

# THE POLISH ECONOMIST



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# THE POLISH ECONOMIST

A MONTHLY REVIEW OF TRADE, INDUSTRY AND ECONOMICS IN POLAND

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(HOT. S. PLATER)

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IN JUNE the characteristic signs of the economic situation in Poland were much the same as in the previous month, with the exception of the foreign trade balance, which continued to be adverse owing to the same and only cause — the import of grain, due to insufficient yield of last year crops; it is true that the stringency of capital, which prevailed on the money market during the last few months was also an adverse factor. The conditions in all the remaining fields of economic activity left nothing to be desired.

The maintenance of trade and industrial activity at a satisfactory level is all the more significant as the month of June, preceding, as it does, the harvest time, is for Poland a difficult period; but with the opening of the harvesting in July, conditions become easier throughout the country. For this reason the trend of developments in the economic structure of Poland from now on, may be viewed with optimism.

In agriculture, the situation has changed for the better. The spell of fine weather, in June and at the beginning of July, brought with it better prospects for this year's crops, which, not far back, owing to persistent chills and rains which had taken place in April and May, gave rise to some apprehension, particularly in agricultural circles. It is anticipated that this year's yield of crops will be considerably better than that of last year.

Industry worked intensively; the number of hands taken on in June increased.

Index of prices showed a certain decline for the first time since June.

Foreign trade, as already mentioned, was closed with a substantial adverse balance, and bore practically the same features as in May. June was the third unfavourable month in succession, but it is gratifying to be able to state that the position

in this respect is anticipated to change for the better from July onwards.

The money market, as in May, was characterised by the shortage of ready cash, with the consequent increase in the rate of interest for loans—due to the seasonal tightening of the market in

the period immediately preceding the harvest, as well as to the influence exerted on the Polish market by the depression prevailing on foreign money markets.

The State Treasury continued to show an excess of revenue over expenditure.

REVIEW OF THE GENERAL ECONOMIC SITUATION IN POLAND  
JUNE 1927

	UNIT	JUNE 1926	MAY 1927*)	JUNE 1927
<b>STATE OF EMPLOYMENT:</b>				
UNEMPLOYED . . . . .		304.113	207.570	190.546
<b>PRODUCTION:</b>				
COAL . . . . .	thousand tons	2.660·8	2.731·0	2.772·0
OIL . . . . .		67·6	62·5	62·0
IRON . . . . .		19·6	48·0	46·7
<b>AGRICULTURAL INDEXES:</b>				
(CROP PROSPECTS)				
RYE . . . . .	(5 points system)	3·7	3·0	3·6
WHEAT . . . . .		3·2	3·3	3·3
BARLEY . . . . .		3·5	3·0	3·3
OATS . . . . .		3·4	3·1	3·2
<b>PRICES:</b>				
WHOLESALE PRICE INDEX . . . . .	(1914 = 100)	191·0	207·7	206·4
INDEX OF COST OF LIVING IN WAR- SAW . . . . .		184·1	204·6	205·1
<b>FOREIGN TRADE:</b>				
IMPORTS . . . . .	million gold ₧	63·5	163·8	160·0
EXPORTS . . . . .		102·0	114·2	114·0
EXCESS OF EXPORTS (+) OR IM- PORTS (—) . . . . .		+ 38·5	— 49·6	— 46·0
<b>TRANSPORTS:</b>				
RAILWAY TRAFFIC . . . . .	truck loaded (15 tons) reg. ton	416.970	465.775	463.950
PORT TRAFFIC (DANZIG AND GDYNIA)		316.448	365.657	352.733
<b>BUDGET:</b>				
RECEIPTS . . . . .	million ₧	150·2	210·0	198·8
EXPENDITURE . . . . .		161·6	189·8	180·0
<b>MONEY CIRCULATION:</b>				
BANK OF POLAND NOTES . . . . .	million ₧	448·0	705·2	727·5
COVER IN GOLD AND FOREIGN CUR- RENCIES . . . . .	‰ ‰	33·72	52·57	50·77
TOKEN COINS . . . . .	million ₧	459·7	399·1	393·9
<b>CREDIT:</b>				
(BANK OF POLAND)				
BILLS DISCOUNTED . . . . .	million ₧	301·3	375·9	387·8
OFFICIAL DISCOUNT RATE . . . . .	‰ ‰	12·0	8·0	8·0
<b>FOREIGN CURRENCIES:</b>				
(WARSAW STOCK EXCHANGE-AVERAGE RATES)				
U. S. A. DOLLAR . . . . .	₧	10·09	8·93	8·93
POUND STERLING . . . . .		49·20	43·45	43·44

REMARK: — Figures appearing in the above table are intended exclusively to characterise the economic situation in June 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 ECONOMIC SITUATION IN POLAND

DURING THE PAST twelve months or so, the economic life of Poland showed an all round improvement. The Treasury reported a continuous

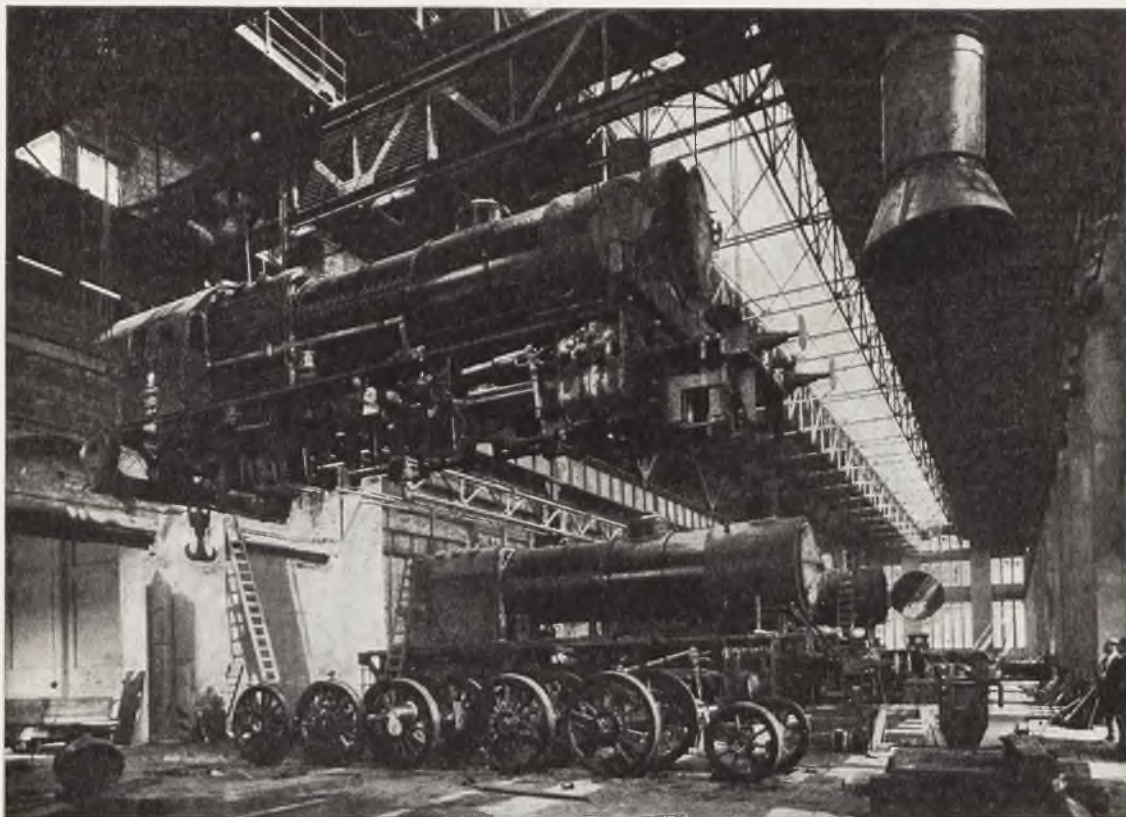
surplus of revenue over expenditure, and a steady increase of the former; the volume of foreign business increased considerably, the monthly balances being invariably favourable; the Bank of Poland accumulated foreign currency reserves at a rapid

\*, Corrected figures.



rate which gradually formed a sound foundation for the Złoty; the conditions on the money market became easier, industry was revived, and consequently there was a fall in the unemployment figures; railway and port traffic doubled; the purchasing capacity of the population and its prosperity in general showed a steady betterment. As a result of this state of affairs the Polish community, which was under the cloud of a heavy economic crisis through which the country passed

three months. In addition, two other factors come into play: firstly, a certain tightening of the Polish money market, due to ill-tidings coming from abroad, and to the somewhat difficult situation which usually sets in during periods preceding the harvest; secondly, the postponement, to the autumn, of the final negotiations for the "Stabilisation Loan" of \$ 60 million, which is to be floated in the United States of America; this delay was caused by certain dislocations on the American money market.



INTERIOR OF ONE OF THE WORKSHOPS AT THE CHRZANÓW  
LOCOMOTIVE WORKS

not long ago, took a brighter view for future prospects.

Unfortunately, in the course of the past few months, a certain apprehension in Polish public opinion made itself noticeable. The Polish community, which not long ago passed through a heavy war ordeal and which under specific and exceptionally difficult conditions undertook the work of reconstruction, has peculiarities of its own. It is easily influenced by optimistic and pessimistic feelings. It is exactly for this reason that the economic phenomena, which exert a decisive influence on the shaping of public opinion in either of these directions, should be subject to particularly careful analysis, all the more so as this may easily affect the attitude of foreign public opinion to Polish problems of an international character.

The chief phenomenon, responsible for general uneasiness in Poland, is the adverse foreign trade balance which has been recorded during the last

It is apparent, however, that the source of the uneasiness lies in the adversity of the Polish foreign trade balance; that is why this phenomenon, in the first place, calls for a detailed examination.

The problem of equilibrium of the foreign trade is indeed of great importance to the economic development of Poland. A large number of countries can afford to look unperturbed at the excess of imports over exports: the United Kingdom, for instance, may cover the deficiency of the foreign trade balance by its invariably favourable balance of payments, which includes interests on sums lent to foreign countries, revenues from its merchant fleet, &c.; the United States are in a similar position; Italy and Switzerland cover their unfavourable foreign trade balances by revenues derived from their tourist industries. Poland, apart from the movement of funds resulting directly from the foreign trade, has in its balance of payments only one item of any importance to the



good, and that is the transfers of savings of Polish emigrants residing abroad; but even this item, compared with the volume of foreign trade, does not play a large part. For this reason an unfavourable foreign trade balance means to Poland an unfavourable balance of payments, which in its turn may endanger the position of the national currency. It is therefore easy to understand why Polish public opinion takes so active an interest in all matters connected with foreign business.

to gold  $\text{zł}$  67,775.000. The coincidence of the above mentioned figures is striking and speaks for itself.

At the same time it may be observed that the harvest season was opened in the Southern part of Poland at the beginning of July, and there is no exaggeration in saying that the crop prospects in Poland are decidedly much better this year than in 1926. The import of grain and flour should therefore cease entirely in the near future.

The above considerations indicate clearly that



TIMBER-LOADING APPLIANCES IN THE DANZIG PORT  
(PHOT. S. PLATER)

The cause of the unfavourable balance for April and the subsequent months, can easily be explained. It was due to poor crops in 1926, and the resulting import of grain and flour. This statement is confirmed by the respective statistical data: during the period from January to May 1927 the total deficit of the foreign trade amounted to gold  $\text{zł}$  65,437.000, while at the same time figures relating to grain which, under normal conditions, invariably show an excess of exports over imports, at the end of the first half of 1927 showed a deficit amounting

the present deficit in the Polish foreign trade is a passing phenomenon.

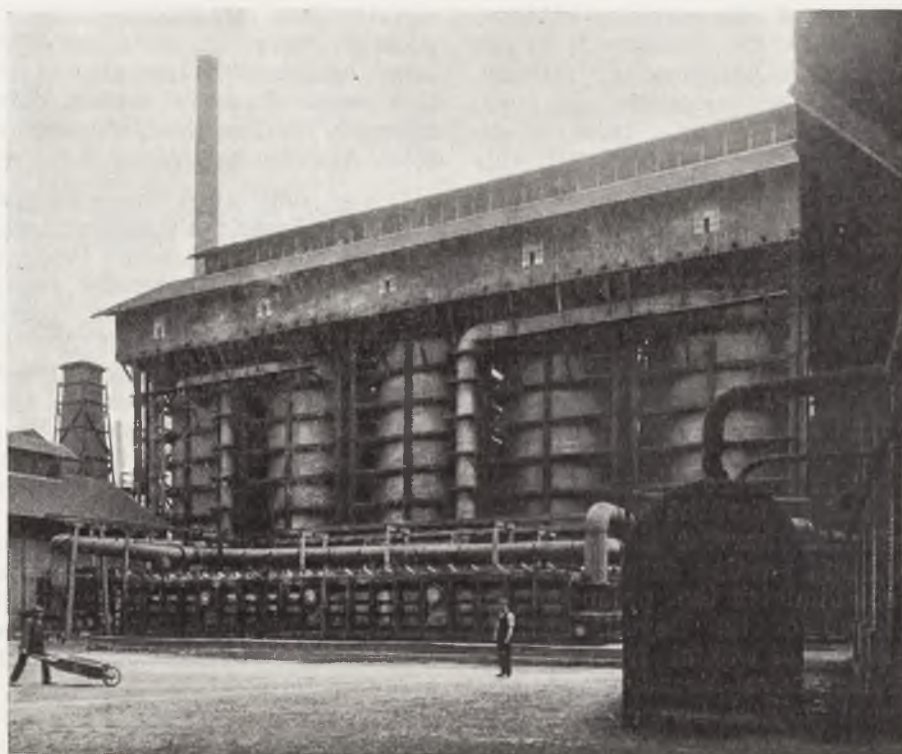
The analysis of the Polish foreign trade is by no means exhausted by the above conclusion, and it may be of interest to deal with the favourable tendencies, and the possibilities for the future development of this trade.

In the long run these tendencies shape themselves quite favourably on the whole: the volume of Polish imports is steadily increasing, not only from year to year but from month to month. Despite



even the protracted economic conflict between Poland and Germany, Polish goods find new buyers in their old markets in addition to acquiring new outlets. At the same time, however, a certain new factor is noticeable, which leads one to believe that a further increase of exports in some departments will be arrested, and this factor is: a steady increase of local consumption with a consequent decrease of the surpluses available for export. Lately this phenomenon has been noticeable in the textile industry, where, despite a considerable increase in output, the export of fabrics fell, owing to the surplus being absorbed by the local market.

items cannot be artificially diminished, or at any rate such action does not appear to be in the interest of the country. Here come into play: cotton, wool, iron ores, scrap iron, artificial manures, machinery and tools, &c. At the same time there is noticeable a significant fact: a fall of imports of those articles of immediate consumption which, due to increased industrial activity, are produced in Poland. There is also a fall in the imports of commodities which can be dispensed with or are considered as articles of luxury, which again is indicative of the policy of trade regulations pursued by the Government.



A VIEW FROM THE CHORZÓW CHEMICAL FACTORY

At all events, the volume of export has at present reached an unprecedented level.

Imports to Poland, which during the period of the economic crisis in 1925 fell below their normal level, regained entirely their previous position and are in harmony with exports—if casual items, such as the above mentioned imports of grain, are left out of account.

Dealing, however, more fully with the analysis of the progressive tendency of Polish imports, attention should be drawn to a certain peculiar factor which, although favourable in itself, may be regarded as likely to endanger the equilibrium between the imports and exports; and this danger is more serious than the transial deficit in the grain movement. There is namely an increase in those items on the import side, which are closely connected with the revival of local production and the Government programme of investments; these

It is exactly the rapid growth in the volume of imports of articles which are necessary for the reconstruction and expansion of the economic life of Poland, that may easily contribute towards a still less favourable position of the foreign trade. This results from the comparison of this possible increase, with the possibilities for development of Polish exports. As far as the latter are concerned, their rational and permanent development, as already stated, is ensured; but its growth can hardly be expected to be rapid, owing, in the first place, to the already mentioned increase in the demand for certain commodities on the part of the local market, and, in the second place, owing to the long term nature of the investments which, although calculated to increase the output, will not be ready for commission at an early date, as some of the expansion schemes have only recently been taken up.



On the other hand, these new investments will create new requirements for foreign goods. In this case Poland may be compared to an individual who has a pretty but empty house and no money for the necessary furniture; such an individual has an alternative: either to live in his empty house and to save money for the furniture, or to borrow money for this purpose and pay back the loan gradually from his income. That the second policy is more rational than the first one, there can be not the least doubt, for he, whose life is well regulated, works more efficiently and with better results.

In the Polish house, there is still a great deal to be done, despite the fact that much has already been achieved by means of the savings effected during the past eight years: the industry is in the course of reconstruction, the net-work of railway, high-way, river and sea communications, are absolutely insufficient, while the towns have to be provided with various public utilities. All this implies a large outlay of capital which is lacking, and for the obtention of which Poland negotiates with foreign countries.

After the healing of wounds received during the Great War and the putting into order of internal conditions of work, the endeavours of Poland in this direction assume a positive character. Poland is now negotiating with an important group of American and European financiers for a so-called "Stabilisation Loan" which is to pave the way to a series of further credits, which are to be used for well defined purposes. It is true that these negotiations are postponed till after the harvest time for reasons of an accidental and passing nature, but this circumstance does not diminish the prospects for a successful completion of the negotiations. In anticipation of the inflow of capital from abroad, Polish business circles have already begun to make the most urgent capital investments. This explains the increase in imports of raw materials and articles required for productive purposes.

The present situation may be briefly described as follows: while employing the profits made during one year of successful activity, and having in view, in this connection, the possibility of attracting foreign capital to Poland, the Polish community started to furnish its house, which was emptied during the war. If the necessary funds are obtained it will be in a position to burden its foreign trade balance-sheet with the import of productive goods, which expenditure cannot be written off by means of immediate exports. But these imports can easily be paid for after the reconstruction of production. In this way foreign capital would be instrumental in the establishment and the maintenance of a favourable trade balance.

If, however, Poland's expectations do not materialise, it will have to reduce the rate of its economic progress and go ahead unaided, with the savings, which it can make under the present conditions, that is to say, it will have to continue its policy of the last eight years.

## ECONOMIC RELATIONS BETWEEN THE UNITED STATES OF AMERICA AND POLAND

THE GREAT American Republic, with which Poland at all times entertained highly cordial relations, belongs to the category of countries, with which Poland has still a great deal to do in the sphere of economic relations. They require to be straightened out. This remark applies equally to the undeveloped movement of goods from Poland to the United States, and to that in the opposite direction which, insufficiently organised, leaves a wide field of activity for middlemen; this remark also holds good in regard to the flow of labour migrating in large numbers to the United States, and to the movement of capital which, though still lacking in intensity and method, already now begins to flow from America to Poland.

It was only after the war that the development of Polish-American economic relations was directed into proper channels. Prior to the war Polish territories were generally regarded by foreigners as parts of the German, Russian and Austrian Empires, with the result that at that time there could be no question of Polish-American relations, especially as there was no one to take care of their progress. Moreover, it is only since the war that the United States of America have taken a more active interest in European matters. The collaboration of that country with Europe is becoming gradually more intimate, while the different European countries which, up to 1918, were unknown as consumers of American goods, have become more familiarly known as customers under their actual names. Finally, American business circles do not follow the development taking place on the European markets from a distance, as was the case before, but appear on them personally with the view to become acquainted with the conditions prevailing in Europe, and in order to adapt themselves to the requirements of these markets.

The economic relations between the United States and Poland follow exactly this course.

The exchange of goods between the United States and Poland is, and will, necessarily be onesided: the balance of this trade has always been adverse to Poland. This is due to the character of American imports to Poland, consisting chiefly of raw materials which are consumed on a large scale, and to the character of the Polish exports to the United States, the characteristic feature of which is that they are not bulky and consist of a number of special articles for which there is, in most cases, a limited demand on the international market. The result of this state of affairs, as is shown by the table below, is that exports from Poland to the United States amount as a rule from 4 to 5 per cent of the imports the United States to Poland (in thousands of  $\text{Zł}$ ):



	1922	1923	1924	1925	1926
Import from the United States to Poland	131.564	171.323	183.949	230.190	269.803
Export from Poland to the United States	5.601	6.918	7.142	10.145	14.756
Ratio of exports to imports	4.3	4.0	3.9	4.4	5.5

	1925	1926
other agricultural machines . . . . .	96	16
parts of " " . . . . .	39	29
sewing machines . . . . .	891	21
typewriters . . . . .	108	35
counting machines . . . . .	12	7
gramophones . . . . .	8	2
motor-cars . . . . .	481	92
motor-cycles . . . . .	51	11
parts for motor-cars . . . . .	120	40
vulcanised fibre . . . . .	66	24
hemp and jute ropes . . . . .	16	84
cotton . . . . .	34,822	45,512
cotton waste . . . . .	216	499
wool . . . . .	569	2,311
linnen . . . . .	96	53
linnen fabrics . . . . .	52	15
clothing . . . . .	344	246
films . . . . .	2	4

These figures, compiled by the Polish Chief Statistical Office, show in addition that trade relations between Poland and the United States are developing from year to year. It should be mentioned here that these figures represent values calculated on the nominal Złoty basis, so that, owing to the fall of the Złoty in the middle of 1925, the corresponding figures only partly illustrate the actual situation. In any case these figures indicate that already now, when the trade with the United States is but little developed, these relations play an important part in the foreign trade of Poland, as the United States occupy the fourth place after Germany, England and Austria; and, as far as import only is concerned, the United States of America rank second after Germany.

The imports from the United States to Poland are illustrated by the following table (in tons):

<i>Imports from the USA to Poland</i>		
	<i>(in tons)</i>	
	<i>1925</i>	<i>1926</i>
wheat . . . . .	4.069	1.066
wheat flour . . . . .	58.330	522
groats . . . . .	666	301
fruit . . . . .	195	3
dried fruit . . . . .	1.403	254
tinned fruits . . . . .	22	9
nuts and chestnuts . . . . .	78	—
cinnamon . . . . .	4	—
tea . . . . .	37	3
condensed milk . . . . .	44	5
fish . . . . .	12	26
salted meat . . . . .	78	77
butchers' wares . . . . .	1	13
animal fats . . . . .	7.837	4.606
tobacco . . . . .	6.558	2.340
hides dried . . . . .	525	463
tanned hides . . . . .	91	161
casings . . . . .	379	543
hardwood . . . . .	161	15
coconut fibre . . . . .	12	3
bast . . . . .	118	186
fruit kernels . . . . .	71	86
asbestos . . . . .	41	62
petroleum products . . . . .	1.017	622
vaseline . . . . .	29	24
motor-car tyres . . . . .	28	34
rubber inner tubes . . . . .	25	3
sulphur . . . . .	459	1.016
bor containing minerals . . . . .	38	110
raw borax . . . . .	31	213
phosphorites . . . . .	12.963	11.933
resins above non-specified . . . . .	274	25
melted suet . . . . .	213	490
bark for tanning purposes . . . . .	358	60
chlorbenzol . . . . .	—	11
tractors . . . . .	196	32
lift appliances . . . . .	28	11
ploughs . . . . .	98	12
mowing machines . . . . .	1	194
harvesting machines . . . . .	447	134

Imports from the United States to Poland may be divided into three basic groups. The first consists of raw materials, such as cotton, wool, tanning materials, phosphorites, sulphur, special metals, rubber. This group shows a steady increase which reflects the continuously improving industrial situation in Poland. There is, however, an interesting factor to be noted in this connection, namely—that most of the American raw materials reach Poland indirectly, through the intermediary of other countries. This applies in the first place to cotton and rubber, and also to certain metals. The last two mentioned items did not even appear in the official returns of Polish imports as being of American origin and are therefore not embodied in the above table. Consequently, when the goods received through the intermediary of German brokers are accounted for, it will be found that imports from America to Poland are much larger.

