	1,094,025	402,658	20,192	158,004	1,674,879	2·82	1,530,078	3·20
potatoes natural and dried	654,228	136,383	534	28,681	819,826	1·42	722,333	1·50
sugar and feeding beet, feeding carrots	1,899,837	18,504	894	714	1,919,949	3·32	1,933,982	4·00
hay, straw and herbs	140,584	20,468	1,426	13,832	176,310	0·30	1227,756	0·46
grain flour and groats	567,397	16,009	2,787	38,583	624,776	1·07	652,034	1·35
sugar and molasses	343,336	159,329	99	6,495	509,259	0·78	472,416	0·90
live domestic animals	181,909	92,181	76	212,886	487,052	0·84	346,138	0·72
timber	2,796,001	4,432,411	10,128	268,323	7,506,863	12·91	5,291,489	10·95
fire wood	1,308,464	120,728	146	44,087	1,473,425	2·54	1,247,911	2·60
coal, coke and peat	11,422,976	14,750,988	29,537	1,828,356	28,031,857	48·31	21,464,914	44·43
ores, Thomas slag	428,383	68,887	305,455	108,624	911,349	1·58	833,837	1·73
crude oil and products thereof	825,684	478,095	3,549	16,415	1,323,743	2·29	1,116,919	2·33
salt, rock and evaporated	315,643	18,398	106	14,650	348,797	0·61	334,961	0·69
lime stone, dolomites and lime	454,160	22,581	1,590	87,360	565,691	0·97	637,616	1·32
stone and products thereof	1,136,001	65,284	32,047	105,293	1,338,625	2·31	1,334,914	2·78
ceramical terracota products	912,022	46,873	23,220	35,217	1,017,332	1·81	1,178,410	2·45
cement and hydraulic lime	522,173	67,881	2,118	30,852	623,024	1·05	518,804	1·08
iron and steel crude and semifinished products	1,137,529	137,694	205,606	154,847	1,635,676	2·82	1,513,005	3·11
iron, steel, sheet and wire products	349,459	96,481	20,566	88,152	554,658	0·96	575,189	1·19
chemical elements, acids, alcalis & salts	238,136	40,256	9,263	15,797	303,452	0·53	323,261	0·67
natural and artificial fertilizers	603,388	71,558	112,632	173,004	960,582	1·65	931,012	1·94
other products	3,364,013	797,778	505,727	554,177	5,221,695	9·01	5,088,833	10·60
Total:	30,695,348	22,061,425	1,287,698	3,984,349	58,028,820	100	48,294,712	100
Percentage in relation to the total quantity:	52·84	38·02	2·52	6·89	100			

In comparison with 1925, the movement shows an increase of 9,749,108 tons, or of 20 per cent, the increase being mainly in respect of coal—by 6,567,000 tons, and timber — by 2,430,000 tons. Thus, home transports were 52·8 per cent, or more than half, exports 38 per cent, and transit 6·9 per cent.

CHANGES IN FREIGHT TARIFF.—On June 15, there came into force a new amendment to the freight tariff for the Polish normal gauge railways.

Of the more important innovations, it is well to mention the regulations concerning transport in refrigerator cars, of perishable goods. This part of the amendment was introduced on June 1, on account of summer heat.

A reduction of the tariff was made for the following goods: grain and potatoes, for the approvisionnement of certain districts near Kraków and Lwów, suffering from crop failure; sugar beet in deliveries of over 300 km., lupine to factories, for transformation; scrap rubber tubes and tyres to rubber works; salt, bacon, and alcohol for export.

At the same time, owing to the desire expressed by private railways, the method of calculation of the coal transport tariff from the mines in the Kraków basin, was changed in such a manner that, instead of a calculation for the combined distance on State and private lines, the two distances will be computed separately; and from the resulting total,

20·10 to 0·40 per ton will be subtracted.

The normal weight of cement trains, was raised from 500 to 700 tons, insuring right of reduction, which is only applicable to large consignments.

In addition, certain changes in the wording were made, in order that the meaning of the tariff be more precise.

REFRIGERATOR CARS.—In May refrigerator cars were put into regular service on a number of railway lines. These cars are intended for the transport of perishable commodities to the larger Polish towns and to some points abroad during the warm season.

On some lines, the refrigerator cars will be run daily, on others, from one to several times a week.

Temporarily, 150 repaired refrigerator cars and 50 new ones, are being put into use. In June, 120 more refrigerator cars, constructed in Polish works, will be added.

The regular employment of these cars should lead to the development of refrigeration transport organisation, and to the arising, in the larger cities, of cold storage plants, in which investments, both municipal and private capital, are required.

Besides the transport of animal products, also fruit, vegetables, flowers and live plants, yeast, and all kinds of perishable goods, are received. The goods may be sent by weight, or by half or whole waggon loads.

FREIGHT CONNECTIONS BETWEEN POLAND AND PORTS ON THE ADRIATIC. — On May 16 and 18, a Conference was held in Vienna, for the purpose of settling direct freight tariffs between Polish stations and the ports of Trieste, Fiume, Pola and Rovigno d'Istria. The lack of such direct tariffs was severely felt by Polish industry, which utilises the above ports both for export and import, especially in freight traffic with the Near East.

The Conference called together the delegates from Polish, Czechoslovakian, Austrian, Hungarian, Yugoslavian and Italian railways, and the Cosulich and Lloyd Triestino steamship lines.

There resulted, from this Conference, an agreement with the Polish proposals, to create direct freight tariffs for goods sent, on this route, to and from Polish stations. The already existing Czechoslovakian — Adriatic freight tariff, will serve as a basis for calculation, which tariff already foresees specially reduced rates to and from Polish-Czechoslovakian frontier stations. It was then decided that the currency of the future Polish — Austrian freight tariff should be the Czechoslovakian Crown, for the reason that, of all the foreign currencies coming into play, the Czechoslovakian shows the least variations; and further, because the calculations, will in this way be greatly simplified, since to the existing Czechoslovakian — Adriatic tariff, which is expressed in Crowns, need only be added the transfigured rates on Polish territory.

