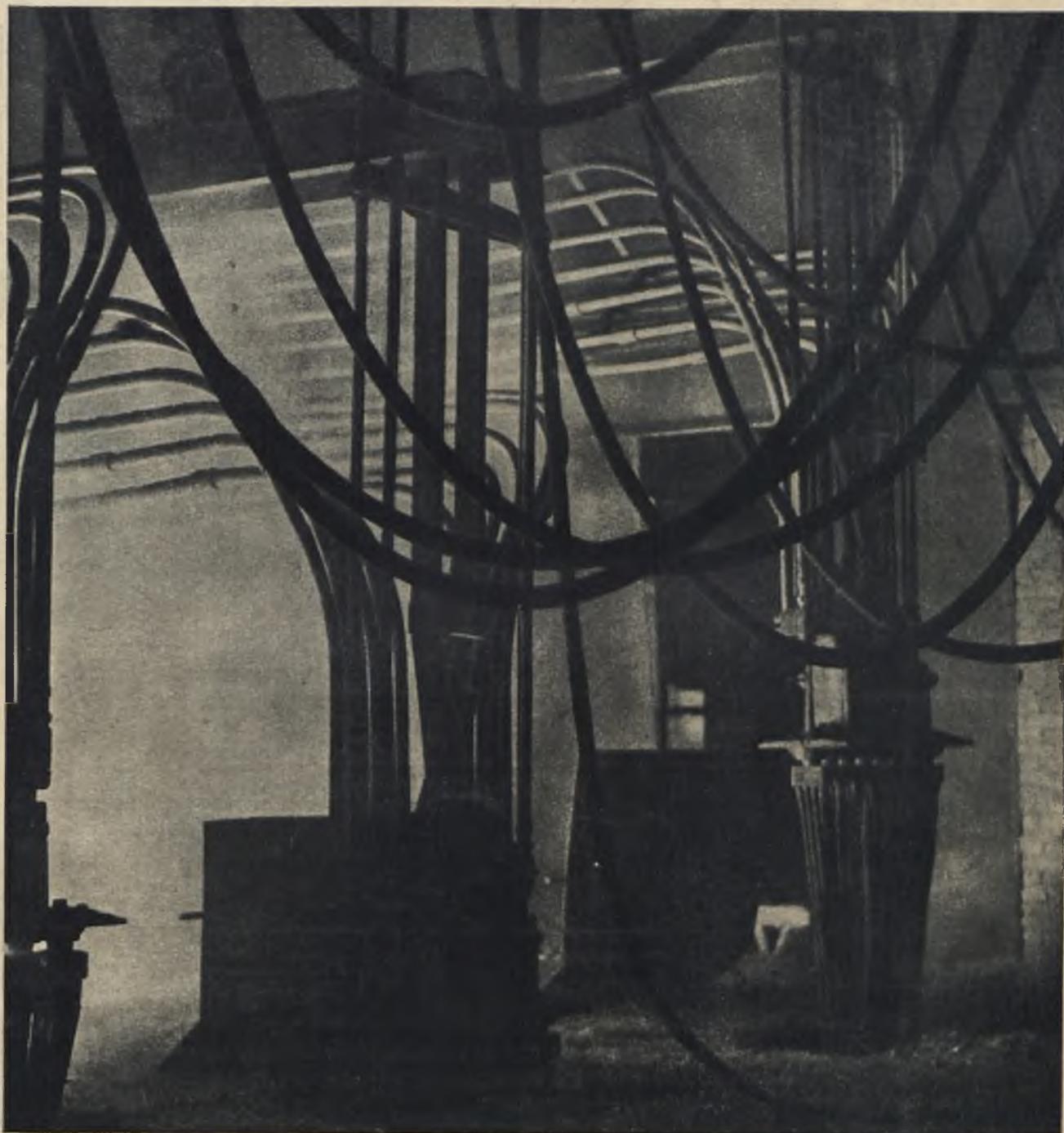


# THE POLISH ECONOMIST

1928  
3

H



# LOOK AT THIS MAP BEFORE GOING ANY FURTHER



NOVEMBER last was characterised by intense frost, and the winter, which has thus begun much earlier than usual, has been, so far, severe. Also the period of seasonal depression in the economic life has commenced earlier than usual, and there is a certain slump in production, which habitually accompanies the increase in consumption of articles connected with the winter season, such as foodstuffs, fuel (mainly coal), clothing, footwear, &c. This situation is reflected in almost every branch of economic activity of the country.

**Agriculture** is at rest. Industry has, on the whole, operated at much the same speed as before. The seasonal industries, such as building, where operations have entirely ceased, were replaced by others, also seasonal, namely—sugar manufacture, distilling, starch making, &c. Unemployment figures for the month rose considerably, mainly for reasons not directly connected with production, but chiefly owing to the registration of those unemployed who had not been registered and who now, in view of the severe winter and increased relief pension, found it necessary to register themselves.

**Commerce**, during the month, employed a good turnover, in connection with the approaching holidays. This had a direct effect on the foreign trade balance, the import side of which rose considerably owing to increased purchases of the seasonal foodstuffs, chiefly colonial goods. At the same time, owing to increased consumption on the internal market, the surplus of certain articles usually available for export, declined considerably, which had also a damaging effect on the country's trade balance. The balance of this trade which has been adverse for some months, continued to be so in November, the deficit being even slightly larger.

As regards the State Treasury and public finances, they have become more and more consolidated. State revenue rose again, while the stabilised financial conditions enabled the Government to realise a number of schemes closely associated with the General plan adopted in connection with the conclusion of the foreign loan.

	UNIT	NOV. 1926	OCT. 1927*)	NOV. 1927
<b>STATE OF EMPLOYMENT:</b>				
UNEMPLOYED		168,008**)	117,021**)	132,687**)
PART-TIME WORKERS		3,913	32,796	34,033
<b>PRODUCTION:</b>				
COAL		3,704—	3,406—	3,433—
OIL		62.9	61.8	60.7
STEEL	thousand tons	93.9	104.4	106.2
IRON		33.0	62.6	55.6
ZINC		11.1	13.2	12.8
<b>AGRICULTURAL INDEXES:</b> (crop estimates)				
RYE		5,010		5,688***)
WHEAT		1,280		1,476***)
BARLEY		1,550		1,654***)
OATS		3,050		3,390***)
<b>PRICES:</b>				
WHOLESALE PRICE INDEX		111.2	119.7	120.9
INDEX OF COST OF LIVING IN WARSAW	1914=100	113.6	119.0	121.8
<b>FOREIGN TRADE:</b>				
IMPORTS		107.9	151.1	155.6
including:		251.1	383.4	380.1
foodstuffs (edible fats, fish & herring, coffee, rice, wheat &c.)		17.9	25.8	34.5
animal products (tanned hides, dried skins &c.)		31.6	46.7	62.1
ores		7.6	11.9	13.9
chemicals (vegetable & animal fats, dyes, colours & varnishes, potassium salts &c.)		3.1	3.1	3.2
metals & metal products		4.0	5.3	3.6
machinery & apparatus		58.7	87.7	71.6
paper & paper wares		9.4	13.0	12.9
textiles & textile products		20.4	31.4	32.5
EXPORTS:		5.3	9.6	7.2
including:		27.2	48.5	19.1
foodstuffs (sugar, meat, eggs, forage, peas & beans, barley, hops &c.)		10.8	22.2	18.8
live animals — in thousands of heads		3.6	8.1	6.9
timber and wood ware (planks, deals & battens, pulpwood, pit props, round wood & logs, veneers &c.)		4.2	5.6	4.9
plants & seeds		6.1	8.2	8.5
coal and coke		40.1	43.2	44.1
petroleum products	million	13.3	12.3	12.3
iron and iron products		131.7	137.7	133.5
zinc	gold fr.	2,285.3	1,983.3	1,634.5
textiles and textile products		40.6	31.4	40.4
EXCESS OF EXPORTS (+) OR IMPORTS (-)		175.1	109.1	129.3
	thousand	5.6	14.1	11.4
	tons	413.4	439.0	331.6
		17.2	32.2	30.6
		407.3	513.8	450.1
		3.6	3.9	5.5
		6.2	8.5	8.2
		28.0	20.2	14.9
		1,534.7	1,199.6	907.5
		8.9	5.5	4.4
		51.9	24.4	20.1
		3.3	4.6	4.0
		13.6	15.9	13.6
		9.6	9.5	8.8
		11.8	13.2	12.3
		5.6	8.0	6.2
		2.5	2.7	3.3
		+ 23.8	- 13.1	- 22.1



POPULATION of Poland	29,249,000	AREA OF POLAND (in sq. km.)	388,279
DENSITY (per 1 sq. km.)	53	area UNDER CULTIVATION (in sq. km.)	183,078
OCCUPATION:		area UNDER FORESTS (in sq. km.)	90,621
agriculture	65 p. c.		
industry	14 p. c.		
commerce	8 p. c.		
various	13 p. c.		

POLAND'S CHIEF TOWNS			
Warszawa (Warsaw)	1,015,420	Poznań	184,756
Łódź	451,974	Kraków	183,706
Lwów	219,388	Wilno	128,954
		Katowice	104,868
		Lublin	94,412
		Bydgoszcz	87,643
		Sosnowiec	86,432
		Częstochowa	80,473
		Białystok	76,792

READ  
**THE POLISH ECONOMIST**  
 A MONTHLY REVIEW OF TRADE, INDUSTRY AND ECONOMICS IN POLAND

THE CURRENT ISSUE No. 11928 of "The Polish Economist" contains the following leading articles: "Renewal of the Negotiations for the Polish-German Commercial Treaty", "The Polish and Geneva Projects for the Classification of Articles in Customs Duty Tariffs", "Recovery of Savings in Poland", "The New Emigration Law", "Trade Relations between Poland and Czechoslovakia". As usual, there are also market reports covering grain, butter, eggs, timber, coal, petroleum, iron, zinc and lead, as well as notes on the state of employment, movement of prices, foreign trade, railway, port, aeroplane traffic, State budget, Stock Exchange, Bank of Poland, &c.

The number also includes advertisements of Polish and Danzig firms.  
 ANNUAL SUBSCRIPTION: 15/-, \$ 3.00 OR £ 30/-  
 WARSAW, 2, ELEKTORALNA

	UNIT	NOV. 1926	OCT. 1927	NOV. 1927
<b>TRANSPORTS:</b>				
RAILWAY TRAFFIC	truck loaded (15 tons)	557,810	585,931	565,320
PORT TRAFFIC:				
Danzig	reg. ton	298,608	313,779	327,816
Gdynia		19,856	41,869	43,677
<b>BUDGET:</b>				
RECEIPTS		206.7	233.1	279.4
including:				
taxes and public levies		110.3	126.3	163.0
monopolies		53.4	66.1	71.3
State undertakings	million £	16.1	20.2	17.8
EXPENDITURE		155.2	209.6	287.3
<b>MONEY CIRCULATION:</b>				
BANK OF POLAND NOTES	million £	557.9	929.4	939.9
COVER IN GOLD AND FOREIGN CURRENCIES	%	45.44	80.07	73.32
TOKEN COINS	million £	425.7	410.1	349.2
<b>CREDIT:</b>				
(Bank of Poland)				
BILLS DISCOUNTED	million £	306.5	432.6	430.9
OFFICIAL DISCOUNT RATE	%	10.00	8.00	8.00
<b>FOREIGN CURRENCIES:</b> (Warsaw Stock Exchange — average rates)				
U. S. A. DOLLAR		9.00	8.91	8.00
POUND STERLING		43.69	43.46	43.45
FRENCH FRANC	£	0.31	0.35	0.33
SWISS FRANC		1.74	1.72	1.72

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

- Compulsory supply of vehicles for the construction and up-keep of public roads and bridges ("Dz. Ust. R. P." No. 95, item 846).
- Changes in the monetary system ("Dz. Ust. R. P." No. 97, item 855).
- Changes in the Statutes of the Bank of Poland ("Dz. Ust. R. P." No. 97, item 856).
- Customs rebate on nitrates ("Dz. Ust. R. P." No. 97, item 857).
- Removal of foreign currency restrictions ("Dz. Ust. R. P." No. 97, item 858).
- Changes in the freight tariff of narrow-gauge railways ("Dz. Ust. R. P." No. 100, item 870).
- Amendment of the freight tariff on narrow-gauge railways ("Dz. Ust. R. P." No. 100, item 870).
- Supplement to the Income Tax Law ("Dz. Ust. R. P." No. 101, item 871).
- Slight amendment of certain items of the Customs Tariff ("Dz. Ust. R. P." No. 101, item 872; No. 102, items 891 and 892).
- Amendment of the Salt Monopoly Law ("Dz. Ust. R. P." No. 101, item 873).
- Polish-German agreement regarding relief to be granted to unemployed, and insurance against unemployment ("Dz. Ust. R. P." No. 107, item 877).
- The Statute of the State Spirit Council ("Dz. Ust. R. P." No. 101, item 881).
- Decree relative to the regulating and maintenance of waterways ("Dz. Ust. R. P." No. 102, item 882).
- The Fair and Exhibition Law ("Dz. Ust. R. P." No. 102, item 884).
- The Promotion of Petroleum Drilling Act ("Dz. Ust. R. P." No. 102, item 885).
- The institution of foreign trade counsellors ("Dz. Ust. R. P." No. 102, item 886).
- Prohibition of import of wheat and wheat flour ("Dz. Ust. R. P." No. 102, item 887).
- Customs rebate on fishing nets, and yarn for the manufacture of same ("Dz. Ust. R. P." No. 102, item 890).
- Amendment of the law relative to the balancing of accounts in Złoty and to the determination in Złoty of the capital of undertakings ("Dz. Ust. R. P." No. 103, item 897).
- Export duty on wheat and wheat flour ("Dz. Ust. R. P." No. 103, item 900).
- New post, telegraph and telephone tariff ("Dz. Ust. R. P." No. 104, item 905).
- Executive decree concerning the measurement of mercantile vessels ("Dz. Ust. R. P." No. 105, item 906).

\*) Corrected figures.  
 \*\*) Change in system of data: only registered unemployed henceforward given.  
 \*\*\*) Final corrected returns.



# THE POLISH ECONOMIST

A MONTHLY REVIEW OF TRADE, INDUSTRY AND ECONOMICS IN POLAND  
WARSAW — LONDON — NEW YORK

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\* \* \*

NOVEMBER last was characterised by intense frost, and the winter, which has thus begun much earlier than usual, has been, so far, severe. Also the period of seasonal depression in the economic life has commenced earlier than usually, and there is a certain slump in production, which habitually accompanies the increase in consumption of articles connected with the winter season, such as foodstuffs, fuel (mainly coal), clothing, footwear, &c. This situation is reflected in almost every branch of economic activity of the country.

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Government to realise a number of schemes closely associated with the general plan adopted in connection with the conclusion of the foreign loan.

REVIEW OF THE GENERAL ECONOMIC SITUATION IN POLAND  
NOVEMBER 1927

	UNIT	NOVEMBER 1926	OCTOBER 1927*)	NOVEMBER 1927
<b>STATE OF EMPLOYMENT:</b>				
UNEMPLOYED . . . . .		168.008	117.021	132.687
<b>PRODUCTION:</b>				
COAL . . . . .	} thousand tons	3.704.0	3.406.0	3.436.0
OIL . . . . .		62.9	61.8	60.7
IRON . . . . .		33.0	62.6	55.6
<b>AGRICULTURAL INDEXES:</b>				
(CROP ESTIMATES)				
RYE . . . . .	} thousand tons	5.010	—	5.688 *)
WHEAT . . . . .		1.280	—	1.476 *)
BARLEY . . . . .		1.550	—	1.654 *)
OATS . . . . .		3.050	—	3.390 *)
<b>PRICES:</b>				
WHOLESALE PRICE INDEX . . . . .	} (1914 = 100)	111.2	119.7	120.9
INDEX OF COST OF LIVING IN WAR-SAW . . . . .		113.6	119.0	121.8
<b>FOREIGN TRADE:</b>				
IMPORTS . . . . .	} million gold fr.	107.9	151.1	155.6
EXPORTS . . . . .		131.7	137.7	133.5
EXCESS OF EXPORTS (+) OR IMPORTS (—) . . . . .		+ 23.8	— 13.4	— 22.1
<b>TRANSPORTS:</b>				
RAILWAY TRAFFIC . . . . .	} truck loaded (15 tons) reg. ton	557.810	585.931	565.320
PORT TRAFFIC (DANZIG AND GDYNIA)		318.464	355.648	371.493
<b>BUDGET:</b>				
RECEIPTS . . . . .	} million zł	206.7	233.1	279.4
EXPENDITURE . . . . .		155.2	209.6	237.3
<b>MONEY CIRCULATION:</b>				
BANK OF POLAND NOTES . . . . .	million zł	557.9	929.4	939.9
COVER IN GOLD AND FOREIGN CURRENCIES . . . . .	% %	45.44	80.07	73.32
TOKEN COINS . . . . .	million zł	425.7	410.1	349.2
<b>CREDIT:</b>				
(BANK OF POLAND)				
BILLS DISCOUNTED . . . . .	million zł	306.5	432.6	430.9
OFFICIAL DISCOUNT RATE . . . . .	% %	10.00	8.00	8.00
<b>FOREIGN CURRENCIES:</b>				
(WARSAW STOCK EXCHANGE-AVERAGE RATES)				
U. S. A. DOLLAR . . . . .	} zł	9.00	8.91	8.90
POUND STERLING . . . . .		43.69	43.46	43.45

REMARK:— Figures appearing in the above table are intended exclusively to characterise the economic situation in November 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".