The second large group in the American imports into Poland are foodstuffs: grain, flour, meat, lard, and fat bacon. In contrast with the first group, this has, so to say, a passing character as during the years of poor crops Poland purchases American flour and large quantities of fats. There is no reason to believe that imports of this class will increase to any large extent.

Finally, the third group of imports consists of manufactured articles which are a speciality of the United States industry and include: motor-cars, typewriters, counting machines, sewing machines, &c. As regards this group, it should be stated that the above figures show considerable fluctuations, due to the economic crisis, through which Poland has passed recently, and which cannot be regarded as a characteristic feature; the machinery of this type not being locally produced, this group will show steady increase for many years to come.

Apart from the three groups of imports dealt with above, Poland buys on the American market certain other articles, such as clothing and underwear, certain grades of lubricating oils and greases — but these imports have also a temporary character and will gradually decrease and probably disappear when these branches of production are developed in Poland.



It is seen that Polish imports from the United States include large recurrent items. On the other hand, Polish exports to the United States are, so far, on a small scale, and a great deal is still to be done in this respect. Polish exports to that

hides, horse hair, bristles, down and feathers, coal tar, ozokerite, and 2°, a small group of industrial products, representing Poland's speciality—bent wood furniture, basket ware, cement, carbide, jute products. There is no doubt that the sales possibilities



TYPICAL STATE EMPLOYEES' LIVING HOUSES IN THE EASTERN PART THE COUNTRY (PHOT. S. PLATER)

country are illustrated by the following table (in tons):

*Exports from Poland to USA  
(in tons)*

	1925	1926
mushrooms . . . . .	87	17
yeast . . . . .	2	—
molasses . . . . .	13,866	10,570
bone flour . . . . .	—	490
calf skins raw and salted . . . . .	261	67
horse hides . . . . .	184	377
calf skins, dried . . . . .	47	43
horse hides, dried . . . . .	53	24
furs . . . . .	7	53
horse hair . . . . .	291	418
bristles . . . . .	31	24
down and feathers . . . . .	55	50
bent-wood furniture . . . . .	458	755
basket ware . . . . .	85	138
clover seeds . . . . .	157	93
cement . . . . .	1	2,880
ozokerite . . . . .	—	30
caustic soda . . . . .	—	177
potassium chloride . . . . .	—	44
carbide . . . . .	2,898	1,981
pitch tar . . . . .	801	3,195
calaphonium . . . . .	610	399
pyridine . . . . .	—	12
bee wax . . . . .	3	39
jute fabrics . . . . .	298	120
leather buttons . . . . .	2	1
printed matter . . . . .	79	130

On analysing this table attention is drawn to two groups: 1°, raw materials — molasses, raw

in the United States in regard to each of the above mentioned articles are not taken full advantage of; in addition, there are products such as: linen, potatoe products, toys &c., which should appear among Polish exports to the United States.

The difficulty of developing Polish export to the United States lies in that the Polish production is not sufficiently prepared to the, quantitatively speaking, large consumption of the United States, in inadequate organisation of certain trades, particularly as regards the purchase and selection of such articles as down, feathers, bristles, &c., but the most serious of all the impediments is the difficulty of financing Polish export trade, due to the general stringency of capital in Poland.

The general characteristic of the exchange of goods between the two countries may be summarised as follows: the trade, as far as Poland is concerned, is already fairly extensive, and has excellent prospects for future development.

On the other hand, as regards the exchange of labour, the relations between the two countries since the conclusion of the war shaped themselves in a totally different manner. As is well known\*), Poland has a surplus of labour, and in this respect it is preeminently an emigrating country. Prior to the war the bulk of Polish emigrants were directed to the United States, with the result that, at the present time, the Polish colony in that country

\*) See "The Polish Economist" No. 4/1927, page 137.



may be estimated at 3 million persons. It is universally recognised that the Polish workman is a valuable asset; apart from this, particularly in the United States, the Polish emigrants form a solid block of good citizens of their new country of adoption.

After the war the natural emigration movement was stopped almost entirely: it fell from 150 to 200 thousand to about 8 to 10 thousand persons per annum, owing to the American immigration restrictions. This gives rise to a great loss to Poland, which, being unable to employ the surplus of population, is compelled to burden the community with the cost of maintenance of the unemployed.

It is unfortunate that there are no immediate prospects for the solution of this problem, which is all the more regrettable as it would be beneficial to the two countries.

Finally, in the last phase of economic relations between Poland and the United States, as regards the exchange of capital, there is still a great deal to be accomplished. As is well known, capital in a much higher degree than goods requires to be acquainted with the conditions of the country to which it is directed. Inadequate knowledge in the United States of the conditions prevailing in Poland was the chief reason for the incommensurately small interest taken in Polish investments by American capital seeking employment. In this respect, however, a certain change has set in recently. Towards this end contributed the first successful private operations of Messrs. Harriman & Co., in the Polish zinc industry, of Messrs. Ulen & Co. in the investment of public utilities arrangements, the activity of the Polish-American Chamber of Commerce, &c.; further the appearance on the American market of Polish interest-bearing securities, the operation in which proved profitable, and finally the investigations carried out in Poland a year ago by Prof. E. W. Kemmerer, and recently, by the delegates of a group of American bankers, in connection with the first large State loan to be granted to Poland. All Americans who had the opportunity to become acquainted with the development of economic life in Poland, and with the work which has been performed since its restoration some 8 years ago, agree that the conditions in Poland are to a high degree consolidated, while the possibilities for enterprise and capital investments are really potential.

It is gratifying to know that the development of Polish-American economic relations in this province is well in hand. Poland attaches great value to a many sided development of Polish-American relations, having constantly in view the great traditions and unswerving bonds of friendship between the two countries.

## SALT INDUSTRY OF POLAND

THE SALT INDUSTRY is the oldest branch of Polish mining; it has a history covering nine centuries, salt having been extracted as far back

as the XIth century, in the same locality as now, in the vicinity of Kraków.

Salt deposits occur in all parts of Poland. They are mostly rock salt beds, Wieliczka, Bochnia, Inowrocław, Wapno, being the richest of all; the reserves of this mineral in the form of pillars of a diameter from 600 to 2,000 metres are inexhaustible; their depth has not been as yet ascertained as the drillings hitherto effected go to 1,100 metres without reaching the bottom. The salt is of high quality, containing from 95 to 99 per cent NaCl, and is pure and superior to that extracted in the adjacent German salt-bearing areas. In addition, in the South-Western part of Poland much poorer deposits are also exploited; they are the so-called salt loams containing from 30 to 70 per cent NaCl, from which salt is obtained by the preparation of salt solution and evaporation. A similar method is also applied for the obtention of salt from brines, the wells of which are very numerous and contain about 32 per cent salt. Finally, in certain parts of the country (Ciechocinek) salt is produced chiefly by means of old fashioned concentrating plants while the raw material employed is a poor brine containing about 5 per cent NaCl. The salt brine is concentrated by means of air and sun rays, and is passed afterwards to salt works for evaporation.

The diversity of raw materials together with the variety of means of production form one of the chief drawbacks of the Polish salt industry. It calls for reorganisation which, as will be seen later on, is now under the consideration of the Government.

As already stated, the salt reserves in Poland are vast, and the quality of the mineral is very high indeed. Under these conditions the salt industry in Poland plays an important rôle in the economic life of the country and should occupy a prominent place on the world market. In this respect Poland is the sixth largest producer of salt in the world, after the United States of America, Germany, England, France and Russia. The production of salt exceeds by far the local consumption.

The developments of the past century were not conducive to progress in the Polish salt industry, despite the existence of favourable natural conditions. The two chief centres, of which the first is situated in former Austrian Poland, and the second in former German Poland, were, during 120 years of foreign rule, subject to misuse, which checked all progress: Germany protected the interests of the salt industry located in German central provinces, while Austria pursued the same policy, in order to ensure the development of the salt mines located in the Alps. In this way Polish salt mines were neglected as far as the technic of extraction was concerned, and worked on old, almost primitive lines. The alien governments also did nothing to expand the sales possibilities for the products of the salt industry. This policy could be adopted without difficulty as the majority of German mines were Government controlled, while in Austria all of them were owned and operated by the State.

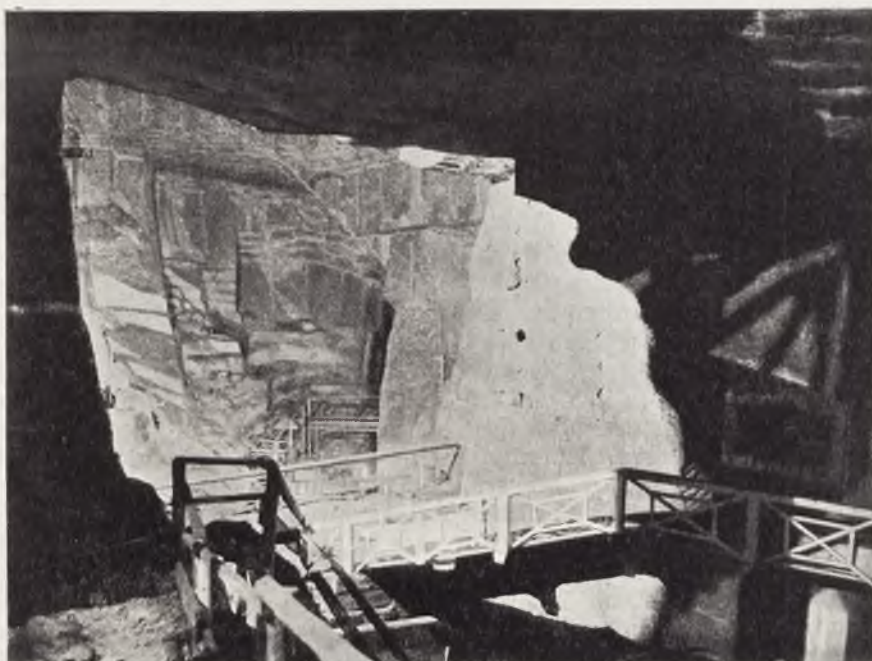
This statement is corroborated by the comparison of production figures for the periods: preceding



the war and since its conclusion. Thus in former Galicia (former Austrian Poland) in the year 1772, prior to the partitioning of Poland, yearly outputs of salt amounted to about 140,000 tons; ten years later — in 1782, that is after the incorporation of the salt-bearing areas in the Austrian Empire, the production fell to 46,000 tons and to 25,000 tons in 1841. Subsequently, the output of this mineral rose gradually, and in the years 1909 to 1913 the average yearly output was 159,000 tons. After the war, however, under the Polish rule, the production of salt developed by leaps and bounds, and in 1923, which was a record year, it reached 282,000 tons; in subsequent years the production fell some-

the actual possibilities for development of salt works in Poland, with its new and improved facilities, is estimated at 700,000 tons per annum. In 1926 the number of workmen employed in this industry was 4,324.

Of the 457,771 tons of salt raised in 1926, 47.7 per cent or 218,919 tons was rock salt, which was sold in lumps or ground; 26.5 per cent or 120,483 tons was evaporated salt (obtained from lower grade rock salt, salt-bearing loams and salt brine), and finally 25.8 per cent or 118,369 tons were sold as salt water in its natural state, mainly to soda works. As regards the utilisation of salt in 1926, 66.8 per cent, or 305,941 tons were used



A WORKING IN THE WIELICZKA SALT MINE

what, the output for the year 1925 being about 233,000 tons.

A similar situation was in former German Poland, where the average yearly production for the period from 1909 to 1913 was only about 30,000 tons, while in 1925 it amounted to 188,000 tons.

This state of affairs is further reflected in the figures illustrating the production of salt in Poland, which are as follows (in tons):

1909—1913 <sup>*)</sup>	192,923
1914—1918 <sup>**)</sup>	198,436
1919	262,502
1920	285,065
1921	332,729
1922	368,199
1923	442,284
1924	369,852
1925	424,733
1926	457,771

It is seen that under Polish rule, the production of salt rose by 138 per cent. It should be stated that

for human consumption; 31.2 per cent, or 142,906 tons went to industry; and only about 2 per cent, or 6,990 tons were absorbed as cattle salt.

Most of the salines in Poland are the property of, and are operated by the Government. In the year 1926, 58.4 per cent of the total production was raised by the State undertakings, while the rest was produced by an extensive private undertaking (the "Solvay" firm), which owns one of the best Polish salt mines (Wapno).

There is a State Salt Monopoly in Poland, and the sales of this commodity are effected by the Treasury, which has a special organisation for this purpose run on commercial lines. The revenue from the Salt Monopoly is not inconsiderable, and in 1926 it amounted to £ 42 million.

The above mentioned data prove beyond doubt the immensity of the reserves of salt in Poland and the intensity of the development of the salt industry in the last few years, i. e., under Polish rule. The progress is reflected not only in the increase of the output, but also in the improvement of the

<sup>\*)</sup> The average yearly for the period preceding the war.

<sup>\*\*)</sup> The average yearly for the period during the war.



methods of operation and the reduction of the cost of production. It is also interesting to note an increase in the productivity of the workman; thus, in the Wieliczka State mine the productivity, as compared with pre-war days, rose from 30 to 40 per cent, while in the second in importance, the Bochnia mine, the increase represented 160 per cent (from 25,000 tons in 1912 to 65,000 tons in 1926). At the same time considerable capital investments were made in connection with the modernisation of the different salt works.

Nevertheless, the period during which the management of Polish salt undertakings was being reorganised with the help of the Polish Government, was too short to permit of the completion of the task. Hence, there is still much to be done before this industry is got into proper shape.

To begin with, owing to the variety of working conditions which have been referred to already, the cost of production varies within fairly wide limits and in some cases is too high. It is therefore necessary to concentrate production in the richest mines, and to close those, which are uneconomically worked.

Furthermore, there is no doubt that the present organisation of the salt industry is highly unsatisfactory, as it is controlled by two ministries, i. e., the Ministry of Industry and Commerce which operates the salt mines and the salt works, and the Ministry of Finance which is in charge of the sales.

Finally, there is much to be done in the direction of raising the sales of salt, for if the human consumption of salt amounts in Poland to about 10 kg. per year and capita, and if this figure cannot be easily augmented, it is certain that the consumption of cattle salt, amounting at present to 0.2 kg. per annum and capita, and that of industrial salt, amounting to 1.6 kg. per annum and capita, can and should be greatly increased; in particular the consumption of cattle salt, which in 1926 amounted to only 7,000 tons may, according to calculations made by experts, reach 80—100 thousand tons within a short time. The question of the increase in the consumption of cattle and industrial salt, is linked up in the first place with the general development of agriculture and of the chemical industry in Poland, but there again a great deal may be achieved (particularly as regards the consumption of cattle salt) by efficient and constructive propaganda.

There is also a wide field for enterprise in so far as the export of salt is concerned. It is true that the position in this respect is not very favourable, as two of the chief neighbours of Poland, Germany and Russia, produce large quantities of rock salt, and generally speaking, at a lower cost than Poland; nevertheless the Baltic States: Latvia, Esthonia, Lithuania as well as the Scandinavian States: Sweden, Norway and Denmark form an interesting market, all the more so as these countries seem to be natural outlets for Polish salt. Certain quantities are also exported to Czechoslovakia. So far the exports of this mineral to all the above mentioned markets have been very small, which is illustrated by the following figures: in 1924

they amounted to 27,315 tons, in 1925 to 14,355 tons and in 1926 to 21,482 tons.

The work of reorganisation and adjustment in all the domains referred to above is now in progress. The Government, through an Inquiry Commission, has completed a thorough study of the salt industry and a plan of reorganisation was drawn up on the basis of its conclusions. The primary idea of this plan is the creation of an autonomous State undertaking, which, operating strictly on commercial lines, would assume the control of the State-owned mines and salt works; it would also take charge of the sales of salt; in return, this undertaking would be called upon to pay annually to the Treasury certain sums, fixed in advance, as net profits derived from the Salt Monopoly. In this way a more elastic commercial organisation would be provided, while at the same time the existing duality would be done away with. The task of the proposed undertaking would be to further develop the salt industry. To achieve this end it is absolutely necessary to reduce the cost of production of salt and its sale price, and to increase its sales on both the home and foreign markets.

## THE CULTIVATION OF HOPS IN POLAND

THE CULTIVATION of hops in Poland is nearly as old as in Germany and Czechoslovakia. It has passed through periods of development and downfall. Shortly before the war this branch of production had excellent prospects, the area under cultivation in 1914 being estimated by experts at about 6,800 hectares. The areas under hops in the different provinces of Poland in 1914 were as follows (in hectares):

Eastern Voievodships	2,500
Southern	2,500
Central	1,500
Western	600

In the Central and Southern Voievodships hops were almost exclusively cultivated on large estates, while in the Western Voievodships they were mostly grown by German settlers. A similar position existed in the Eastern Voievodships, where, although large estates were engaged in this industry, the bulk of crops was produced by Czech settlers.

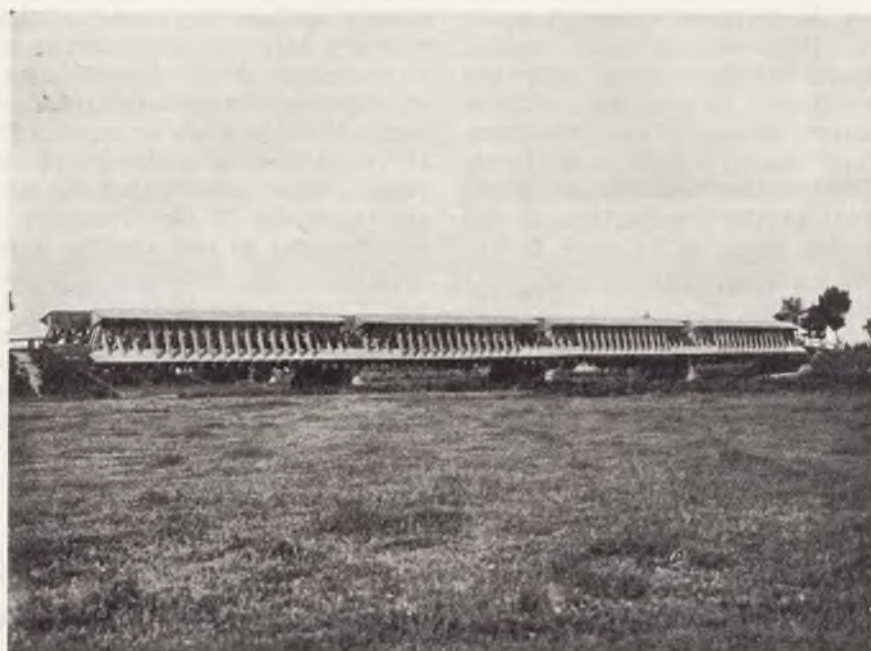
The Great War wrought havoc in this industry: it has almost totally disappeared in the Southern Voievodships, and it is only now that the revival is noticeable. In other parts of the country and particularly in the Eastern Voievodships hop farming was greatly reduced. According to the reports of the Chief Statistical Office the state of hop cultivation in Poland in 1926 was as follows:

Voievodships	Area under cultivation (in hectares)	Total yield (in quintals = 100 kg.)	Average yield per hectare (in quintals = 100 kg.)
Eastern	1,520	9,728	6.4
Southern	40	280	7.0
Central	440	3,692	8.4
Western	130	650	5.0
Total:	2,130	14,350	6.7



Polish hops, like those produced in Germany, Czechoslovakia, Yugoslavia and Alsace, are generally considered as a high grade commodity, superior in quality to the Belgian, French, English, Australian and American, varieties. The world production of hops, according to the data compiled by the

Growers, estimated the 1926 yield at 927.000 cwt. (1 cwt. = 50 kg.) including 370.000 cwt. high grade European hop and 557.000 cwt. low grade material; the Polish production represented about 3 per cent of the total world yield and about 8 per cent of the total production of high grade hops. As is well known,



A PROVISIONAL BRIDGE IN THE EASTERN PART OF POLAND

"Bulletin de Statistique Agricole et Commerciale", No. 1926, was as follows:

Country	Area under cultivation:			Production of hops:		
	1926	1925	average for 1920-24	1926	1925	average for 1920-24
	(in thousands of hectares)			(in thousands of quintals = 100 kg.)		
Germany	14.2	12.6	12.0	—	48.3	48.5
Austria	—	0.1	0.1	—	0.5	0.4
Belgium	1.4	1.3	1.4	22.7	25.4	18.8
Yugoslavia	—	2.0	1.6	—	11.1	12.6
France	—	3.9	4.2	—	43.8	38.2
England	10.4	10.6	10.0	168.7	180.3	150.4
Hungary	—	0.1	0.1	—	0.3	0.8
<b>Poland</b>	—	2.5	2.0	—	15.3	14.6
Czechoslovakia	10.5	10.2	8.1	84.8	70.3	53.7
Canada	—	—	0.2	—	—	3.8
United States	8.4	8.2	9.5	130.3	129.6	125.9
Australia	—	—	0.7	—	—	11.0
New Zealand	—	—	0.3	—	—	4.1

By adding up column 3 and column 6 can be obtained the area under hops as taken into account by the International Institute of Agriculture for the period from 1919 to 1924, and the average production of hops in the countries concerned during the same period. These data indicate the total area under hops in the whole world as well as the total world production of this commodity, the two corresponding figures being: 50.200 hectares and 482.800 quintals.

The Central European Office, called into being by the Fourth International Conference of Hop

hops are exclusively used in the brewing industry. It is obvious therefore that the production of beer and its consumption have a decisive influence on the production of hops. The yearly consumption of beer fell during the war from 295 million hectolitres to 102 million hectolitres in 1917/1918 and since that date it showed a slow, though steady, increase; at present it is estimated to be from 130 to 140 million hectolitres.

At the present time the production of beer in Poland covers entirely local consumption and amounts to from 1,300.000 to 1,500.000 hectolitres, as against 9,000.000 hectolitres prior to the war. For the production of beer, Polish breweries require about 9 to 10 thousand cwt. of hops and as the production amounts to from 25 to 30 thousand cwt., it is clear that this commodity is essentially an export article.

According to the data compiled by the Union of Polish Agricultural Organisations, imports and exports of hops and hop extract in the course of the last two years were as follows (in tons):

	Import:		Export:	
	weight	value	weight	value
1924	326.3	2.934.2	283.1	3.378.8
1925	139.8	1.497.1	753.5	7.589.0
1926	149.9	2.887.0	839.3	10.087.0

The import items are accounted for by the high reputation of German and Czechoslovakian plants as well as by the granting of dumping credits which is widely practised by the hop wholesale



trade of the two countries. This is confirmed by the above mentioned figures, particularly as regards the year 1924, when the rate of interest was in Poland the highest.