Because between so many participants in the Conference it was not possible to lay down the form and way of constructing a detailed tariff; likewise, because a final understanding as to the lines, over which the Polish — Adriatic traffic should be directed, could not be reached, nor could it be decided what part of the earnings should fall to the different railways (especially in the case of Hungary), or how to cover temporarily the costs of calculation of the new tariff; the matter was handed over to a special commission, which will assemble in Vienna on June 30, 1927. The motions and resolutions of this commission, will form the basis of the deliberations of the next Polish — Adriatic Conference, to be held in Kraków in September, where, after the matter is looked into and regulated, the commission will immediately begin the working up

of the tariff itself: with the greatest application, in order that it may be ready to come into force on January 1, 1928. This will considerably simplify the calculation of costs of transport, and will create a favourable route for the export of the products of Polish industry.

To the Board, to direct the Polish-Adriatic union of railways, was unanimously elected the Management of the Austrian Railways in Vienna, in the hands of which are concentrated all the matters, pertaining to Czechoslovakian-Austro-Hungarian Adriatic tariffs.

FINAL OPENING TO THE PUBLIC OF THE KALETY - PODZAMCZE RAILWAY. — This newly constructed railway line representing a portion of an important railway trunk, which will connect Upper Silesia with Gdynia, that is the main centre of the heavy industries with the sea — as already stated in these columns*) has only been partly operated up to the present, a few coal trains per day having been run. At present, normal communication for both passenger and goods traffic is being maintained. It is worthy of note that the Kraków-Poznań express-trains, which up to the present passed through German territory, are now directed over this route.

THE WARSAW—ŻYRARDÓW ELECTRIC RAILWAY is being constructed, in conjunction with English capital, by the "Company for Electric Railways". This railway, about 70 km. in length, is of considerable importance to the city, because it will connect up with a series of active suburban points. For the present, there is under construction the first stage, Warsaw—Grodzisk, about 35 km. long.

Recently, a commission of the Ministry of Communication made an investigation of the state of construction of this new line.

The construction of the two tracks, averlead lines and way stations, is advanced far enough to assure that, if there be no delay in delivery of coaches and electric engines, service on the line Warsaw—Grodzisk should commence by the end of September.

It is important that the new line should ease the overburdened suburban line of the old Warsaw—Vienna system. The electric railway will run from the centre of the city, and keep within two kilometres of the existing steam line.

PORT TRAFFIC IN MAY. — The movement of ships, serving Polish sea trade through Danzig and Gdynia, was on the same high level as in April, and even rose above it, only slightly in the case of Danzig, and sensibly in the case of Gdynia. The development is significant in that it took place in spite of

simultaneous falling off of Polish exports. It draws attention to the fact that the two Polish ports, Danzig and Gdynia, are insufficient for the needs of the country, as regards their handling capacity, thus making the extension of these two ports one of the most vital questions confronting Poland.

Arrivals to Danzig in May were 631 ships, with an aggregate tonnage of 336.613, the corresponding figures for April being 626 ships and 344.922 reg. tons. Departures in May were 628 ships, with an aggregate tonnage of 330.103, while in April departures were 626 ships, with 337.595 reg. tons. Accurate data for freight movement in May, are not yet available, with the exception of export of coal, representing 321.881 tons, which was almost the same as the export of 343.520 tons in April.

The nationality of the ships calling at Danzig were in May the following:

	Arrivals:		Departures:	
	ships	reg. tons	ships	reg. tons
Poland & Danzig	63	21.057	63	19.733
Germany	204	86.641	204	85.777
Finland	4	3.161	4	3.461
Russia	2	3.603	2	4.543
Estonia	4	1.153	4	1.257
Latvia	15	14.372	15	14.917
Lithuania	2	519	2	519
Sweden	159	69.853	164	70.632
Norway	30	19.743	34	24.182
Denmark	92	57.781	84	52.658
England	31	41.526	25	34.232
Holland	7	3.766	6	3.021
Belgium	4	10	3	—
France	9	10.907	9	10.907
Italy	1	1.745	1	1.745
United States	1	203	1	203
Austria	4	555	6	461
Greece	—	—	1	1.855
Total:	626	344.912	626	337.593

Port traffic in Gdynia is steadily increasing; particularly in the case of the main articles of export, or rather the only one—coal, of which was exported in March, April and May: 45.624, 61.880 and 77.754 tons respectively. 44 ships arrived in Gdynia in order to load with coal and 43 departed with coal. Passenger traffic also increased, with 163 arrivals, and 555 departures (in April, 187 departures).

The nationality of the ships calling at Gdynia in May was the following:

	Ships
Poland & Danzig	6
Sweden	18
Germany	8
Latvia	3
Denmark	4
France	2
Norway	1
England	1
Total:	43

THE FURTHERANCE OF THE EXTENSIONS OF THE PORT OF GDYNIA. — In order to ensure good prospects for the development of the newly funded Polish port — Gdynia, and of the springing up of the city adjacent to the har-

*) See "The Polish Economist" No. 5/1926, page 185.

bour, a new decree ("Dz. Ust. R. P." No 51, item 452) was issued by the President of the Republic, on June 1st 1927, whereby a number of privileges were granted to the port and to the town itself as well as to private persons and undertakings, which are prepared to make capital investments. This law opens up new possibilities for enterprise in Gdynia.

The decree embodies the following points:

1) that once and for all the preliminary budget of the State should reserve important credits to be used for the extension, and the economic development of the port of Gdynia;

2) that State guarantee should be extended in respect of the loans to be granted to the municipality of Gdynia by the Bank Gospodarstwa Krajowego — for capital investments up to gold zł 5 million;

3) that the State credit reconstruction scheme be extended to Gdynia and that certain credit restrictions be repealed; the Government will grant loans amounting to 80, and in some cases, 90 per cent of the estimated value of the buildings to be erected;

4) that provision for the expropriation of plots required for the extension of the harbour and of the city be made;

5) that a number of far-reaching reductions in taxation be granted individually to useful industrial and commercial undertakings, both to those already existing and those which will be brought into being in the future.

EXTENSION OF COAL-LOADING FACILITIES AT THE PORT OF GDYNIA.