## RENEWAL OF THE NEGOTIATIONS FOR THE POLISH-GERMAN COMMERCIAL TREATY

THE POLISH-GERMAN negotiations for a commercial treaty, renewed at the beginning of December 1927, were opened in a much healthier atmosphere than

last year. As is well known, the opening of the negotiations was preceded by a number of discussions between the representatives of the Governments of the two countries. The exchange of views helped considerably to the drawing up of a general plan which, in turn, will facilitate the work of the delegations.

The problem of the settlement of German citizens in Poland, which is very complicated and even delicate, owing to the overpopulation of the Polish

\*) Corrected figures.

districts mostly concerned in this respect and also to the still unsatisfactory position on the Polish labour market — was agreed upon between the German Ministry of Foreign Affairs and the Polish Legation in Berlin, as far back as July 1927. This problem is to be settled by way of incorporation in the future treaty of the so-called Lipski-Rauscher scheme, which is agreeable to both the contracting parties.

At the end of November last Dr. Jackowski, Director of the Political Department of the Polish Ministry of Foreign Affairs, had an interview with M. Stresemann, the German Minister of Foreign Affairs, concerning the chief Polish export products—

delegations the final reconciliation of the interests concerned.

Despite the fact that the protocol of the discussions, which took place between the Polish and German Governments, reiterates the desire for a thorough and complete understanding by means of a regular commercial treaty, embodying all phases of the economic relations — the representatives concerned came to the conclusion that, in view of the conditions now prevailing in Germany, it might be expedient to find a *modus vivendi* which would be designed to liquidate the present economic conflict, and to promote the exchange of goods between the parties, before the negotiations for the commercial treaty



A COAL SIDING IN UPPER SILESIA (PHOT. S. PLATER)

live animals, meat and coal. It should be stated that, unfortunately, the influence of the German agrarian circles as well as that of the German Upper Silesian industrialists has proved to be still very strong. The negotiations between Dr. Jackowski and the German Government made it clear that the latter is still encountering obstacles in the matters, connected with the solution of the problems bearing on Polish exports to Germany and that the adoption in regard to these questions of as clear and equitable a policy as that which was formulated by the Polish Government in regard to the settlement of German citizens in Poland, is not practicable under the present conditions. For this reason M.M. Jackowski and Stresemann decided, for the time being, to formulate the policy of the countries on a broad basis, leaving to the

are terminated. After the conclusion of the temporary measure, the negotiations for the treaty would be resumed without delay.

Parallel with the discussions on various subjects of a more general character, concerning the treaty, negotiations have been conducted regarding the export of Polish sawn timber to Germany. These negotiations have been successfully concluded and a convention embodying the conditions of export of this commodity for the year 1928 has been signed\*). This was a matter of great moment to both Poland and Germany, because, as is well known, Poland has a surplus of timber available for export, for which there is a ready market in Germany — where, especially of late, i. e., since

\*) See page 28.

the development of the building activity, the shortage of timber supplies has been badly felt. The position had been most unsatisfactory, for while on the one side of the Polish-German boundary prices for this commodity were abnormally low and the timber industry as a whole was unable to operate at full capacity, on the other side of the frontier line there was a steady and continued upward trend of prices, which hampered greatly development of building activity. This abnormal state of affairs has at last been done away with by means of the timber convention, which was signed at the same time as the Jackowski-Stresemann Protocol, that is, on November 22, 1927.

about of a *modus vivendi* just tolerable to both the contracting parties, leaving, for the time being, the main problems of Polish-German economic relations unsolved.

The attitude of the Polish Government and of Polish public opinion, as set forth on various occasions by authoritative personalities, is quite clear. Poland is desirous of securing a regular treaty of the usual standard type of commercial treaties, such as are entered into by modern and progressive countries. A mere *modus vivendi*, from the Polish point of view, is the least which should be agreed to, in order to facilitate the position of the German Government *vis-à-vis* their own agrarian



EXPORT TIMBER YARD IN POMERANIA

The conclusion of the timber agreement and the signing of the two protocols concerning the main items of the forthcoming treaty negotiations, have created an atmosphere which, as already mentioned, may be said to be much healthier than that in which the negotiations were conducted last year. As a drawback must be regarded the undecided and not altogether clear attitude of the German Government regarding the import of Polish coal, live animals and meat. It is, as yet, too early to say whether the negotiations will lead to the conclusion of a normal treaty, which would form lasting basis for economic co-operation between the two neighbouring countries, and which, in this way, would ensure a rapid economic reconstruction of Central and Eastern Europe, so necessary for the furtherance of the prosperity and the promotion of peace in this part of the continent. It is also possible that the respective delegations will feel compelled to confine their efforts to the bringing

circles, which, as is well known, are against the conclusion of the treaty. It may be stated, therefore, that the ultimate success of the efforts of the delegations will depend solely upon the attitude of those circles and sections of public opinion in Germany, which heretofore have been carrying on what may be termed a destructive policy.

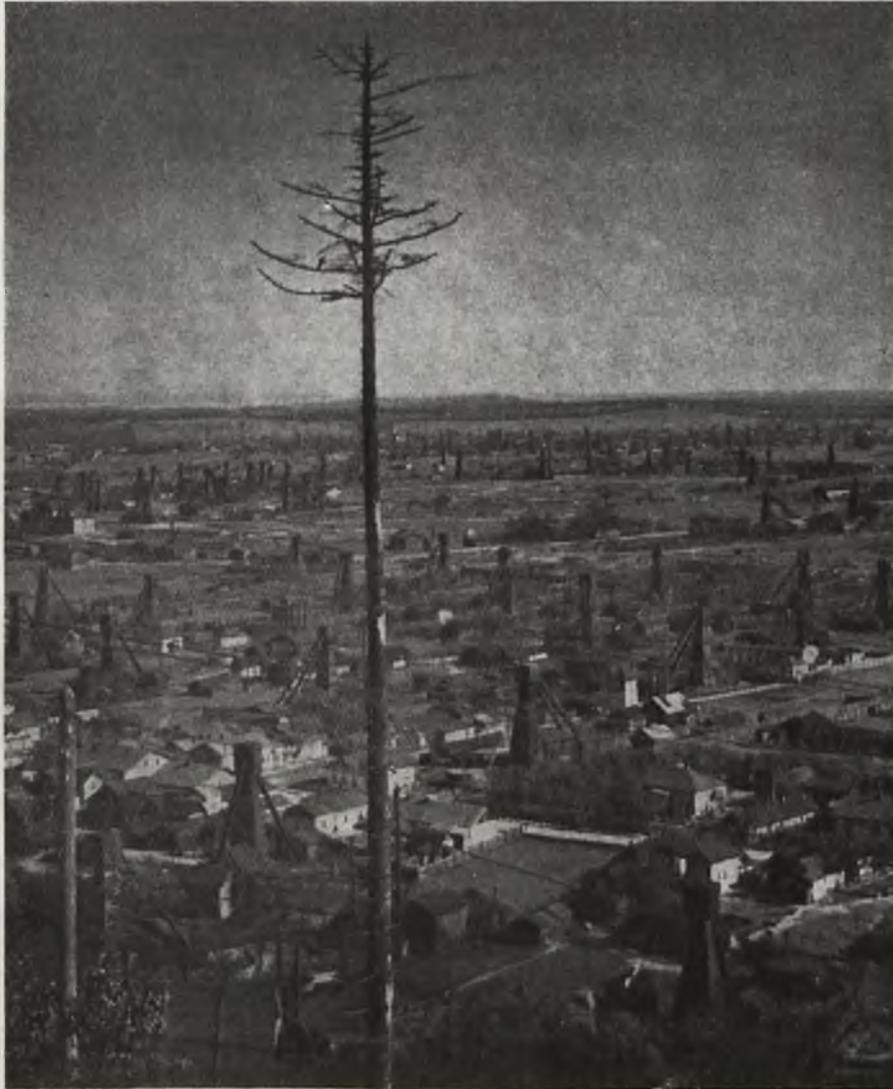
### THE POLISH AND GENEVA PROJECTS FOR THE CUSTOMS NOMENCLATURE

THE DRAWING up of the new Polish customs tariff coincided with the efforts of the organs of the League of Nations which, acting on the recommendations of the International Economic Conference held in May 1927, have undertaken the preparation of a standard customs classification.

The preparation of the new Polish customs schedules is still in progress. The necessary data have been compiled and the rates of duties to be imposed have also been investigated. The term of completion of this work has not yet been definitely fixed, but efforts are being made to bring it to a close before the end of 1928. It is also difficult to state at the moment when the tariff will be ready for submission to Parliament and to determine the length of time required for it to be passed

League of Nations. This applies in particular to the classification into main groups because the re-adjustments in the groups themselves would not entail much difficulty.

The history of the discussions on the customs schedules by international bodies is as follows: the Geneva Conference has recommended their simplification by the removal of the differences, especially when they are not in keeping with commercial classifications. What was really aimed



A VIEW IN THE POLISH OIL FIELDS (PHOT. S. PLATER)

into law. It may be recalled that it is being drawn up by a body, appointed by the Government from among the representatives of Polish business associations and that the draft has already been submitted to the Government who, it is hoped, will finish its examination by the end of this year. It is worthy of note that the Government is desirous to include in the project the recommendations of the International Economic Conference, as well as of adjusting it to the preliminary project which will be worked out in the future by the

at by this recommendation was the discrimination as to the origin of merchandise (see "*Rapport définitif*" page 26). Further, the Geneva Conference has recommended that the unification of the schedules be effected in conjunction with the League of Nations. The standard classification, according to the recommendations, should be based on well defined principles, either according to the stage of manufacture or according to the type of merchandise viewed from a technological point of view. The work is to be carried out in such

a manner as to ensure the passage from a general to a detailed division, and before subdivisions are undertaken the rotation order of the groups should be fixed. The realisation of the project either by means of bilateral treaties or multilateral conventions may be effected after the completion of the project, or certain of its sections, that is by stages. Finally the application of old subdivisions of the schedules is optional, but it is essential that the items occurring in the schedules of a given country should correspond to those appearing in the proposed standard classification (see "*Rapport définitif*" pages 26 and 27).

Passing to the realisation of the above recommendations, the Economic Committee of the League of Nations at a sitting held in July 1927, elected a subcommittee of experts which was entrusted with the preparation of a preliminary plan of the division of merchandise into groups; the subcommittee was also requested to report on the order in which further work on this subject should be dealt with. During the period from August 22 to September 1927, the subcommittee of experts, composed of the representatives of five countries, namely — Czechoslovakia, Germany, France, Belgium and Italy, drew up the preliminary plan for grouping, which was subsequently circulated to the different Governments, together with an explanatory report.

During the same period Polish experts worked out a project of grouping for the new Polish customs tariff. This project was approved of in August last by the committee composed of chairmen of the commissions entrusted with the gathering of the necessary data for the preparation of the new tariff.

Below are given the two projects, i. e., the preliminary project drawn up by the subcommittee of experts of the League of Nations and the Polish preliminary project which was approved of on August 15, 1927:

<i>THE PROJECT OF THE L. OF N.</i>	<i>THE POLISH PROJECT</i>
SECTION I Live animals and products of animal origin	SECTION I Products of vegetable origin
SECTION II Products of vegetable origin	SECTION II Animals and products of animal origin
SECTION III Products of mineral origin	SECTION III Products of the forests, the timber industry, articles made of cork and of other materials of vegetable origin
SECTION IV Waxes, fats and oils of animal and vegetable origin	SECTION IV Division A: Products of the mines mineral fuels, asphalt, bitumen, crude, petroleum oil and its products Division B: a) Products of the mineral industry; b) products of the metal industry; c) products of the chemical industry; d) textile raw materials and products of the textile industry; e) raw materials
	SECTION V Products of the alimentary industry, beverages, alcoholic liquids, vinegar, tobacco
	SECTION VI Chemical and pharmaceutical products, paints, varnishes, scents, soaps &c., glues and gelatines, explosives, fertilizers
	SECTION VII Raw and tanned hides, furs, and products thereof
	SECTION VIII Textile raw materials and products thereof
	SECTION IX Rubber, guttapercha, their substitutes and products thereof
	SECTION X Timber, cork and products thereof, basketware and wickerwork
	SECTION XI Paper and products thereof
	SECTION XII Stone and glassware
	SECTION XIII Metals and products thereof
	SECTION XIV Machinery and apparatus, electrotechnical material
	SECTION XV Means of communication
	SECTION XVI Scientific instruments and apparatus, watches and musical instruments
	SECTION XVII Arms and ammunition
	SECTION XVIII Hats, footwear, umbrellas, fancy-wares
	SECTION XIX Articles not designated
	SECTION XX Works of art and collections

and products of the paper and polygraphic industry; f) goods made of leather, horse hair, bristles, feather and down; g) ready made clothing, fancy goods and toys; h) precious and semi-precious stones, precious metals and products thereof; i) various products

*THE PROJECT OF THE L. OF N.*

*THE POLISH PROJECT*

SECTION V

Products of the alimentary industry, beverages, alcoholic liquids, vinegar, tobacco

SECTION VI

Chemical and pharmaceutical products, paints, varnishes, scents, soaps &c., glues and gelatines, explosives, fertilizers

SECTION VII

Raw and tanned hides, furs, and products thereof

SECTION VIII

Textile raw materials and products thereof

SECTION IX

Rubber, guttapercha, their substitutes and products thereof

SECTION X

Timber, cork and products thereof, basketware and wickerwork

SECTION XI

Paper and products thereof

SECTION XII

Stone and glassware

SECTION XIII

Metals and products thereof

SECTION XIV

Machinery and apparatus, electrotechnical material

SECTION XV

Means of communication

SECTION XVI

Scientific instruments and apparatus, watches and musical instruments

SECTION XVII

Arms and ammunition

SECTION XVIII

Hats, footwear, umbrellas, fancy-wares

SECTION XIX

Articles not designated

SECTION XX

Works of art and collections

The sections are divided into groups of which the Geneva project contains 95 and the Polish 65. As indicated above, there are 20 sections in the Geneva project and 13 in the Polish. From these figures it is seen that each of the sections of the Polish project must necessarily embody a larger

number of goods than those of the Geneva project; for instance, the section of the products of the metal industry in the Polish project (*b*) covers five sections in the Geneva project (XIII to XVII); the sections of the products of the chemical industry in the Polish project (*c*) covers nearly three sections in the Geneva project (the whole of VI and IX and part of IV); the section of the products of vegetable origin in the Polish project (I) corresponds to two whole sections (II and V) and a part of one section (IV) of the Geneva project; the sections of ready-made clothing, fancy goods and toys in the Polish project (*g*) covers a part of the sections VIII and XVIII and XIX of the Geneva project. This is largely due to the Polish project being based not only on the mode of manufacture, but also on the economic, commercial and organising relationship between the different groups, while the Geneva project is founded on the mode of manufacture and the utilisation of the goods. It should also be stated that one of the guiding ideas of the Geneva plan of division was the technique of the imposition of the customs duties.