The costs of the preparation of the soil and of the planting of hops are estimated by experts to amount to  $\text{₹}$  1.660.50 per 1 hectare, while the cost of poles, wires &c., used under the Austadt system amounts to  $\text{₹}$  2.755.76 per 1 hectare of cultivated soil. The cost of construction of drying oasts, Limhardt system, with a heating surface of 16 sq. m. designed for 6 to 6.5 hectares of soil is estimated at about  $\text{₹}$  7.500, and a drying oast of the Dyderski system—about  $\text{₹}$  12.000. It will be seen, therefore, that the establishment of hop farms, together with drying facilities designed for 6 to 6.5 hectares, may be placed at from  $\text{₹}$  6.762.26 to  $\text{₹}$  7.599.26. Overhead charges per 1 hectare, together with repairs, replacement of wires, protection against pests and the amortisation of the costs of erection of the drying accommodation may safely be put at about  $\text{₹}$  1.600 per 1 hectare.

The gross income per 1 hectare of cultivated soil depends largely on the situation obtaining on the hop market. It fluctuates within very wide limits—from \$ 241.5 (at the price of hops—\$ 20) to \$ 1.328 (at the price of hops \$ 110 per cwt.).

The cultivation of hops implies careful preparation of the soil, large use of fertilizers, deep digging, the use of poles, sticks and wires, for facilitating the growth of the plant, protection against diseases and pests, which involves considerable costs, careful gathering and selection, and finally immediate drying in special oasts.

The above considerations show that the prospects for hop cultivation in Poland are good, as the soil, as well as the climatic conditions are propitious, the labour—cheap and abundant, while the necessary timber material is obtainable locally at a comparatively low cost. The shortage of liquid capital for the necessary investments constitutes the only drawback, but this could be overcome by united efforts and a wise policy on the part of a powerful association

of hop growers, which, *inter alia*, would give its members necessary technical advice. The attention of the Government should also be drawn to the necessity for the cultivation of this useful and profitable plant. The rationalisation of the wholesale trade and the elimination of middlemen, and direct delivery of this commodity to the consumer, would stimulate the development of this branch of production. The Warsaw Syndicate of Hop Growers may be proud of its organisation, as it is second to none in Europe. Unfortunately the activity of this Syndicate is almost solely confined to the Central Voievodships; in the remaining parts of Poland, and particularly in the Eastern areas, the hop trade is almost entirely in the hands of foreign agents, chiefly Czechs, and local middlemen whose large earnings would be retained by the growers if a strong commercial organisation could be founded. Owing to insufficient skill in the preparation and selection of the goods, the prices paid to the growers are lower than those ruling on the world market. These shortcomings could be removed by a more careful gathering and drying of the plants and also by the standardisation, which latter work could be undertaken by appropriated associations and unions of growers. This policy was advocated at a conference of hop growers organised by the Union of Polish Agricultural Organisations in June and July 1926. Stress was laid on the necessity for the organisation in the Central and Southern Voievodships of bodies, similar to those already existing in the Eastern and Western areas, as well as on the calling into being of a central union of hop wholesale trading organisations in Warsaw. The project of the Statutes of the central institution was also elaborated. As a result of these endeavours, a hop growers association was established at Lublin, with a field of activity covering the Central Voievodships. The excellent situation which prevailed on the hop market in the course of the last few years and large profits made by the growers of this plant, aroused a widespread enthusiasm for hop cultivation and resulted in the foundation of new farms.

## STABILISATION CREDITS FOR POLAND

THE NEGOTIATIONS which have been carried on since more than half a year between the Polish Government and a group of American and European bankers, represented by the Bankers Trust Company, Messrs. Blair and Company, and T. Chaise Security Company, have now been terminated by an exchange of letters in which the views in regard to the stabilisation plan and the details concerning the execution of the programme of stabilisation have been laid down. The choice of the moment at which the loan is to be floated is made dependent on the improvement of the conditions now prevailing on the American money market.

It was found advisable to postpone the date of issue of the loan owing to the depressed state of the New York money market, which has been in evidence since June last. About two months ago it was still possible to float on the American market all kinds of foreign loans, and there appeared to be an unlimited demand for this kind of stock. Shortly afterwards, however, the market became surcharged with new issues which, together with increased demand for capital necessary for the restoration of the Mississippi flooded areas, brought about a depression on the New York money market, while at the same time the reserves of liquid capital were reduced to a minimum; and it is essential that the stabilisation loan, as it is intended to pave the way towards further financial operations be-



tween Poland and abroad, should be effected under the best possible conditions.

Owing to the unfavourable state of the New-York market the present time might prove unpropitious for the issue of the Polish stabilisation loan if the sale price of the certificates is lower than agreed to; such a situation would lead to the immobilisation of the capital of the banks arranging the loan.

It is to be hoped that the present situation obtaining on the New York market will not be of long duration, and that the tendency for capitalisation of the American community will help towards the restoration of normal conditions.

It is only under these circumstances that the Polish stabilisation loan amounting to \$ 60 million, will be floated. The negotiations for this loan are practically completed, and the points, to which the Polish Government attaches great value, have already been agreed. It should be noted in this connection that neither the amount, nor the use of the \$ 60 million for productive purposes play an important rôle, as the essential thing is the entry of Poland on the world money market, and the furthering of the principle of free circulation of capital; this will prepare the ground for further foreign loans, particularly long term credits for Poland, and thus the loan can be considered as an introductory.

The best way for a country to prove that it is deserving of confidence, is to have its financial activity recognised as sound by foreign financier. This recognition is in case of Poland an established fact. The stabilisation plan of Poland has been found by leading financial circles of the world to be rational. The fact that American bankers granted Polish Government a \$ 15 million short term open credit, and the decision of the leaders of the issue banks in regard to the stabilisation credits to be granted to the Bank of Poland constitute undoubtedly a proof that the country inspires confidence. Further, the statement of the representatives of the American banks made to the Polish press\*), indicates clearly that they are in agreement with the extensive financial and monetary programme of the Polish Government which forms a firm basis for the economic development of the country.

The above mentioned short-term open credit cannot be regarded as a partial realisation of the basic loan, and still less — as a substitute. The loan is to help the Polish Government to maintain the favourable economic position of the country and to enable the continuance of its present financial policy.

The credits now advanced will help the Government to pull through the difficult period preceding the harvest and the marketing of crops (May—August) characterised, as it is, by an adverse foreign trade

balance, a stringency on the money market and higher rate of interest — until the autumn when, as in the case of all agricultural countries, conditions will improve generally. This means that the present economic situation, which on the whole do not leave much to be desired, particularly as regards the agricultural prospects and the steadily increasing industrial activity — will be maintained until the date of issue of the basic loan.

For these reasons it is not unlikely that the postponement of the floating of the stabilisation loan will, in the end, be beneficial to Poland.

The chief features of the agreement are the following:

When notifying its intention to sell certificates to the contracting party, i. e., to the American banks, the Government must also express its desire as to whether it wishes to receive \$ 10 million or the maximum amount of \$ 15 million; this credit may be used exclusively for the strengthening of foreign currency reserves of the State or of the Bank of Poland.

The term of redemption of the loan is fixed for December 31, 1927. Should Poland in the meantime contract a further Government or State guaranteed foreign loan, the obligations issued become payable before maturity, from the proceeds of the new loan. Both, the basic agreement in respect of the stabilisation loan, and short term credit, constitute no hindrance to an inflow of foreign capital to Polish private undertakings, for instance in the form of bonds, or banking credits, on the condition, however, that they are obtained otherwise than by way of public subscription; they should not be introduced on the stock exchange. This is fully justified as the success of the floating of the basic stabilisation loan, should not be endangered by competition of new Polish Government stock, especially as its object is to pave the way for a series of further loans. The open credit will be taken advantage of by the Polish Government by way of sale of Treasury certificates to the American group which will purchase them at a nominal price. The certificates will amount to \$ 500 each; the interest, 6 per cent per annum, will run from the date of issue of the certificates to the date of redemption and will be paid monthly. On the date of the opening of the credit the Polish Government will pay commission to the extent of  $\frac{1}{4}$  per cent on the sum of \$ 10 or 15 million as the case may be, and subsequently, on the 1st of each month, from August to December,  $\frac{1}{8}$  per cent commission.

Undoubtedly the short term credit in question is closely linked up with the decision adopted at the conference of the managers of the banks of issue whereby the Bank of Poland is to be granted a stabilisation credit to the extent of \$ 20 million. This credit will be accorded as soon as the stabilisation loan is realised. The Dutch bank of issue was elected to act as agent for the realisation of the stabilisation loan, while the credits themselves will be given by the Federal Reserve Bank and fifteen European banks of issue.

\*) See page 320.



# SUMMARY OF LAWS, ACTS AND EXECUTIVE DECREES

published in the "Official Journal of Laws of the Republic of Poland" ("Dziennik Ustaw Rzeczypospolitej Polskiej")  
from June 15th to July 15th 1927

**Decree relating to the protection of labour** ("Dz. Ust. R. P." No. 54, item 472).

**The reduction of the maximum rate of interest permissible**<sup>1)</sup> ("Dz. Ust. R. P." No. 54, item 474).

**Supplementary registration of the bonds of the former Russian landbanks** ("Dz. Ust. R. P." No. 55, item 486).

**Amortisation of the 5 per cent Railway Conversion Loan, 1924** ("Dz. Ust. R. P." No. 56, item 491).

**Polish-Danzig agreement in respect of the introduction of the Polish Tobacco Monopoly on the territory of the Free City of Danzig** ("Dz. Ust. R. P." No. 56, item 492).

**The prolongation of the term of exchange of the obligations of the loans contracted by former Austrian Poland into obligations of the 5 per cent Conversion Loan** ("Dz. Ust. R. P." No. 56, item 501).

**The Protection of Private Forests Act** ("Dz. Ust. R. P." No. 57, item 504).

**The reduction of the railway tariff in respect of consignments of iron wire and nails between Poland and Czechoslovakia** ("Dz. Ust. R. P." No. 58, item 510).

**Supplementary railway rebates in respect of iron ore consignments between Poland and Czechoslovakia** ("Dz. Ust. R. P." No. 58, item 511).

**Customs rebates in respect of machinery and apparatus not produced in Poland** ("Dz. Ust. R. P." No. 58, item 512).

**Regulations in respect of the imports of wheat and wheat flour**<sup>1)</sup> ("Dz. Ust. R. P." No. 59, item 516).

**Partial amendments to the Treasury Penalty Act** ("Dz. Ust. R. P." No. 60, item 526).

**Radio - telegram letters with America via "Radio - Warszawa"** ("Dz. Ust. R. P." No. 60, item 528).

**Extension of the internal postal facilities** ("Dz. Ust. R. P." No. 60, item 529).

**Executive decree dealing with the organisation of brokerage services by the Posts and Telegraphs** ("Dz. Ust. R. P." No. 60, item 530).

**Supplementary tariff in regard to railway freight between Poland and Germany** ("Dz. Ust. R. P." No. 60, item 535).

**Amendment of certain provisions of the decree dealing with the protection of inventions, samples, and trade marks** ("Dz. Ust. R. P." No. 61, item 537).

**Partial amendment to the decree dealing with the organisation of the State Tobacco Monopoly** ("Dz. Ust. R. P." No. 61, item 539).

**Customs rebates on salt her-rings**<sup>2)</sup> ("Dz. Ust. R. P." No. 61, item 540).

**Prolongation of the term of operation of the customs rebates on lime saltpetre**<sup>1)</sup> ("Dz. Ust. R. P." No. 61, item 541).

**Executive decree relating to the production, imports and utilisation of lead oxide and lead compounds** ("Dz. Ust. R. P." No. 62, item 544).

**Executive decree dealing with the short term foreign loan (\$ 15,000,000)**<sup>2)</sup> ("Dz. Ust. R. P." No. 62, item 545).

**Partial amendment to the decree in regard to the supplies of articles of the first necessity** ("Dz. Ust. R. P." No. 62, item 547).

**The Industrial Statistics Act** ("Dz. Ust. R. P." No. 63, item 558).

**Amendment of the regulations dealing with the fitting, maintenance and exploitation of wireless facilities as well as of those regulating the manufacture and sale of wireless apparatus and parts** ("Dz. Ust. R. P." No. 63, item 559).

**Reimbursement of customs duty in respect of the export of rolled foundry products and certain metal manufactures** ("Dz. Ust. R. P." No. 63, item 561).

**The issue of the 16th series of Treasury certificates** ("Dz. Ust. R. P." No. 63, item 562).

**Railway tariff rebates for coal and briquettes consigned from Poland to Italy** ("Dz. Ust. R. P." No. 63, item 563).

<sup>1)</sup> See "The Polish Economist" No. 7/1927, page 229.

<sup>1)</sup> See page 314.  
<sup>2)</sup> See page 313.

<sup>1)</sup> See page 313.  
<sup>2)</sup> See page 297.

## PRODUCTION AND TRADE

**STATE OF EMPLOYMENT IN JUNE.**—The five weeks period, from May 28 to July 2, was characterised by a remarkable fall in the number of unemployed, the decrease representing 17,024 or 8·2 per cent (207,570 in May as against 190,546 in June). It is of interest to note that the decrease in unemployment figures in June was about the same as in May (8·2 per cent in June as against 8·3 in May).

The state of employment during the current year is illustrated by the following figures:

January . . . . .	251,702
February . . . . .	256,392
March . . . . .	243,375
April . . . . .	226,018
May . . . . .	207,570
June . . . . .	190,546

It will be seen from the above statement that unemployment began to decrease in March, so that during the last four months, the number of people out of work declined by 65,846 or by 25·7 per cent, April and May being responsible for the bulk of this figure. The average weekly decreases for the

last four months were as follows: March — 2,603, April — 4,339, May — 4,612, and June — 3,405.

The marked improvement in the employment situation in June was due to better industrial conditions as well as to the amelioration in the general economic life of Poland.

The favourable tendency noticeable in all branches of national husbandry, can be attributed, in the first place, to the Government investment schemes, and to the revival of the seasonal industries, of which the building and



agricultural industries played the most important rôle. Intensive activity in agriculture exercised the greatest influence on the state of employment in the Western districts where the number of workers taken on rose by 27 per cent (from 17.442 in May to 12.831 in June).

In view of the favourable situation prevailing on the labour market workmen's wages were increased in different branches of industry. Conflicts between employers and employees were in most cases settled in favour of the latter. It should be noted at the same time that the strike of the Białystok textile workers was settled by an agreement allowing for an increase of wages of 17 per cent, and the strike in the building industry in Warsaw—by a rise of 25 per cent. However, these increases did not bear a general character.

The number of employed according to trades is given in the following table:

	May	June	+ Increase — decrease
mining	26.312	25.990	— 322
foundries	5.177	4.855	— 322
metal	14.257	13.594	— 663
textile	20.272	19.193	— 1.079
building	12.187	9.421	— 2.765
clerical	21.201	20.486	— 715
various	108.164	97.007	—11.157
Total:	207.570	190.546	—17.024

The number of unemployed in the building trade showed the largest decrease which was attributable to the building season being in full swing; it should be stated that building activity in Poland is still on a small scale, owing to the lack of liquid capital. Brick works and allied trades worked full time. Cement works were also busy, chiefly on foreign orders.

In the textile group, unemployment has also experienced a marked fall, although the Łódź cotton industry worked somewhat less intensively. As regards other groups of the textile industry, the Łódź and the Bielsko wool sections worked full time; this is to be attributed to good prospects for the winter season, the present stocks being nearly exhausted and new orders flowing in. Some of the Bielsko factories have even extended their works in order to increase production, and to satisfy the requirements of the market. Unemployed in this group were about 13 per cent of those at work.

The situation in the metal industry is also good, thanks to increased demand. The orders already received for means of communication and patri-

cularly for locomotives, will provide work till the end of the current year. The situation in the metal working machinery department is quite satisfactory, while the agricultural machinery and implement section is busily engaged on home and export orders for the autumn season. The production of nails, wire, constructional iron for building purposes, owing to large orders placed by the Government and municipalities, and to the favourable situation prevailing in the building industry, remained at the same high level as a month ago. The percentage of workmen out of work in relation to those employed was 18 per cent.

A great improvement in the employment situation was reported in the iron foundries, the respective figures for unemployment having shown a decline of 6 per cent during the period under review. The foundries worked two and sometimes even three shifts per day. The number of unemployed foundry workers was 9 per cent of those employed.

In connection with the favourable situation in industry in Poland, the group of clerical workers showed also some signs of improvement, the number of people out of work having decreased by 3.5 per cent.

During the period under review the mining group, as regards employment, was affected by the general favourable trend due to increased extraction of coal and crude oil as well as to revived drilling activity in the petroleum districts. The number of unemployed miners fell, at the end of June, to 18 per cent of those employed.

The marked decrease in the number of unemployed workers in the group "various" (from 108.164 in May to 97.007 in June or by 11.157) including trades not mentioned above, as well as unskilled workers, was due to the migration of hands from towns to the country in connection with the harvest work on the land.

Part time employed were 32.205 in June; thus 15 worked one day per week; 378 — 2 days; 3.573 — 3 days; 10.383 — 4 days; and 17.656 — 5 days in the week. On the average the part time worker was employed 4.4 days as against 4.2 days in May.

**MIGRATION MOVEMENT IN 1926.**— Compared with the last few years the characteristic feature of 1926 was the increase in the number of emigrants, as well as considerable changes in their ethnographic and trade composition of the. Leaving out of account the years

1918 to 1921 which, as regards the migration of labour, bore a feverish post-war character, we shall deal only with Polish emigration during the period from 1922 to the end of 1926, which is illustrated by the following statement:

Year	Total number of emigrants	Continental emigration	Overseas emigration
1922	70.089	31.373	38.716
1923	127.421	72.020	55.401
1924	74.593	52.082	22.511
1925	81.218	42.769	38.449
1926	123.803	73.910	49.893

In the above mentioned table the data for 1926 do not embody seasonal emigration to Germany for, prior to that year, migration to that country was not regulated officially by the Polish authorities, and consequently these figures are not available. Moreover, it should be stated that the figures concerning overseas emigration for 1922 and 1923 include a fairly large number of emigrants to the United States of America for instance in 1922 — 27.723 persons) which was greatly reduced in the following years owing to the introduction in that country of immigration restrictions.

Continental emigration may be divided into two groups: seasonal—agricultural, and permanent emigration; in the former may be ranged the movement of farm hands going to Germany and Denmark.

Germany absorbs about 50.000 people per annum. Up to and including the year 1925, owing to the absence of a convention between Poland and Germany, the emigration to the latter bore an illegal character, and it was only in 1926 that both recruiting, and distribution of workmen was based on an understanding between the Governments of the two countries: recruiting was since performed by Government labour exchanges; this system proved advantageous to the workmen, for they were no longer exposed to hardships resulting from the failure to find work but were directed straight away to their employers, thus obviating conflicts with the German authorities. In addition, steps were taken to ensure minimum wages and the possibility of taking advantage of various privileges of a social character which are reserved to the same class of local workers.

The seasonal movement of emigration to Denmark comprised mainly farm hands required for the cultivation and the harvesting of sugar beet, and in 1926 amounted to 1.000 persons. The characteristic feature of this movement is that 95 per cent of the workers were women.

Emigrants seeking work in general and those going abroad for some time or who leave the country for good, emigrate chiefly to France. According to the data of the Emigration Office, the number of emigrants absorbed by that country in 1926 was 68.704, but taking into account the shortcomings of the statistical data which are solely based on the passport registration cards, this number may safely be put at 70.000. The above mentioned data do not include isolated cases of





A PORTION OF THE ŁÓDŹ INDUSTRIAL CENTRE (PHOT. S. PLATER)

emigration. Owing to the industrial crisis in France, the number of emigrants, which in July 1926 represented 10,173 persons, declined suddenly in December of that year to 1,505 while the average monthly figure for the whole year was over 5,800. Other continental countries absorbed a small number of Polish emigrants; thus Belgium gave work to 1,970 persons (mainly industrial workers and miners), Rumania — 784 persons (524 weavers), the remaining countries, taken together, absorbed about 1,500 persons.

Passing to oversea emigration, the first place is occupied by Canada. The experience of the last few years convinced the Canadian authorities that the hitherto favoured immigration of Teutonic birth, that is from England, the Scandinavian countries and Germany, gave comparatively poor results, insofar as agriculture is concerned, because they were mostly town folk, unsuited for heavy pioneer work. Having extensive unpopulated areas most suitable for cultivation and being fully alive to the rôle of agriculture in national husbandry, the Canadian Government was compelled to turn their attention to those countries with a surplus of agricultural population which could send robust and experienced hands, used to this kind of work. Among these countries Poland ranks first. In this manner about 16,000 Polish settlers and agricultural workers found employment in Canada. In previous years the figures were as follows:

Number of emigrants	
1922	3,717
1923	2,851
1924	2,271
1925	4,268
1926	16,000

According to statistical data, compiled by Polish authorities, Argentine absorbed 14,435 persons. The statistical data of the Argentinean authorities for that year give the number of Polish emigrants as being higher by 500. It appears that the last named figure is more accurate and that the emigration from Poland to that country may be safely placed at 15,000 persons.

The urban element, the Jews, represented about 36 per cent of the total, which would indicate that emigration to the Argentine does not bear an essentially agricultural character as is the case in regard to Canada.

According to the data furnished by the Polish Emigration Office, the United States of America absorbed 8,249 Polish citizens, 29 per cent of whom were farm hands, whereas unskilled workers, together with persons joining their relatives residing in America, were 48 per cent of the total. Jews represented 47 per cent of the emigration quota.

The movement of emigration to Brazil showed of late signs of revival, the number of persons leaving Poland for that country amounting to 2,490 in 1926. The statistical reports place the number of Polish immigrants at 3,500, but this figure appears to be somewhat exaggerated, and it is not unlikely that the

actual number does not exceed 3,000 persons. As regards the nationalities of the emigrants leaving for Brazil there were: Poles - 24 per cent, Ruthenians - 10 per cent, Jews - 59 per cent. According to the trades there were: agricultural hands - 23 per cent, industrial workers - 32 per cent, tradesmen - 8 per cent, and unskilled workers - 30 per cent. It will be seen by these figures that the emigration to Brazil is far from bearing a pioneer settling character.

In connection with the acute crisis prevailing in Palestine, only 6,840 persons left for that country in 1926.

Among other overseas emigration countries should be mentioned: Uruguay (577 persons), Cuba (415), Australia (239) and Mexico (279). Overseas emigration has a comparatively small influence on the improvement of conditions prevailing in the overpopulated Polish villages, the bulk of the emigrants being composed of town dwellers such as, workmen, both skilled and unskilled, tradesmen &c. This statement is confirmed by the following figures (in per cents):

	Agriculture	Industry and mining	Commerce	Other trades
Overseas emigration in 1926	66.0	25.4	3.7	4.9

It is extremely difficult to give a true description of the re-emigration



movement: the reliable source of information, the passport registration cards, is incomplete, so that in many cases it is necessary to use other sources, in order to give a true picture. The number of re-emigrants from France may be estimated at from 8 to 10 thousand; comparatively weak at the beginning of the year, owing to the unfavourable conditions reigning in the French industry, it assumed large proportions at the end of September, and was maintained at this level till the end of the year.

The number of re-emigrants from Germany, mostly seasonal agricultural workers, may be placed at about 40 to 50 thousand; approximately one fourth of this number return to Poland in November, and the remainder in December. About 3,000 farm hands returned from Denmark in October 1926. Other European countries showed comparatively small numbers of re-emigrants not exceeding 100 persons, so that the whole continental re-emigration may be placed at 60,000 persons.