—In order to further stimulate and facilitate the export of coal through the port of Gdynia, the Polish Government has concluded a contract with the firm Messrs. "Robur", whereby the latter has obtained the lease of plots with embankment in the above mentioned port. Messrs. "Robur" have undertaken to install at their own expense, loading facilities capable of handling 100,000 tons of coal per month. After the passage of 35 years, the loading appliances will become the property of the Treasury. Moreover, Messrs. "Robur" have undertaken to acquire ships of at least 10,000 reg. tons aggregate.

AERIAL COMMUNICATION IN MAY.—In this month the aerial traffic, though it did not reach the last year's level, owing to wind and rains, was considerably more intense than in April. In May 369 flights were made, in comparison with 320 in April. The mileage was 112,385 km., against 94,645 in April; 748 passengers were carried (539 in April), 19,864 kg. of freight (16,832 in April), and 1,115 kg. of mail.

LANDMARKS FOR AEROPLANES ON RAILWAY STATIONS.

— The Ministry of Communication, in conjunction with the Polish Aerial Defense League, has decided to place signs on railway stations and high buildings in order to facilitate the orientation of pilots conducting passenger aeroplanes. These signs, in most cases names of localities, will be painted in white on the roofs of the highest buildings.



A CORNER OF A POLISH IRON FOUNDRY (PHOT. S. PLATER)

FINANCE AND BANKING

STATE REVENUE AND EXPENDITURE IN MAY were as follows (in million zł):

(see table next page)

The State revenue in May continued to show an upward tendency, the increase, as compared with the preceding month, being well over zł 7 million.

Apart from revenue from public levies and monopolies, which are dealt with separately, and that from State administration, it is gratifying to note a large

increase in the revenue from State undertakings. During the period under review the State mining and foundry undertakings transferred to the Treasury zł 2.7 million, representing a portion of its net profits. State Forests gave zł 6.7 million, and the State Railways zł 2 million. In addition, smaller sums were received from the State Printing Works, the official daily "Monitor Polski", and the Emigration Office.

The expenditure in May was considerably larger than in April, which was due, in the first place to payments effected in connection with the redemption of foreign loans. The disbursements of the Ministry of Industry and Commerce rose also as the result of the payment of instalments to the builders of the

Port of Gdynia. Apart from the above, a certain increase was observed in the expenditure of several ministries, large payments having been made in connection with various building schemes. The aggregate expenditure in May exceeded that in April by over zł 22 million.

This notwithstanding, the budget was closed with a favourable balance, amounting to zł 20.1 million. Together with the preceding month, the Treasury has recorded this year an excess of revenue over expenditure amounting to zł 56.5 million. These sums, together with the surplus for last year, enabled the Treasury to develop on a larger scale its investment activity.

the exception of that on rentes and on capital, showed insensible decreases owing to the circumstance that their term of payment did not fall due in May. Indirect taxes rose by over zł 4 million, to zł 15.4 million, the increase being borne almost wholly by the sugar tax, which rose from zł 6.9 million in April to zł 11.5 million in May.

Revenues from customs rose considerably, by over zł 9 million, and were zł 32.5 million, owing to a further augmentation of imports.

Stamp fees and the land tax remained unchanged, while returns from the 10 per cent extraordinary super-tax on public levies, rose together with the increase of these revenues.

Monopolies returned less than in April: of the more important, the State Spirit Monopoly gave greatly less: only zł 22.4 million, against zł 27.6 million in April, while that of tobacco showed zł 1 million increase, and was zł 30 million.

Below are given the returns, according to the more important groups of taxes (in millions of zł):

	Revenue		Expenditure	
	actual	estimated for 1927/8	actual	estimated for 1927/8
A) Civil service	141.4	1,234.8	188.7	1,973.5
The President of the Republic ...	—	0.2	0.2	2.6
The Parliament... ..	—	—	0.8	8.8
State Control	—	0.1	0.3	4.5
Council of Ministers	—	—	0.2	1.8
Ministry of Foreign Affairs	1.2	7.9	5.5	39.6
" " War	1.2	10.3	55.9	610.8
" " the Interior	1.2	13.0	14.1	184.7
" " Finance	127.6	1,076.2	8.3	108.3
" " Justice	3.3	34.8	7.5	97.2
" " Industry and Commerce .	0.9	7.0	4.6	34.0
" " Transport	—	0.3	0.3	3.3
" " Agriculture	0.7	11.3	4.4	37.7
" " Religious Cults and Education	0.6	8.3	28.0	329.3
" " Public Works	3.1	36.1	11.6	87.5
" " Labour and Social Protection	0.2	1.0	5.5	58.3
" " Land Reform	—	1.5	1.8	36.5
Pensions	1.4	26.8	7.5	82.0
Grants to Invalids	—	—	9.5	101.5
State liabilities	—	—	22.7	145.1
B) State Enterprises	11.5	107.8	1.1	14.8
C) Monopolies	57.0	647.9	—	—
Total A + B + C:	209.9	1,990.5	189.8	1,988.3

TAXES IN MAY. — Revenue from public levies and monopolies showed considerable increase in May, as compared with the same period of last year, and with April. This was mainly owing to the augmented tax returns, for the monopolies, though they brought in more than in 1926, gave slightly less than in the preceding month.

Examining the revenues in detail, the increase from direct taxes was zł 5 million, the leading part being played by the industrial tax, of which the proceeds were zł 23.2 million, against zł 14.2 million in April. The cause of this rise lies in the fact that in May was due the payment of the final instalments of this tax for 1926. Other taxes, with

	Actual revenue:		of the budget	
	May 1926	April 1927	April 1927	for 1927/8
Direct taxes	40.2	48.2	44.0	36.5
Indirect taxes	12.5	15.4	11.1	10.9
Customs duties	13.4	32.5	23.0	15.2
Stamp fees	9.6	14.4	13.9	9.3
Total of the ordinary public levies:	75.7	110.5	92.0	71.9
Property tax	4.3	2.9	3.0	7.9
10 per cent extraordinary tax	—	8.0	6.9	5.2
Monopolies	41.1	57.0	60.9	54.0
Total of public levies and monopolies:	121.1	178.4	162.8	139.0

AMENDMENTS TO THE STATUTE OF THE STATE SPIRIT MONOPOLY.