Consequently, it is safe to say that the Polish project is more rational from the economic and statistical points of view and that it is more in harmony with the economic structure of Poland. On the other hand, the Geneva project has the advantage of being more adaptable to customs practices. The efforts at the simplification of the arrangement of goods and the classification of merchandise in general and the adoption of the latter two practical requirements are reflected in the Geneva project not only in the formation of sections but particularly in the establishment of subsections or groups. The section of the products of the chemical industry affords, in this respect, a good example, because in the first place, this section does not cover certain articles which, from the point of view of trade customs and the mode of manufacture, should appear in it, such as rubber and rubber wares and the products of the fat derivative industry, and secondly, because the chemical products are divided into groups which are arranged not so much according to economic and scientific principles, but mostly in accordance with considerations of a practical character. Below, as an example, is shown the division into groups of the chemical section in both the Polish and Geneva projects:

## THE PROJECT OF THE L. OF N.

## SECTION IV

Group 20: Fats and oils of animal origin

Group 21: Fats and oils of vegetable origin

## SECTION IX

Group 53: Rubber, guttapercha and their substitutes

Group 54: Rubber and guttapercha wares and their substitutes

## SECTION VI

Group 31: Chemical and pharmaceutical products

## THE POLISH PROJECT

## SECTION C

Group 45: Resin, turpentine, and products thereof, rubber, rubber wares, rubber raw and prepared

Group 46: Fats and oils, with the exception of those not designated in other groups Artificial edible butter, edible oils, glycerine, soap and all kinds of denaturated fats

Group 47: Artificial fertilizers

## THE PROJECT OF THE L. OF N.

Group 32: Products from the dry distillation of wood and resin and their intermediates, alcohols, and those not specially designated

Group 33: Dyestuffs and tanning extracts, paints, varnishes, oils

Group 34: Essential oils, artificial essential oils, aromatic compounds for perfume production and toilet articles

Group 35: Soaps, candles, wax wares and similar articles

Group 36: Glues and gelatines

Group 37: Explosives, matches and other inflammable articles

Group 38: Fertilizers

## THE POLISH PROJECT

Group 48: Chemical elements, acids, alkalies, and inorganic soaps

Group 49: Organic compounds, synthetic dyes and natural dyestuffs of all descriptions

Group 50: All kinds of tanning extracts, limes, clays, colours, varnishes, painters oils

Group 51: Explosives, flashing powders, fuses

Group 52: Pharmaceutical products, dispensing articles, perfumes, toilet preparations, photographic preparations and various other products not especially designated

The adjustment of the Polish project to that prepared in Geneva would not present much difficulty as far as the division into sections is concerned. To achieve this, the sections of the Polish project could be further divided, i. e., the sections of the products of the metal industry could be divided into five sections, while portions of certain sections could be removed to other sections, such as the ready-made clothing to the section of textile raw materials and products; and the succession order of the sections could also be altered. On the other hand, however, the adjustment of the groups, as is indicated in the example given regarding the division of the section of the products of the chemical industry, is not easy. It is to be hoped that the preliminary project prepared by the subcommission of the League of Nations will be subject to a revision and that the mistakes arising out of the application of what may be termed a defective method, will be duly corrected.

The report of the experts dated September 1, 1927, contains a note to the effect that the project should be tested by means of a classification of customs tariffs according to the proposed division, and that the project should be further discussed by the economic committee of the League of Nations. This will facilitate the formation of a more reliable opinion of the further work to be performed in connection with the drafting of a standard classification. The question now arises as to which sections of the classification can be standardised more or less easily (it would perhaps be advisable to begin the work by dealing with these sections), and what is the proper procedure for getting into contact with the customs administrations of those countries which are not represented on the subcommittee of experts, and with the commercial and industrial circles which the International Economic Conference recommend for consultative purposes.

In conclusion it may be mentioned that as the different countries have the option of applying in their classification the subsections of the projected standard schedules, they ought to be authorised to use a slightly different wording in the sub-

sections, as these are closely connected with the customs rates and with the individual requirements peculiar to each State.

## NEW EMIGRATION LAW

ALTHOUGH RANGING among the largest emigration countries in the world, Poland had not, up till quite recently, adequate legislation for properly regulating this problem, which is of vital importance from both the economic and the social points of view.

The laws which were in force up to the present, namely—that of November 4, 1920, regulating the free and compulsory emigration of the population, and that of December 14, 1925, making the Polish ports the exclusive exits for emigration,

for their guidance but also the necessary powers for their enforcement.

Thanks to the development of and progress in, the emigration legislation on the European continent in the course of the last few years, and in particular, in Italy, Greece, Spain, Yougoslavia and Czechoslovakia, the Polish legislators were furnished with excellent examples, which have already been tested and recognised as satisfactory. The principles of these foreign laws, after having been adapted to the special conditions in Poland, and harmonised with the previous practices of the Emigration Office, have been embodied in the Presidential decree, and in this way Poland has not only secured a good, working law, but it has also tackled this problem in a modern and up-to-date spirit.

Among the basic changes incorporated in the new Presidential decree should be mentioned in



HOTEL FOR EMIGRANTS IN DANZIG

while containing general recommendations, did not embody any definite stipulations; and moreover, the State Administration, which was entrusted with their observance in practice, had not been granted the necessary executive powers.

Consequently, up to the issue of the Presidential decree of October 15, 1927, the emigration movement from Poland was not adequately regulated, owing to the absence of proper legislation regarding the right of the Polish citizens to cross the frontier. Under these conditions, the Emigration Offices felt compelled to devise temporary measures for the regulation of the emigration movement.

The previous practices in the Emigration Office, which, it should be stated by the way, proved a success, have now been embodied in the Presidential decree. In this way the emigration authorities have now not only legal regulations

the first place the power given to the Minister of Labour to stop totally or partially the emigration movement to certain countries if the life, freedom, property or moral and material interests of the emigrants are exposed to danger. The Minister of Labour is also empowered to restrict the emigration of people under age of both sexes, and young women. The two above mentioned clauses bear an essentially preventive character and are representative of the tendencies underlying the new law.

From the point of view of previous practices, the most important stipulations are those which make the propagation of emigration illegal; for, up to the present time, there were no legal means for combating this evil, which frequently led to the bitter disappointment of the emigrants.

The decree referred to above does not provide for any extension of the administrative services entrusted with the control of emigration and with

the protection of interests of the people concerned, so that the existing central authority—the Emigration Office, which is directly responsible to the Minister of Labour, and the State Emigration Council, which is an advisory body of the Minister, will be maintained.

Also the executive organs of the Emigration Office, namely — the emigration inspectors, the district and provincial emigration offices and the State Labour Exchanges which are spread over the country, will remain unchanged.

The work of the Emigration Office in investigating and taking care of the interests of the emigrants, which is of paramount importance from the point of view of social welfare, will necessarily involve considerable expenditure, and, for this reason, in view of the value attaching to this problem, there is in the decree a whole chapter devoted to the appropriation of the funds to be provided for in the State budget, as well as to the body which is to be entrusted with their allocation; all these matters are dealt with in detail.

The body is to be a Committee, presided over by the Director of the Emigration Office, and composed of delegates from the following Ministries: Finance, Foreign Affairs, Education.

Such an arrangement, though far from being an ideal one, undoubtedly represents a big step forward as compared with the present position, as it co-ordinates the efforts and the policies of different Government Departments dealing with the various aspects of emigration problems. This is not an ideal solution, for unlike other countries, no provision has been made for the establishment of an extra-budgetary emigration fund, which would enable far-reaching plans to be made and would ensure a continuity of work and action in more than one direction.

The relations between the shipping companies on the one hand, and the State and emigrants on the other, rest on practically the same basis as in other European countries. The previous somewhat vaguely defined relationship of the licenced shipping companies to the Polish State Administration, resulting from the declaration of the Ministry of Industry and Commerce, dated July 26, 1920 ("*Monitor Polski*" No. 175), has now been replaced by legal regulations, so that the interests of the emigrants are better protected; further, the executive powers of the State Administration are not merely confined to light conventional penalties, as foreseen in the above mentioned declaration, but the relevant authorities may bring action before Law Courts and demand the application of more severe penalties.

The question of the recruiting of settlers, a very important one in view of the large number of people desiring to go abroad, has been solved in such a way that the necessary permit will be issued only in these cases, in which the immigration country will provide the settlers with the necessary care as regards medical assistance and moral and material support. Moreover, such a permit may only be issued on the recommendation of the Emigration Office, by the Minister of Labour, in

conjunction with the Minister of Foreign Affairs and the Minister of Land Reform.

The decree defines also the conditions under which Polish labourers may be recruited for work in foreign countries. A number of regulations in this respect are also given. Among the most important ruling is the one, according to which recruiting may only be effected through the intermediary of the relevant Polish Labour Exchange Offices, also the one, according to which the labour contract must be handed to the prospective emigrant before his departure abroad.

Moreover, the decree provides for a standard contract and stipulates that the employer must submit a specimen copy of the contract for the approval by the Emigration Office.

The Presidential decree is made operative as from December 15, 1927. It is also anticipated that the executive decree thereto will also be promulgated about that time. There is good reason to believe that when drafting the executive decree, the Emigration Office will take due note of the position of the emigrants and that, when instituting the necessary control over the emigration movement, it will spare no efforts to remove all the obstacles, which now hinder it.

## RECOVERY OF SAVINGS IN POLAND

IT IS DIFFICULT to give a proper view of the present situation and of the growth of national savings in Poland since the inflation period, owing to the difficulty of comparing the results with pre-war conditions obtaining in this branch of economic life. It will be remembered that the present territory of the Republic of Poland formed parts of three alien powers and were therefore closely united with three different economic systems. For this reason, the conditions which had prevailed in certain walks of life of the respective Polish partitions cannot be accurately measured.

Owing to the difference in the economic and political conditions in Russia, Germany and Austria before the year 1914, the growth of national savings in the Polish territories varied.

In former German Poland the standard of prosperity of the Polish community was higher than in the other divisions; at the same time the population were, generally speaking, more thrifty. That is why the total of savings, accumulated in local banking institutions, was much larger than in the other Polish provinces. According to the calculations made in 1914, the population of former German Poland deposited in savings accounts the sum of over gold fr. 1.080 million, which amounted to gold fr. 278 per capita. The growth of savings, apart from economic factors, was also influenced by the political conditions. The bad treatment which the Polish population received from the hands of the German Government made saving a patriotic duty, for the capital, which accumulated in Polish financial institutions, was devoted to the granting of credit facilities to Poles, and in this

way, if only to a small degree, rendered the borrowers independent of the foreign capital.

In former Russian Poland, savings accumulated prior to the war, amounted to about gold fr. 1.100 million which represented about gold fr. 72 per capita. Both the economic and political conditions prevailing in that part of Poland, together with the comparatively low level of civilisation made saving extremely difficult, if not impossible.

The Polish territories forming part of the Austrian Empire had enjoyed a certain measure of freedom as far as political situation was concerned and, although in this respect the Polish population lived here under better conditions than their countrymen in the other divisions, the conditions for economic progress were very difficult.

The policy of the Austrian Government was to make the Polish territories dependent upon the rest of the Empire by making the former a sales market for Austro-German manufacturers. At the same time efforts were made to attract the capital to non-Polish banking institutions for the purpose of utilising it in other parts of the Monarchy. The savings deposits in the Austrian Polish province before the year 1914 amounted to gold fr. 900 million, or about gold fr. 120 per capita.

The sum total of the above figures which, as has been already stated, cannot be quite accurate, amounting to over gold fr. 3.100 million, represents the aggregate volume of savings in Polish territory prior to the war. Even a brief description of the conditions under which national savings were accumulated in the Polish territory at that time, conditions which varied in each of the three provinces and which were the outcome of different economic and political causes, enables one to state that Poland at the time of its restoration was faced with grave economic difficulties which were not encountered by any other country. Each one of the three provinces had a different economic structure and a different standard of economic development which, undoubtedly, exercised a great influence on the accumulation of savings.

During the war, when the Polish territories were occupied by the German and Austrian military forces, the occupation authorities introduced several currencies devoid of any real cover and solely based on the orders of these authorities. During this critical period Polish savings depreciated enormously.

Finally, in its initial stages, the restored Republic of Poland was confronted with inflation, and the continual fall in the value of the Polish Mark reduced the already small volume of savings of the Polish community as well as those which had been sent them by Polish emigrants, almost to nil. Apart from material losses, the inflation was the cause of a still worse evil which was the loss of the will to save, for the saving of money during this period was useless, as its value depreciated with ever increasing rapidity.

The introduction of the Złoty, a stable currency, in the spring of 1924, brought new conditions which were compatible with the interests of the saving

public. This date opened a new period of saving in Poland.

It was absolutely necessary not only to begin the work with the building up and recovery of the capital reserve which had been lost, but, apart even from all the obstacles arising out of the varying economic structures in the different parts of Poland, and apart from making good devastations caused by the war—to fight against the general loss of the saving spirit of the population and its lack of confidence in financial institutions, which was perhaps one of the greatest difficulties encountered in the building up of the liquid capital of the community.

The work of re-establishment of confidence was based on the Polish valorisation laws which were more favourable to the debtors than similar laws in other countries also suffering from inflation. In particular the savings deposited by emigrants which had been lying in Government banks and which, owing to their conversion into Polish Marks, had shared the lot of deposits in Marks, were, in accordance with a special law, valorised at the full gold value. At the same time efforts were made to revive and reorganise savings institutions, whose operations had shrunk considerably during the inflation period. Also the Postal Savings Bank, founded in 1919, developed rapidly as soon as the new currency was introduced.

There are in Poland three types of savings institutions, namely—Governmental, communal and those run on co-operative lines; in addition, there are the private banks which also open savings accounts. A part of the savings is also being accumulated by insurance companies or is invested in various securities bought directly in the open market. The money collected by private banks as deposits of various kinds do not bear, in most cases, the character of savings, while that deposited with insurance companies or invested in securities, is difficult to account for.

When analysing the development of national savings in Poland, during the course of the last few years, in a short article as this is, one must necessarily confine oneself above all to the study of the typical savings institutions; and, although the final conclusions thus arrived at cannot be regarded as exhaustive, yet they are accurate enough to establish the characteristic tendencies of the movement.

As already mentioned, there are in Poland three types of savings institutions.

The Postal Savings Bank is a Governmental institution specially designed for the accumulation of savings through the intermediary of all Post Offices scattered throughout the country. This institution accepts and pays out deposits of  $\text{Zł}$  1 and upwards. State banks, such as the Bank Gospodarstwa Krajowego (the National Economic Bank) and the Państwowy Bank Rolny (the State Agricultural Bank) also open savings accounts, although the scope of their activity covers other branches of finance.

The second group consists of municipal and provincial savings banks, the organisation and

scope of activity of which is regulated by a special law. The liabilities of these institutions are guaranteed by the property and revenue of the communal unions. In this group may be included Village Savings and Loan Banks, the obligations of which are guaranteed by the respective Village Councils. There are in Poland over 200 Savings

Co-operative credit institutions form the most numerous group comprising over 2,300 members. They are based on participation shares; in some cases, members provide a special additional guarantee. The institutions of this type are formed into two unions, the legal domicils of which are Warsaw and Poznań.



HEAD OFFICE OF THE POSTAL SAVINGS BANK IN WARSAW  
(PHOT. M. FUCHS)

Banks, some of which, founded many years ago, now assume large proportions. On the other hand, Village Savings and Loan Banks, which necessarily bear the character of small local institutions, are comparatively speaking not very numerous. Their number only slightly exceeds the number of the Municipal Banks referred to.

The Municipal and Communal Savings Banks are organised into three unions covering the territories of the three former divisions. The head offices of these unions are at Warsaw, Lwów and Poznań.

The necessity for the co-ordination of the efforts in the matter of savings was reflected in the initiative of the Postal Savings Bank, the largest savings institution in Poland, which was the first to bring to the fore the question of the organisation of all Polish savings institutions into one union with a view to facilitating and simplifying the work of the individual savings banks and unions as regards the promotion of the saving spirit and giving it all round support and protection. Thanks to the assistance of the Ministry of Finance,

a union for this purpose, named the Office of Saving Institutions of Poland, with head office at Warsaw, was founded in the year 1927.

The above outline gives a fairly good idea of the Polish financial institutions, the main object of which is the promotion of savings, their accumulation and the utilisation of the resulting liquid capital.

We have already stated that savings as such were practically non-existent in Poland after the inflation period. The balance of the savings accounts were very small after the conversion of the Polish Mark. A part of the liquid capital of the community was, during the inflation period, set aside in strong foreign currencies and, owing to the lack of confidence in financial institutions, was hidden away, while at the same time the safes of the banks were empty.

Under these conditions the new period of savings was begun in the middle of 1924. Even a brief discussion on the economic conditions and on all those factors, which have a direct bearing on the shaping of the saving movement of the nation is not possible within the confines of this short article. We must also leave out of account the different phases of this movement and will give only a few characteristic figures which, nevertheless, will permit of forming an opinion on the actual aspect of this problem. These figures are based on the returns of the Chief Statistical Office as well as on reliable calculations made by the above mentioned Office of Saving Institutions of Poland.