The number of re-emigrants from Palestine assumed enormous proportions. Official statistics showed 1,886 persons, returning from that country to Poland, but other sources indicate that this movement comprised from 4,000 to 5,000 persons.

The number of re-emigrants from the United States of America reaches per annum about 3,000 persons, from the Argentine—between 600 and 700, and finally from Brazil—under 100.

The total number of re-emigrants from overseas amounts to about 9,000 persons per annum.

## GRAIN

— The improved atmospheric conditions, which set in at the end of May, continued during the first half of June and replaced the cloudy, chilly and cold weather which had been prevailing up to the middle of May. In the latter part of June, the weather improved throughout the country. The temperature fluctuated within narrow limits from 15°50' C. to 17°50' C., and was by 0°50' C. lower than the average for the last few years. There was some improvement in the number of warm and sunny days as compared with the preceding month. Rainfalls throughout the country were fairly frequent, and while in the Western Voievodships the quantity of moisture was only just sufficient, it was excessive in the Wilno, Lublin and partly in the Warsaw districts. The reserve of moisture in the soil, generally speaking, was rather large; in the Southern Voievodships the position was quite satisfactory in this respect.

Winter and spring crops were better as compared with the preceding month.

Calculated on the basis of the 5 point system, the state of sowings in June, as compared with those for the corresponding period of last year, according to the Chief Statistical Office, was as follows:

	1926	1927
wheat sown in autumn	3·7	3·6
rye " " "	3·2	3·3
barley " " "	3·5	3·3
wheat " in spring	3·4	3·3
rye " " "	3·1	3·0
oats " " "	3·4	3·2

The favourable change in the weather conditions, which was noticeable in the second half of June, which brought with it warm and sunny days, improved agricultural prospects, and if during the harvest time the atmospheric conditions are good, there is every reason to believe that the yield of this year's crops will be somewhat better than in 1926. The estimates for this year, as compared with the total yield of last year, are as follows (in millions of quintals):

	1926 final yields	1927 estimated yields
wheat	12·8	12·9
rye	50·1	58·4
barley	15·5	14·9
oats	30·5	30·2

The reserves of grain now available in Poland, as well as favourable prospects for this year's crops are apparently responsible for the decline in prices of wheat, rye and oats. Only barley shows a certain upward trend.

The movement of grain prices during the period under review is illustrated below (in £ per quintal):

(table see next page)

Exports of grain in June continued to fall off and amounted only to £ 777,000,

as against £ 1,644,000 in May. The largest decrease was noticeable in the exports of barley, which amounted to 2,543 tons in May, and only 423 tons in June. The exports of the different sorts of grain in June, as compared with the preceding month and the corresponding period of last year were as follows (in tons):

	May 1 9 2 7	June 1926	June 1927
wheat	284	219	500
rye	447	532	19,424
barley	2,543	423	7,653
oats	426	289	8,193

The chief customer for Polish wheat, rye and oats was Germany which absorbed nearly the bulk of Polish grain exports. The chief buyer of barley was Denmark, on which market about 59 per cent of the total exports of this article were placed; the remainder was directed to Germany (about 29 per cent) and to Latvia (12 per cent).

The total value of grain imports into Poland amounted in June to £ 51,072,000, which was less than in the preceding month. Grain imports consisted of the following (in tons):

	May	June
wheat	64,424	61,399
rye	31,298	26,060
barley	570	1,159
oats	15,913	11,532

Most of the wheat was imported from Russia (37·9 per cent), Australia (23·2 per cent), and from the Argentine (12·5 per cent); rye— from Germany (35·8 per cent), Canada (17·6 per cent), and Russia (14·4 per cent); barley— from Rumania



A HARVEST SCENE IN POLAND



(73·6 per cent), and from Hungary (17·9 per cent); oats — from Russia (51·4 per cent) and Rumania (32·2 per cent).

Owing to the unfavourable foreign trade balance, the Government decided to issue special regulations, whereby imports of

wheat and wheat flour into Poland are prohibited as from July 5th 1927 \*).

\*) See page 314.

	June 1st—15th		June 16th—30th		July 1st—15th		Percentages of difference	
	₤	\$	₤	\$	₤	\$	₤	\$
<b>W H E A T :</b>								
Warsaw ... ..	59·76	6·70	58·96	6·60	55·75	6·25	— 5·44	— 5·30
Poznań ... ..	54·95	6·16	54·01	6·05	51·56	5·78	— 4·54	— 4·46
Lwów ... ..	55·21	6·19	54·27	6·08	52·31	5·86½	— 3·61	— 3·54
Average price . . . . .	56·64	6·3	55·74	6·24	53·20	5·96	— 4·56	— 4·49
Berlin RMk. ... ..	30·32	7·21½	—	—	—	—	—	—
Chicago ... ..	—	5·34½	—	5·33	—	5·31	—	—
<b>R Y E :</b>								
Warsaw ... ..	52·80	5·92	52·53	5·88	52·00	5·83	— 1·01	— 0·85
Poznań ... ..	51·20	5·74	49·72	5·57	49·02	5·49½	— 1·41	— 1·35
Lwów ... ..	47·31	5·30½	45·31	5·07½	45·89	5·14½	+ 1·28	+ 1·38
Average price . . . . .	50·44	5·65½	49·19	5·51	48·97	5·49	— 0·45	— 0·36
Berlin RMk. ... ..	27·91	6·64½	27·93	6·65	25·96	6·18	— 7·05	— 7·07
Chicago ... ..	—	4·52½	—	4·56	—	4·31	—	— 5·48
<b>B A R L E Y :</b>								
a) Brewing:								
Warsaw ... ..	47·90	5·37	48·16	5·40	48·61	5·45	+ 0·93	+ 1·11
Poznań ... ..	43·98	4·93	44·87	5·03	47—	5·27	+ 4·75	+ 4·87
Average price . . . . .	45·94	5·15	46·51	5·21½	47·80	5·36	+ 2·77	+ 2·88
Berlin RMk. ... ..	25·49½	6·07	25·79	6·14	25·64	6·10½	— 0·58	— 0·57
b) Feeding:								
Poznań ... ..	—	—	—	—	—	—	—	—
Lwów ... ..	—	—	—	—	—	—	—	—
Average price . . . . .	—	—	—	—	—	—	—	—
Berlin RMk. ... ..	—	—	—	—	—	—	—	—
Chicago ... ..	—	—	—	—	—	—	—	—
<b>O A T S :</b>								
Warsaw ... ..	43·32	5·08	45·76	5·13	43·88	4·92	— 4·11	— 4·00
Poznań ... ..	43·26	4·85	42·73	4·77	41·03	4·60	— 3·98	— 3·87
Lwów ... ..	39—	4·26	37·41	4·18	37·11	4·16	— 0·80	— 0·72
Average price . . . . .	42·19	4·73	41·97	4·70	40·67	4·56	— 3·10	— 2·98
Berlin RMk. ... ..	25·30	6·02½	25·95	6·18	25·64½	6·10½	— 1·18	— 1·21
Chicago ... ..	—	3·41	—	3·30	—	3·14	—	— 4·85

## BUTTER

— During the second half of June prices for butter experienced a certain fall as compared with the figures ruling in the first half of the month. Afterwards — from July on, they were maintained at the same level. During the harvest season the supplies of butter will probably fall off, so that an increase in price is not out of question. Prices for first quality butter during the period under review were as follows (per kg.):

	June 15th-30th	July 1st-15th	Percentages of difference
	₤	₤	₤
Warsaw	4·50—4·95	5·10	+3·0
Wilno	4·90—5·10	4·80—5·10	—3·0—0·0
	\$	\$	\$
Warsaw	0·50—0·55	0·57	+3·6
Wilno	0·55—0·57	0·54—0·57	—1·8—0·0

The increase in the supplies of butter in the course of the last few months and the fall of prices on foreign markets, resulted in the augmentation of butter exports from Poland. In June, exports of this commodity amounted to 1.001 tons valued at £ 4,753.000 and were

practically double the quantity sent abroad in the preceding month. The chief customers were — Germany, which took 65·3 per cent, and England and Austria which were responsible for 17·4 and 11·4 per cent respectively. It should be mentioned that exports of butter to England are increasing steadily. Up to the present England received comparatively small quantities of Polish butter owing to special requirements of the English consumers which could not be met by the newly organised dairies. At present the volume of Polish



butter exports is on the increase; while a few months back these were insignificant, in May they amounted to 0.3 and in June to 17.4 per cent of the butter exports.

During the first 6 months of this year the consignments of this commodity totalled 2,687 tons, valued at gold  $\text{zł}$  7,587,000. It is interesting to note that the expansion, noticeable in the export of butter is due to the development of farming in Poland, which is illustrated by the following figures for the first six months of each year (in tons):

1925	—	97
1926	—	1,679
1927	—	2,687

## EGGS

— During the latter half of June the tendency on the egg market was somewhat firmer, which was due to a decline in the production of eggs. A similar tendency was evident during the first half of July. Prices in May rose by about 15 per cent as compared with the previous month, and were higher than those prevailing in the corresponding period of last year. The speculations on the part of middlemen contributed also towards the rise of egg prices.

During the period under review wholesale prices on the local market were as follows (in  $\text{zł}$  per case of 1.440 eggs):

	June 15th—30th	July 1st—15th
Warsaw	185—200—	190—
Lublin	185—	—
Kraków	162—175.50	178.60
Tarnów	171—175.50	178.60
Bochnia	171—173—	171.90—178.60

As the result of the increase in prices on the local egg market the conditions in the export trade became less favourable, all the more so as a downward tendency was noticeable in a number of important foreign markets. Export prices franco Polish frontier, which in the latter half of June fluctuated within the limits from \$ 21.50 to \$ 22—, reached in the first half of July \$ 22—to \$ 22.50 for two shallow cases of 720 eggs each.

The exports of this commodity, in June, amounted to 8,698 tons, valued at  $\text{zł}$  19,993,000, as against 9,502 tons in May. The chief customers were Germany and England, which took 39.5 and 30.4 per cent of the total value of exports, respectively. In addition, larger quantities were sent to Austria (18.6 per cent), smaller consignments being directed to

Czechoslovakia, Italy, Latvia, Switzerland.

During the first half of 1927 exports of eggs amounted to 38,759 tons, as against 32,515 tons in the corresponding period of 1926. The total value of eggs exported during the first six months of this year, amounted to gold  $\text{zł}$  52,197,000 which represents 7.4 per cent of the total Polish exports.

## TIMBER

— In June prices for timber were, on the whole, maintained at practically the same level as in the preceding month, a certain, though slight, rise having been recorded in the case of round sawing mill material, which continued to be in demand.

Exports of timber products in June amounted to gold  $\text{zł}$  31 million or about 36 per cent of the total value of exports. The quantity of pit props and sleepers sent abroad in June rose as compared with the preceding months, while that of deals and boards and cooper's wares, was maintained on the same level as in the previous month. Exports of round timber showed a further decline.

Prices obtained in May and June by the Directorates of State Forests loco truck, loading station, were as follows (in  $\text{zł}$  per 1 cubic metre):

		May	June
pine logs for saw mills (per cubic m.)	Warsaw	55—	59—
	Radom	36—	40—
	Siedlce	35—	38—
	Wilno	35—	35—
	Białowieża	38—	40—
	Poznań <sup>1)</sup>	34.86	31.96 <sup>2)</sup>
	Bydgoszcz <sup>1)</sup>	38.90	41.24
pine logs for building purposes (per cubic m.)	Toruń <sup>1)</sup>	48.20	46.98
	Siedlce	30—	30—
	Białowieża	29—	32—
pine pit props (per cubic m.)	Wilno	24—	24—
	Warsaw	32—	32—
	Radom	22—	25—
	Siedlce	—	20—
	Poznań <sup>1)</sup>	24.30	26.80 <sup>2)</sup>
	Toruń <sup>1)</sup>	26.60	26.34
	Bydgoszcz <sup>1)</sup>	24.16	25.70
spruce logs for saw mills (per cubic m.)	Siedlce	32—	32—
	Lwów	31.35	—
oak logs for joinery (per cubic m.)	Białowieża	85—	85—
	Łuck	110—	110—
pulpwood (per stacked cub. m.)	Siedlce	25—	25—
	Wilno	22.50	22.50
	Białowieża	23—	23—
pine fire wood (per stacked cub. m.)	Warsaw	15—	14—
	Radom	11—	12—
	Siedlce	10—	10—
	Wilno	6.50	6.50
	Białowieża	12—	12—
	Poznań <sup>1)</sup>	10—	9.68 <sup>2)</sup>
	Bydgoszcz	10.24	10.83
	Toruń	9.35	10.37 <sup>2)</sup>

<sup>1)</sup> Prices for timber measured t. o. b.

<sup>2)</sup> Prices for timber affected by the "panolls flammea".

spruce fire wood (per stacked cub. m.)	Lwów	7.20	—
beech fire wood (per stacked cub. m.)	Lwów	10.92	—

Exports of timber products in June, as compared with the preceding month, are illustrated by the following figures (in tons):

	May	June
pulpwood	51,335	68,544
pit props	86,316	100,777
logs and stems	152,843	129,752
telegraph poles	7,086	5,144
deals, boards, battens	178,323	179,231
coopers' ware	18,696	26,227
sleepers	3,183	3,108

## COAL

— The situation in the coal industry in June was satisfactory, due to increased sales on the internal market, and the augmentation of shipments of coal to foreign countries. It may be stated in this connection that the output of this mineral rose somewhat as compared with May. As, at the same time, the quantity produced was smaller than the aggregate sales, the stocks at pit heads were greatly reduced. The situation of the Polish coal industry in June, in the three chief centres, is illustrated by the following figures (in tons):

Coal mining districts	Extraction	Home consumption	Exports	Stocks at pit heads
Upper Silesia	2,037,000	1,143,000	726,000	1,073,000
Dąbrowa	576,000	358,000	158,000	371,000
Kraków	159,000	141,000	272	82,000
Total for June:	2,772,000	1,642,000	884,272	1,526,000
Total for May <sup>1)</sup> :	2,731,000	1,540,000	848,000	1,622,000
+ in relation to May:	+ 41,000	+ 102,000	+ 36,272	— 96,000

It is seen that the total extraction of coal in Poland amounted to 2,772,000 tons, being 41,000 tons or 1.5 per cent less than in May. The total sales increased to 2,508,000 tons, or by 130,000 tons or 5.78 per cent. The stocks at the pit heads at the end of June amounted to 1,526,000 tons, showing a rise over the preceding month of 96,000 tons or 5.9 per cent. Home sales increased to 1,642,000 tons, or by 102,000 tons or 6.2 per cent.

Exports of coal augmented in June to 884,000 tons or by 36,000 tons or 4.25 per cent, and were as follows (in thousands of tons):





DAYBREAK IN THE GDYNIA HARBOUR (PHOT. S. PLATER)

Destination	1925 1st sem. (monthly average)	1926 1st sem. <sup>2)</sup> (monthly average)	1927: May <sup>1)</sup>	June
Austria	194	214	150	165
Hungary	36	42	31	54
Sweden	—	144	208	204
Denmark	2	72	36	103
Czechoslovakia	47	41	—	32
Latvia	1	18	34	23
Yugoslavia	8	14	35	38
Switzerland	2	10	26	18
Italy	1	49	95	86
Rumania	6	8	7	14
Lithuania	1	3	2	7
Memel	1	3	1	6
Holland	—	1	—	—
Finland	—	9	14	14
France	—	23	16	20
Norway	—	7	13	14
England	—	37	—	—
Germany	451	1	1	—
Belgium	—	—	4	13
Russia	—	—	—	—
Other countries	—	1	4	6
Total:	750	697	801	817
Danzig	26	37	26	39
Bunker coal	—	38	21	28
Total:	776	772	848	884
Export, Germany not included	325	771	847	884
Shipped through:				
Danzig	29	225	362	335
Gdynia	—	30	77	67
Tczew	—	5 <sup>3)</sup>	19	15

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

<sup>2)</sup> 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 221,000 tons.

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

There was a slight increase in the exports of coal due mainly to the exhaustion of stocks on the Austrian and Hungarian coal markets. It should be stated that the keen competition on the part of the English collieries makes it increasingly difficult to export Polish coal by Danzig. On the other hand exports to the Austrian succession states are suffering to a certain, though small degree, owing to the loss of certain big customers for Polish coal in Austria, which is due to be attributable to the shortage of railway trucks prevailing at the time of the coal dispute in England. The restrictions in France in regard to coal imports, will hit badly the English coal export trade, though, it is true, they will also place Poland in an unfavourable position, owing to the fact that England will be compelled to sell the surplus of its coal on other markets, so that the competition between the English and Polish collieries will, most probably, be aggravated.

As regards the export of Polish coal to the different countries, it is interesting to note that consignments to Hungary rose very considerably in June (by 23,000 tons, or by 17.9 per cent), and in a lesser degree to Austria (by

15,000 tons), Danzig (by 13,000 tons), Belgium (by 9,000 tons), Rumania (by 7,000 tons), and only very slightly (within the limits from 1,000 to 5,000 tons) to Lithuania, Memel, France and Norway.

Moreover, there was a further growth in the sales of bunker coal (from 21,000 tons in May to 28,000 tons in June).

To the remaining countries coal exports declined; most notably—to Denmark (by 21,000 tons), Latvia (by 11,000 tons), Italy (by 9,000 tons), Switzerland (by 8,000 tons), Sweden (by 4,000 tons) and Czechoslovakia (by 4,000 tons).

The average daily coal export in June (23 working days) was 38,435 tons as against 35,363 tons in May (24 working days), an increase of 3,102 tons or 8.78 per cent. Of the total volume of exports effected in June, 335,000 tons were shipped through Danzig, the decline as compared with the preceding month being 27,000 tons or 7.46 per cent.

Exports through Gdynia amounted to 67,000 tons, being 10,000 tons or 12.99 per cent less than in May; exports through Tczew declined from 19,000 tons in May to 15,000 tons in June. Compared with the preceding month, the total volume of coal exports through the above



mentioned ports declined in June by 41,000 tons or 8.95 per cent, and represented 47.70 per cent of the total exports of coal effected in June (45.1 per cent in May). The decline in the export of coal through Polish ports was due to the shortage of trucks, brought about by the withdrawal of German waggons, which were leased at the time of the coal dispute in England, and also to inadequate shipping accommodation. These difficulties have now been overcome.

Owing to increased sales the number of "idle days" in June was smaller than during the last two months, particularly when compared with April. This is indicated by the ratio of "idle days" to the total number of working days, it being 5 per cent in June, as against 6.5 per cent in May, and 18 per cent in April.

The number of workmen employed in the coal mines in June rose to 108,879, the increase over the preceding month being 142. The number of unemployed miners showed a certain decline in June, resulting from the fact that a portion of the unemployed found work on the land; thus on July 2nd the number of registered unemployed miners was 25,990, as against 26,428 at the beginning of June.

As the result of fewer "idle days" the average daily output per miner rose to 1.174 kg., showing an increase, over May, of 27 kg. or 1.84 per cent.

Miners' wages in June remained unchanged.

The executive of the Central Union of Miners at Kraków, gave notice of the termination of the agreement between the employees and the coal masters in the Dąbrowa area, as from July 1st; the miners asked for an additional 15 per cent premium on their present wages. The negotiations between the representatives of the miners' union and the coal masters are in progress.

It may be worth while to note in this connection that the agreement between the coal masters and employees in Upper Silesia was revised by the Arbitration Committee on the 27th of June, when a decision was arrived at to maintain the wages on their previous level.

The home and the export prices to countries within the Coal Convention remained unchanged. On the other hand, quotations for Danzig and Gdynia continued to fall owing to strong competition on the part of English coal merchants. The Upper Silesian large lumps for Sweden, Denmark, Finland

and Latvia were quoted 14/3 to 14/5 per ton and for France — 13/10 to 14/-. At the beginning of July the prices for this assortment fluctuated between 13/3 and 13/6. The prices for coal from the Dąbrowa area were lower by 1/6 per ton.

Railway tariffs applicable to coal consignments were maintained at the same level, but shipping accommodation to Danish ports rose in June to 6/6 — 7/-, and to Swedish ports to 6/9 — 7/3 per ton.

In connection with the above mentioned withdrawal of coal trucks leased by the Polish railway from Germany, the Ministry of Communications prolonged to March 15th 1928 the agreement with the Austrian, Czechoslovakian and Belgian railways for the exploitation of 4,000 trucks, which had been hired in connection with the increased coal traffic prevailing in Poland at the time of the coal crisis in England.

## PETROLEUM

— The situation in the petroleum industry in Poland showed a steady improvement during the past few months, the completion of new wells having been reported at short intervals. Under these circumstances it is obvious that the production of crude oil increased considerably.

In June, according to provisional figures, the total output of crude oil amounted to 62,000 tons, of which 47,000 tons or 75 per cent were produced in the main petroleum centre — Borysław. The most important feature of the month was the completion, on the 25th of June, of a new well at the Goldman mine, situated near Mraźnica (Borysław basin). The well is 1,527 metres deep and produces about 50 tons of oil per 24 hours.

The results obtained in this connection are worthy of note for the following reasons: firstly — the well is situated in the Southern part of Mraźnica which, in the opinion of experts, will play an important rôle in the development of the Polish petroleum industry, and secondly — petroleum firms, having allotments on this territory, deferred their proposed drilling operations until the results regarding this well were known. It is gratifying to know that the forecasts of the experts have materialised; there is also good reason for believing this extensive drilling operations in that area will be undertaken forthwith. The drilling of the "Goldman" well was started two years ago, so that

rumours, circulated abroad by certain circles to the effect that drilling operations in Poland are carried out slowly, are no longer justified, all the more so, as the old Polish-Canadian system of boring was employed. This fact is indicative of the progress made in drilling operations in Poland. The results obtained from the "Goldmann" well prove that the oil deposits stretch further to the East instead of being located in deeper strata as was generally believed. This makes the Polish deposits more valuable, and particularly those situated to the South of Mraźnica and the drillings which will be undertaken in that area will, most probably, confirm this assumption.

Wages of petroleum workers were raised in June by 8.3 per cent owing to increased cost of living.

On the crude oil market, a slight downward movement was noticeable, the price for Borysław Standard crude being, at the end of June, \$ 244 per ton. A further decline in prices is also anticipated. On the petroleum products market the tendency was also depressed, particularly in the export department which was accounted for by the low level of figures obtaining on the world market, due to overproduction in the United States of America.

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

in the Drohobycz district	52,974
" " Jasło	6,086
" " Stanisławów	3,457
Total:	62,517

Compared with April, the output rose by 3,094 tons, or by over 5 per cent; the quantity raised in the Borysław area amounted to 46,062 tons, the daily average being 1,484 tons, as against 1,429 and 1,373 in April and March respectively. The increase in the output of crude oil in May is attributable to a number of wells being completed, particularly in Mraźnica, where the well "Union 1", at the depth of 1,460 metres, gave initially 45 tons and subsequently 30 tons of oil per day. It may be recalled that this well was active for a number of years, from 1917 to 1925, and that it had produced about 50,000 tons at its previous level (1,275 metres).

The number of workmen engaged in the Polish petroleum industry, together with subsidiary shops, gas works and electrical power stations &c., was 10,730 in May and April.

The stocks of crude oil, after a continuous decline in 1926, and in the beginning of 1927, started to increase





OILFIELDS IN THE BORYSLAW AREA (PHOT. S. PLATER).

and amounted: at the end of April — 40,000 tons, and at the end of May — 45,000 tons.