—In the "Dz. Ust. R. P." No. 32, item 289, was announced, with statutory force, the decree of the President of the Republic dated March 26, regarding the spirit monopoly, which statute came into force, except for a few stipulations, on April 6, 1927, and superceded the statute of July 31, 1924 with its subsequent amendments. The new statute is not radically different from the old one: it only states more concretely and develops more fully certain prerogatives of the monopoly, on the basis of acquired experience

Of the changes made for the better efficiency of the monopoly, likewise for the better regulation of production and control over the sellers of spirit, the following should be mentioned:

The new order says that the State Spirit Monopoly is an undertaking of a separate autonomous economic character, organised and administrated on commercial principles.

It contains a very far-reaching amendment giving over the whole of the spirit for export, to the disposition

of one single cooperative society (for the whole of the country), which sells the alcohol on foreign markets.

The regulation further introduces a new scale of additions and subtractions from the fundamental price for spirit, delivered by agricultural distilleries, and determines the means of calculating the price for alcohol from industrial distilleries: in such a way that it shall not be greater than the arithmetical mean of the monopoly prices determined for the Voievodship agricultural distilleries, diminished by 17½ per cent for industrial distilleries consuming their own waste, and diminished by 27½ per cent for those which do not consume the whole of the waste. For spirit, furnished by yeast factories, the State Spirit Monopoly will pay a price 30 per cent less than that payable to other industrial distilleries.

The order introduces as one of the factors of the price of refined spirit, the cost arising from the technical control and scientific aid to distilleries.

The collection of sums owing to the State Spirit Monopoly, is carried out in the way foreseen for indisputable sums owing to the Treasury.

The special privilege of the Monopoly, to denature alcohol by the usual methods of denaturation, and to bottle the spirit, is limited in such a fashion that the Treasury can permit private undertakings to prepare denaturated alcohol.

The regulation authorises the Treasury (after agreement with the Ministry of Industry and Commerce) to issue rules for the sale of internal combustion engine mixtures.

firm and rose by about 4 per cent. The turnover on the Warsaw Stock Exchange was somewhat larger than in the previous month, the majority of the foreign currencies being used for payments in respect of industrial raw materials purchased abroad.

Most of the business done in foreign drafts consisted of transfers on New York and London. There was only a small demand for Belgian Francs, so that the quotations were infrequent. The same remark also applied, to a certain extent, to transactions in drafts on Stockholm and Copenhagen. The demand for Dollar bank notes was less than in the preceding month, which resulted in a reduction of the volume of business transacted. French and Swiss Francs, Italian Lire and Czechoslovakian Crowns were bought from time to time, mostly by persons going to foreign health resorts.

The quotations of the Złoty on foreign markets were stable and practically the

STOCK EXCHANGE

FOREIGN CURRENCIES

In May as in April, strong currencies as well as French and Belgian Francs, Austrian Shillings and Czechoslovakian Crowns, were maintained at practically the same level, the differences in the rates of exchange being inconsiderable. The Italian Lira did not appreciate as much as in April, but was nevertheless

		30.4	2—7.5	9—14.5	16—21.5	23—30.5	31.5	par value
Warsaw Exchange								
London	£ 1	43·45	43·46	43·46	43·43	43·45	43·45½	25·22
New York	\$ 1	8·93	8·93	8·93	8·93	8·93	8·93	5·19
Paris	Fr. Fr. 100	35·03	35·05	35·05	35·01	35·05	35·06	100—
Brussels	Belg. 100	—	124·40	124·40	124·30	124·30	—	100—
Zurich	Sw. Fr. 100	172·07	172·05	172·04	172·03	172·10	172·12	100—
Milan	Lir. 100	47·55	47·02	48·67	48·88	48·93	49·35	100—
Amsterdam	Fl. 100	358—	358·02	358·02	357·93	358·17	358·25	208·32
Vienna	Sh. 100	—	125·93	125·84	125·81	125·92	125·91	72·93
Prague	Kcz. 100	26·50	26·50	26·50	26·50	26·50	26·50	105·01
Stockholm	Kr. 100	—	239·30	239·40	—	—	—	138·89
Foreign Exchanges								
London	£ 1	43·50	43·50	43·50	43·50	43·50	43·50	25·50
New York	₤ 100	11·40	11·40	11·40	11·40	11·40	11·40	11·75
Zurich	₤ 100	58·12	58·09	58·11	58·12	58·08	58·10	100—
Vienna	₤ 100	—	79·10	79·10	79·10	79·10	79·20	137·13
Prague	₤ 100	—	377·44	377·17	376·46	376·70	376·75	651—
Berlin	₤ 100	47·10	47·05	47·13	47·10	47·12	47·13	81—
Danzig	₤ 100	57·53	57·56	57·56	57·61	57·59	57·64	99·108

same as in previous months. On the local private money market the demand for Dollars and other foreign bank notes was very slack, so that they could be had at the same quotations as on the official stock exchange.

SHARES

The share market was somewhat uneven. At the beginning of May it was very active, all shares showing a strong upward tendency. Among the most

favoured were banking shares with the Bank of Poland at the head, and metallurgical securities, among which latter Starachowice were very much sought after. Interest was also displayed in other groups of shares, mainly in those of the Warsaw Coal Mining Company, Standard Nobel, Borkowski, and textile undertakings, all of which appreciated to the extent of about 20 per cent.

Considerable differences in the quo-

tations, which were observed during the month, encouraged the "coulisses" to realise their stocks, with the result that nearly all shares began gradually to fall and lost a few of the points they had gained at the beginning of the month. This situation continued almost to the end of May. It was only on the last day of the month that an improvement set in, all the shares experiencing a much higher rise than in April.

"Siła & Światło" shares, in view of large offerings, dropped by about 25 per cent.

The Bank Związku Spółek Zarobko-

wych shares as from May 11th are quoted without coupons for 1926 amounting to zł 4.