At the end of 1925 the savings deposited in financial institutions and savings banks amounted to about  $\text{zł}$  225 million. This sum does not include the balances appearing on guarantee and current accounts as they do not bear the character of savings, but even taking into account these balances, the aggregate liquid capital deposited at various financial institutions at the end of 1925 was only about  $\text{zł}$  600 million. Converted into gold francs at the then prevailing rate of exchange, the last mentioned sum would represent gold fr. 410 million, or about gold fr. 14 per capita.

A year later, i. e., at the end of 1926, aggregate savings rose to  $\text{zł}$  440 million, and in the middle of 1927 they rose to  $\text{zł}$  635 million. Taking into account other deposits made at that time, the total volume of liquid capital at the disposal of financial institutions in Poland in the middle of 1927 will be about  $\text{zł}$  1.480 million, which, converted into gold francs, represents gold fr. 860 million or gold fr. 29 per capita. It is seen therefore that, expressed in gold francs, the total volume of liquid capital at financial institutions within one year and a half rose by 109 per cent, and by 107 per cent per capita.

The liquid capital in the middle of 1927 represented about 28 per cent of the pre-war figures.

The above mentioned data indicate that progress has been made in Poland in the accumulation of national savings. And at the present time, when the Polish national currency, based on gold and finally stabilised, forms the primary conditions

for the development of capitalisation, when the financial institutions after passing through a severe crisis, are again in a position to perform their functions, when the period of inadequate confidence is a thing of the past—one may feel assured that the restoration of liquid capital in Poland will make further headway.

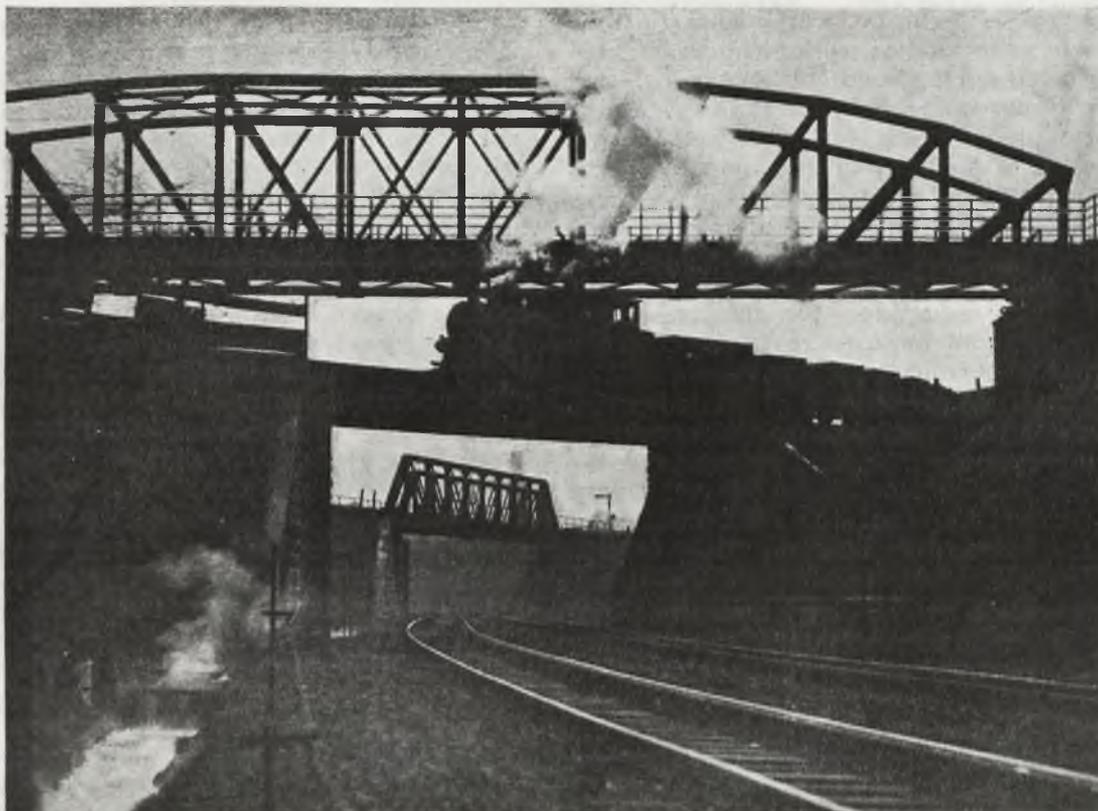
## ECONOMIC RELATIONS BETWEEN POLAND AND CZECHOSLOVAKIA

ECONOMIC RELATIONS with Czechoslovakia are of great importance to Poland, both on account of the large internal Czechoslovakian market, and the transit of Polish goods via Czechoslovakia, and of Czechoslovakian goods through Poland, to Russia. For, it should be remembered that, after Germany and Russia, Czechoslovakia is Poland's biggest neighbour.

In the Slavonic world, Poland and Czechoslovakia have always led a different life from all the other nations of this race, and were in intimate contact with each other. Both of them had at their disposal great natural resources, while elasticity of development and great patriotism, the main traits of the two nations, enabled them to endure the period of foreign domination. In the late Austrian Monarchy, the Polish and Czechoslovakian territories exercised a great and decisive influence on the whole economic life of the Empire. This was particularly so in the economic sphere, where Polish petroleum, salt and coal, and Czechoslovakian iron, sugar &c., formed the basis of the industry of the late Austrian Empire. For this reason, during the occupation of the two countries, there was a close economic intercourse which has endured up to this date, despite the customs frontier which now divides them.

This basis of the economic relations between what were formerly two neighbouring provinces and what to-day are two adjacent States, is, above all, their respective economic structure, which complete each other in many respects. It is certain that the intercourse between the two nations is facilitated by kinship of race, similarity of languages and thorough knowledge of each others requirements and trade possibilities. Of course, the character of the Polish-Czechoslovakian relations has changed considerably since the war, and it is only in the years to come that they will assume a proper form, that is, when the special circumstances, which the Great War is responsible for in both countries, and the period of organisation, are over. For this reason the statistics concerning the trade relations between Poland and Czechoslovakia, for the last few years, only partly illustrate the actual state of affairs.

The table given below illustrates the trade relations between the two countries for the past four years, showing the values of imports and exports as well as the percentages of these figures in relation to the total Polish trade figures:



A RAILWAY JUNCTION NEAR THE POLISH — CZECHOSLOVAKIAN FRONTIER  
(PHOT. S. PLATER)

	Imports:			Exports:		
	£ 1.000	gold fr. 1.000	per- cent- ages	£ 1.000	gold fr. 1.000	per- cent- ages
1924 . . . . .	3.358	84.684	5.7	3.947	99.544	7.9
1925 . . . . .	3.470	87.520	5.5	5.547	139.805	11.3
1926 . . . . .	1.874	44.746	5.0	4.577	115.451	8.8
1927 (Jan.-June)	1.672	42.170	5.1	2.495	62.944	8.9

A serious falling off in the turnover between the two countries in 1926, and in particular in the volume of imports to Poland, was accounted for by the depreciation of the Polish currency, and the general decrease of Poland's foreign trade in that year. If, however, the statistical data for the first half of 1927 are taken into consideration, it will be found that the trade relations between Poland and Czechoslovakia are gradually improving; the imports from Czechoslovakia to Poland were £ 1,715,000 (or gold fr. 42,170,000), while the exports from Poland to Czechoslovakia were £ 2,764,000 (or gold fr. 62,944,000).

Two-thirds of the exports from Poland to Czechoslovakia are composed of live animals, foodstuffs, raw materials and semi-finished products, the remaining third being composed of finished products and manufactured goods. On the other hand, two-thirds of the imports from Czechoslovakia are composed of manufactured goods, while only one-third consists of other commodities. It is seen that Poland furnishes Czechoslovakia with raw materials and foodstuffs, whereas the imports from Czechoslovakia provide the Polish population with manufactured goods, a portion of which, such as

machinery, being used for productive purposes, the balance, such as boots, leather articles, &c., representing articles of consumption. The chief Polish exports to Czechoslovakia in the years 1924/27 were as follows:

	1924	1925	1926	1927 (Jan.- June)	1926	1927 (Jan.- June)
	(in thousands of tons)				(in thousands of £)	
Grain and flour . . .	30.3	119.7	35.3	0.7	11.7	0.3
Horned cattle (thou- sand of heads) . . .	37.0	103.8	28.4	1.2	5.4	0.4
Pigs (thousands of heads) . . . . .	141.3	181.3	183.8	1.52	26.3	32.4
Meat fresh, salted and frozen . . . . .	0.3	2.9	9.4	1.7	13.1	3.8
Eggs . . . . .	0.2	1.3	2.5	0.9	5.7	2.1
Unwrought timber . .	31.1	102.7	306.5	101.1	11.9	5.3
Semi-finished timber .	22.2	38.1	84.6	26.7	7.6	3.2
Coal, coke, briquettes	494.2	624.3	602.6	314.5	18.2	10.0
Petroleum . . . . .	49.2	40.8	42.4	13.2	8.5	3.7
Gazoline and benzine	33.4	34.9	42.1	27.1	20.3	12.5
Metals and metal pro- ducts . . . . .	10.8	15.1	30.4	14.6	24.0	13.2
Flax and hemp . . . .	6.1	6.8	8.9	4.7	4.8	3.2
Woolen yarns . . . .	0.1	0.1	0.3	0.1	5.5	2.4

Among the more important exports from Poland to Czechoslovakia are: firstly, grain and pod plants, and secondly, animals and petroleum products. Exports of petroleum products to Czechoslovakia amounted in 1925 to over £ 500,000, which represented about 30 per cent of the total value of the petroleum products exported by Poland in the course of the first six months of this year.

The bulk of these exports were semi-finished products which were further worked up in Czechoslovakian refineries. It should be mentioned that Czechoslovakia spares no effort for the maintaining of its refineries in operation, for, as is well known, Poland is also in a position to and actually does, export large quantities of refined petroleum products. Such a situation is the outcome of the existing Polish-Czechoslovakian treaty, concluded on April 23, 1925, whereby Czechoslovakia grants certain facilities and customs duty reductions for the import of unrefined products and imposes restrictions on the import of finished petroleum products.

In order to facilitate the export of horned cattle, pigs, meat and allied products, Poland concluded a number of agreements with Czechoslovakia in the years 1925 and 1926, including a veterinary convention which is one of the first treaties of this kind concluded by Poland with foreign countries.

It may be recalled, by the way, that the disinclination of Germany to conclude a similar veterinary convention or to incorporate in the treaty of stipulations regarding veterinary questions, was one of the chief causes of the breakdown of the Polish-German commercial treaty negotiations last year.

This very state of affairs, i. e., the strained relations between Germany and Poland, is successfully taken advantage of by Czechoslovakia which in more than one way is beginning favourably to replace the German supplier. Such substitution is in line with Polish interests.

The chief items of Polish imports from Czechoslovakia during the years 1924/27 are the following:

	1924	1925	1926	1927 (Jan.- June)	1926 (Jan.- June)	1927 (Jan.- June)
	(in thousands of tons)			(in thousands of zł)		
Grain and flour . . .	82	20.1	2.4	1.9	1.2	0.9
Tanned hides . . .	0.6	0.7	2.0	0.6	10.6	4.8
Building materials and ceramic products .	42.9	69.2	63.1	44.5	4.4	4.7
Glass products . . .	1.3	1.8	1.0	0.7	1.7	1.3
Metal and metal pro- ducts . . . . .	23.7	15.6	8.3	3.8	9.1	6.6
Machinery and appa- ratus . . . . .	3.7	3.5	2.1	1.7	6.1	5.5
Yarns . . . . .	0.3	0.3	0.5	0.7	4.9	6.9
Cotton fabrics . . .	1.0	1.1	0.2	0.2	4.9	4.6
Clothing and fancy goods . . . . .	0.2	0.1	0.03	0.04	1.3	1.7

Polish imports from Czechoslovakia are composed of a comparatively large number of small items, the bulk of which are finished articles. Czechoslovakian products have to compete on the Polish market with German and Austrian articles. The competition on the Central European markets is very keen, particularly in textiles, leather and leather articles, glassware, boilers and pipes, &c. Similarly Czechoslovakia is a supplier of machinery for industrial plants, for which various customs rebates have been granted by Poland. These rebates form an integral part of the commercial treaty between the two countries; in addition, Czechoslovakian industry enjoys all the privileges and customs duty reductions resulting from the application of the Polish autonomous tariffs in respect of machinery and apparatus which are not manufactured in Poland.

We have mentioned that the transit movement via Czechoslovakia to Austria, Hungary, Yougoslavia and to other South European countries, and vice-versa, is of great importance to Poland. The Southern European countries are, in a way, natural outlets for Polish coal, and already in 1926 they absorbed well over 30 per cent of Polish coal exports. That is why the policy pursued by Czechoslovakia in respect of railway transit rates is to Poland a matter of great moment. This explains the reason why the series of commercial agreements between the two States includes a convention dealing with transit rates for coal. In the fixing of these rates due consideration has also been given to the export rates for the transport of Czechoslovakian coal. On the other hand, for Czechoslovakia, Poland is also a transit country through which consignments are directed to Russia.

The question of free transit through neighbouring countries for Czechoslovakia, which has no access to the sea, is one of primary importance.

Two countries, Czechoslovakia and Poland, drawn together by ties of tradition, language and politics have every reason to come together in the field of economic relations. Important facts help to this end: Czechoslovakia is a country with large and even excessively large industrial development, but it is not self-supporting in agriculture, while Poland is a country essentially agricultural. The two countries are therefore complementary one to the other.

The development of economic relations between Czechoslovakia and Poland testifies to a constant economic *rapprochement*.

## SUMMARY OF LAWS, ACTS AND EXECUTIVE DECREES

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

from November 15th to December 15th 1927

**Amendment of the freight tariff on narrow-gauge railways** ("Dz. Ust. R. P." No. 100, item 870).

**Supplement to the Income Tax Law** ("Dz. Ust. R. P." No. 101, item 871).

**Slight amendment of certain items of the Customs Tariff** ("Dz. Ust. R. P." No. 101, item 872; No. 102, items 891 and 892).

**Amendment of the Salt Monopoly Law** ("Dz. Ust. R. P." No. 101, item 873).

**Polish-German agreement regarding relief to be granted to unemployed, and insurance against unemployment** ("Dz. Ust. R. P." No. 101, item 877).

**The Statute of the State Spirit**

Council ("Dz. Ust. R. P." No. 101, item 881).

Decree relative to the regulating and maintenance of waterways ("Dz. Ust. R. P." No. 102, item 882).

The Fair and Exhibition Law<sup>1)</sup> ("Dz. Ust. R. P." No. 102, item 884).

The Promotion of Petroleum Drilling Act<sup>2)</sup> ("Dz. Ust. R. P." No. 102, item 885).

The institution of foreign trade counsellors of Poland ("Dz. Ust. R. P." No. 102, item 886).

Prohibition of import of wheat and wheat flour<sup>3)</sup> ("Dz. Ust. R. P." No. 102, item 887).

Customs rebates on fishing nets, and yarn for the manufacture of same<sup>4)</sup> ("Dz. Ust. R. P." No. 102, item 890).

Amendment of the law relative to the balancing of accounts in Zloty and to the determination in Zloty of the capital of undertakings ("Dz. Ust. R. P." No. 103, item 897).

Export duty on wheat and wheat flour<sup>5)</sup> ("Dz. Ust. R. P." No. 103, item 900).

New post, telegraph and telephone tariff<sup>6)</sup> ("Dz. Ust. R. P." No. 104, item 905).

<sup>1)</sup> See "The Polish Economist" No. 6/1926, page 220.

<sup>2)</sup> See "The Polish Economist" No. 12/1927, page 493.

<sup>3)</sup> See page 32.

<sup>4)</sup> See page 33.

<sup>5)</sup> See page 32.

<sup>6)</sup> See page 37.

Executive decree concerning the measurement of mercantile vessels<sup>1)</sup> ("Dz. Ust. R. P." No. 105, item 906).

Partial amendment of the law dealing with insurance of workmen against accidents ("Dz. Ust. R. P." No. 106, item 910).

Executive decree concerning the insurance of clerical workers ("Dz. Ust. R. P." No. 106, item 911).

Amendment of the law relative to the development of towns ("Dz. Ust. R. P." No. 106, item 913).

Stamp fees on contracts concluded before January 1, 1927 ("Dz. Ust. R. P." No. 106, item 914).

The right of foreigners to stay in certain areas of the Republic ("Dz. Ust. R. P." No. 107, item 917).

Amendment of the decree regarding wireless broadcasting ("Dz. Ust. R. P." No. 107, item 918).