The production of natural gas in May totalled 37,254 cubic metres. Of this quantity 21,983 tons or 60 per cent was used for the production of 2,448 tons of gasoline, of which 2,347 tons were absorbed by local refineries, and the remaining — 82, tons were sent abroad. In May there were 18 gasoline works in operation (16 in the Boryslaw area and 2 at Bitków), employing 172 workmen. The gasoline industry in Poland has made rapid progress in the last few years, which is illustrated by the following figures of production (in tons):

1923	795
1924	3,435
1925	9,793
1926	18,044
1927 (Jan. — March)	6,371

The ratio of gasoline obtained, to the gas utilised, is on the increase, thus while in the first quarter of 1926 it was about 32 per cent, in the last quarter of the same year it was 43 per cent,

and in May last — in the neighbourhood of 60 per cent.

The output of ozokerite, of the two mines — at Boryslaw and Dzwiniacz — amounted in May to 65 tons, of which 27 tons were exported to America and 15 tons to Italy. The stocks of this article, at the end of May, amounted to 186 tons. The total number of workers employed in the two mines was 567. The situation on the ozokerite market was somewhat depressed; prices for first-grade fluctuated between \$ 36 and 37 per 100 kg. loco mine.

The operations of the refineries in May are illustrated by the following statement (in tons):

throughput of oil	49,257
output of petroleum products	44,780
exports	20,990
stocks on June 1st	150,380
number of workmen employed	5,220

The State Petroleum Refinery at Drohobycz, the largest in Europe, utilised 10,947 tons crude oil in May.

The exports of petroleum products were directed to the following countries (in tons):

Austria	2,766
Czechoslovakia	5,390
Germany	1,391
Switzerland	1,171
Other countries	2,443
<b>Total:</b>	<b>13,161</b>
<b>Danzig</b>	<b>7,829</b>
<b>Grand total:</b>	<b>20,990</b>

The exports consisted of the following quantities (in tons):

benzine	5,696
petroleum	3,146
gas oil	4,192
lubricating oil	4,081
paraffine and candles	1,639
other products	2,236
<b>Total:</b>	<b>20,990</b>

## IRON

— The situation in the iron industry in June did not undergo any material change, as compared with the preceding month. The output of the iron foundries and the mines, rose somewhat in consequence of the elimination of the causes responsible for their diminution in May. The conditions on the local market are gradually becoming stabilised, so that iron foundries should be



able to pursue their activity in an efficient manner. In June the number of orders and their volume was larger than in May, as big contracts have been concluded by the Government; orders placed by the wholesale trade can also, in point of volume, be regarded as quite satisfactory. The demand for iron, the sales of which are regulated by the Syndicate (pig iron and pipes excepted), was brisk, the orders amounting to 60,000 tons; this quantity included Government orders, mostly for rails and rolled products, to the amount of 25,000 tons or 41.6 per cent; the orders placed by industrial establishments were about 8,000 tons or 13.3 per cent, while the bookings of wholesale dealers amounted to 27,000 tons or 45 per cent. The corresponding figures for the previous month were as follows: total orders 33,508 tons, Government orders — 220 tons or 0.66 per cent, industrial orders — 15,300 tons or 45.8 per cent, and wholesale orders — 17,938 tons or 53.5 per cent.

The extraction of iron ores and the imports of this mineral were as follows (in tons):

		Extraction	Imports	Number of workmen employed
May	1927	41,872 <sup>1)</sup>	58,113	6,288 <sup>1)</sup>
June	1927	41,140 <sup>2)</sup>	60,233	6,593 <sup>2)</sup>
	1926	27,486	8,841	3,505

It will be seen from the above statement that the total output of iron ores declined somewhat, owing to

smaller number of working days (24 in May — 23 in June). The average daily extraction, which amounted in May to 1,744 tons, rose in June to 1,789 tons, showing an increase of about 2.5 per cent. Stocks of coke were sufficient to cover the requirements but, if the output of pig iron is increased, which is anticipated in view of the difficulties in the obtaining of scrap iron, coke undertakings will have to augment their output in order to cover local needs. Most of the undertakings are in a position to meet the increased demand due to new capital investments and the extensions to their works.

As regards scrap supplies, there have been no difficulties up to the present and the stocks held by the iron foundries are large enough to cover the needs for some time to come. The imports of this material amounted to 52,241 tons as against 50,912 in May and 63,547 in April. In laying down the programme of operations, the iron foundries have to take into consideration the shortage of this material on the world market and the increased difficulties in obtaining it. Polish iron foundries created last year a home purchasing organisation which covered the demand of its members. The immediate advantage of this organisation is that competition between the foundries on the scrap market totally disappeared, with the result that prices have not only ceased to rise but actually fell to a certain extent. The price on the local scrap market prior to the organisation

of the purchasing office was in the neighbourhood of  $\text{₹}$  150 per ton, while at present it fluctuates between  $\text{₹}$  125 to  $\text{₹}$  130 per ton. Foreign scrap, which was quoted at 79/- per ton c. i. f. Danzig is now obtainable at 72/- to 74/- per ton c. i. f. Da zig.

Foundries worked under normal conditions, the output being as follows (in tons):

		Pig iron	Steel ingots	Rolls products	Number of workmen employed
May	1927	47,995 <sup>1)</sup>	96,468 <sup>1)</sup>	64,383 <sup>1)</sup>	43,652 <sup>1)</sup>
June	1927	46,735 <sup>2)</sup>	102,855 <sup>2)</sup>	70,533 <sup>2)</sup>	44,154 <sup>2)</sup>
	1926	19,643	51,719	41,546	32,416

It is seen that the production augmented in June considerably, as compared with May 1927 and the corresponding period of 1926. If we take as a basis an average of 30 working days in June and 31 in May in the case of blast furnaces and steel works, and 23 working days in June and 24 in May for rolling mills—we will find, that the average daily production of pig iron in May amounted to 1,548 tons, showing an increase of 0.6 per cent — and at steel works in May 3,121 tons, in June 3,428 tons—an increase of 9.8 per cent; at rolling mills in May 2,077 tons, in June 2,351 tons—an increase of 13.2 per cent. The number of workmen engaged in this industry was increased in the anticipation of better sale prospects.

Imports and exports of foundry products in June, as compared with May last, and the corresponding period of 1926, are illustrated by the following table (in tons):

	Exports:			Imports:		
	May	June	1926	May	June	1926
pig iron	2,145		971	1,214	1,443	442
rails, iron and steel articles	3,696	5,552	1,272	1,568	1,830	934
iron and steel sheets	3,583	4,994	1,389	687	1,088	410
pipes	2,587	2,362	2,617	233	149	192

The total value of exports effected in June amounted to gold  $\text{₹}$  2,453,000 as against gold  $\text{₹}$  320,000 in May.

**THE PROBLEM OF POLAND'S PARTICIPATION IN THE INTERNATIONAL IRON CARTEL.**—At the last meeting of the members of the Cartel at Luxemburg, it was decided to form a commission, which would more closely investigate the demand on the part of Poland for an export contingent of 500,000 tons per year.

It will be remembered that the Cartel proposed a quota of 300,000 tons, to which Poland could not agree.

The Syndicate of Polish Iron Foundries convened a meeting in Kraków on the 28th of June, on which it was determined to abide by the original demand. At the same time MM. J. Kiedron, Ge-



A CORNER OF A WIRE-DRAWING PLANT (PHOT. S. PLATER)

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

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



## THE POLISH TEXTILE EXPORTING ASSOCIATION LTD.

**Ł Ó D Ź**  
9, MONIUSZKI

General Manager of the "United Royal and Laura Foundries", Dr. Scherff, General Manager of the "Bismarckhütte" and H. Gliwic, former Cabinet Minister, were elected as Poland's delegates to the above mentioned commission. On the part of the Cartel, there were delegated 5 members. This commission was to meet in the middle of July.

### ZINC AND LEAD

— The situation in the zinc and lead industry in June was satisfactory and practically the same as in the previous month. Zinc foundries continued to draw their raw materials from the local market and from abroad; a small decline in the extraction of zinc and lead ore as compared with May, was due to the same causes, which were dealt with in these columns on previous occasions, that is — to the reorgani-

sation of the mines as well as to the search for new deposits to replace those which are becoming exhausted. The extraction and imports of zinc and lead ores are illustrated by the following figures (in tons):

		Extraction	Imports of:		Number of workmen employed
			zinc ores	lead ores	
May	1927	73,693 <sup>1)</sup>	21,581	1,327	7,862 <sup>1)</sup>
June	1927	66,677 <sup>2)</sup>	13,106	1,230	7,708 <sup>2)</sup>
"	1926	91,880	9,436	916	9,836

It should be mentioned that the locally extracted ores were untreated while the imported had been enriched. The average daily extraction in May last (24 working days) was 3,070 tons, and in June (23 days) 2,899 tons, the drop being about 5.5 per cent. The output of ores during the first six months of this year amounted to 479,336 tons as against 578,868 tons in the corresponding period of last year, the decline representing 17 per cent. On the other hand imports rose considerably: during the first five months of this year they amounted to 86,364 tons, while in the corresponding period of 1926 they were 27,247 tons, showing an increase of 216 per cent.

The zinc smelting works maintained production on practically the same level as in May, while the output of lead undertakings slightly declined, which is illustrated by the following figures (in tons):

		Raw zinc	Zinc sheets	Raw lead	Number of workmen employed
May	1927	12,857 <sup>1)</sup>	1,494 <sup>1)</sup>	2,516 <sup>1)</sup>	12,718 <sup>1)</sup>
June	1927	12,734 <sup>2)</sup>	1,360 <sup>2)</sup>	2,073 <sup>2)</sup>	12,842 <sup>2)</sup>
"	1926	9,921	749	2,440	11,571

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

<sup>2)</sup> 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.

The average daily production in May was: zinc — 415 tons, zinc sheets — 62 tons, lead — 81 tons; and in June the corresponding figures were as follows: 424, 59 and 69 tons respectively. It is seen that the production of zinc in June rose by 2.2 per cent, and declined by 4.8 per cent and by 14.7 per cent in the cases of zinc sheets and lead respectively.

Despite the low prices ruling on the London market, the export trade was doing well, so that stocks of these metals did not increase considerably. The exports of zinc and lead in June were as follows (in tons):

		Raw zinc, zinc dust incl.	Zinc sheets	Refined lead
May	1927	10,715	973	2,305
June	1927	11,819	951	1,487
"	1926	9,031	653	1,954

**MOVEMENT OF PRICES.** — During the first four months of this year wholesale prices showed a steady upward trend, while retail prices fluctuated within narrow limits, rising slightly. Since May a reverse movement has been noticeable: the increase in wholesale prices in May was weaker, but subsequently, in June, there was a slight rise; at the same time an upward movement was recorded in retail prices but this tendency was much weaker than that observed in the upward trend of wholesale prices, as it amounted

about 1.5 per cent in May and 0.8 per cent in June.

The movement of price indexes in the first half of this year is illustrated below (January 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
Febr.	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	205.7	119.4	254.5	147.7	203.0	117.8
May <sup>1)</sup>	207.7	120.5	258.4	150.0	204.6	118.8
June <sup>2)</sup>	206.4	119.8	260.4	151.1	205.1	119.0

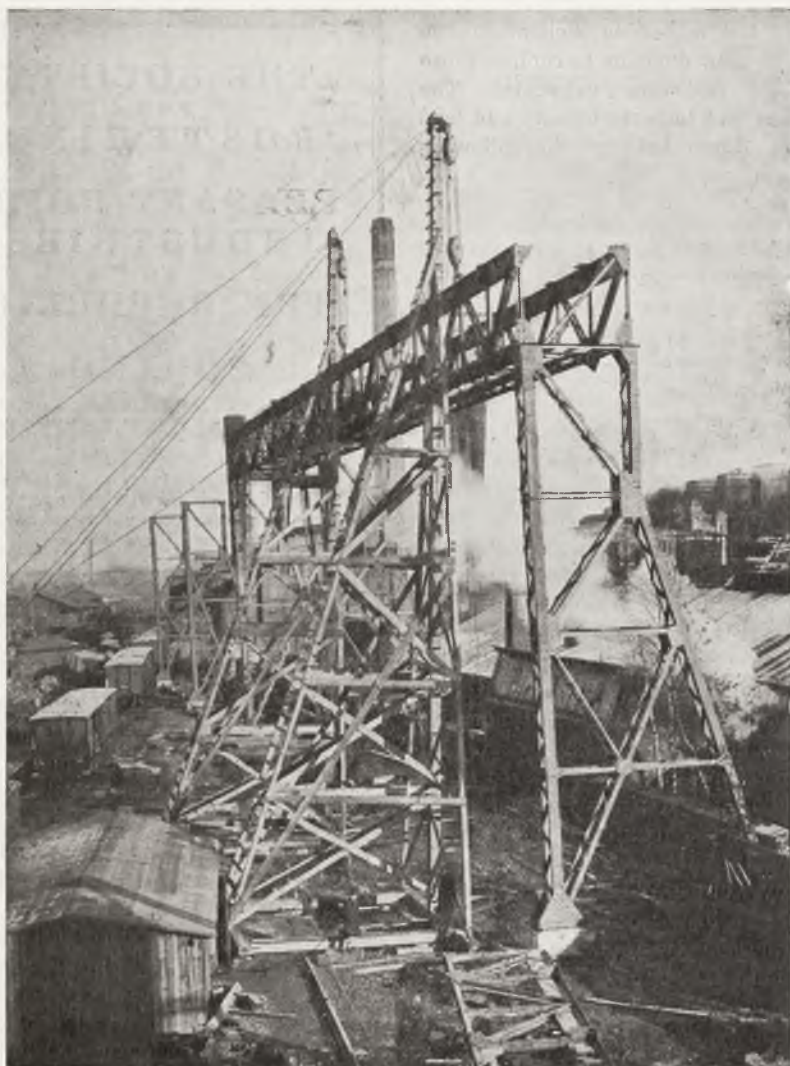
<sup>1)</sup> Corrected figures.

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

After a continuous increase during the past year, the index of wholesale prices declined in June by 0.6 per cent. The index of retail prices, as already mentioned, rose by 0.8 per cent, and that of the cost of living by 0.2 per cent. It is seen that the fluctuations of prices in June were very small, and showed an upward trend in the wholesale trade and the reverse in the retail trade.

Gold indexes varied parallelly with the nominal Złoty indexes, which was due to the fact that Złoty remained stable throughout June. The slight de-





CONSTRUCTION OF AN AERIAL ROPEWAY AT THE ŁÓDŹ  
ELECTRICAL POWER STATION (PHOT. S. PLATER)

cline in wholesale prices in June was accounted for by the fall of price of agricultural products, and, as in previous months, the rise of these prices had a decisive influence on the general upward trend of wholesale prices. The stabilisation of prices for manufactured articles (apart from wood products) resulted in the rise of the general index of wholesale prices during the first half of 1927 (from 195.2 to 206.4), though it should be mentioned that the rate of this increase was much smaller than that observed in the rise of the index of agricultural products (from 214.4 to 232.8). In the latter group there was, in June, a fairly marked decline in prices—particularly in the foodstuffs of vegetable origin produced locally—amounting to 1.7 per cent, and a slight drop in prices of foodstuffs of animal origin amounting to 0.6 per cent; in the former case the drop was accounted for by the fall in prices of grain and

products thereof, due to the saturation of the market by imports of grain, and also owing to better harvest prospects. The falling off in the second case was due solely to the decline in prices of live-stock.

The index of prices for manufactured articles fell in June by 0.1 per cent (from 191.9 to 191.7). The timber group alone showed an upward trend, particularly for sawn timber, which was caused by a sharp rise in prices for round timber at the end of 1926 and at the beginning of the current year. Prices in the metal group fell by about 0.5 per cent, which is chiefly attributable to the depression ruling on the international zinc and lead market and those in the textile group by 0.1 per cent, owing to the fall of figures for yarns and certain grades of wool. Quotations for coal remained unchanged. In the group "various manufactures" quotations remained stationary, with the exception

of those for hides and superphosphates, which rose slightly. Generally speaking the group "various" registered a fall by 0.1 per cent.

In relation to figures ruling in the first half of 1925, that is prior to the fall of the Złoty, when prices were stabilised for a considerable period, wholesale prices expressed in Złoty were in June higher by 50.9 per cent and when calculated on a gold basis, they were higher by 12.4 per cent. Retail prices obtaining in June, as compared with those for the first half of 1925, showed an increase of 46.8 per cent in the case of prices calculated on the Złoty basis, and a decline of 14.8 per cent when calculated on the gold basis. It will be seen that there was a slight decrease in the difference between wholesale and retail prices, which persists in being too large in Poland.

## FAIRS AND EXHIBITIONS

### COMMUNICATION EXHIBITION IN

**ŁWÓW.**—At the Łwów Fair of this year, there will be organised, by the railway authorities, a Communication Exhibition. The work in this connection is progressing rapidly, under the direction of the Ministry of Communication. The head of the executive committee is the President of the Łwów Railway Directorate.

This exhibition will have at its disposal a large covered pavilion (1,100 sq. metres) and 1,200 sq. metres of show grounds. The exhibits are being prepared by the Ministry of Communication, and the different Railway Directorates.

The Communication Exhibition will be, to a certain degree, a review of work of the Polish State Railways.

In addition to every kind of statistical table, sketch, plan, photograph, &c., many types of coach and locomotive of home and foreign production will be exhibited.

During the exhibition a film under the title of "Polish State Railways", giving the different stages of reconstruction of Polish railways, and activity in further work on the railways, will be shown.

The grounds for this show will be attractive from a decorative point of view, as this work was entrusted to well known Łwów artists and decorators.

**FIRST POLISH AQUATIC EXHIBITION.**—On July 23, will be opened in Bydgoszcz, the first Polish Aquatic Exhibition, the chief aim of which is the encouragement of the development of Polish water-ways.

The exhibition, which is to last till August 15th, embraces the following divisions:

I.—Water communication and transport: 1° water routes (existing and projected); 2° industry linked up with water transport (bridges, port



constructions, shipyards, ships, boats, hydroplanes, undertakings of sea and river shipping, refrigeration, water cables and conductors); 3<sup>o</sup> trade bound with water transport (export of timber, agricultural products, coal, &c.).

II.—Fishing (rational fisheries, river fishing, sea and lake fishing, fish industry, fish trade).

III.—Water power (mills, electric plants and saw-mills, water in agricultural production, ore washing, wells, drains and sewage, water as a fire extinguisher, household water).

IV.—Water as a field for sport (rowing, swimming, sailing, angling, water sport industry, propagation of water sports, water scouting, life saving).

V.—Water as a health factor (water cure, baths, springs and spas).

VI.—Water lore (fauna and flora, water chemistry, hydrography, bibliography and press).

VII.—Propagation (Sea and River League, National Maritime Committee, Polish Touring Society, marine exhibits).

**PARTICIPATION OF POLAND IN THE INTERNATIONAL FAIR AT SALONICA.**—An international fair will be held this year from September 18 to October 3, at Salonica (Greece).

It must be mentioned that horses, cement, paraffine, enamelled ware, textile products, chemicals, twine, bags, covers, &c., were exported from Poland to Greece during the last three years; in return, wine, currants, and tobacco were imported. Consequently the Ministry of Industry and Commerce in Poland, energetically backed by the Ministry of Foreign Affairs and the Polish-Greek Chamber of Commerce, has decided that Poland should take officially an active part in this year's fair. It is promising well and a number of more important firms from Poland have applied for stands and sites.

The Greek business circles have shown interest in Polish goods, having delegated to the Poznań Fair in Poland the President of the Merchant Association in Greece, who studied the possibilities of further development of Polish-Greek commercial relations. Moreover, the Poznań Fair was visited by a large group of representatives of Greek merchants.

Up to the present time the development of Polish-Greek relations has been satisfactory, both sides punctually meeting their obligations. This is a satisfactory sign for the future development of Polish-Greek commercial relations.

There was a certain improvement as compared with May, due to the decline in imports by gold  $\text{₹}$  3,374,000. This decrease is attributable to smaller imports of wheat — by gold  $\text{₹}$  622,000, of rye — by gold  $\text{₹}$  764,000, and of oats — by gold  $\text{₹}$  1,040,000. Similarly as in May, the unfavourable foreign trade balance is solely accounted for by grain imports. It is to be hoped, however, that, as a result of the prohibition of imports of wheat and wheat flour as from July 5th last, and as a result of the harvest, which has been commenced under favourable conditions, the sum of gold  $\text{₹}$  30 million spent for the purchase of grain, will disappear from the import side of the foreign trade balance in the near future. During the period under review imports of rice were larger by gold  $\text{₹}$  2,004,000 than in the preceding month, while those of tea, cocoa and coffee showed a decrease amounting to gold  $\text{₹}$  581,000, and those of fish and herring — by gold  $\text{₹}$  529,000. Imports of fats dropped by gold  $\text{₹}$  1,161,000.

In the chemical group, there was, as compared with May, an enormous increase in the weight, but a slight increase in the value; the increase in weight was due to the importation of phosphorites from the United States amounting to 30,868 tons, as well as to the imports of Thomas slag, which are heavy and present low value. The decline in the value is accounted for by the drop in the imports of the more valuable artificial manure — the Chilian saltpetre, owing to the close of the season for this article, as well as to the decline of imports of tanning materials, colours, synthetic dyes, pharmaceutical products, toilet articles and perfumes.

It is gratifying to be able to state that in the textile group, there was an increase in the imports of raw materials, and a decrease in those of fabrics; thus the imports of jute and jute waste rose as compared with May by gold  $\text{₹}$  923,000, and those of cotton and cotton waste, and wool and wool waste — by gold  $\text{₹}$  1,366,000 and  $\text{₹}$  2,628,000 respectively. On the other hand, imports of cotton, woolen and silk fabrics declined by gold  $\text{₹}$  702,000.

Exports effected in June amounted to gold  $\text{₹}$  114,006,000 and were lower by gold  $\text{₹}$  171,000 as compared with the preceding month. However, when it is taken into consideration that exports of coal declined by gold  $\text{₹}$  3,319,000, it will be found that the volume of exports of other commodities was not only equal to that of May but even slightly higher.

The largest increase was recorded in the export of live stock by gold  $\text{₹}$  2,081,000, including the export of pigs (gold  $\text{₹}$  1,750,000). Exports of foodstuffs were maintained at the level of the previous month. There was a further decline in the export of grain and sugar. In the case of the latter article, the fall was due to the termination of the sugar campaign. Exports of butter and cheese rose by gold  $\text{₹}$  1,710,000 as compared with May.

In the group of timber exports, pulpwood showed an increase of gold  $\text{₹}$  516,000, pit props — gold  $\text{₹}$  476,000, while round sawing materials dropped by gold  $\text{₹}$  1,401,000.

In the metal group, exports of iron and steel sheets declined, while those of zinc and zinc dust rose by gold  $\text{₹}$  836,000.



A COUNTRY ROAD IN EASTERN POLAND

## FOREIGN TRADE

— According to provisional data compiled by the Chief Statistical Office, the foreign trade balance showed in June on the import side gold  $\text{₹}$  160,040,000, and on the export side gold  $\text{₹}$  114,006,000, the unfavourable balance being gold  $\text{₹}$  46,034,000.



In the group of textile products there was an increase in the exports of cotton fabrics — by gold ₴ 579.000, and

in the case of wool yarns — by gold ₴ 541.000.