The "Wysoka" cement shares have

been quoted in złoty as from May 4th 20 former shares of Mk. 1,000 each having been substituted by one zł 100 share nominal. As from May 23rd the "Stara-

Industrial shares	30.4	1-7.5	9-14.5	16-21.5	21-30.5	30.4	Nominal
Bank Polski	153.75	160.60	154.30	151.90	148.90	155.—	zł 100.—
Bank Dyskontowy Warszawski	131.50	133.90	135.60	135.60	135.35	136.—	zł 100.—
Bank Handlowy w Warszawie	9.—	8.90	7.85	7.85	7.53	8.05	Mk. 1,000.—
Bank Zachodni	5.10	5.32	5.10	4.93	4.70	—	Mk. 540.—
Bank Zjedn. Ziem Polskich	4.25	4.16	3.90	3.57	3.52	3.85	Mk. 1,000.—
Bank Zw. Sp. Zarobkowych	97.—	105.10	99.35	94.40	91.85	92.—	Mk. 1,000.—
Warsaw Coal Mining Co.	111.—	122.90	116.85	113.—	111.45	113.50	zł 100.—
Chodorów	—	134.—	—	—	—	141.—	zł 100.—
Cegielski	46.—	49.90	48.40	46.35	43.80	46.—	zł 50.—
Zieleniewski	23.50	25.10	24.05	22.40	22.05	—	Mk. 1,000.—
Norblin, Buch Bros. & T. Werner	184.—	189.50	189.70	188.70	189.—	—	zł 100.—
Starachowice	4.88	5.64	5.30	5.15	73.50	75.75	zł 50.—
Lilpop, Rau & Loewenstein	28.—	32.95	33.50	33.60	32.70	33.50	zł 25.—
Ostrowiec	86.—	87.80	84.55	81.—	81.50	81.—	zł 50.—
Modrzejów	11.—	12.01	10.85	10.55	9.85	10.30	Mk. 500.—
Rudzki	2.20	2.78	2.73	2.89	2.80	2.90	Mk. 500.—
Warsz. Sp. Akc. Budowy Parowozów	0.87	0.93	0.91	0.82	0.76	—	Mk. 500.—
Zyrardów	21.50	23.80	21.90	20.85	19.20	21.—	Mk. 540.—Rb.250
Zawiercie	41.50	45.20	45.25	45.80	40.40	42.50	Mk. 6,000.—
Standard Nobel	5.50	6.40	6.35	6.05	5.95	6.—	Mk. 1,000.—
Ł. J. Borkowski (Elibor)	3.95	4.21	3.95	3.82	3.65	3.70	Mk. 216.—
Wysoka	7.15	148.20	143.15	130.—	123.25	131.50	zł 100.—
Siła i Światło	115.—	117.80	115.—	—	88.—	—	zł 50.—

chowice" shares have been quoted in złoty : 15 former shares of Mk. 500 each having been converted into one share of zł 50.

STATE, CITY AND LAND LOANS

The situation of State interest-bearing securities was the same as in April except that the 5 per cent Premium

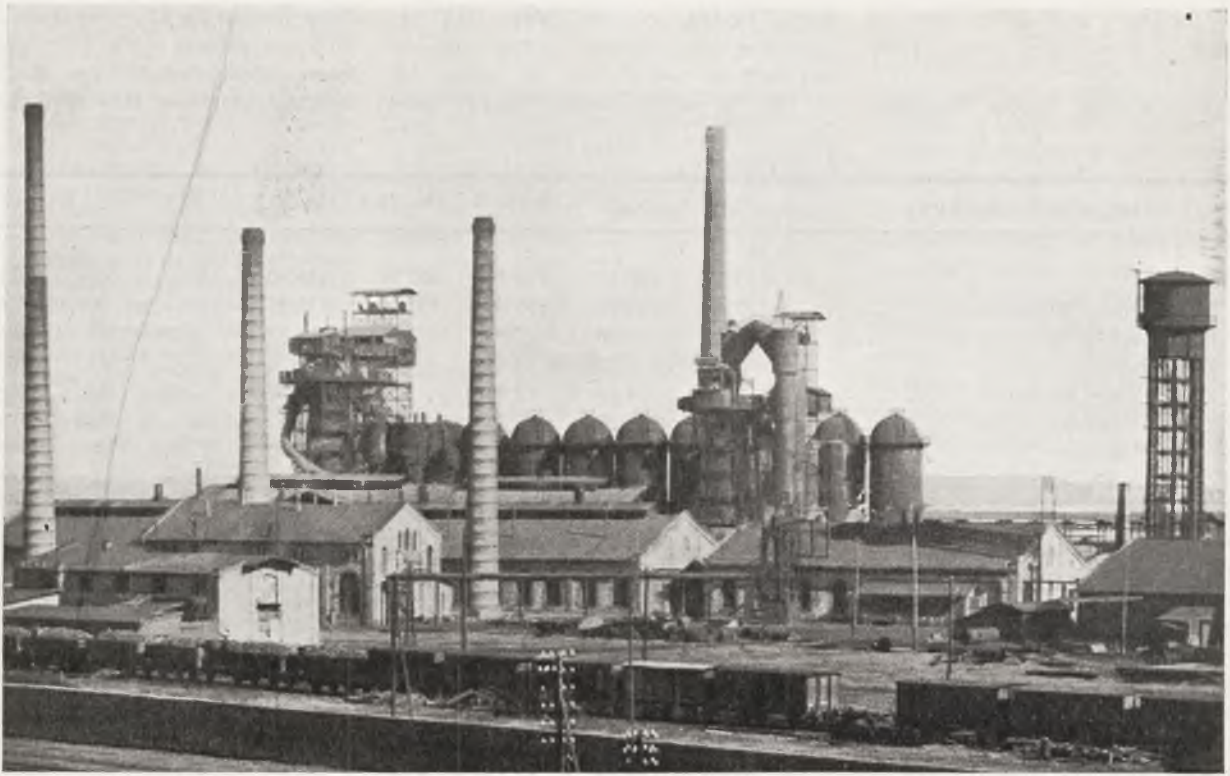
Dollar Loan gained about zł 1 per bond.

Apart from the securities enumerated in the appended table, the Bank Gospodarstwa Krajowego has issued 8 per cent communal bonds, which are expressed in gold złoty , or Swiss Francs, U. S. Dollars, Pounds Sterling, and Dutch Gulden. These securities are guaranteed by the Treasury and ever since their

introduction at the Stock Exchange they have formed the object of regular transactions.