Supplementary retail price-list relating to certain tobacco products ("Dz. Ust. R. P." No. 107, item 919).

Decree relating to the combating of plant diseases ("Dz. Ust. R. P." No. 108, item 922).

Marking of meat to be exported to Sweden ("Dz. Ust. R. P." No. 109, item 927).

Partial amendment of the Usury Act ("Dz. Ust. R. P." No. 109, item 931).

<sup>1)</sup> See page 36.

The mode of publication of the value of gold ("Dz. Ust. R. P." No. 109, item 932).

The withdrawal from circulation of 2 Treasury notes ("Dz. Ust. R. P." No. 109, item 933).

New hunting law ("Dz. Ust. R. P." No. 110, item 934).

Temporary opening of traffic on the newly constructed Warsaw-Grodzisk electrical railway ("Dz. Ust. R. P." No. 110, item 937).

Supplement of the normal-gauge railway freight traffic ("Dz. Ust. R. P." No. 110, item 938).

Reimbursement of customs duty at the time of exportation of ferrocyanide, blues and potassium carbonate<sup>1)</sup> ("Dz. Ust. R. P." No. 111, item 941).

Executive decree to the Industrial Law ("Dz. Ust. R. P." No. 111, item 942).

Regulations concerning proficiency certificates for persons running licenced enterprises ("Dz. Ust. R. P." No. 111, item 943).

Regulations concerning commercial travellers and independent commercial agents ("Dz. Ust. R. P." No. 111, item 944).

The foundation of new Chambers of Commerce and the delimitation of their field of activity ("Dz. Ust. R. P." No. 111, item 945).

<sup>1)</sup> See page 33.

# PRODUCTION AND TRADE

**STATE OF EMPLOYMENT IN NOVEMBER.**—After eight months of continual decline in unemployment a reverse tendency was observed during November: the number of unemployed registered at the State Labour Exchanges rose from 117,021 to 132,687, i. e., by 15,666 or by 13 per cent. At the same time the number of part-time workers increased considerably. The unemployment figures for the various months of this year, as compared with 1926, are given below:

	1926	1927
January . . . . .	301,457	208,536
February . . . . .	302,179	213,592
March . . . . .	295,529	205,770
April . . . . .	272,414	190,578
May . . . . .	256,943	174,349
June . . . . .	243,302	159,365
July . . . . .	223,474	147,713
August . . . . .	205,393	132,952
September . . . . .	185,207	117,054
October . . . . .	167,826	117,021
November . . . . .	168,008	132,687

It should be stated that the increase in the figures at the beginning of the winter season is by no means connected with alterations in the economic position

of the country. As in 1926, the labour market, particularly as regards the most important branches in industry, with the exception of the building trade, did not show any considerable changes. Increased unemployment was due to the setting in of the slack period in agriculture, to the termination of the building season, the completion of various works in connection with different schemes, and also to the standstill in the seasonal branches of industrial activity. Another reason for the increase was the registration at the State Labour Exchanges of all those out of work, who, although they had no work for some considerable time, refrained from registration but now felt induced to register for the purpose of receiving the relief, which is now granted on a more large scale.

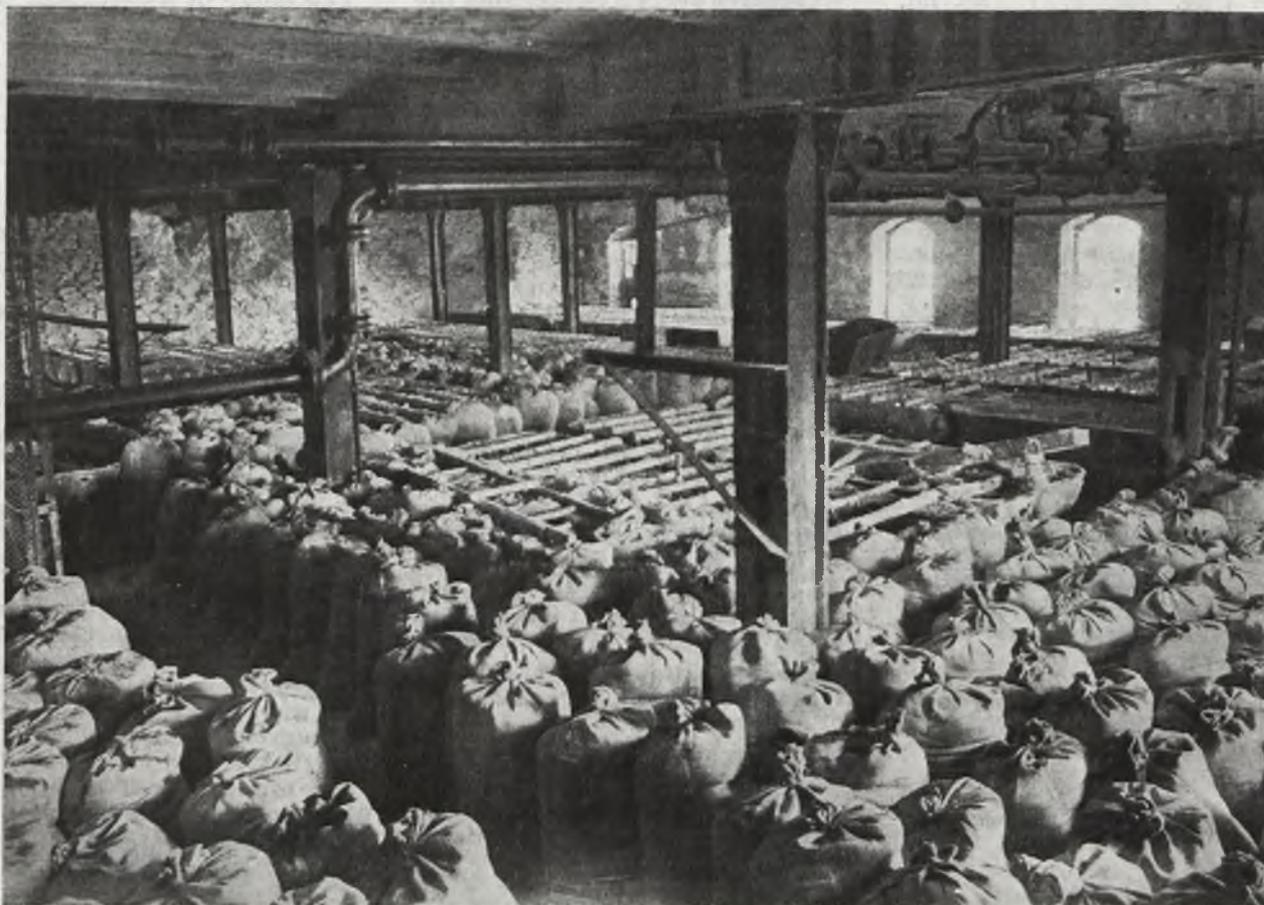
The return of seasonal agricultural labourers from Germany (about 35,000 in November) had also, to a certain extent, contributed towards the depression on the labour market. The bulk of these, however, are small farmers

who, returning to their holdings, do not aggravate the position of the workers in the industrial areas and towns.

The following statement gives the number of unemployed according to trades:

	October	November	+ Increase - decrease
mining	19,343	19,303	- 40
foundries	2,876	2,804	- 72
metal	9,405	9,746	+ 341
textile	14,401	14,749	+ 348
building	5,531	9,523	+ 3,992
clerical	15,228	17,757	+ 2,529

In the coalmining industry the employment figures showed no important changes, the output having been maintained at practically the same level as a month earlier. In the petroleum industry a certain improvement was noticeable. The output of crude oil rose slightly as the result of the completion of new wells. Moreover, the petroleum companies put into operation some of the abandoned wells. The iron ore mines are working with great intensity, a new mine having been put into commissions in the neighbourhood of



THE SODA WAREHOUSE AT ONE OF MESSRS. "SOLVAY" FACTORIES IN POLAND  
(PHOT. S. PLATER)

Zawiercie. The number of unemployed miners has not undergone any changes worthy of note. The ratio of unemployed to those at work was about 13 per cent.

In the heavy iron founding industry, the situation continues to be favourable, although in connection with the close of the building season local sales diminished to a certain extent. Brisk demand for pig iron still continues; rolling mills are well employed. In the zinc and lead foundries, the situation, as regards employment, was unchanged and the process of rationalisation of production is in progress.

The number of unemployed foundry workers showed a slight decline (by 72), those out of work representing 5 per cent of the employed.

In the engineering industry the position was, on the whole, satisfactory particularly in the agricultural machinery and implements section, due to a large demand for these articles. The situation in the cast iron and rolled products departments, as well as in aluminium and enamelled hollow ware, and the nut, screw and nail divisions, has also been maintained at a satisfactory level. Due

to seasonal influences, manufactures of milling machinery were also fully employed. Despite keen competition on the part of the German manufacturers, the export of textile machinery was maintained at the previous satisfactory level. On the other hand, in the engineering works and forges, employment figures declined in November owing to the termination of the building season; as already mentioned, this factor contributed materially to the increase of unemployment (by 341). Unemployed workers in the different metal industries represented about 11 per cent of those at work.

In the textile industry there was a certain depression for in connection with the favourable summer season and the increase of prosperity in general and particularly of the agricultural community -- heavy sales had been anticipated. Meanwhile, however, the prices of cotton and wool fabrics rose as a result of increase of those for raw materials, and the agricultural community limited its purchases, which exercised an adverse influence on the local consumption. For this reason textile

manufacturers in the Łódź area found it difficult to secure new orders, but the situation is gradually improving thanks to increased exports of cotton fabrics. The Bielsk manufacturers of woolen fabrics are also suffering from the lack of orders, but to a much lesser degree. In the Bielsk area the manufacturers are engaged in the production of light fabrics destined for the forthcoming summer season. In the Białystok area which produces heavy woolen fabrics the situation continues to be favourable. The Bielsk jute and hemp industry are now working three shifts in order to complete the heavy orders on hand, and thus make up for the loss of time during the two months' strike. The number of the unemployed textile workers rose slightly (by 348 workers); unemployed in this section represented about 9 per cent of those at work.

In the building industry operations came to a standstill owing to frosts, despite the fact that most of the work has not been completed. Owing to this, the number of unemployed workers in this branch increased by 3,992. It is to be hoped that work will be resumed

as soon as weather conditions permit.

The number of unemployed clerical workers increased in November by 2,529. This is not an actual increase but is due mainly, as mentioned above, to the registration of people who have been out of work for some considerable time.

The number of part-time workers rose from 32,736 at the end of October to 34,033 at the end of November, of which 165 persons worked 1 day per week, 518 — 2 days, 1,249 — 3 days, 878 — 4 days, and 23,823 — 5 days per week. The average time worked by this class in November was the same as in the preceding months, namely: 4.6 days per week.

Despite a certain depression on the labour market, workmen's wages had an upward trend. Thus, for instance, the wages of miners and workers paid by the day rose by 10.7 per cent, and those of piece workers — by 5 per cent. Similarly in the metal industry and in the iron founding districts daily wages rose by 7 per cent., and those of piece workers by 5 per cent. Moreover, in the building trade wages were raised in Katowice by 20 per cent, in Bielsk — by about 15 per cent, and in the metal industry in the Bielsk-Biała district — by 6 per cent.

In central Poland an agreement between the agricultural workers and their employers has been signed for the year 1928/29, whereby the wages are to be maintained at last year's level.

## GRAIN

The atmospheric conditions during last autumn were, on the whole, favourable for agriculture; winter sowings were thus effected under propitious conditions. According to the calculations of the Chief Statistical Office, made at the end of November, they were above the average, the evaluation marks on the five point system\*) being for wheat 3.5, for rye 3.6, and for oats 3.5.

The final estimates of this year's four main crops differ from the provisional data published previously. The final returns also take into account the damages, caused by floods and hail, and are the following (in tons):

wheat	1,475,900
rye	5,688,400
barley	1,634,200
oats	3,390,000

Compared with the previous year, the yield of grain increased; thus, while in the 1925/26 season the average yields

for whole Poland were: for wheat — 11.6 q., for rye — 10.4 q., for barley — 12.6 q., and for oats — 11.7 q., per hectare; the corresponding figures for the 1926/27 agricultural year were: for wheat — 13.0 q., for rye — 11.6 q., for barley — 13.2 q., and for oats — 13.0 q. per 1 hectare.

The aggregate yields for the past season are larger than those for the 1925/26 season, as well as the average yields for the period from 1921 to 1926, which is illustrated by the following comparative table:

	Crops for 1926/27 in per cents of the crops: for 1925/26 average for 1921/22 to 1925/26	
wheat	115.2	118.0
rye	113.5	108.5
barley	105.1	110.4
oats	111.2	114.1

It may be stated on the strength of the above figures that this year yields, with perhaps the exception of wheat, will suffice for the requirements of the internal market. Considering that the average yearly consumption per capita of grain during the five years period from 1922/23 to 1926/27 was for wheat 42.6 kg., for rye—148.1 kg., for barley—40.5 kg., and for oats — 86.2 kg., and allowing for seed purposes the same quantities as last year, the surpluses available for export after the local needs are covered, will be as follows: rye — 346,000 tons, barley—192,000 tons, and oats — 322,000 tons. Wheat on the contrary will probably show an adverse balance, amounting to 17,000 tons. Of course, these figures are only approximate, for apart from possible changes in the area under these crops, the consumption of grain, as is well known, is subject to considerable fluctuations, so much so, that the averages for the last few years can hardly be regarded as being accurate enough for the purpose of estimating.

It may be recalled that there are several causes, which contribute towards the extent of the consumption. For instance in the years of good crops and low prices, rye and barley are more extensively used for the feeding of animals, whereas in the years of good root crops — the consumption of grain declines. To illustrate these fluctuations, it is sufficient to give the figures for rye consumption: in 1924/25, which followed a year of poor crops, the consumption amounted to 96.8 kg. per capita, while in the following year, 1925/26, it rose to 178.8 kg. In the current agricultural year, the consumption of grain will probably decrease, as the result of exceptionally large supplies of potatoes, this year's yield being 31,800,000 tons, as

against 24,900,000 tons for last year. On the other hand, as the result of a favourable crop of oats, it is not unlikely that consumption of this article will increase. In any case, however, the grain reserves for the coming year appear to be ample. In the current year the exports of grain are more likely to increase, than the supplies to fall short.

The characteristic feature of the grain market this year is the stability of prices, the fluctuations since the beginning of the agricultural year having been very small indeed. Only oats showed a material increase in October, due to the purchases by the military authorities. During the period under review, prices of oats showed a certain decrease, amounting to 2.6 per cent, as compared with the previous month. Prices of barley in the first half of December declined by 1.9 per cent, as compared with a month earlier. During the same period wheat and rye appreciated in value by 2.9 and 1.0 per cent respectively. The following table illustrates the movement of prices in November:

(table — see next page)

The movement of grain between Poland and foreign countries closed in November with an adverse balance of gold fr. 2,690,000. The exports and imports, during the period under review, as compared with the preceding month and the corresponding period of last year, were as follows (in tons):

	1927:		1926
	October	November	November
<i>Exports:</i>			
wheat	553	300	2,458
rye	857	1,353	6,663
barley	7,266	6,517	8,945
oats	519	342	265
<i>Imports:</i>			
wheat	12,086	14,438	1,511
rye	388	901	979
barley	305	75	73
oats	966	2,684	1,417

Wheat was almost exclusively (95.0 per cent) directed to Germany; rye — to Germany (77.8 per cent) and Finland (22.2 per cent). The chief consumer of Polish barley during November was Belgium and Denmark, which took 43.7 and 18.3 per cent respectively, smaller quantities having been exported to Germany, Holland, Esthonia, Norway and Finland; oats were exported to Latvia (29.8 per cent), Esthonia (29.2 per cent), and Germany (26.0 per cent). The chief source of wheat supplies was Germany (37.2 per cent), Hungary (36.0 per cent); smaller quantities were received from Sweden (6.9 per cent), Rumania (5.5 per cent), and from the United States of America (5.1 per cent). Russia furnished the bulk of rye imports

\*) 5 — excellent, 4 — good, 3 — moderate, 2 — not bad, 1 — bad.