It is safe to say that there are

better, if not quite good prospects for the foreign trade position in the second half of this year.

## I M P O R T S

## E X P O R T S

G O O D S	June 1927	Jan. - June		June 1927	Jan. - June		G O O D S	June 1927	Jan. - June		June 1927	Jan. - June	
		1927	1926		1927	1926			1927	1926		1927	1926
	Volume — in tons			Value — in thousands of gold ₯				Volume — in tons			Value — in thousands of gold ₯		
<b>TOTAL:</b>	507.593	2,555.781	977.686	160.040	819.952	351.800	<b>TOTAL:</b>	1,468.166	9,783.566	7,541.365	114.006	708.523	573.652
<b>Foodstuffs</b>	167.325	651.003	105.568	53.766	230.300	68.920	<b>Foodstuffs</b>	44.674	478.382	697.732	26.834	181.349	188.113
including:							including:						
wheat	61.391	208.041	576	19.620	64.197	166	wheat	219	1.936	36.608	78	628	9.618
rye	26.060	99.928	1.297	7.292	24.814	190	rye	532	3.885	106.883	176	1,067	17.925
barley, oats and maize	45.694	135.710	10.705	8.251	24.546	1,700	barley	423	33.318	69.469	118	7.953	12.188
rice	11.140	32.797	12.143	4.421	13.197	4.684	oats	289	4.097	51.703	79	899	8.770
wheat and rye flour	2.240	7.356	261	1.006	3.347	106	peas and beans	784	7.697	18.918	278	2,347	4.411
lemons and oranges	1.383	12.741	10.568	579	5.485	4.105	potatoes & prod. thereof	1.030	62.550	51.285	87	4.952	6.158
tea	154	1.050	932	674	5.354	4,433	sugar	6.481	118.735	142.121	2,338	46.658	42.045
cocoa	336	2.300	1,359	613	4.242	2.153	meat	3.649	18.330	21.399	4.811	24.816	20.133
coffee	503	3.258	3,102	1,403	8.797	6,492	butter and cheese	1.205	3.532	2.438	3.053	8.679	5.113
fish and herrings	1.687	41.669	25.884	901	15.093	9,294	eggs	8.698	38.755	32.515	11,603	52.197	42.060
edible fats of animal origin	936	7.372	2,357	1,443	11.513	4,136	forage	18.508	167.365	132.345	3,219	23.070	10.842
edible fats of vegetable origin	111	765	671	368	2.470	1,680	<b>Live animals (head)</b>	183.251	659.876	808.647	11.977	45.975	37.951
tobacco	834	8.741	7,597	1,204	11.281	13,720	including:						
<b>Live animals (head)</b>	78.231	196.432	19.803	335	971	73	pigs	83.335	333.191	380.650	11.019	40.670	27.250
<b>Animal products</b>	3.422	19.797	7.761	10.080	55.402	18.532	<b>Animal products</b>	939	7.045	11.886	1,688	11.761	11.737
including:							<b>Timber and wood ware</b>	538.709	3,155.809	2,255.001	31.115	171.670	97.696
dried skins	1.796	11.078	2,072	2.945	17.315	2,250	including:						
tanned hides	415	2.767	2,177	3.833	24.024	11,280	pulpwood	68.526	484.899	408.790	2,052	14.159	9.530
<b>Timber and wood ware</b>	2.822	12.846	10.154	835	4.253	1,617	pit props	100.777	543.820	369.258	2,601	13.078	7.594
<b>Plants and seeds</b>	4.239	21.149	10.750	1.805	10.985	6.325	round wood and logs	129.753	896.673	481.666	6,631	45.385	17.046
oil seeds	3.605	15.993	5.705	1.318	5.865	2,265	planks, deals, battens	176.363	940.017	643.180	15,259	76.217	41.236
<b>Building materials and ceramic prod.; glass</b>	78.536	508.353	344.540	2.834	14.612	6.256	railway sleepers	31.371	128.677	245.090	1,741	7.003	11.183
ceramic products	8.858	51.468	19,330	1,158	6.154	1,880	<b>Plants and seeds</b>	3.613	41.838	37.433	756	16.913	10.550
<b>Fuel and petroleum products</b>	19.289	89.981	47.744	830	3.930	1,676	<b>Building materials and ceramic prod.; glass</b>	51.859	322.958	93.232	654	5.551	1.655
<b>Chemicals</b>	73.610	363.466	142.884	10.800	75.707	41.249	<b>Coal, coke, briquettes</b>	763.282	5,314.974	4,005.964	14.042	100.555	69.083
including:							<b>Petroleum products</b>	20.311	153.746	205.573	4.151	29.177	33.104
vegetable fats	2.019	11.708	7,570	2,045	11.777	7,516	including:						
animal fats	1.478	8.055	5,702	1,336	7.660	5,405	petroleum	2.219	21.951	45.485	333	3.475	4.866
<b>Ores, metals and metal products</b>	133.726	753.394	238.708	13.122	75.841	25.907	motor and lubricating oils	7.611	62.671	84.940	1,083	7.883	9.088
including:							benzine	6.016	36.823	27.616	1,610	9.753	7.716
iron ores	60.233	318,165	102,697	1,146	5.595	2,402	paraffine wax	1.495	8.632	12.341	810	5.535	8.280
zinc "	13.106	95.054	35,290	1,890	14.517	4,596	<b>Chemicals</b>	6.746	62.813	65.346	1,421	11.847	11.027
scrap iron	52.241	265.660	45,035	3,533	16.080	1,714	<b>Ores, metals and metal products</b>	34.090	214.964	138.313	13.764	84.844	62.954
copper and copper products	660	3.872	1,439	1,134	6.532	2,328	including:						
<b>Machinery, electrical wares, means of communication</b>	6.413	29.972	18.601	17.250	87.037	41.657	iron and steel; rails	2.840	27.156	3.799	471	4.965	788
including:							" " steel sheets	2.579	24.967	7.461	872	8.018	2,054
textile machinery	748	3.061	917	2,135	10.571	2,766	pipes	2.712	17.278	10.609	931	6.036	3,621
agricultural machinery	855	3.930	2,088	1,865	7.865	3,402	lead	1.487	9.597	7.458	1,027	6.648	5,330
electrical appliances	1,483	6.388	3,914	3,380	19.607	9,065	zinc and zinc dust	11.819	61.082	56.873	8,933	46.748	42,475
motor cars	881	3.192	861	3,042	12.676	3,624	" sheets	951	5.992	3.341	844	5.573	2,759
<b>Paper, books, and pictures</b>	6.245	35.279	13.109	3.950	22.538	7.904	<b>Machinery, electrical wares, means of communication</b>	441	3.509	3.291	509	3.228	4.154
including:							<b>Paper, books and pictures</b>	1.465	8.812	10.478	539	3.469	3.162
waste and rags	2.770	16.387	6.483	1,635	8.986	1,806	<b>Textiles and textile products</b>	2.012	18.506	17.263	6.276	39.948	38.983
paper and paper wares	2.322	12.068	4.373	1,506	8.412	3,336	including:						
<b>Textiles and textile products</b>	11.433	67.832	36.399	39.038	208.538	113.331	flax and hemp	912	11.168	10.732	501	5.228	5.793
including:							cotton yarns	152	842	1,271	535	3.019	4.782
jute	843	10.657	3,901	710	8.598	4,961	" fabrics	344	2,712	1,440	1,965	14,534	8,745
cotton	7,155	38.762	24,709	13,513	75.354	60,859	wool yarns	133	707	722	1,879	8.302	7,710
cotton yarns	318	1,687	478	2,733	12.911	4,429	" fabrics	30	275	307	447	3.476	3,454
" fabrics	153	788	502	2,085	10.695	6,420	<b>Clothing and fancy wares</b>	16	143	139	198	1.613	2,213
wool (combed incl.)	2,041	11,477	4,635	12,763	62.179	22,512	<b>Various</b>	9	67	220	82	1.123	1,270
" yarns	226	1,044	238	2,919	13.706	2,927							
silk fabrics	13	100	48	1,378	10.261	4,293							
<b>Clothing and fancy wares</b>	70	424	465	1,578	9.173	8,589							
<b>Various</b>	463	2.285	1,011	3,817	20.665	9,844							



**THE EXCURSION OF POLISH INDUSTRIALISTS TO YUGOSLAVIA** which visited Belgrade, Zagreb, Lubliana and other places, returned to Warsaw about the middle of June. Of special interest were: the rich beds of iron ore in Liubia and Warasz, and the Dalmatian ports. The results of the visit were: the commencement of a study of the questions of iron ore and bauxite delivery to Poland, of the building in Yugoslavia of a rubber factory and a paraffin refinery, and the development of closer relations with the Polish iron industry, which may find an extensive outlet in Yugoslavia.

It is hoped that the visit will lead to closer trade relations between the two countries.

## 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. 84:** Polish undertaking is desirous to enter into relations with foreign firms interested in the imports of lime.

**Ref. No. 85:** Polish manufacturers of zinc sheets of all sizes are desirous of getting into touch with foreign buyers.

**Ref. No. 86:** Manufacturers of iron and wood working machinery wish to get into touch with importers interested in this line.

**Ref. No. 87:** Polish concern producing potato products seeks foreign buyers.

**Ref. No. 88:** Polish undertaking producing methylated spirit, fusel oil, acetone, pitch tar, offers its products for export.

## CUSTOMS DUTIES AND FOREIGN TRADE REGULATIONS

**AMENDMENT OF THE CUSTOMS DUTY ON SUPERPHOSPHATES.**—A decree was signed recently, making a change in the customs duty on mineral superphosphates (item 41, art. 5, of the Customs Tariff).

The change lies in the increase of the duty from  $\text{zł}$  1 to  $\text{zł}$  3 per 100 kg. and in the insertion into item 41, art. 5, of the notice that, by permission of the Treasury, superphosphates may be imported free of duty.

This increase in the duty was made with the view to checking the expected

import activity in connection with the possible international agreement regarding sales markets.

The insertion of the clause relative to freeing of duty, will prevent the possibility of an increase in home prices.

**A NEW DECREE REGARDING CUSTOMS REBATES.**—On July 1, the decree regarding customs rebates of December 22, 1926 ("Dz. Ust. R. P." No. 128, item 769), was rescinded, and was simultaneously replaced by a new decree, signed by the Ministers of Finance, Industry and Commerce, and Agriculture, the text of which is given below. According to § 1, item 2, of the new decree, the Minister of Finance is empowered to decide as to whether customs reductions for machinery and apparatus not manufactured within the country, may be granted.

Petitions for facilities will be acted upon not only in relation to whether a given machine is, or is not, manufactured at home, but also in relation to the actual economic need of import of such an article. Certain restrictions are indispensable in view of the unfavourable trend of the Polish balance of trade.

The decree reads as follows:

On the basis of item 7, art. 6, of the decree dated July 21, 1924, in respect of the regulations of customs duties ("Dz. Ust. R. P." No. 80, item 777) the following is to be observed:

§ 1.—In the import of machinery and apparatus not manufactured within the country, in the event that they make a regular part of newly-installed complete arrangements of divisions of industrial plants, or in the event that they serve to lessen the cost or increase production in industry or agriculture, may be applied a reduced customs duty, amounting to 20 per cent of the normal duty.

With the Minister of Finance, in conjunction with the Minister of Industry and Commerce, rests the decision regarding the reduction to be applied.

§ 2.—The Minister of Finance, in conjunction with the Minister of Industry and Commerce, decides which of the permits granted on the basis of the decree of December 22, 1926 ("Dz. Ust. R. P." No. 128, item 769) may be prolonged.

§ 3.—In the case of goods, foreseen in § 1 of this resolution, subject to customs duty during the period from July 1, 1927 to September 30, 1927 incl. without reduction, the difference between the normal and the reduced duty may be returned, provided the machinery and apparatus are testified to, and if customs reduction on the basis of this resolution is granted.

§ 4.—This decree comes into force on July 1, 1927, and is valid to September 30, 1927, inclusive.

**CUSTOMS REBATES ON HERRING.**—In the "Dz. Ust. R. P." No. 61, item 540, was announced the decree of the Ministries of: Finance, Industry and Commerce, and Agriculture, dated July 8, 1927, which reduced, by 66  $\frac{2}{3}$  per cent, the duty on salted herrings (item 37, art. 4, b, of the Customs Tariff) when the weight of 60 herrings does not exceed 10 kg. The reduced duty will amount to  $\text{zł}$  5 per 100 kg. The decree is valid till December 31, 1927.

**CUSTOMS REBATES ON LIME SALTPETRE.**—On the strength of the decree of December 23, 1926, lime saltpetre, dutiable according to the item 103, art. 3 of the customs tariff, was made free of duty. The Customs Department of the Treasury, by means of a circular, made the above regulations apply also to lime saltpetre with an admixture of nitrate salts.

The decree of July 8, 1927, announced in the "Dz. Ust. R. P." No. 61, item 541,



IN A ŁÓDŹ SPINNING MILL (PHOT. S. PLATER)



valid from July 1, 1927, continues to free lime saltpetre from duty but only in the case where it does not contain ammonium nitrate.

This customs rebate, in the case of lime saltpetre, without ingredient ammonium nitrate, similarly to the case of reduction of duty on herring of specified weight, anticipates certain resolutions of the trade agreement, signed but not yet come into force, with Norway, in connection with the introduction of certain Polish goods on the Norwegian market.

#### RETURN OF THE DUTY ON DYES IN EXPORT OF HATS AND FELT HAT SHAPES.—

The return of customs duty in export of textile products, was applied heretofore to cotton fabrics, wool and semi-wool fabrics, cotton clothing, wool and semi-wool clothing, and wool yarns from No. 20 upwards. At present a new decree has been prepared, making an extension for the return of duty on dyes, for hats and felt hat shapes sent abroad. The projected decree puts the return of duty at  $\text{zł}$  48 for dyes used in the export of every 100 kg. of coloured hats and imitation felt hat shapes (woolen).

The return of the duty itself, is to be effected by means of "export receipts", given each time by the customs offices on the basis of declaration of exporting associations, after verification of the fact that the goods have passed the frontier. The list of exporting associations having the right of giving out declarations, will be decided by the Minister of Finance, in conjunction with the Minister of Industry and Commerce, and subsequently will be advertised in the form of an announcement in the official daily, the "Monitor Polski".

Export receipts will be made out for the bearer (according to the general usage accepted up to the present in returns of duty), and will be good for nine months from their date of issue. These receipts may be used to pay customs dues for whatsoever goods

imported, in every customs office which has the right to issue "export receipts".

Detailed precepts for the putting into effect of the above project, will be worked out by the Treasury.

#### REGULATIONS CONCERNING THE IMPORT OF WHEAT AND WHEAT FLOUR.—

The poor harvest in 1926, and certain flaws in the administration of food supplies, caused an excessive rise of grain prices within the country, and created a favourable situation for the import of wheat and wheat flour. The market, based on open competition, shows usually a tendency of going to extremes in exploiting import conjunctures.

To illustrate the augmentation of import of wheat and wheat flour, a table comparing data for 1926 with those for January-May 1927, is given below:

		Wheat:		Wheat flour:	
		in tons	in thous. of $\text{zł}$	in tons	in thous. of $\text{zł}$
January	1926	67	24	168	101
February	"	15	6	2	1
March	"	272	138	39	27
April	"	222	94	4	4
May	"	—	—	—	—
June	"	—	—	10	8
July	"	—	—	8	7
August	"	6	3	8	7
September	"	1,281	618	17	37
October	"	2,725	1,330	36	81
November	"	1,511	882	288	217
December	"	3,296	1,809	311	243
January	1927	7,329	3,865	1,422	348
February	"	10,029	5,140	483	386
March	"	19,769	10,244	827	620
April	"	45,071	22,760	435	349
May	"	64,424	34,879	2,567	2,097

Currency questions, together with the unfavourable balance of foreign trade for the last few months, bring about a state of affairs where Poland must be especially sensitive to an increase in imports, and where it is probable that they will continue to augment, a control must be instituted. This means a restriction of imports, and the grant-

ing of special permits in special cases. Thus the matter of import of wheat and wheat flour was regulated by the decree of the Council of Ministers of June 17, 1927 ("Dz. Ust. R. P." No. 59, item 516), which states in § 1 that the import of wheat (item 1, art. 1b of the Customs Tariff) and wheat flour (item 3, art. 1b of the customs tariff) is forbidden into the territory of Poland. In granting import permits for the above articles, the Government must take into consideration the following circumstances: 1° whether the import does not exceed the actual current needs of the population, 2° whether, in view of the good conjunctures for prices, the rise is not excessive, due to a chain of middlemen, 3° whether the import of wheat cannot be limited by the adoption of a sound policy in regard to wheat and rye stocks.

In view of these considerations, import permits will be issued by the Ministry of the Interior. This procedure will allow a closer watch to be kept over the matter. The above mentioned decree came into force on July 5, 1927.

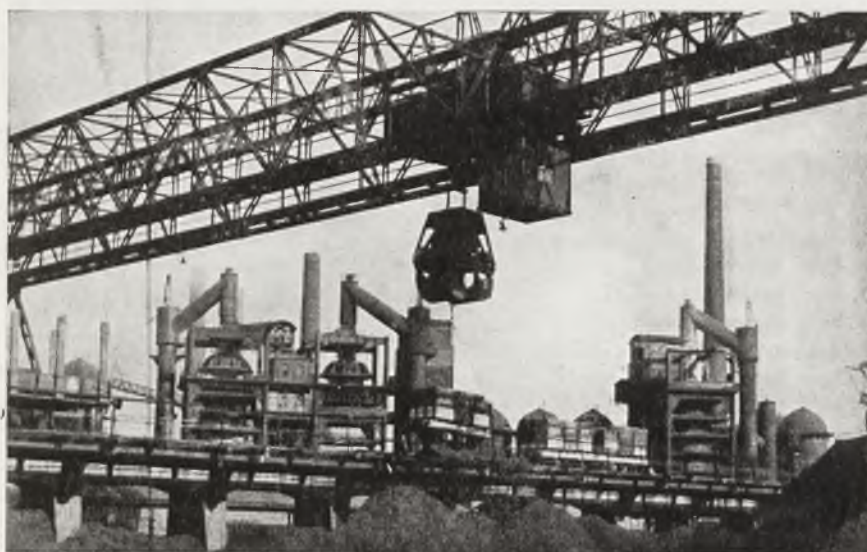
**STATISTICAL FEES IN CONNECTION WITH CUSTOMS.**—By a decree of the Board of Ministers of May 20, 1927 ("Dz. Ust. R. P." No. 51, item 458) new regulations were introduced, pertaining to statistical fee for goods imported into and exported from the territory of Poland.

Special reductions were granted to certain kinds of goods, imported and exported by sea.

The decree came into force on June 21, 1927.

## TRANSPORTS

**RAILWAY TRAFFIC.** — During June there was a further increase in the freight traffic on the Polish State Railways. The average daily movement of 15 ton goods waggons augmented from 15.025 in May to 15.465 in July, or by 2.2 per cent. It is significant that this increase took place despite a substantial decline in the dispatch of locally raised agricultural products and a fall in the number of trucks received from abroad. The decrease in question was offset with a surplus by the increase in the consignments of locally produced raw materials and industrial products, including coal. This phenomenon is indicative of the increased industrial activity; a substantial rise was also observed in the transit traffic. In comparison with June 1926, the average daily movement of 15 ton goods waggons rose by 1.566 or by 11.3 per cent. The average daily supplies of 15 ton waggons in June are as follows:



OVERHEAD TRAWELLER AT THE PEACE FOUNDRY  
(PHOT. S. PLATER)



	May	June
loaded on the Polish State Railways:		
destined for local stations	10.067	10.322
destined for abroad	3.040	3.246
total	13.107	13.568
received from abroad	855	750
transit via Poland	1.063	1.147
Total:	15.025	15.465

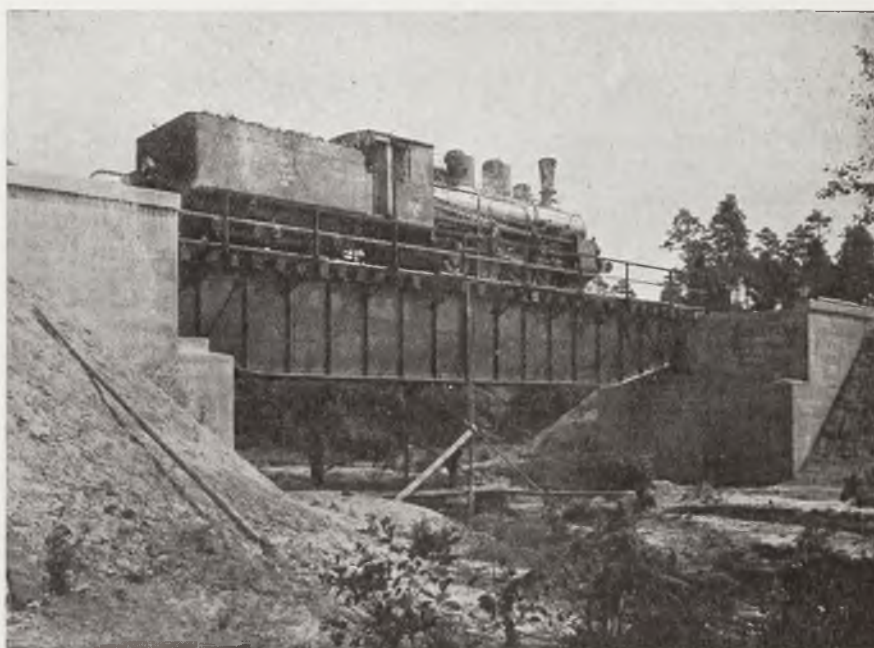
It will be seen by the above figures that the average daily number of car-loadings rose in June by 461, the number of trucks dispatched to local stations having risen by 255, and of those destined abroad — by 206. There was a substantial fall in the average daily number of trucks loaded with foreign consignments, amounting to 105 trucks, while the average number of transit trucks rose by 84.

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

	May	June
coal, coke and briquettes	2.700	2.927
crude oil and petroleum products	155	141
timber	1.061	1.070
agricultural products	897	691
raw materials, industrial products	1.972	2.160
miscellaneous	3.282*)	3.333*)
Total:	10.067	10.322

The substantial rise in the transport of coal, coke and briquettes within Poland, by 227 trucks per day on the average, and as already stated in raw materials, is by 188 trucks, closely linked up with intensified industrial activity as well as with augmented local consumption. A substantial decline in the transport of agricultural products — by 206 trucks per day on the average, was due to the diminution of grain consignments as a result of the saturation of the local market by imported grain, and to the marketing of the local reserves of this commodity; the latter phenomenon is usually observed in Poland in periods immediately preceding the harvest when, as a rule, prices for grain show a downward trend.

The remaining groups of products, as far as transport goes, did not show any considerable change as compared with the preceding month; thus, the average daily loadings of crude oil and petroleum products declined by 14, while those of timber and "various" rose by 9 and 51 respectively. The following statement gives the average daily numbers of car-loadings dispatched to foreign countries (in 15 ton waggons):



ONE OF THE TYPICAL BRIDGES ON THE NEWLY CONSTRUCTED KALETY-PODZAMCZE RAILWAY

	May	June
coal, coke and briquettes	1.721	1.878
crude oil and petroleum products	52	50
timber	982	1.025
agricultural products	37	55
miscellaneous	248	238
Total:	3.040	3.246

It is worthy of note that the average daily number of trucks of coal dispatched to foreign countries rose by 157, while the increase in the case of timber was 43. The demand for trucks for export timber was so great that it could not be met despite the fact that the Polish railways hired a large number of trucks for that purpose from foreign railway systems. The average daily dispatch of trucks, loaded with agricultural products rose by 18, which was mainly due to increased export of livestock. Exports of petroleum products declined, which resulted in a decrease amounting to 2 waggons per day on the average. In the group "various" a fall of 10 waggons per day was also reported.