The long term bonds of Credit Societies showed a firm tone, while the volume of transactions grew, owing to the issuing of a Presidential order, whereby the 11 per cent tax on coupons of these bonds is repealed, and the rate of interest thereby increased.

State, Municipal & Land Loans	30.4	1-7.5	9-14.5	16-21.5	22-30.5	31.5	Nominal
8% Internal Gold Loan (conv. 1925)	—	98.87	98.75	98.95	99.—	—	Gold zł 100.—
5% Conversion Loan	67.—	67.81	67.15	65.80	66.—	67.25	zł 100.—
6% External Dollar Loan 1920	—	86.19	85.75	84.63	84.90	—	\$ 100.—
5% Premium Dollar Loan Series II	54.10	53.80	54.20	53.60	54.40	55.—	\$ 5.—
10% Railway Loan (1st series)	103.—	102.70	102.95	103.—	103.—	103.—	Gold fr. 100.—
8% Bank Gospodarstwa Krajowego Bonds	92.—	92.—	92.—	92.—	92.—	92.—	Gold zł 100.—
8% State Agricultural Bank Bonds	92.—	92.—	92.—	92.—	92.—	92.—	Gold zł 100.—
8% Com. Oblig. of the Bank Gospodarstwa Kraj.	—	—	93.—	93.—	93.—	93.—	Gold zł 100.—
4% Land Credit Association Bonds	—	56.80	56.70	56.—	—	—	zł 100.—
4½% Land Credit Association Bonds	62.60	65.15	64.30	63.30	62.65	63.50	zł 100.—
8% Credit Soc. of the City of Warsaw Bonds	81.50	82.91	84.40	82.65	80.85	82.50	zł 100.—
5% Credit Soc. of the City of Warsaw Bonds	69.50	69.70	69.85	70.55	70.85	73.—	zł 100.—
4½% Credit Soc. of the City of Warsaw Bonds	—	63.75	63.90	63.50	62.50	—	zł 100.—



GENERAL VIEW OF AN IRON FOUNDRY NEAR CZEŢTOWA (PHOT. S. PLATER)

REDUCTION OF THE RATE OF INTEREST*).—By a decree of the President of June 10, 1927 ("Dz. Ust. R. P." No. 54, item 745), and by a decree of the Ministries of Finance and of Justice, of May 30, 1927 ("Dz. Ust. R. P." No. 53, item 469), the maximum rate of interest was lowered in pecuniary credit relations in general, and credit activities of banks in particular.

From June 18, it is illegal to demand in pecuniary credit transactions, and to receive gains in the form of interest or in any other form, exceeding 15 per cent per annum (up till now — 20 per cent); while beginning with June 15, in the credit activity of banks, the profits may not exceed 12 per cent (formerly 13 per cent).

The above 12 per cent does not include postage, damno, stamp fees, or turnover commissions on open accounts and open credits, which latter may not exceed $\frac{1}{4}$ per cent per quarter on the franco items. In connection with loans granted against securities, with the exception of securities and goods and commission on interest, the charges may not exceed 12 per cent, and 2 per cent per month for the assurance of the effects, and the custody and valuation.

Profits over 12 per cent, settled in agreements concerning money loans, concluded by banks before June 15, 1927, and not collected before this date, may be collected at the rate agreed to only till the nearest term of payment, which cannot be later than July 15, 1927.

*) See "The Polish Economist" No. 2/1926, page 74; No. 1/1927, page 40; No. 4/1927, page 162; No. 6/1927, page 240.

CHARGES FOR PROTESTING BILLS OF EXCHANGE. — A decree of the President of the Republic dated April 30, 1927, lays down the following payments for the protesting of bills of exchange:

The amount due on a protest effected by a notary public is dependent on the sum protested, or:

up to	from	to	cost
100	100	300	2—
300	300	400	2-50
400	400	600	4—
600	600	1,000	5—
1,000	1,000	5,000	7—
5,000	5,000	10,000	10—
for every additional 1,000			15—
			0-30

Independently of the protest fee, the notary public will also collect the relevant stamp fee.

In a case where the protest is effected not by a notary public, but by the Court or a Post Office, the payment will equal the combined amounts of the sum due to a notary public plus the stamp fee.

Moreover, there are nominal dues for the protest of bills of exchange. Where a protest is effected away from the home of the effector, a return of the costs of the journey plus subsistence allowance is foreseen.

BANK OF POLAND

— The steady decline of the favourable trade balance during the first quarter of 1927, and the adverse balance for the months of April and May, undoubt-

edly contributed towards the fact that in May, for the first time in the course of this year, the volume of bullion and foreign currency reserves at the Bank of Poland, showed a decline. Other causes also had some influence on this slight drop, among which should be mentioned the smaller inflow of capital from abroad, including transfers from Polish emigrants, and increased payments of various liabilities, neither of which had anything to do with the import of goods, &c. But it is also certain that the accumulation of foreign currencies on the part of the Polish public does not come into consideration, in view of the growth in May of the volume of foreign bank notes at the Bank of Poland, by 20 per cent.

The above mentioned decline of the Bank's bullion and foreign currency reserves in May last amounted to gold zł 3.5 million, was recorded in the course of the first two 10 day periods of the month, while in the third 10 day period the reserves rose; the increase, however, did not compensate for the previous decrease; in this way the bullion and foreign currency reserves of the Bank, which from the beginning of January to the end of April this year rose by gold zł 98.2 million, and from May 1926 to April 1927 by gold

₹ 238.1 million, declined in May to gold ₹ 358.8 million, which was the level recorded on April 20th 1927.