	Nov. 1st—15th		Nov. 16th—30th		Dec. 1st—15th		Percentage of difference
	₤	\$	₤	\$	₤	\$	
<b>W H E A T :</b>							
Warsaw ... ..	48·79	5·47	49·27	5·52½	50·34	5·64½	+ 2·2
Poznań ... ..	46·79	5·24½	47·10	5·28	47·22	5·29½	+ 0·3
Lwów ... ..	46·39	5·20	47·06	5·27½	48·39	5·42½	+ 2·8
Average price . . . . .	47·32	5·30½	47·80	5·36	48·65	5·45½	+ 1·8
Berlin RMk. ... ..	24·06	5·73	24·32	5·79	23·54	5·60½	- 3·2
Chicago ... ..	—	4·61	—	4·67	—	4·68½	+ 0·3
<b>R Y E :</b>							
Warsaw ... ..	40·10	4·49½	40·50	4·54	39·37	4·41½	- 2·8
Poznań ... ..	38·57	4·32½	39·10	4·38½	39·28	4·40½	+ 0·5
Lwów . . . . .	37·73	4·23	38·40	4·30½	38·94	4·36½	+ 1·4
Average price . . . . .	38·80	4·35	39·33	4·41	39·20	4·39½	- 0·3
Berlin RMk. ... ..	23·50	5·59½	24·07	5·73	23·54	5·60½	- 2·2
Chicago ... ..	—	3·89½	—	4·09	—	4·23	+ 3·4
<b>B A R L E Y :</b>							
a) Brewing:							
Warsaw ... ..	41·75	4·68	41·50	4·65	41·43	4·64½	- 0·2
Poznań ... ..	41·35	4·63½	40·63	4·55½	40·24	4·51	- 1·0
Lwów ... ..	40·54	4·54½	39·06	4·38	39·60	4·44	+ 1·4
Average price . . . . .	41·20	4·62	40·54	4·54½	40·41	4·53	- 0·3
Berlin RMk. ... ..	24·17½	5·75½	24·15	5·75	24·32	5·79	+ 0·7
b) Feeding:							
Warsaw ... ..	38·76	4·34½	38·33	4·30	38—	4·26	- 0·9
Poznań ... ..	34—	3·81	34—	3·81	34—	3·81	—
Lwów ... ..	34·30	3·84½	34·57	3·87½	33·98	3·81	- 1·7
Average price . . . . .	35·68	4—	35·63	3·99½	35·32	3·96	- 0·9
Berlin RMk. ... ..	not quoted	not quoted	not quoted	not quoted	not quoted	not quoted	—
Chicago ... ..	—	3·55½	—	3·83	—	4·06	+ 6·0
<b>O A T S :</b>							
Warsaw ... ..	37·19	4·17	36·89	4·14½	36·93	4·14	+ 0·1
Poznań ... ..	34·08	3·82	33·71	3·78	33·57	3·76½	- 0·4
Lwów ... ..	34·82	3·90½	34·11	3·82½	32·78	3·67½	- 3·9
Average price . . . . .	35·37	3·96½	34·73	3·89½	34·43	3·86	- 0·9
Berlin RMk. ... ..	20·28	4·83	20·70	4·93	20·43	4·86½	- 1·3
Chicago ... ..	—	3·30	—	3·37	—	3·53	+ 4·7

(87·9 per cent), and Germany the rest. Barley was imported from Rumania; as for oats, Germany supplied 80·6 per cent, Rumania and Russia 14·2 per cent and 3·9 per cent respectively.

The increasingly large imports which have been observed of late, have induced the Government to stop imports of wheat and wheat flour, as from December 31, 1927.

At the same time, in order to ensure the building up of grain reserves, an export duty on the above mentioned commodities, amounting to £ 20 per 100 kg. will remain in force, until June

30, 1928. It may be recalled that the export duties on rye and rye flour, amounting to £ 15 per 100 kg., which was introduced on January 18, 1927, continues to be in force.

## BUTTER

— In the latter half of November last there was a strong tendency on the butter market, because, as a result of smaller production, due to the change over from fresh to winter fodder, the supplies decreased considerably. In the

first half of December the tendency was somewhat weaker and the supplies in the main centres of production rose slightly, although they were smaller than the actual requirements; but as in this period a rise in the supplies cannot be anticipated, prices are likely to be maintained at their present levels.

The following statement gives the prices per kg. for the first quality butter, ruling in the first half of December, as compared with those for the latter half of November:

	November 15th—30th		December 1st—15th		Percentages of difference
	₤	\$	₤	\$	
Bydgoszcz	7·30	0·82	7·70	0·87	+ 5·5
Katowice	7·40	0·83	7·40	0·85	0·0
Lublin	7·45	0·84	7·60	0·86	+ 2·0
Lwów	7·50	0·84	7·15	0·80	- 4·7
Warsaw	7·75	0·87	7·70	0·87	- 0·6

Exports of butter in November declined, as compared with the preceding month, and amounted to 585 tons valued at £ 3,600,000 (787 tons in October last). Exports to Germany amounted to 515 tons or about 88 per cent of the total quantity sent abroad; smaller consignments were sent to England and Austria, which took 61 and 6 tons respectively.

## EGGS

— During the latter half of November the tendency on the egg market was firm. Owing to the frosts, production was low and it was very difficult and risky to bring supplies to the market. Therefore limited quantities were on offer and prices rose and the export trade was brought to a standstill.

For the same reasons, the tone of the market continued to be strong in the first half of December. Wholesale dealers regard the export season as terminated. New supplies were scarce and the demand could not be covered. Pickled eggs appeared on the market and owing to the heavy demand, prices showed an upward tendency. The prices of pickled eggs in the latter half of November fluctuated around £ 265 per case of 1.440 eggs, while in the first half of December they reached £ 240—275.

Wholesale prices for fresh eggs in the different local markets were as follows (in £ per case of 1.440 eggs):

	November 15th—30th		December 1st—15th	
	₤	\$	₤	\$
Katowice	290—	to 315—	315—	
Sosnowiec	290—	to 300—	290—	to 315—
Kraków	297—	to 306—	310·8	to 315·2
Lublin	290—	to 320—	310—	to 325—
Tarnów	288—	to 315—	310·8	to 328·6
Warsaw	300—	to 340—	320—	to 340—

Eggs for export fetched \$ 41 per two shallow cases franco frontier station.

The export of eggs in November showed a considerable decline as compared with the preceding month and amounted to 2,751 tons valued at £ 9,952,000 (in October 4,019 tons). Of this quantity over a half (55.9 per cent) was taken by Germany, 15.8 per cent by Austria, 10.2 per cent by Italy, 9.2 by Czechoslovakia, and smaller quantities by Holland and Switzerland.

## SUGAR

**THE ADHERENCE OF POLAND TO THE INTERNATIONAL SUGAR SINDICATE.** — During the war period the production of beet sugar in the European countries and in the United States of America rose considerably. At the same time production of cane sugar in many other countries, principally in Cuba and Java, was also increased.

With the stabilisation of general conditions in Europe after the war, and with the increase of sugar beet production, the world output of sugar rose to such an extent that it exceeded the actual demand, and the resultant excess caused prices to fall on the world market.

The growth of the world production of the two varieties of sugar since the beginning of the war is illustrated below (in tons):

	1913/14	%	1919/20	%
Beet sugar	8,989,900	47.3	3,303,300	21.3
Cane	9,997,200	52.7	12,236,000	78.7
Total:	18,937,100	100.0	15,539,300	100.0

	1922/23	%	1926/27	%
Beet sugar	5,312,400	28.7	7,953,100	33.3
Cane	13,184,700	71.3	15,927,000	66.7
Total:	18,497,100	100.0	23,880,100	100.0

Under these circumstances it became necessary to restrict production in order

to bring about equilibrium between consumption and production; and it is only fair that the output should be reduced in those countries, which contributed materially to overproduction, chief of which is Cuba.

Despite the restriction of output in Cuba during the past three years from 5,000,000 tons in 1924/25 to 4,800,000 tons in 1925/26, and to 4,500,000 tons in 1926/27, prices continued to fall because at the same time production was steadily increasing in Europe.

In this connection the price of sugar in the United States of America, which was 5.2 cents per lb in 1923, fell to 4.2 cents in 1924 and to 2.5 cents in 1926. On the London market the price for white crystal was in 1923 23/- per cwt, 22/- in 1924, 16/- in 1925, and only 13/6 in 1926.

The sugar industry in the different countries suffered considerable losses, and an understanding between exporting countries became absolutely necessary as only thus could equilibrium between output and consumption be brought about. Such an understanding was arrived at in Paris through the initiative of the Cuban Government, and after an exchange of views between the representatives of Cuba and those of Czechoslovakia, Poland and Germany, a preliminary agreement was arrived at, which was subsequently ratified at a conference held in Berlin. A Central Bureau of Research, the object of which is the preparation of accurate statistical returns relative to production and consumption, and the laying down of the principles for further work, has also been founded.

This understanding is of exceedingly great value to all the sugar-producing and exporting countries in the world, and therefore also to Poland.

One of the aims of the new organisation is to protect the exporting countries against losses by keeping prices on foreign markets at levels which are not below those of the cost of production, as well as to reduce the prices of sugar on the internal market of the producing countries.

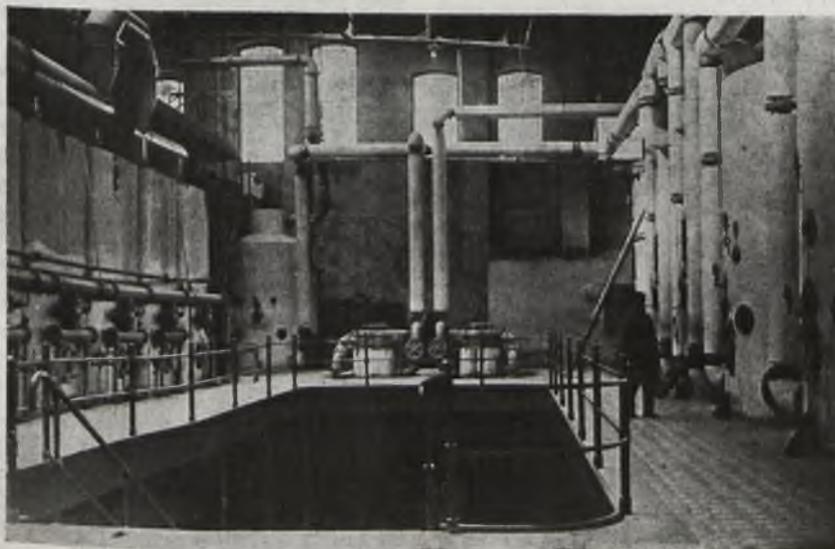
It may be recalled that the present situation is most unsatisfactory because the population which actually manufactures this commodity, pays a higher figure for it than the population of the countries which do not produce sugar at all.

## TIMBER

— A clean cut tendency on the timber market was delayed by the negotiations for the timber convention with Germany, which was signed on November 30th last. In any case the good prospects for the conclusion of this convention had a favourable influence on the raw timber market. Prices for round timber did not fall below the October levels, and, in some of the Eastern and Central Forest Directorates, even showed a slight upward trend. One thing is certain that purchases on a speculative basis were arrested and that the prices for round wood ruling in the Eastern Voievodships were generally regarded as stabilised. In some quarters even a slight decline is anticipated in December.

The prices quoted in October and November in the different Directorates of State Forests were as follows f. o. r. loading station (in £ per cubic metre):

		Oct.	Nov.
pine logs for saw mills (per cubic m.)	Warsaw	59.—	59.—
	Radom	52.—	58.—
	Siedlce	69.—	69.50
	Wilno	45.—	50.—
	Białowieża	46.50	—
	Poznań <sup>1)</sup>	32.—	50.—
	Toruń	45.68	45.40
pine logs for building purposes (per cubic m.)	Siedlce	48.—	48.50
	Białowieża	39.50	—
	Wilno	35.—	40.—
pine pit props (per cubic m.)	Warsaw	30.—	37.—
	Radom	28.—	33.—
	Siedlce	22.—	23.—
	Poznań <sup>1)</sup>	23.60	23.—
	Bydgoszcz	25.51	24.30
	Toruń	27.00	26.90
spruce logs for saw mills (per cubic m.)	Siedlce	45.—	41.50
	Lwów	38.50	40.—
oak logs for joinery (per cubic m.)	Białowieża	110.—	—
	Łuck	135.—	135.—
pulpwood (per stacked cub. m.)	Siedlce	28.50	28.—
	Wilno	25.—	25.—
	Białowieża	27.—	—
pine fire wood (per stacked cub. m.)	Warsaw	14.—	16.—
	Radom	12.—	16.—
	Siedlce	13.—	13.—
	Wilno	8.—	9.50
	Białowieża	13.—	—
	Poznań <sup>1)</sup>	9.40	10.40
spruce fire wood (per stacked cub. m.)	Bydgoszcz	12.90	13.30
	Toruń	10.10	14.90
beech fire wood (per stacked cub. m.)	Lwów	9.—	10.25
	Lwów	13.50	14.—



AN INTERIOR VIEW OF THE KOŚCIAN SUGAR FACTORY, WESTERN POLAND

<sup>1)</sup> Prices for timber affected by the "Panolls flamma".

The export market is dull. The low prices ruling on the English market made business impossible owing to the dearth of round material. Trading with Germany has not commenced as yet. On the whole, the present unsettled state will probably be in evidence during December when it is expected the position on the English market will assume a definite character, and when the decline in prices, which is generally anticipated in Germany, will materialise.

Prices for export material in Danzig were in November as follows (in shillings per cubic metre):

pine logs	55/-	
telegraph poles:		
smaller in length	22/-	to 23/-
bigger " "	30/-	" 31/-
pit props	14/-	" 15/-
sleepers (per piece)	7/10	" 8/-
English deals (per standard)	£ 11.10.0	to 12.0.0
spruce English deals (per standard)	10.0.0	10.10.0

Exports of practically all the more important lines showed a certain falling off during the period under review, which is usual at the beginning of the season, when the timber is not ready for shipment and is still in the forest.

The saw mills have also exhausted their carry over from last year, which has contributed towards the decrease in the export of sawn timber.

Exports of the different lines of timber in November, as compared with the preceding month, were as follows (in tons):

	October	November
pulpwood	111,587	97,382
pit props	86,567	74,683
logs and stems	97,755	76,562
telegraph poles	4,008	5,921
deals, boards, battens	178,028	155,909
sleepers	20,299	19,274
coopers' ware	1,885	2,053

All things considered, there is no prospect of a large increase in exports during the next few months.

**AGREEMENT FOR THE TEMPORARY REGULATION OF THE TIMBER TRADE BETWEEN POLAND AND GERMANY.** — See this issue, page 28.

## COAL

Keener competition on the foreign coal markets, which was evident in November, together with a certain decline in the demand, due to stocks accumulated during the previous months, contributed materially to the decrease of exports

during the period under review. This decline was so considerable that it reduced the total volume of sales despite a marked increase of consumption on the local market. It should also be mentioned that local sales have been steadily increasing during the past few months, and that they reached the highest level of the year during this month. This indicates the improvement, which has of late been noticeable in the different branches of production. It was not only the increased demand on the part of the manufacturing industries, which contributed towards the increase of local sales in the month of November, but also the augmented requirements for house coal, brought about by the weather, which was much colder than last year.