#### ACTIVITY OF THE POLISH STATE RAILWAYS IN THE 1st QUARTER OF 1927. — Statistics for the first quarter of the State Railways were as follows:

The mean length of exploited lines was 17.278 km. (in the 4th quarter of

1926, 17.222 km.) which, after deducting the sections closed to traffic, represented 17.129 km. (in the 4th quarter of 1926, 17.076 km.).

The mileage for passenger trains was 13,460.123 train-km. (13,786.706 train-km.), and for freight trains 13,191.513 train-km. (13,025.628 train-km.).

The mileage of rolling stock in the passenger division was 370,360.003 axle-km. (379,272.544 axle-km.); in the freight division: loaded 746,774.515 axle-km. (488,149.075 axle-km.).

The gross ton-mileage of trains was: passenger service 3,622,005.000 ton-km. (3,109,337.000 ton-km.), freight traffic 10,400,909.000 ton-km. (10,134,431.000 ton-km.).

There were 1,146.309 goods waggons loaded at State Railway stations and 154.024 goods waggons received from foreign railways.

The above statistics embrace 9 railway directorates, viz.: — Warsaw, Radom, Wilno, Poznań, Danzig, Kraków, Lwów, Stanisławów and Katowice.

#### FINANCIAL RESULTS OF THE POLISH STATE RAILWAYS IN 1925 AND 1926. —

The recently completed final accounts of revenue and expenditure of the Ministry of Communication, make it possible to draw up the exploitation of the Polish State Railways during the last two years (in X):

#### NORMAL GAUGE RAILWAYS

REVENUE	1925	1926
Transport of passengers	264,938,726·08	268,229,640·73
" " luggage and parcels	13,626,669·02	14,006,717·44
" " freight	510,743,038·96	687,599,837·38
" " mail	6,748,528·53	13,113,308·17
" " railway material	32,326,674·02	31,263,852·66
Total:	828,383,636·61	1,014,213,356·38
Other revenue	63,163,831·38	90,957,267·22
Total:	891,547,467·99	1,105,170,623·60

\*) Together with the loadings in Danzig.





A SECTION OF THE RAILWAY VIADUCT, CENTRAL LINE,  
WARSAW (PHOT. S. PLATER)

EXPENDITURE	1925	1926
Exploitation of the railways	884,571,314.67	925,406,429.82
Guarantee advances	3,328,492.60	1,889,529.47
Investments	58,906,822.48	49,687,497.13
Rebuilding and repairs	9,371,343.90	5,357,638.16
Aerial service	1,839,793.79	3,449,782.22
Total:	957,815,767.44	985,800,876.80

#### NARROW GAUGE RAILWAYS

REVENUE	1925	1926
Transport of passengers	1,978,818.33	2,011,606.26
"    "    luggage and parcels	49,458.31	38,206.43
"    "    mail		291,000.00
"    "    freight	8,994,428.06	8,243,431.38
"    "    railway material	67,679.20	40,982.73
Total:	11,000,383.90	10,555,226.80
Other revenue	2,320.3 9.80	2,641,111.73
Total:	13,320,763.70	13,196,338.53

EXPENDITURE	1925	1926
Expenditure of the railways	14,371,830.12	12,042,937.26

It is seen from this table a very marked improvement in the financial results in almost every branch of the railway administration. The normal gauge railways gave increased revenues primarily from the freight traffic, but there was also augmentation in proceeds from passenger and luggage transport, and likewise in transport of mail and revenues from other sources.

On the narrow-gauge railways, the total revenue decreased, but at the same time the exploitation expenditures decreased so much that the loss in 1925 was offset with a surplus in 1926.

**PORT TRAFFIC IN JUNE.** — The figures for June show a certain decline in the port traffic of the Polish ports, Danzig and Gdynia, though the volume of shipments remained practically the same with a slight rise for Danzig. The fluctuations from month to month, however, are inconsiderable, and the

work performed by the two ports can be regarded as highly efficient, full advantage being taken of the handling capacity of the two ports in question; the growth of this capacity is not arrested by a lack of cargo, but by insufficient loading facilities which, though being extended, cannot deal with the increased traffic.

In Danzig, the number of incoming ships was 581 with 309.871 net reg. tons (in May 631 ships, with 336.613 net reg. tons) while that of outgoing ships was 602, with 321.565 net reg. tons (in May 628 ships, with 330.103 net reg. tons). It should be noted that the incoming ships, which usually arrive in Danzig in ballast, landed in June a comparatively large cargo; this phenomenon is due to one-sided export activity of this port. Exports of coal effected through Danzig amounted to 370.318 tons, as against 340.739 tons in May, while those of timber rose during

the same period from 145.069 tons to 162.932 tons.

The nationality of the incoming and outgoing ships in June was as follows:

	Arrivals:		Departures:	
	ships	reg. tons	ships	reg. tons
Poland & Danzig	92	24,419	97	31,464
Germany	178	77,993	175	76,573
Finland	4	4,611	5	6,585
Russia	1	1,851	2	2,894
Estonia	2	460	2	460
Latvia	10	6,349	12	10,626
Sweden	116	60,517	130	67,898
Norway	39	25,549	41	23,074
Denmark	83	58,442	85	53,918
England	33	33,820	34	35,405
Holland	5	2,576	4	2,611
Belgium	4	265	4	265
France	9	9,311	7	7,630
Italy	1	1,646	—	—
Greece	1	1,862	1	1,862
Austria	3	300	3	300
Total:	581	309,871	602	321,565

In Gdynia, there were 37 arrivals in June with 29.158 net reg. tons and 39 departures with 31.268 net reg. tons; the movement continued to be one-sided, the cargo consisting mainly of coal to the amount of 65.580 tons, as against 77.754 tons in May. The number of passengers leaving Poland was 558.

The movement in this port in June, according to the nationality of ships, was as follows:

	Arrivals:		Departures:	
	ships	reg. tons	ships	reg. tons
Poland & Danzig	4	7		
Sweden	16	13		
Germany	3	5		
Denmark	10	10		
France	2	2		
Norway	1	1		
England	1	1		
Total:	37	39		

**GERMAN PROPAGANDA AGAINST POLISH NAVIGATION.** — The lack of impartiality and the strong tendency to view economic problems from a political standpoint, which were displayed by the Germans during the negotiations for commercial treaty between Germany and Poland, were again illustrated by an article which appeared in the well known German shipping paper, the "Hansa" No. 26/1927, Hamburg, and which was directed against the newly established Polish State shipping company. The writer of the article in question, attacks the very idea of the foundation of shipping company by a State. This view is totally erroneous, as owing to the lack of interest in sea matters on the part of the Polish community, as well as the shortage of capital, and the absence of private initiative in that direction, the organisation of the Polish shipping company could only, under the present conditions, be undertaken by the Government.

The Polish shipping company is organised on commercial lines, and the only difference between the State shipping company and a private undertaking lies in that the necessary capital was provided by the Government and not by way of private subscription.



It is not the actual criticism to which objection is taken, but the form and tendency of the article, which are inspired by racial hatred; the Polish people may consider this attack as an expression of anger against a competitor showing enterprise and resource. It may be of interest to quote two characteristic passages from the "Hansa" article, reading as follows:

"A thick skin and a great deal of unscrupulousness, of which all Poles are possessed, they have, in addition, another marvellous qualification for the operation of a State shipping undertaking, namely — a totally inadequate knowledge of marine matters. On these three characteristics and the money of the Polish tax-payer is built the Polish State Fleet".

In another place the German writer says:

"Poles to a large extent know water only through occasional rainfalls"...

These quotations speak for themselves.

It is true that Poland is a beginner in maritime questions, and this fact has

been on more than one occasion stated in these columns. This was due to the policy of its former foreign rulers and, in particular, to that pursued by the Germans themselves, who, being in charge of the Polish sea coast during 120 years, did everything in their power to keep the Poles away from matters appertaining to the sea. Consequently, after the war, Poland was compelled to make a thorough study of sea problems, and while observing the activity of other countries for a number of years, trained a personnel and finally established a state shipping company about a year ago. Up to the present, the number of ships operated by Polish undertakings is limited. It is experimental work, which may reveal unavoidable errors, but on the whole, this indispensable work is being developed satisfactorily, contributing towards the realisation of further plans, mostly by private groups, in that direction.

The article, which is full of spiteful attacks, is concluded with the word: "Wait" ("Abwarten"). It is the only

sound idea in the whole article; events will prove whether the Polish maritime policy follows the right course. The best guarantee for a steady development of sea activities is the vital need of Poland to have access to the sea; and progress in that direction will not allow itself to be arrested by ill-will or by malicious foreign propaganda.

**AERIAL COMMUNICATION IN JUNE.** — There was a further increase in the intensity of aerial communication in Poland during June.

The number of flights rose from 369 in May to 378 in June: 14.5 flights per mean day. The mileage was 114.110 km. (in May 112.385 km.), and the average mileage 302 km. The number of passengers carried was 940, the weight of goods 23.630 kg., and of mail 2.015 kg.

## FINANCE AND BANKING

**STATE REVENUE AND EXPENDITURE** in June were as follows (in million  $\text{zł}$ ):

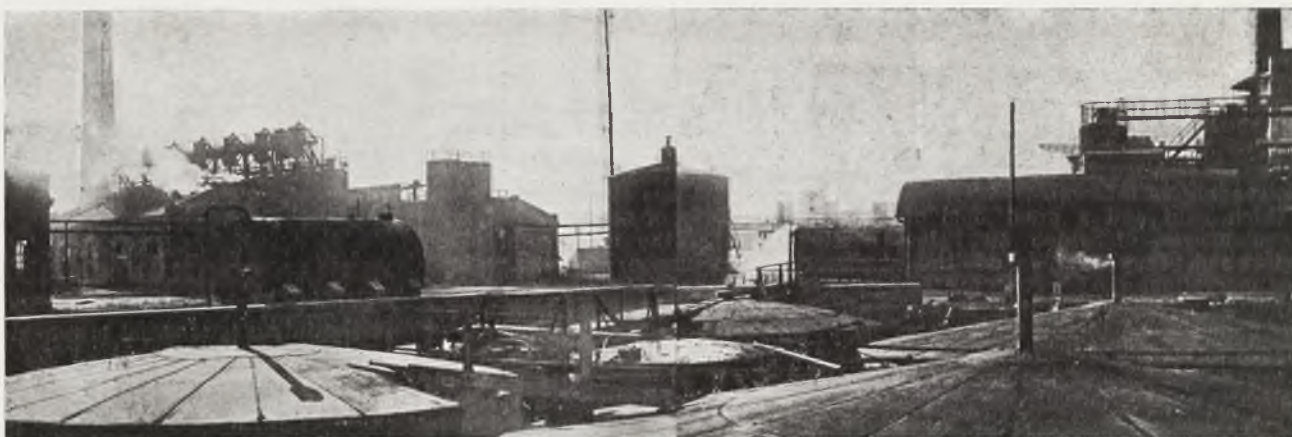
State revenue in June declined by  $\text{zł} 11.1$  million or by 5.3 per cent as compared with May ( $\text{zł} 210$  million). This

	Revenue		Expenditure	
	actual	estimated for 1927/8	actual	estimated for 1927/8
A) Civil service ... ..	116.9	1.234.8	178.8	1.967.1
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 ... ..	0.7	7.9	2.3	39.6
" War ... ..	1.2	10.3	52.4	610.8
" the Interior ... ..	1.8	13.0	14.4	184.7
" Finance .. . . .	103.1	1.076.2	8.0	108.3
" Justice ... ..	3.0	34.8	7.4	97.2
" Industry and Commerce. . . .	0.6	7.0	2.6	34.0
" Transport ... ..	—	0.3	0.3	3.3
" Agriculture ... ..	1.1	11.3	3.9	37.7
" Religious Cults and Education . . . . .	0.3	8.3	27.8	329.3
" Public Works . . . . .	2.9	36.1	7.6	87.5
" Labour and Social Protection ... ..	0.1	1.0	5.6	58.3
" Land Reform . . . . .	0.1	1.5	2.7	36.5
Pensions ... ..	2.1	26.8	6.8	82.0
Grants to Invalids ... ..	—	—	11.1	101.4
State liabilities ... ..	—	—	24.4	145.1
B) State Enterprises ... ..	24.1	107.8	1.2	14.8
C) Monopolies ... ..	57.8	647.9	—	—
Total A + B + C:	198.8	1.990.5	180.0	1.988.3

decrease is accounted for by the decline of public levies, which is a usual occurrence in the summer season. The decline in the revenue derived from public levies was due to a fall in the income of the State administration, from  $\text{zł} 141.4$  million in May to  $\text{zł} 116.9$  million in June, but this drop was offset by increased revenue from State undertakings — from  $\text{zł} 11.5$  to  $\text{zł} 24.1$  million, so that, in the end, as already stated, the total revenue declined only by  $\text{zł} 11.1$  million. The increase in the revenue from public undertakings in June was due to increased payments to the Treasury by the State Railways —  $\text{zł} 6.5$  million in June as against  $\text{zł} 2$  million in May, and by the State Forests —  $\text{zł} 17.5$  million in June as against  $\text{zł} 6.7$  million in May.

Simultaneously the decline in the revenue was accompanied by a corresponding decrease in the expenditure; from  $\text{zł} 189.8$  million in May to  $\text{zł} 180.0$  million in June, or by  $\text{zł} 9.8$  million or 5.2 per cent. A marked decline in expenditure was reported in the following Ministries: Foreign Affairs, War, Industry and Commerce, Public Works, while increases were registered in the following items: State liabilities in connection with the payments of amortisation instalments and interests (the expenditure in this connection rose from  $\text{zł} 10.6$  million in April to  $\text{zł} 22.8$  million in May and to  $\text{zł} 24.4$  million in June),





STATE PETROLEUM REFINERY AT DROHOBYCZ (PHOT. S. PLATER)

as well as disbursements incurred by the payment of grants to invalids.

In view of the fact that in the actual figures the decline in expenditure was smaller than that in revenue, the budgetary surplus fell slightly, from  $\text{₹} 20.2$  million to  $\text{₹} 18.8$  million.

It will be remembered that the first quarter of the 1927/28 budget year ended on June 30th; the results for this period, as compared with those for the corresponding period of last year, are given below (in million of  $\text{₹}$ ):

	March—June 1926/7 1927/8		$\frac{1}{4}$ th of the budget for 1927/8
<b>Total revenue</b>	<b>428.6</b>	<b>611.3</b>	<b>487.6</b>
A) Civil Service	284.3	384.0	308.7
B) State Enterprises	12.5	51.6	26.9
C) Monopolies	126.8	175.8	162.0
<b>Total Expenditure</b>	<b>454.7</b>	<b>535.9</b>	<b>497.1</b>
A) Civil Service	451.6	532.4	493.4
B) State Enterprises	3.1	3.5	3.7
Surplus (+)	—	31.1	75.4
Deficit (—)	—	—	0.5

**TAXES IN JUNE.** — Revenues from public levies and monopolies in June were  $\text{₹} 151.8$  million; they diminished considerably in comparison with those for May ( $\text{₹} 178.5$  million), but were greater than those for June 1926 ( $\text{₹} 122.7$  million).

The decrease in the returns for June, in comparison with May, was due to smaller income from direct and indirect taxes &c.

In June there were no payments of more important direct taxes, so the returns from all such taxes diminished, with the exception of that on real estate, the returns for which rose from  $\text{₹} 3.4$  to  $\text{₹} 4.5$  million.

The decline of returns from indirect taxes was more particularly felt in the

case of the tax on sugar ( $\text{₹} 11.5$  to  $\text{₹} 8.0$  million).

The revenue from customs diminished greatly, from  $\text{₹} 32.4$  to  $\text{₹} 22.1$  million, though the value of imports fell by a very small amount.

The income from stamp fees decreased from  $\text{₹} 14.4$  to  $\text{₹} 13.6$  million.

In connection with the diminution of tax returns, the 10 per cent extraordinary super-tax also decreased from  $\text{₹} 8.0$  to  $\text{₹} 6.4$  million.

Revenues from the monopolies in June ( $\text{₹} 57.8$  million) were only by  $\text{₹} 0.8$  million greater than in May ( $\text{₹} 57.0$  million), being influenced solely by the increase of the Spirit Monopoly, from  $\text{₹} 22.4$  to  $\text{₹} 23.5$  million.

Below are given the returns, according to the more important groups of taxes (in million  $\text{₹}$ ):

	Actual revenue: $\frac{1}{12}$ of the budget			
	June 1926	June 1927	May 1927	for 1927/8
Direct taxes	36.2	38.2	48.2	36.5
Indirect taxes	10.5	11.9	15.5	10.9
Customs duties	14.3	22.1	32.4	15.2
Stamp fees	10.2	13.6	14.4	9.3
Total of the ordinary public levies:	71.3	85.9	110.6	71.9
Property tax	6.0	1.7	2.9	7.9
10 per cent extraordinary tax	—	6.4	8.0	5.2
Monopolies	45.2	57.8	57.0	54.0
Total of public levies and monopolies:	122.6	151.8	178.5	139.0

June closed the first quarter of the budgetary year 1927/1928, and it is interesting to compare the results with the budget itself and with the returns in the corresponding period of last year. This is illustrated by the following table (in million  $\text{₹}$ ):

	Revenue: April—June		Relation of income in the 1st quarter of 1927/28 as against those estimated (in per cents)
	1926	1927	
Direct taxes	117.2	130.4	29.74
Indirect taxes	31.7	38.5	29.57
Customs duties	44.3	77.6	42.61
Stamp fees	29.9	41.9	37.34
Total of the ordinary public levies:	223.1	288.4	33.42
Property tax	12.9	7.6	7.94
10 per cent extraordinary tax	—	21.2	34.09
Monopolies	126.8	175.8	27.13
Total of public levies and monopolies:	362.8	493.0	29.55

It is seen that the revenue from public levies and monopolies, in the first quarter of the budgetary year 1927/28, was 36 per cent higher than the returns during the same period of 1926/27, and represented 30 per cent of the revenue foreseen in the budget for the whole year. So the returns exceeded by 20 per cent the budget estimates which, for one quarter, is 25 per cent of the total.

The best results, in relation to the budget, were achieved by the returns from the customs, which were 42.6 per cent of the sum anticipated for the whole year, by the stamp fees and the 10 per cent extraordinary super-tax. Other public levies and monopolies remained in the same foreseen relation, or almost the same relation, as the sums foreseen (27—29 per cent). The returns from the land tax alone did not come up to the mark, and were 7.6 per cent of the amount anticipated for the whole budget year. This tax is at present being amended, and in a short time the returns from this source are expected to be larger.



## STOCK EXCHANGE

## FOREIGN CURRENCIES.

In June the rate of exchange of the strong currencies was maintained practically at the same level as in the preceding month. The French, Belgian, Austrian and Czechoslovakian currencies remained also unchanged. The Italian Lira, which is usually subject to certain fluctuations, gained a few points towards the end of the month, and at one time the increase reached even over 3 per cent.

The turnover in foreign currencies on the Warsaw Stock Exchange during June amounted about \$ 11 million, of which sum 5 per cent fell to the business in United States Dollar bank

notes. During the first half of June the demand for U. S. Dollars was small, and there were even days when no transactions were made at all; it was only in the second half of the month that the market became very active, the business done during that period having been twice as large as that effected in the course of the first fortnight of the period under review. Very few transactions were concluded in the bank notes of European countries, only sporadic operations in French, Italian, Tchechoslovakian and Swiss currencies were recorded. Drafts on New York, as usual, represented the bulk of the purchases. The second large item was drafts on London which were chiefly bought by the textile industrialists

with a view to covering their engagements resulting from purchases of raw materials. There were no large transactions in drafts on Stockholm while the business done was too small to justify official registration.

The quotations of the Złoty on foreign stock exchanges did not differ much from those reported for the previous months.

On the private market the tendency in respect of the U. S. Dollar was somewhat firmer; this phenomenon is quite understandable when it is borne in mind that a large number of people going abroad for holidays take with them this currency which, as is well known, is least subject to fluctuations.

		31.5	1—4.6	6—11.6	13—18.6	20—28.6	30.6	par value
<b>Warsaw Exchange</b>								
London	£ 1	43'45½	43'45	43'44	43'45	43'43	43'43	25'22
New York	\$ 1	8'93	8'93	8'93	8'93	8'93	8'93	5'19
Paris	Fr. Fr. 100	35'06	35'05	35'02	35'04	35'02	35'04	100'—
Brussels	Belg. 100	—	124'30	124'30	124'30	124'30	—	100'—
Zurich	Sw. Fr. 100	172'12	172'09	172'03	172'02	172'15	172'19	100'—
Milan	Lir. 100	49'35	49'73	49'49	49'73	50'91	49'46	100'—
Amsterdam	Fl. 100	358'25	358'25	358'32	358'36	358'42	358'35	208'32
Vienna	Sh. 100	125'91	125'86	125'82	125'80	125'84	—	72'93
Prague	Kcz. 100	26'50	26'50	26'50	26'50	26'50	26'50	105'01
Stockholm	Kr. 100	—	—	—	—	—	—	138'89
<b>Foreign Exchanges</b>								
London	£ 1	43'50	43'50	43'50	43'50	43'50	43'50	25'50
New York	₤ 100	11'40	11'40	11'35	11'86	11'33	11'30	11'75
Zurich	₤ 100	58'10	58'10	58'10	58'10	58'05	58'—	100'—
Vienna	₤ 100	79'20	79'17	79'10	79'11½	79'10	—	137'13
Prague	₤ 100	376'75	376'50	376'87	375'70	376'63	—	651'—
Berlin	₤ 100	47'13	47'15	47'10	47'15	47'11	47'11	81'—
Danzig	₤ 100	57'54	57'63	57'61	57'78	57'63	57'62	99'108

## S H A R E S

During the period under review the share market showed a certain irregularity and the quotations experienced a substantial fall as compared with the preceding month; this state of the market was accounted for by several causes, the main of which was a much too rapid pace in the growth of the value of shares during the previous months. It is only natural that the shares fell as soon as holders of large stocks began to realise. Furthermore the summer season is not propitious for the making of large purchases of shares for, as a rule, better conjunctures set in after the harvest time when there is a regular

inflow of liquid capital available for investments. There were also some attempts on the part of speculators to artificially reduce the rates but they were not crowned with success to any large extent. For these reasons the largest fall was registered in the case of metallurgical shares and particularly the Starachowice, which were mostly dealt in by outside brokers; the decline in this group fluctuated between 6 and 35 per cent. Textile shares suffered also heavily from 21 to 35 per cent. Comparatively speaking, bank shares suffered least from 4½ to 16 per cent. Large business was done in the Bank of Poland shares, the purchases having been mostly effected for local

account. The shares of the Bank Zachodni were introduced on the Stock Exchange at the end of the month in Złoty currency: 25 old shares at P. Mks. 540 nominal having been converted into 4 shares at ₤ 25 each. Of the remaining shares the Chodorów, Standard Nobel, and the Siła i Światło were little in demand and fell by 27 per cent, Borkowski — by 30 per cent, and Wysoka — by 4 per cent. On the whole, the movement in shares was on a very small scale. The Standard Nobel shares were introduced on the Stock Exchange in the Złoty currency — 10 old shares at P. Mks. 1,000 each having been converted into one ₤ 50 share nominal.