This decline was naturally only in

respect of foreign currency reserves, for the bullion reserves rose during that period from gold ₹ 157.6 to 158.3 million. This increase is comparatively

large, especially when it is considered that it arose by way of small purchases on the local market, no purchases having been made abroad as

	APRIL 30th		MAY 10th		MAY 20th		MAY 31st	
Assets:								
Bullion:								
Gold in bars and cash	156,897.330.52		156,994.726.78		157,099.258.88		157,433.491.04	
Silver " " "	681.903.54	157,579.234.06	760.923.49	157,755.650.27	802,095.05	157,901.353.93	851.048.49	158,284.539.53
Foreign balances - - -		237,408.309.78		233,993.412.32		230,113.559.05		230,236.021.44
Exchange difference on currency a/c. - - -		182,528.212.27		177,763.600.88		174,509.842.20		176,565.767.02
Silver and token coins - -		808.412.17		1,775.050.52		466.578.26		2,575.756.22
Bills of exchange - - -		364,696.383.83		361,703.690.83		367,729.984.23		375,903.358.83
Loans against securities -		13,911.597.17		14,448.994.90		14,592.188.46		15,568.510.93
Report - - - - -		25,756.400.—		23,545.900.—		23,166.400.—		22,766.400.—
Interest-bearing securities discounted - - - - -		—		—		—		—
Interest-bearing securities bought - - - - -		4,886.125.55		5,482.593.35		9,526.329.93		14,447.523.75
Loans to Government - - -		25,000.000.—		25,000.000.—		25,000.000.—		25,000.000.—
Property and fittings - - -		36,282.185.25		36,282.185.25		36,282.185.25		36,282.185.25
Other assets - - - - -		38,911.230.54		36,714.191.84		36,764.130.34		40,050.433.59
		1,087,768.090.62		1,074,465.270.16		1,076,412.551.65		1,097,680.496.56
Liabilities:								
Capital - - - - -		100,000.000.—		100,000.000.—		100,000.000.—		100,000.000.—
Reserve fund - - - - -		4,653.130.—		4,653.130.—		4,653.130.—		4,653.130.—
Notes in circulation - - -		693,685.480.—		674,400.740.—		657,594.260.—		705,234.460.—
Current accounts and other liabilities:								
Government Institutions	82,887.652.46		86,026.315.99		88,449.943.59		99,462.786.48	
Outstanding balances -	133,804.146.88		137,120.135.98		151,153.254.79		111,808.831.08	
Various - - - - -	6,352.570.42	223,044.396.76	5,595.578.16	228,742.030.13	5,828.670.75	245,431.869.13	8,750.449.58	220,022.067.14
Liabilities in foreign currencies - - - - -		14,985.109.32		15,531.850.57		16,611.743.91		14,261.079.37
Liabilities on report transactions - - - - -		17,753.341.48		16,064.402.—		15,745.830.—		15,490.716.—
Other liabilities - - - - -		33,646.660.06		35,073.117.46		36,375.718.61		38,019.044.05
		1,087,768.090.92		1,074,465.270.16		1,076,412.551.65		1,097,680.496.56

was the case in previous months, the Bank having bought the following amounts (in U. S. \$):

in January	— 1 million
" February	— 1 "
" March	— 1/2 "
" April	— 1 "

The increase in the bullion reserves in May by gold ₹ 0.7 million mainly concerned the increase of gold reserves from gold ₹ 156.9 to 157.4 million, or by gold ₹ 0.5 million, and to a lesser degree that of silver, which rose from gold ₹ 0.7 to 0.9 million.

The decline in the net amount of foreign currencies from gold ₹ 204.7 to 200.5 million, was solely due to the drop of their gross value from gold ₹ 237.4 to 230.2 million, as the liabilities of the Bank in the form of bills of exchange not only did not increase, but even showed a decline to gold ₹ 29.7 million. The decline in foreign currency reserves was solely in respect of the net volume of drafts (together with the sums due to the Bank from abroad), which declined from gold ₹ 186.8 million

to gold ₹ 178.9 million, while at the same time, as already stated, the volume of foreign currencies rose from gold ₹ 17.9 to gold ₹ 21.6 million.

Purchases of foreign currencies and foreign drafts in May last amounted to ₹ 91.1 million, and were inferior to those effected in April, the drop being accounted for by the decline of foreign currencies derived from the export of goods to about gold ₹ 72.0 million*), as against gold ₹ 65.0 million and gold ₹ 85.0 million in April and March respectively. It should be stated that the above mentioned sum for exports is a provisional one as the returns in respect of the heavy Upper Silesian industry are only approximate, but it is safe to assume that the inflow of foreign drafts to the Upper Silesian branches of the Bank, will not be appreciably less than was foreseen. Moreover, this figure does not include

foreign currencies for the export of goods which will pass in due course to the banks authorised to transact foreign business; so far the May figures are not available; in January they amounted to gold ₹ 14.1 million, in February — gold ₹ 12.2 million, in March — gold ₹ 15.5 million, and in April — gold ₹ 11.6 million.

The sales of foreign currencies and drafts in May and April amounted to gold ₹ 68.8 million and gold ₹ 74.5 million respectively, these sums including gold ₹ 26.2 million paid in to Government offices, and gold ₹ 68.8 million sold on the Stock Exchange.

The changes in the bullion and foreign currency reserves, which were recorded in May, and in the course of the last five months, are illustrated by the following statement (in million gold ₹):

	January 1st	April 30th	May 31st
gold	138.2	156.9	157.4
silver	0.6	0.7	0.9
foreign currencies and exchange	125.2	204.7	200.5
Total:	264.0	362.3	358.8

*) In addition, the transfers during May for exports effected in Zloty amounted to gold ₹ 3.4 million.

The volume of bank notes of the Bank of Poland rose during May from $\text{₹} 693.7$ million to $\text{₹} 705.2$ million. In this connection the volume of bullion and foreign currency reserves fell more markedly than the bullion and foreign currency cover, the decline during May being from 54.23 per cent to 52.57 per cent, whereas in the preceding month the fluctuations were: at the beginning of January 46.86 per cent, at the end of January 53.21 per cent, at the end of February 55.43 per cent, at the end of March 54.79 per cent, and at the end of April 54.23 per cent.

The volume of bank notes in circulation at the end of May, converted into Dollars, amounted to \$78.9 million, and after the deduction of \$76.4 of advances in connection with report transactions, the bullion and foreign currency reserves represented \$69.2 million. It will be seen therefore that the cover of the notes in circulation was 90.6 per cent.