The situation in the Polish coal mining industry in November is illustrated by the following figures (in tons):

Coal mining districts	Extraction	Home consumption	Exports	Stocks at pit heads <sup>1)</sup>
Upper Silesia	2,526,000	1,457,000	805,000	1,029,000
Dąbrowa	680,000	426,000	182,000	336,000
Kraków	230,000	191,000	1,000	78,000
Total for November:	3,436,000	2,074,000	988,000	1,443,000
Total for October: <sup>2)</sup>	3,406,000	2,007,000	1,077,000	1,504,000
+ in relation to October +	30,000	+ 67,000	+ 89,000	- 61,000

It is seen from the above mentioned figures that the output of coal in Poland, during the period under review, rose to 3,436,000 tons, an increase of 30,000 tons or 0.88 per cent over October. Total sales were 3,062,000 tons, a decline of 22,000 tons, or 0.71 per cent less than in October. The stocks on hand dropped in November to 1,443,000 tons, or by 61,000 tons, that is by 4.06 per cent, which was mainly due to writing off the coal, which suffered from spontaneous combustion. As mentioned before, the decrease of sales was the result of the falling off in coal exports; local sales rose slightly by 61,000 tons, or by 3.34 per cent, as compared with October last, and by 149,000 tons, or by 7.74 per cent as compared with the corresponding period of last year. Exports in the same period declined to 988,000 tons, that is by 89,000 tons, or by 8.26 per cent. The different countries to which it was forwarded, are given in the table below (in thousands of tons):

Destination	1925	1926	1927	1928	
	first semester <sup>1)</sup>			October <sup>1)</sup>	November
(monthly averages)					
Austria	194	214	192	300	257
Hungary	36	42	48	74	58
Sweden	—	144	202	216	204
Denmark	2	72	97	129	126
Czechoslovakia	47	41	47	21	79
Latvia	1	18	29	41	36
Yugoslavia	8	14	22	71	21
Switzerland	2	10	19	13	17
Italy	1	49	126	44	39
Rumania	6	8	10	20	10
Lithuania	1	3	6	6	4
Memel	1	3	2	7	4
Holland	—	1	—	—	—
Finland	—	9	9	51	25
France	—	23	16	13	14
Norway	—	7	15	15	30
England	—	37	—	—	—
Germany	451	1	1	1	—
Belgium	—	—	12	—	4
Russia	—	—	6	—	—
Other countries	—	1	6	—	5
Total:	750	697	865	1,022	933
Danzig	26	37	27	35	38
Bunker coal	—	38	15	20	17
Total:	776	772	907	1,077	988
Export, Germany not included	325	771	906	1,076	988
Shipped through:					
Danzig	29	225	314	385	366
Gdynia	—	30	54	94	92
Tezew	—	5 <sup>1)</sup>	11	16	10

These data indicate that there was a substantial falling off as regards Yugoslavia (by 50,000 tons, or by 70.42 per cent). This is explained by the fact that the Hungarian importers directed certain shipments of Polish coal to the Yugoslavian harbours, particularly during October, in order to benefit by the reduced railway rates. The volume of coal exports during the same period declined by 43,000 tons or by 14.33 per cent, which is apparently attributable to substantial stocks having been made during October. In addition, a comparatively large falling off was recorded in shipment to Finland (by 26,000 tons, or by 50.98 per cent). It should be stated that in October, that is prior to the freezing up of the Finnish ports, Polish coal exports to that country rose very considerably, reaching 51,000 tons. Comparatively large declines were also reported with regard to the following countries: Hungary (by 16,000 tons, or 21.62 per cent), Sweden (by 12,000 tons, or 5.56 per cent), Rumania (by 10,000 tons, or 100 per cent), Latvia (by 5,000 tons), Italy (by 5,000 tons), Denmark and Memel (by 3,000 tons each) and also Lithuania and Germany. On the other hand, an increase was recorded in the case of the following countries: Czecho-

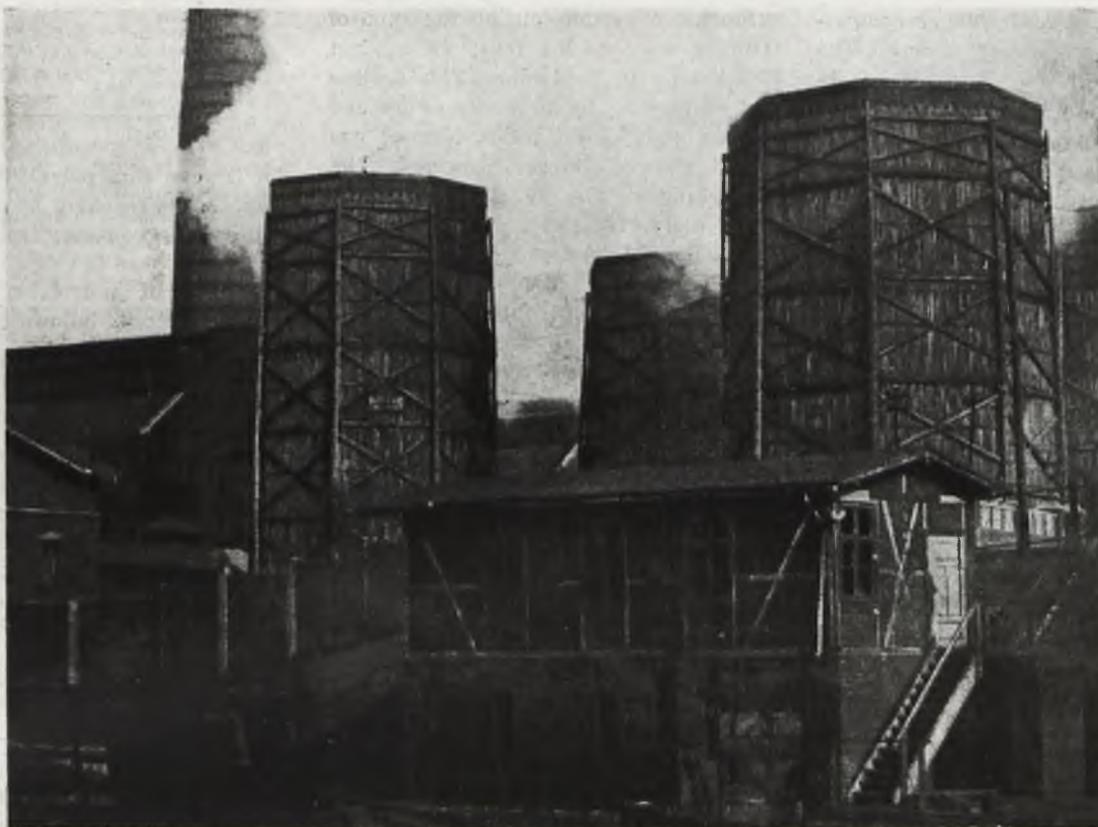
<sup>1)</sup> Corrected figures.

<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 to 221,000 tons.

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

<sup>1)</sup> After deduction of the coal utilised by the mines themselves, for workmen and after correcting the stock on hand.

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



POWER STATION AT THE CHORZÓW STATE CHEMICAL FACTORY (PHOT. S. PLATER)

slovakia (by 58.000 tons, or by 276.19 per cent), Norway (by 15.000 tons, or by 100 per cent), Switzerland and Belgium (by 4.000 tons each), Danzig (by 3.000 tons) and France.

Of the total exports of coal effected in November, the Scandinavian and Baltic countries absorbed 467.000 tons or 47.27 per cent, a decrease of 33.000 tons or 6.60 per cent, as compared with the preceding month; the Austrian succession States — 394.000 tons, or 39.88 per cent (a decrease of 1.000 tons, or 0.25 per cent as compared with a month earlier); the remaining countries were responsible for 127.000 tons, or 12.85 per cent (including bunker coal), which was less by 55.000 tons or 30.22 per cent than in the preceding month.

The volume of exports directed through the Polish ports, which amounted to 468.000 tons also declined by 27.000 tons, or by 5.45 per cent. These consignments represented 47.37 per cent of the aggregate coal exports, as against 45.96 per cent in October. Exports through Danzig amounted to 366.000 tons, a decline of 19.000 tons, i. e., 4.9 per cent less than a month earlier; via Gdynia to 92.000 tons, a decline of 2.000 tons, i. e., 2.13 per cent, and via Tczew to 10.000 tons, a decline of

6.000 tons, i. e., 37.50 per cent. In view of the decline in exports, the number of "idle days" in November rose slightly during the first three weeks of the month (from 3 per cent to 3.90 per cent); an improvement in this respect took place towards the end of the month when the ratio declined to about 2.10 per cent.

In connection with the increase in the local demand, the number of workmen rose by 868 as compared with the preceding month and was 112,840. During November the average output per workman rose further by 24 kg. as compared with the preceding month and amounted to 1.258 kg. Compared with the pre-war standard (1913), the output per workman and per day rose by 10.01 per cent.

After lengthy negotiations, an agreement was signed between the coal owners and the employees in the Dąbrowa and Kraków coal fields. According to this agreement, the wages were increased by 8 per cent, as from the 1st of October.

The average daily wage for a workman in a team together with supplements in kind and extra pay, according to provisional data, rose to  $\text{zł}$  8.74.

Prices of coal on the internal markets as well as those ruling on the markets

covered by the coal convention (Austria, Hungary, Czechoslovakia), were maintained at their previous level. Export prices f. o. b. Danzig also remained unchanged. In connection with the increased competition evident on foreign markets quotations show a certain weakness.

Railway rates for coal transports directed to Danzig, Gdynia and Tczew are further reduced by  $\text{zł}$  0.50 per ton, as from the 15th of December. They are  $\text{zł}$  7.20 per ton to Danzig and Gdynia and  $\text{zł}$  6.50 to Tczew.

## PETROLEUM

According to provisional data, the output of crude oil in Poland in November was as follows (in tons):

Drohobycz district	51.200
Jasło	6.180
Stanisławów	3.330
Total:	60.710

Compared with the preceding month, when the output was 61.795 tons, this represents a decline of about 1.000 tons, due to the smaller number of working days. At Borysław, the most important petroleum field, the extraction of crude oil was about 43.600 tons, a

decrease of about 9.600 tons as compared with the preceding month. The average daily output of crude oil in the area amounted to 1.450 tons (in October 1.460 tons, in September 1.475 tons) this decline is attributable to a certain falling off in drilling and to the non-completion of new wells of importance.

The wages of the men engaged in the petroleum industry remained unchanged during the period under review. There was a strike in one of the smaller petroleum companies in the Jasło district, due to the non-payment of wages, and also in the ozokerite mines in the Borysław area.

The situation on the crude petroleum market in November was dull owing to the centralisation of purchases in the hands of the newly established petroleum syndicate. A ten-ton tank wagon of the Borysław standard crude was obtainable at about \$ 210. On the petroleum products markets a certain improvement was noticeable. After the conclusion of the price convention between the chief refineries and after the establishment of the Syndicate, the keen competition which had a most damaging effect on the prices on the local market has been removed. The conditions of the foreign petroleum markets were characterised by seasonal increase in the demand for petroleum. Prices were a shade better, mainly due to the increase of values on the Rumanian market.

There was a big demand for paraffine wax, which is attributable to the considerable difference between Polish and American figures for this commodity.

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

Drohobycz district	52.092
Jasło	6.371
Stanisławów	3.332
<b>Total:</b>	<b>61.795</b>

It will be seen that, compared with the preceding month, when the extraction of this mineral amounted to 60.161 tons, there was an increase during the period under review of 1.634 tons. Of this amount 45.267 tons or 74 per cent of the total extraction was furnished by the Borysław area. The average daily output in Borysław amounted to 1.460 tons (in September 1.475 tons, in August 1.480 tons). The number of workmen in the petroleum industry of Poland (together with subsidiary plants, gas-works, electrical power stations), at the end of October was:

Drohobycz district	8.246
Jasło	2.322
Stanisławów	1.340
<b>Total:</b>	<b>11.908</b>

Stocks of crude oil at the end of October were 58.364 tons, as against 67.256 tons in September. This decline is accounted for by an increased demand on the part of refineries. Natural gas output showed further progress. The throughput of the 19 gasoline works (17 at Borysław and 2 at Bitków) was 21,791.000 cubic metres against 21,324.000 cubic metres in September, which gave 2.444 tons of gasoline compared with 2.272 tons in September. Local sales amounted to 2.186 tons, and foreign — to 90 tons (Austria 70 tons, Switzerland 10 tons, Czechoslovakia 10 tons). There were 185 men engaged in the gasoline works. The situation in this industry was favourable; prices for gasoline reached from \$ 500 to \$ 520 per 10-ton tank wagon (in September \$ 450).

The extraction of ozokerite at the two mines, located in Borysław and Dźwiniacz, was 57 tons as against 50 tons in the preceding month. The demand rose considerably, due mainly to the opening of the season for this commodity. The situation, however, as regards future orders, is somewhat depressed as those in hand are nearing completion and new ones are not forthcoming. The stocks of ozokerite at the end of October were 188 tons which was less than in September. Prices remained unchanged. The number of men engaged in the production of this mineral was 386 as against 414 in September.

The position in the refining industry in October is illustrated by the following table (in tons):

throughput of crude oil	55.527
output of petroleum products	49.954
home consumption	42.157
exports	19.651
stocks on October 31st	165.250
number of workmen employed in refineries	5.012

The throughput in crude oil in the second half of 1927 was practically the same as the monthly average for the first half of 1927 (55.673). Of this amount the State Petroleum Refinery worked up 10.091 tons or about 18 per cent of the total Polish throughput. It is interesting to note that local consumption was much larger than in the corresponding period of 1926 (35.318 tons) and average monthly consumption for the second half of 1926 (30.364 tons).

Export of petroleum products has been maintained since May at the level of about 20.000 tons, which is in keeping with the decline of the output of crude oil and an increase of local consumption.

The sales of petroleum products in the local market were as follows (in tons):

benzine	5.375
petroleum	19.954
gas oil	4.411
lubricating oil	6.786
paraffine wax	3.301
other products	2.330
<b>Total:</b>	<b>42.157</b>

It is seen that petroleum for burning purposes represented about 50 per cent of the total consumption of petroleum products.

Exports of petroleum products in October were as follows (in tons):

benzine	4.692
petroleum	4.678
gas oil	3.604
lubricating oil	2.457
paraffine wax	2.128
other products	2.095
<b>Total:</b>	<b>19.654</b>

The distribution of exports according to the destination is given below (in tons):

Czechoslovakia	9.058
Austria	2.147
Germany	1.516
Switzerland	886
Other countries	2.943
	16.550
Danzig	3.104
<b>Total:</b>	<b>19.654</b>

Stocks on hand on the 31st of October declined as compared with the preceding month (174.921 tons), which is a normal occurrence at this time of the year, and were as follows (in tons):

benzine	14.686
petroleum	25.029
gas oil	13.371
lubricating oil	27.187
paraffine wax	6.614
other products	78.003
<b>Total:</b>	<b>165.250</b>

**POLISH PETROLEUM SYNDICATE.** — As mentioned in these pages\*), the petroleum industrialists concluded a cartel agreement on November 11, 1927, which "Polmin" (Polish State Petroleum Company), the largest petroleum refinery in Poland, was to join upon the approval of the Minister of Industry and Commerce. The Minister made his approval dependent upon the acceptance of the conditions which he communicated to the industrialists at an assembly on November 26. On December 10, the industrialists accepted these conditions, and therefore "Polmin" joined the Cartel.

As a result, the Cartel has become a complete organisation of the petroleum industry in Poland, which is an important achievement in view of the crisis, through which this industry is passing. The crisis is caused by the slow but steady exhaustion of the Borysław field; the individual prospecting work for new fields is not sufficient, and is declining from lack of capital, which in turn is due to the low prices on the international petroleum market.

By the agreement signed on November 11, the industrialists planned a cartel organisation embracing solely the home

\*) See "The Polish Economist" No. 12/1927, page 493.

trade and thus regulating the quotas to the various internal markets and fixing their price. The agreement was to be binding only to April 30, 1929, though an earlier breaking up was possible in the event of the withdrawal of one of the firms. For paraffine wax alone there was established a method of combined sales, but only on the home market. By a separate agreement dealing with the combined purchase and distribution of crude oil, the existence of pure refineries was, to a certain extent, assured.

The conditions put forward by the Government and at present accepted change the character of the Cartel. They are the following:

1) In the first place, the duration of the agreement has been prolonged to 5 years, until April 30, 1933, without the right of earlier withdrawal.

2) The fixed quotas have been retained for the duration of the previous agreement, until April 30, 1929, after which date there will be introduced a sliding scale based on the actual production of petroleum products, in which the maximum quota will be founded on the present production capacity of the different refineries. "Polmin" has been guaranteed a quota which may not fall lower than 18 per cent of the total for the whole country. The crude oil agreement will also be prolonged to April 30, 1933, and the decision of the Minister of Industry and Commerce will be binding in cases of dispute between the refineries regarding crude oil distribution.

3) Both home and foreign sales must be centralised in the Central Sales Office, and since home sales of paraffine wax are already so arranged, the foreign sales thereof must be centralised within three months. As regards other products, the plan for the centralisation of their sales must be submitted to the Minister of Industry and Commerce before March 1, 1928, and come into force before August 15, 1928.

4) One of the main tasks of the Central Sales Office will be to increase the consumption of petroleum products by the country people, in particular kerosene and petrol, and specially in the Eastern part of the Republic.