Industrial shares	31.5	1—4.6	7—11.6	13—18.6	20—28.6	30.6	Nominal
Bank Polski .....	155.—	147.33	142.05	143.75	134.78	130.—	₴ 100.—
Bank Dyskontowy Warszawski .....	136.—	—	—	132.13	132.33	130.—	₴ 100.—
Bank Handlowy w Warszawie .....	8.05	7.52	7.30	7.30	7.04	6.80	Mk. 1.000.—
Bank Zachodni .....	—	—	4.80	4.50	24.—	—	₴ 25.—
Bank Zjedn. Ziem Polskich .....	3.85	3.50	3.50	—	2.75	3.—	Mk. 1.000.—
Bank Zw. Sp. Zarobkowych .....	92.—	87.50	82.20	82.20	74.72	73.—	₴ 100.—
Warsaw Coal Mining Co. ....	113.50	104.75	99.—	99.75	86.50	82.—	₴ 100.—
Chodorów .....	141.—	—	—	139.—	—	—	₴ 100.—
Cegielski .....	46.—	42.—	40.25	39.75	33.90	32.50	₴ 50.—
Zieleniewski .....	—	21.38	20.38	20.25	20.—	—	Mk. 1.000.—
Norblin, Buch Bros. & T. Werner .....	—	—	—	186.50	—	160.—	₴ 100.—
Starachowice .....	75.75	67.33	58.40	61.10	54.06	49.25	₴ 50.—
Lilpop, Rau & Loewenstein .....	33.50	32.—	29.85	28.75	24.88	22.75	₴ 25.—
Ostrowiec .....	81.—	72.—	71.75	78.67	65.—	70.—	₴ 50.—
Modrzejów .....	10.30	9.63	9.11	9.—	7.42	7.40	Mk. 500.—
Rudzki .....	2.90	2.57	2.33	2.40	2.10	1.95	Mk. 500.—
Warsz. Sp. Akc. Budowy Parowozów .....	—	—	0.67	0.73	—	—	Mk. 500.—
Żyrardów .....	21.—	18.78	17.88	18.23	16.38	16.50	Mk. 540.—Rb. 250
Zawiercie .....	42.50	40.83	37.50	36.13	27.75	—	Mk. 6.000.—
Standard Nobel .....	60.—	54.50	51.70	50.20	40.57	43.75	₴ 50.—
Ł. J. Borkowski (Elibor) .....	3.80	3.62	3.19	3.24	2.73	2.62	Mk. 216.—
Wysoka .....	131.50	128.50	—	123.—	126.—	—	₴ 100.—
Siła i Światło .....	—	88.—	—	—	—	—	₴ 50.—

## STATE, CITY AND LAND LOANS

In the department of Government securities there were slight fluctuations, the 5 per cent Conversion Loan having dropped by 8 per cent. It is also

interesting to note that large purchases of the following securities were made for investment purposes: 8 per cent Bank Gospodarstwa Krajowego bonds, 8 per cent State Agricultural Bank bonds, and the 10 per cent Railway Loan. The securities of private under-

takings have also suffered, the decline being from 7.5 to 16 per cent. Credit Society of the City of Warsaw per cent bonds experienced a certain decline despite the fact that all the stocks which appeared on the market, even in large lots, found ready buyers.

State, Municipal & Land Loans	31.5	1—4.6	7—11.6	13—18.6	20—28.6	30.6	Nominal
8% Internal Gold Loan (conv. 1925) .....	—	—	99.13	99.25	—	—	Gold ₴ 100.—
5% Conversion Loan .....	67.25	65.50	65.31	64.75	63.46	62.—	₴ 100.—
6% External Dollar Loan 1920 .....	—	85.—	85.—	85.05	85.03	84.25	\$ 100.—
5% Premium Dollar Loan Series II .....	55.—	54.25	55.10	55.44	56.25	55.75	\$ 5.—
10% Railway Loan (1st series) .....	103.—	102.86	103.—	102.90	103.—	103.—	Gold fr. 100.—
8% Bank Gospodarstwa Krajowego Bonds .....	92.—	92.—	92.—	92.—	92.—	92.—	Gold ₴ 100.—
8% State Agricultural Bank Bonds .....	92.—	92.—	92.—	92.—	92.—	92.—	Gold ₴ 100.—
8% Com. Oblig. of the Bank Gospodarstwa Kraj. ....	93.—	93.—	93.—	93.—	92.88	92.—	Gold ₴ 100.—
4% Land Credit Association Bonds .....	—	—	—	—	52.13	—	₴ 100.—
4½% Land Credit Association Bonds .....	63.50	61.50	60.50	59.85	56.08	52.50	₴ 100.—
8% Credit Soc. of the City of Warsaw Bonds .....	82.50	82.27	80.90	79.81	76.10	76.25	₴ 100.—
5% Credit Soc. of the City of Warsaw Bonds .....	73.—	71.—	69.44	67.83	63.10	61.50	₴ 100.—
4½% Credit Soc. of the City of Warsaw Bonds .....	—	63.50	61.17	60.63	56.19	—	₴ 100.—

**MESSAGE OF THE AMERICAN BANKING GROUP TO THE POLISH PRESS.** — The representatives of the American banking group, with which the Polish Government concluded an agreement for a short-term credit, and decided the bases of the future stabilisation loan, before leaving Poland, addressed the following message to the Polish Press:

"During their stay in Warsaw, the representatives of Bankers Trust Com-

pany, Chaise Securities Corporation, and Blair and Company, had not the opportunity of personal relations with the representatives of the Polish press; therefore, before leaving Poland, they turn to the press for the purpose of informing it of the work accomplished, and to thank it for the good will with which it followed their activity.

The Polish community is aware that the Polish Government turned to the American banking group with the

proposal that an issue of an international stabilisation loan should be prepared, and that the American banking group made efforts in this direction.

During the last few months, the Polish Government worked out a well defined financial and monetary programme, which will make a firm basis for the economic development of the country, and will strengthen Polish credit at home and abroad. The





COTTON WAREHOUSES OF ONE OF THE COTTON MILLS AT ŁÓDŹ  
(PHOT. S. PLATER)

American banking group had real satisfaction in working together with the Polish Government in the building up of this programme, and, in addition, was successful in securing the collaboration of the best international experts for the Polish Government.

In its basic lines, the programme rests on well known theories, many of which, in reality, Poland has already acted upon, and experience has proved their practical value; this applies in particular to the policy of strict equilibrium of the budget, to the independent nature of the bank of issue, and its control over the money market. The first tangible result of the work with the American group is the agreement, signed during these days, on the strength of which the Polish Government receives credit to the sum of \$ 15 million, which, at the desire of the Government, may be utilised for the augmentation of the reserve of the Bank of Poland. This credit testifies to the faith of banking circles in the future of Poland, in the possibility of development of her enormous natural resources.

The representatives of the American banking group are of the opinion that the conclusion of the stabilisation loan will be a step of more than ordinary significance in the life of the country, and not only in regard to the amount of the loan itself, but also because it will pave the way for financial and economic cooperation between Poland and international money markets.

The first measures in regard to the above loan have been taken, yet the

Polish Government rightly decided to postpone its issue until such a time as the market conditions become more favourable".

## BANK OF POLAND

— As a result of an unfavourable balance of trade, since April, and the payment of amortisation instalments and interest on foreign loans, the bullion and foreign currency reserves of the Bank were subject to fluctuations showing a small increase, from gold  $\text{zł}$  358.8 million at the end of May, to gold  $\text{zł}$  359.0 million at the end of June, or gold  $\text{zł}$  0.2 million. So the bullion and foreign currency reserves in June were stronger than in May, when they fell by gold  $\text{zł}$  3.5 million; however, they were smaller than in the first four months of the year, when the bullion and foreign currency reserves were steadily augmenting. This is illustrated by the following statement (in millions of gold  $\text{zł}$ ):

Bullion and foreign currency reserves in 1927		
January	1	264.0
February	31	296.0
March	28	335.2
April	31	350.9
May	30	362.2
June	31	358.8
	30	359.0

It is seen that in the first half of 1927, the bullion and foreign currency reserves rose by 36 per cent.

The increase in June is really only due to the augmentation of bullion reserves, from gold  $\text{zł}$  158.3 million to gold  $\text{zł}$  161.7 million; the currency reserves dropped from gold  $\text{zł}$  200.5 million to gold  $\text{zł}$  197.3 million.

The bullion reserves were increased by the purchase abroad by the Bank of gold, to the amount of \$  $\frac{1}{2}$  million, in the first ten days of June, and by small purchases of gold and silver by the provincial branches of the Bank. The reserve of gold rose in June from gold  $\text{zł}$  157.4 to gold  $\text{zł}$  160.7 million, and during the half year—by gold  $\text{zł}$  22.5 million. It was due to the purchases made abroad, according to the following figures (in U. S. \$):

January	1,000,000
February	1,000,000
March	500,000
April	1,000,000
June	500,000
Total:	4,000,000

The reserve of silver augmented, during June, from gold  $\text{zł}$  851.000 to gold  $\text{zł}$  968.000, or by gold  $\text{zł}$  117.000, and during the first six months of the year, by gold  $\text{zł}$  380.000.

The decline in the net amount of foreign currencies, from gold  $\text{zł}$  200.5 to



197.3 million, was due to the decrease of the gross reserve of foreign currencies and drafts, from gold  $\text{₹}$  230.2 million to gold  $\text{₹}$  218.9 million or by gold  $\text{₹}$  11.3 million; this decline was in a large measure

compensated by the simultaneous fall of currency liabilities of the Bank, from gold  $\text{₹}$  29.7 million to gold  $\text{₹}$  21.6 million, or by gold  $\text{₹}$  8.1 million, resulting in a foreign currency deficit of gold  $\text{₹}$  3.2

million. This deficit was seen only in the drop of currency reserves (bank notes), while the net reserve of drafts (together with foreign assets of the Bank) even showed a rise of gold  $\text{₹}$  2.8 million.

	M A Y 31st		J U N E 10th		J U N E 20th		J U N E 30th	
<b>Assets:</b>								
Bullion:								
Gold in bars and cash	157,433.491.04		160,289.648.43		160,441.691.15		160,714.856.47	
Silver " " " "	851.048.49	158,284.539.53	899.133.73	161,188.782.16	913.996.28	161,355.687.43	967.884.40	161,682.740.87
Foreign balances - - - -		230,236.021.44		231,732.525.68		231,857.545.22		218,879.461.42
Exchange difference on currency a/c. - - - -		176,565.767.02		180,438.915.17		182,187.790.57		176,398.230.44
Silver and token coins - -		2,575.756.22		4,490.077.07		4,420.084.43		5,842.572.52
Bills of exchange - - - -		375,903.358.83		389,888.288.62		383,994.093.38		387,752.867.32
Loans against securities -		15,568.510.93		16,416.520.84		17,004.480.88		19,102.279.37
Report - - - - -		22,766.400.—		20,720.400.—		20,414.000.—		20,404.000.—
Interest-bearing securities discounted - - - -		—		—		—		—
Interest-bearing securities bought - - - - -		14,447.523.75		18,263.617.33		18,660.428.43		18,497.816.41
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 - - - - -		40,050.433.59		39,392.083.64		41,725.363.38		41,480.979.95
		1,097,680.496.56		1,124,363.395.76		1,122,901.658.97		1,111,323.133.55
<b>Liabilities:</b>								
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 - - -		705,234.460.—		694,327.850.—		681,675.050.—		727,513.060.—
Current accounts and other liabilities:								
Government Institutions	99,462.786.48		96,877.096.80		107,197.502.20		95,605.054.60	
Outstanding balances -	111,808.831.08		154,903.701.21		154,573.754.72		113,426.005.01	
Various - - - - -	8,750.449.58	220,022.067.14	5,443.790.82	257,224.678.83	5,967.917.81	267,739.174.73	6,160.482.44	215,191.542.05
Liabilities in foreign currencies - - - - -		14,261.079.37		14,590.682.47		14,245.514.43		7,660.464.29
Liabilities on report transactions - - - - -		15,490.716.—		13,971.126.—		13,726.300.—		13,600.550.—
Other liabilities - - - - -		38,019.044.05		39,595.928.46		40,862.489.81		42,394.387.21
		1,097,680.496.56		1,124,363.395.76		1,122,901.658.97		1,111,323.133.55

During the first half year, the foreign currency reserves increased from gold  $\text{₹}$  125.2 million to gold  $\text{₹}$  197.3 million, by gold  $\text{₹}$  72.1 million, or by over 58 per cent.

Purchases of foreign currencies and foreign drafts in June amounted to gold  $\text{₹}$  88.7 million and were inferior to those effected in May, the drop being accounted for by the decline of foreign currencies derived from the export of goods to about gold  $\text{₹}$  65.4 million, as against gold  $\text{₹}$  72.0 million in May. The decline of foreign currencies from export results from the decline of exports themselves. 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. In any case, the above sum includes only currencies from export received by the Bank and to take account of the total sum of currencies which came into Poland from export, there must be added the amount deposited in foreign exchange banks. This sum is not yet calculated for June; in May it was gold  $\text{₹}$  12.7 million, and in general it varies from gold  $\text{₹}$  11 million to gold  $\text{₹}$  16 million per month.

The sales of foreign currencies and drafts amounted to gold  $\text{₹}$  91.9 million, thus being greater than in May, while purchase of same was gold  $\text{₹}$  68.8 million. To Government offices there was sold foreign drafts and currencies to the amount of gold  $\text{₹}$  24.8 million, and on the stock exchange gold  $\text{₹}$  57.8 million.

The changes in the bullion and foreign currency reserves, which were

recorded in June and in the first half of 1927, are illustrated by the following statement (in millions of gold  $\text{₹}$ ):

	January 1st	May 31st	June 30th
gold	138.2	157.4	160.7
silver	0.6	0.8	1.0
foreign currencies and exchange	125.2	200.5	197.3
Total:	264.0	358.8	359.0

The circulation of the bank notes of the Bank of Poland rose in June from  $\text{₹}$  705.2 million to  $\text{₹}$  727.5 million. Thus, though the bullion currency reserves, which are the cover for paper circulation, did not diminish, yet the percentage of cover changed, from 52.5 to 50.77 per cent.

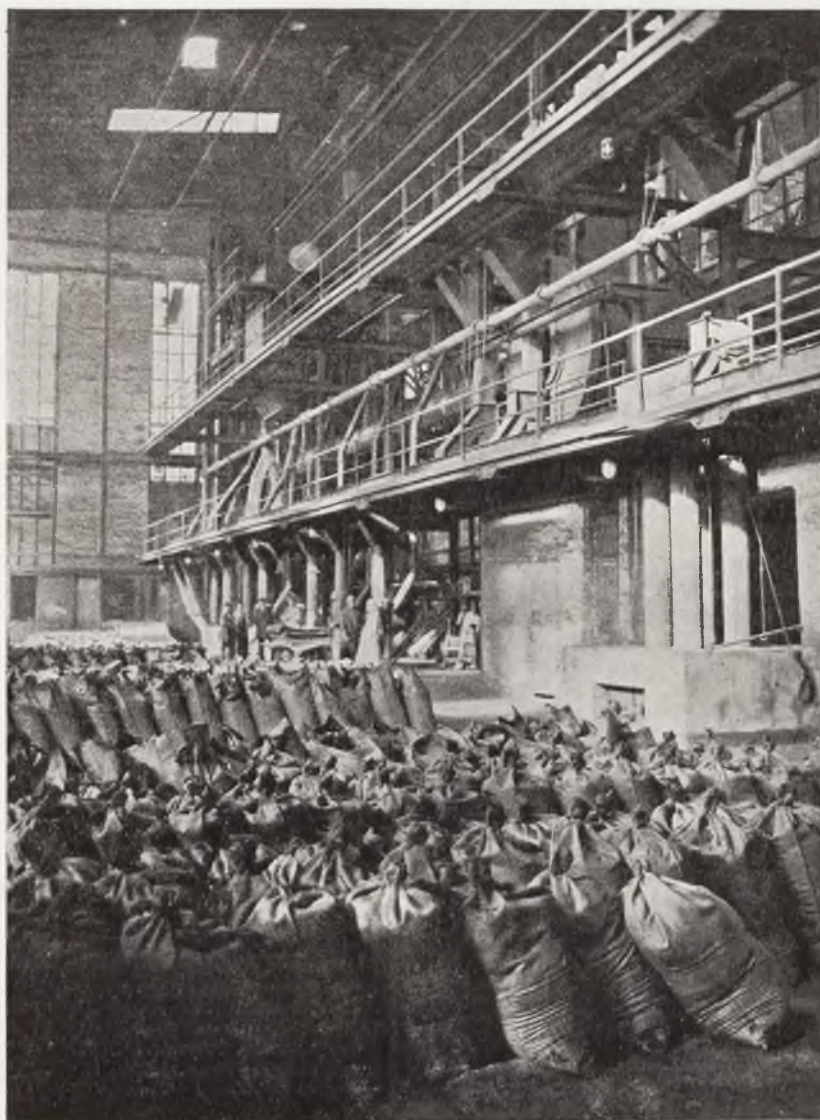
The increase of circulation of bank notes during the first half year was  $\text{₹}$  134.9 million. The augmentation of



the circulation for each month of the first half of this year, and the corresponding percentage of cover, is given in the following table:

into Dollars, amounted (after the deduction of advances in connection with report transactions) to \$ 79.2 million. The bullion and foreign currency re-

can be explained by the augmentation of the credits of the Bank and the increase of demand, shown in the last few months, on the short term credit



NITRATE FERTILIZERS PRODUCED BY THE STATE FACTORY  
AT CHORZÓW

	<i>Bank notes in circulation (in million zł)</i>	<i>Bullion-currency cover (in per cent)</i>
January 1	592.7	46.86
" 31	584.8	53.21
February 28	633.5	55.43
March 31	668.4	54.79
April 30	693.7	54.23
May 31	705.2	52.57
June 30	727.5	50.77

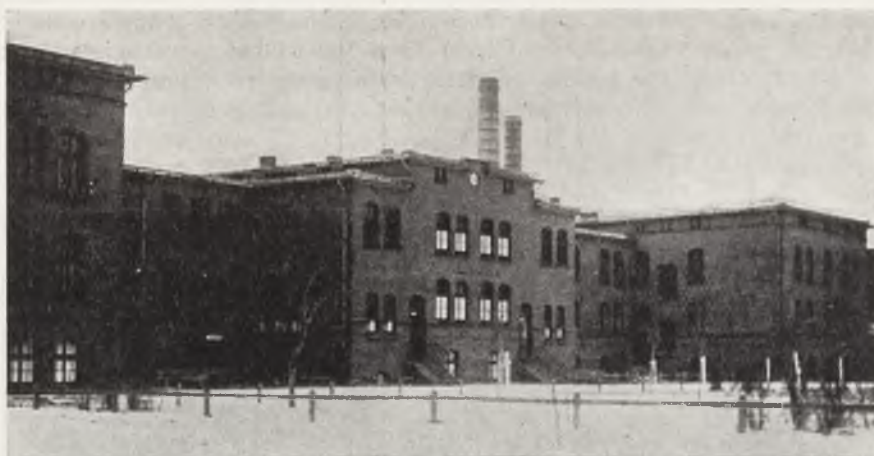
The volume of bank notes in circulation at the end of June, converted

serves represented \$ 69.2 million. It will be seen, therefore, that the cover of the notes in circulation was 87.4 per cent.

The increase in the circulation of bank notes in June, in spite of the fact that the bullion and foreign currency reserves hardly changed at all, and the balances on current accounts remained practically unaltered, mar-

ket. Thus, the volume of discounted credits utilised, in other words the volume of bills of exchange in portfolio, rose in June from zł 375.9 million to zł 387.8 million, and, since the volume of credits granted by the Bank rose simultaneously from zł 519.5 million to zł 538.0 million, the ratio of discount credit employed, as in May, increased from 72 per cent to





HOTEL FOR EMIGRANTS AT NEUFAHRWASSER, NEAR DANZIG

credit employed, was 72.3 per cent. Securities rose during the period under review from  $\text{₹}$  15.6 million to  $\text{₹}$  19.1 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 June from  $\text{₹}$  14.4 to  $\text{₹}$  18.5 million

The reserves of silver and token coins rose from  $\text{₹}$  2.6 million to  $\text{₹}$  5.8 million. The aggregate amount of advances in connection with report transactions fell again from  $\text{₹}$  23.2 million to  $\text{₹}$  20.4 million.

The changes in the bank cover of the issue of notes in June and for the first half year, are illustrated below (in millions of  $\text{₹}$ ):

	January 1st	May 31st	June 30th
bills	321.3	375.9	387.8
Polish silver coins and token money	29.1	2.6	5.8
loans against se- curities	9.4	15.6	19.1
securities bought and discounted	18.9	14.4	18.5
liability of the Tre- asury	25.0	25.0	25.0
Total:	403.6	433.5	456.2

## LATEST NEWS

### WARSAW EXCHANGE:

	10.7.27	20.7.27
\$ 1 = $\text{₹}$	8.93	8.93
£ 1 = $\text{₹}$	43.43	43.43

### BANK OF POLAND:

ASSETS:	10.7.27	20.7.27
Gold and silver reserve . $\text{₹}$	164,452.998.80	164,563.998.15
Foreign balances . . . . .	220,647.443.24	220,071.239.89
Bills of exchange . . . . .	396,382.824.22	389,738.064.40
Loans against securities . . . . .	20,155.900.18	20,360.188.15

### LIABILITIES:

Notes in circulation . . . . .	717,864.430.00	694,394.040.—
Current accounts . . . . .	250,001.327.04	253,758.423.45

### BANK NOTES COVER

(bullion & foreign currencies)	51.99%	53.80%
--------------------------------	--------	--------

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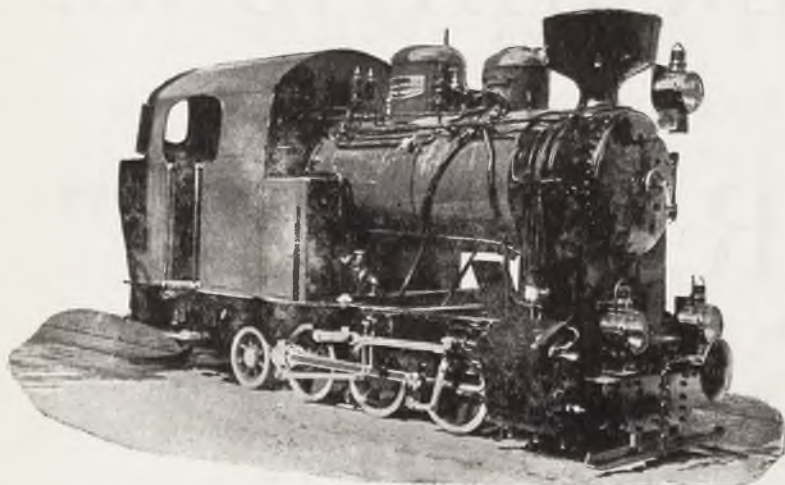
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