The increase in the note issue of the Bank, despite the decline of bullion and

foreign currency reserves, is to a certain extent justified by the balances on the guarantee accounts, and also by the increase of the banks credits. The aggregate amount of discount credits employed, that is the volume of bills in portfolio, rose during May from $\text{₹} 364.7$ million to $\text{₹} 375.9$ million. As at the same time the sum of credits granted by the Bank rose from $\text{₹} 512.0$ million to $\text{₹} 519.5$ million, the ratio of discount credit employed also rose from 71.2 per cent to 72.3 per cent. Loans against securities rose during the period under review from $\text{₹} 13.9$ million to $\text{₹} 15.6$ million. The debt of the Treasury remained unchanged and was $\text{₹} 25$ million.

The stocks of interest-bearing securities belonging to the Bank and those discounted (payable within three months of the date of discount) rose during May from $\text{₹} 4.9$ to $\text{₹} 14.4$ million. The reserves of silver and token coins rose from $\text{₹} 0.8$ million to $\text{₹} 2.6$ million. The aggregate amount of advances in connection with report transactions fell again from $\text{₹} 25.8$ million to $\text{₹} 23.2$.

The changes in the bank cover of the issue of notes in May and for the first five months of this year are illustrated below (in million ₹):

	January 1st	April 30th	May 31st
bills	321.3	364.7	375.9
Polish silver coins and token money	29.1	0.8	2.6
loans against se- curities	9.4	13.9	15.6
securities bought and discounted	18.9	4.9	14.4
liability of the Tre- asury	25.0	25.0	25.0
Total:	403.6	409.3	433.5

The above mentioned decline in the balance on the guarantee account of the Bank, concerns only accounts open to private firms and persons, the decline being from $\text{₹} 133.8$ million in April to $\text{₹} 111.8$ million in May. On the other hand, the balances of Government Cash Offices rose from $\text{₹} 82.9$ million to $\text{₹} 99.5$ million.

LATEST NEWS

WARSAW EXCHANGE:

	10.6.27	20.6.27
\$ 1 = ₹	8.93	8.93
£ 1 = "	43.44	43.43

BANK OF POLAND:

ASSETS:	10.6.27	20.6.27
Gold and silver reserve	$\text{₹} 161,188,782.16$	$\text{₹} 161,355,687.43$
Foreign balances	" 231,732,525.68	" 231,857,545.22
Bills of exchange	" 389,888,288.62	" 383,994,093.38
Loans against securities	" 16,416,520.84	" 17,004,480.88

LIABILITIES:

Notes in circulation	" 694,327,850.00	" 681,675,050.00
Current accounts	" 251,780,888.01	" 261,771,256.92

BANK NOTES COVER

(bullion & foreign currencies)	54.09%	55.23%
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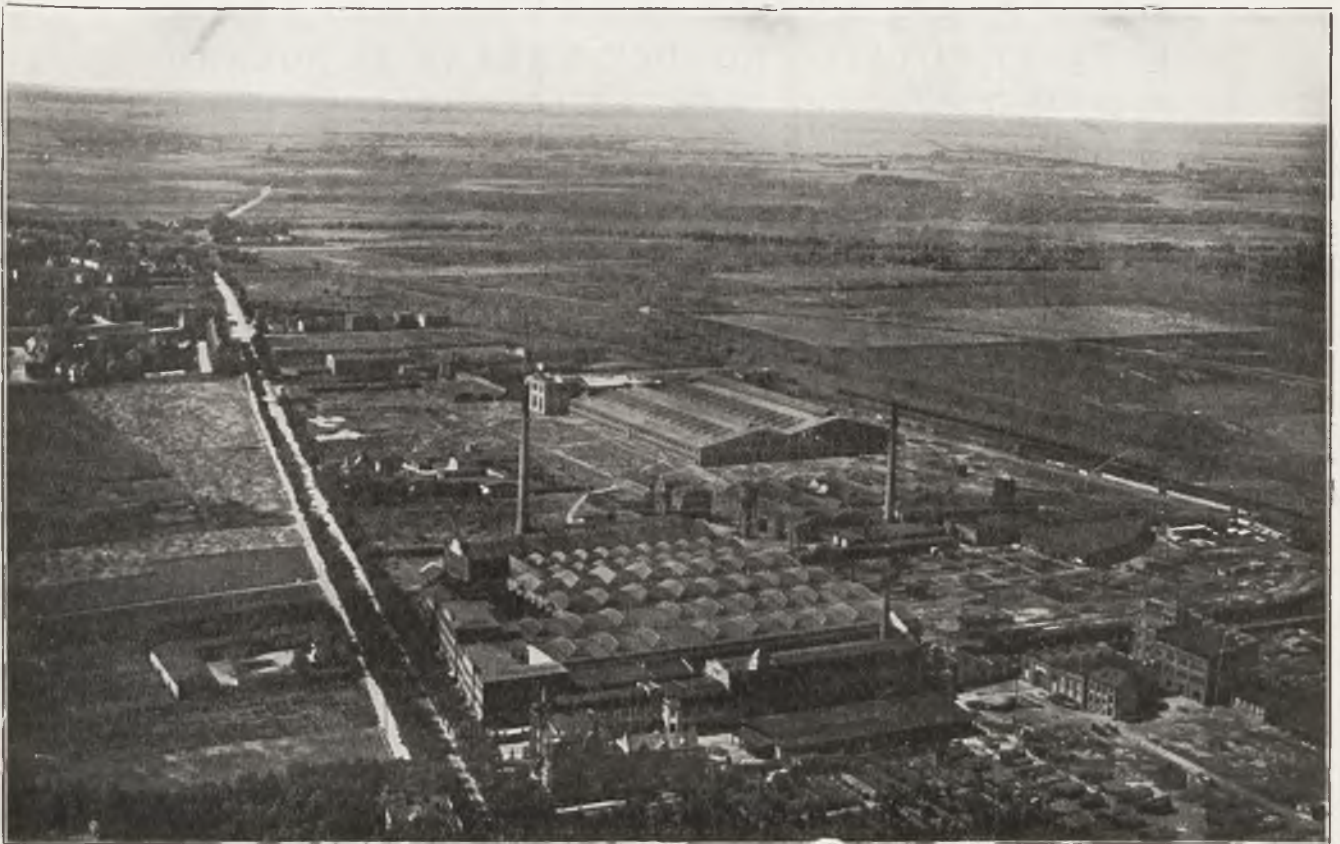
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