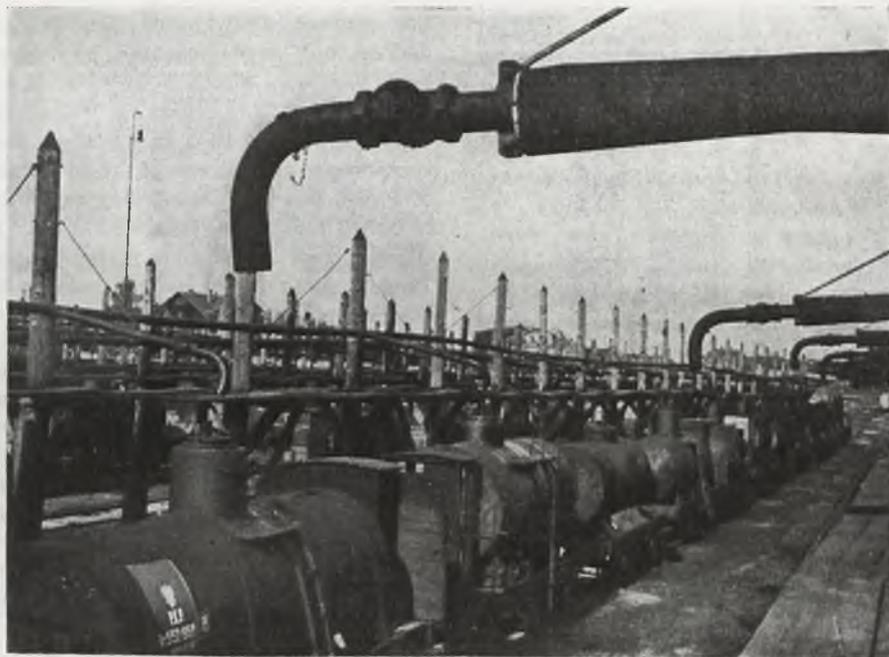
5) The industrialists have agreed to subscribe yearly a sum of from £ 3 to 4 million for the purpose of prospecting work; the plan of the organisation of this work must be submitted before January 31, 1928—and before April 15, 1928, the organisation must be set in motion.

6) The right of veto, as regards home market prices, has been given to "Polmin".

7) In order to ensure that all the conditions of the agreement be held to, the Minister of Industry and Commerce has the right to appoint a permanent Government Controller at the expense of the Syndicate.

In any case of breach of conditions, "Polmin" has the right of withdrawal from the Syndicate.

This organisation will make the search for new fields possible, and thereby



PETROLEUM TANK WAGGONS AT DROHOBYCZ STATION  
(PHOT. S. PLATER)

increase production to a point permitting the economic working of refineries and the lowering of the cost of production. By the organisation of home and foreign sales, overhead costs should fall, and better prices be quoted on the international markets. For these reasons and on account of the increase in home sales, internal prices should become lower.

## IRON

— The situation in the iron foundry industry in November remained unchanged. November and December are usually the months in the course of which the seasonal autumn orders are completed and orders for the spring requirements are not yet planned; for this reason the two months are generally quieter than all the others. This does not mean, however, that the situation should be regarded as being depressed.

This year was no exception to this rule; the output figures are somewhat lower, particularly in the case of pig iron, although the number of blast furnaces in operation was the same as in the preceding month. The decline, however, had no adverse effect on the iron mines, which worked throughout the month at the same rate as before, and their number even increased slightly.

The extraction, exports and imports of iron ores were as follows (in tons):

		Extraction	Imports	Exports
4th quarter	1926	23,373	23,977	7,612
1st	1927	38,723	47,240	5,368
2nd	"	40,961	58,815	7,415
3rd	"	46,532	69,145	7,809
October	"	51,718 <sup>1)</sup>	57,653	6,857 <sup>1)</sup>
November	"	52,211 <sup>2)</sup>	57,789	8,800 <sup>2)</sup>
November	1926	34,529	57,816	9,492

It is seen from these figures that the output of ores in November rose by 493 tons or by 0.96 per cent, as compared with the preceding month. The increase in the production of the mineral, which amounted to 8.4 per cent in October as compared with September, was thus reduced very considerably. These figures, however, indicate that there is a steady increase in the production of ores, which is confirmed by a comparison of the average monthly output for the first quarter with the November figure, which shows an increase of 13,488 tons or 34.8 per cent. The aggregate production of iron ores during the eleven months amounted to 482,585 tons as against 283,660 tons in the corresponding period of last year, the increase amounting to 70 per cent.

In November there were 30 mines in operation, of which 27 were productive, the latter number showing an increase of 2. The remaining 3 mines were being prepared for work. The undermentioned statement illustrates the work of the mines during the last 6 months. The figures in respect of workmen employed represent only those actually engaged in the productive mines:

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

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

	Number of mines:	Number of workmen:	Output per workman per month (in tons)
June	927	26	23
July	"	27	24
August	"	28	26
September	"	28	26
October	"	28	25
November	"	30	27

	operated	productive	total	employed in iron ore production	Output per workman per month (in tons)
June	26	23	6.593	6.504	6.43
July	27	24	6.388	6.310	7.33
August	28	26	6.190	6.168	7.41
September	28	26	6.107	6.076	7.88
October	28	25	6.182	6.095	8.48
November	30	27	6.718	6.689	6.82

It will be seen that the average quantity raised by one workman in November declined by 7.8 per cent, as compared with a month earlier. This decline is attributable to the smaller number of working days (by one), as well as to the preparation work at the newly opened mines not being sufficiently advanced for profitable employment of the excessively large number of men taken on.

The work at the iron foundries was pursued under normal conditions. All hands were fully employed and the plants were operated at almost maximum capacity. The output for the past two months as compared with the average monthly for the 4th quarter, 1926, and those for the first 3 quarters, 1927, and the corresponding period of 1926, are given below (in tons):

	Pig iron	Steel ingots	Rolled products <sup>1)</sup>	Number of workmen employed
4th quarter 1926	33,375	87,669	63,656	38,483
1st " 1927	44,207	102,356	72,276	41,179
2nd " "	47,546	98,876	70,988	43,406
3rd " "	55,719	109,313	82,968	45,869
October "	62,595	104,418	87,626	45,769
November "	55,593	160,205	86,126	45,804
November 1926	33,037	93,868	67,480	39,694

These figures indicate that the output of pig iron and rolled products declined in November, while that of steel rose as compared with the preceding month. The decline in the output of pig iron amounted to 7,000 tons or 11.2 per cent. But nevertheless it was higher than the average monthly for the first half of the year, and by about 68 per cent larger than in November last year. The above mentioned decrease of 11.2 per cent was due to the smaller number of working days in the month, as well as to one blast furnace being put out to be repaired. The output of steel rose by 1,787 tons, or by 1.7 per cent. The output of rolled products declined by 1,500 tons. If, however, allowance be made for the difference between the number of working days in October and November, it will be found that

the average daily production did not decline, but even increased by 1.6 per cent.

The inflow of orders in November was less marked than in October and, according to the returns of the Syndicate of Polish Iron Foundries, they amounted to 32,943 tons, as against 43,670 tons in October and 35,000 tons in September. These figures do not include indents for pig iron, piping and own consumption of the foundries. Privately placed orders amounted to 27,962 tons, as against 34,240 tons. Government's orders during the same period were 4,981 tons and 9,430 tons. Of the orders received from private interests, 18,760 tons were from the wholesale dealers and 9,202 tons from industry. These figures show that indents originating in industry and commerce declined by 22.4 per cent, which is due to seasonal factors.

There is a sufficient supply of raw materials for the foundries, but imports of ores declined considerably on account of the difficulty of transporting the mineral from Sweden and Russia, owing to the frost. Imports of ores in November amounted to 57,789 tons, as against 57,653 tons in October and 70,481 tons in September. There are still fairly large stocks of scrap iron at the foundries, but as the production of steel increased considerably, the reserves are getting low with the result that the central scrap iron purchasing office is now in the market. Imports of this material amounted to 14,490 tons in November, as against 43,071 tons in October and 28,031 tons in September. Exports of foundry products declined

slightly as compared with the preceding month, but they were higher than in September. Imports and exports were as follows (in tons):

	Exports:			Imports:		
	Oct. 1927	November: 1927	1926	Oct. 1927	November: 1927	1926
pig iron	1,318	905	1,875	855	627	565
rails, iron and steel articles	5,355	4,297	4,494	2,166	1,070	661
iron and steel sheets	5,307	4,896	4,379	455	856	602
pipes	3,961	3,551	2,826	206	168	215

It is seen that the total exports of iron products in November amounted to 13,649 tons, as against 15,941 tons in October, the decline being 2,292 tons or 14.4 per cent.

The table given below shows the total exports (in tons), their gross value (in thousands of gold fr.), and the average price per ton (in gold fr.), for the different periods:

	Weight	Value	Average value per ton
4th quarter 1926	36,986	9,231	250
1st " 1927	44,526	10,789	242
2nd " "	36,866	9,552	259
3rd " "	35,509	10,468	316
October "	15,941	4,573	287
November "	13,649	4,000	293

Prices for foundry products remained unchanged during the period under review.

**SYNDICATE OF POLISH IRON FOUNDRIES.** — Certain foreign newspapers have published information to the effect that the members of the Syndicate of Polish Iron Foundries, since they could not come to an agreement on account of the excessive demands



THE PEACE FOUNDRY, UP. SILESIA (PHOT. S. PLATER)

<sup>1)</sup> Pipes not included.

of the Peace and Bismarck foundries, gave up their intention of including exports and so-called own consumption of the foundries in the Syndicate quotas, and, therefore, the Syndicate was prolonged only up to the end of June, 1928, instead of for 5 years.

This information is incorrect.

The Syndicate of Polish Iron Foundries has, for some time, been deliberating on the formation of a Great Syndicate, enlarged so as to include all rolled products, not excepting exports and own consumption (as own consumption is understood the iron products utilised by works in which the producer has a financial holding not less than 45 per cent or *vice-versa*).

Such a transformation of the Syndicate's organisation, influencing as it would in various ways the development of a number of its members' work, requires considerable time for the completion of the preparatory work, and it could not be finished for the end of December when the Syndicate agreement expires. In order that the work should not be left incomplete, the life of the present Syndicate has been prolonged to July 1, 1928. The value of such a great syndicate is well known and therefore there is no fundamental disagreement between the member companies regarding its formation.

For the present a special committee has been appointed for the object of drawing up a draft agreement which would take into account the desires of each separate foundry.

**ADHERENCE OF POLISH FOUNDRIES TO THE PIPE CARTEL.**

The Polish foundries which manufacture pipes decided on the 10th of last month to join the International Pipe Cartel (so-called "Abise"). The final discussions were held in Paris on November 7, 8 and 9, and the agreements were finally signed in Berlin on November 21st last.

The Cartel, which was founded in August of 1926, embraces the pipe works of Germany, Czechoslovakia, France and Belgium, the Bismarck foundry in Upper Silesia and Manfred Weiss of Budapest. The foundries are divided into groups A, B, C, D and E, whence the name "Abise". The Polish foundries having now joined the Cartel form a separate Polish group, the conditions of which differ from the normal admission requirements for new members. The demand of the Polish foundries for their home market to be guaranteed and for the establishment of an unvarying export quota, independent of the total of home sales, was accepted. The other conditions for admission are as follows:

The Cartel regulates the prices and conditions of sale on the different markets uniformly for all the members. The agents for deciding the prices and conditions of sale are the offices in Prague — for Austria, Yougoslavia and Rumania, and those in Düsseldorf — for all the remaining markets.

The Polish foundries are to elect their representatives who will co-operate in the work of the offices in Prague and Düsseldorf.

The principle of territorial protection is established by the fact that no

member of the Cartel may sell its products in a country which is a member and manufactures pipes.

Quotas for a number of countries to which Poland has been exporting pipes, have been assigned. The quotas calculated on the basis of the export during the first 10 months of 1927, are guaranteed, and if the quotas are not exhausted in the time foreseen, the balance may be exported during the next period. The export quota for Poland is fixed, and may not be changed in proportion to the increase or decrease of the quotas for other countries.

The agreement is valid until March 31, 1930; it may be cancelled by the Polish foundries after six months, if during that period their exports are less than the amount assigned. Should there, however, be no cancellation during that time, then the agreement becomes definitely binding.

In accordance with the Cartel agreement, the foundries: Bismarck, United Royal and Laura, Towarzystwo Sosnowieckich Fabryk Rur i Żelaza and Huta Bankowa, proceeded to come to a mutual understanding, which resulted in the foundation of a home Syndicate, with a central office in Katowice.

**ZINC AND LEAD**

— The month of November did not see any considerable changes in the zinc and lead industry. Both the smelting works and ore mines worked under favourable conditions finding ready buyers for their products. The output of zinc and lead ore in its natural and enriched state, as well as the imports of foreign ores, are given below (in tons):

	Extraction:		Imports:	
	ores gross amount	enriched ores	zinc ores	lead ores
2nd sem. 1926	93,348	36,262	10,940	1,216
1st quart. 1927	88,500	31,760	14,668	1,096
2nd "	74,083	26,335	17,016	1,221
3rd "	91,818	83,060	18,493	1,466
October "	97,394 <sup>1)</sup>	35,100 <sup>1)</sup>	16,357	1,813
November "	93,537 <sup>2)</sup>	33,700 <sup>2)</sup>	12,368	1,466
November 1926	83,905	35,000	16,008	1,664

The output of the enriched ore declined by 3.857 tons or by 3.96 per cent as compared with October. This decline is solely due to the smaller number of working days. The ratio of locally extracted ores to those imported was in November 2:43, in October 1:94, in September 2:32, in August 1:47. If, however, the average daily extraction of zinc and lead ores in the current year is calculated, the following figures will be obtained (in tons):

1st quarter 1927	3,539
2nd "	3,154
3rd "	3,554
October "	3,746
November "	3,741

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

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

These figures indicate that despite certain fluctuations the average daily output has an upward trend. During the period under review there were 12 mines in operation, of which 10 were producing. Among the 10 mines — 1 was newly opened. The remaining two mines carried out preparation work. The undermentioned table illustrates the work at the mines, the column relating to the number of workmen employed including only those engaged at productive mines:

	Number of mines:		Number of workmen:		Output per workman per month (in tons)
	operated	producing	total	at producing mines	
1st quarter 1927	12	9	8,054	7,335	12.1
2nd "	12	9	7,842	6,718	11.6
3rd "	12	9	7,670	7,285	12.6
October "	12	9	7,696	7,467	13.1
November "	12	10	7,636	7,442	12.6

The above figures indicate that there is a slight increase, during the current year, in the workmen's efficiency, although a slight falling off in this respect was recorded in the course of the last month. The works treating ore for conversion into zinc oxide carried on as before; this industry employs 132 workmen. The output of zinc oxide during the past few months was as follows (in tons):

	Output (in tons)	Number of workmen employed
August 1927	450	138
September "	470	132
October "	380	130
November "	430 <sup>1)</sup>	132

The zinc and lead smelting works operated under favourable conditions and maintained their output at the same level as in the preceding month.

The differences, which were evident in the output figures for November and those for the previous month, may be put down to normal fluctuations, due to the varying content of metal in the ore. The table below gives the output of zinc and lead products (in tons):

	Output of:			Number of workmen employed
	raw zinc	zinc sheets	raw lead	
2nd sem. 1926	10,726	995	2,275	11,958
1st quarter 1927	11,612	1,101	2,610	12,294
2nd "	12,569	1,315	2,347	12,711
3rd "	12,888	1,474	2,248	12,973
October "	13,169 <sup>1)</sup>	1,479 <sup>1)</sup>	2,118 <sup>1)</sup>	12,749 <sup>1)</sup>
November "	12,760 <sup>2)</sup>	1,319 <sup>2)</sup>	2,580 <sup>2)</sup>	12,838 <sup>2)</sup>
November 1926	11,050	928	2,606	12,126

The output of raw zinc in November declined by 3 per cent as compared with the preceding month, but the average daily output was unchanged

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

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

at 425 tons. Compared with November 1926, the output was higher by 15.5 per cent. The production of zinc sheets fell by 160 tons, or by 10.8 per cent, but was larger, by 42.3 per cent, when compared with November of last year. The output of lead has been on the decrease this year, but rose by 21.8 per cent in November for the first time. Compared with the corresponding period of last year, there was a decline amounting to 1 per cent. In November 13 works were engaged in the production of zinc, 4 in zinc sheets, and 2 in the manufacture of lead.

One of the oldest and least efficient smelting works of the Giesche concern was closed down. The workmen were transferred to other plants of the Company, which increased their staff by 400.

Similarly as in previous months, the sales of zinc and lead, though large, were not very profitable, owing to unsatisfactory prices.

A certain improvement was reported at the end of the month; prices of zinc rose in November by about 7/6 to £ 26.10.0. The average price of lead was in November £ 21.0.0, and during the month the price advanced by £ 1.5.0.

Exports of zinc sheets and lead in November and in the preceding month are given below (in tons):

	Raw zinc dust incl.	Zinc sheets	Refined lead	Value of exports (in thous. of gold francs)
1st quarter 1927	9,516	834	1,631	9,583
2nd "	11,041	923	1,822	10,103
3rd "	12,408	1,110	1,197	10,086
October	12,100	1,081	994	10,130
November "	11,209	1,046	823	9,365
November 1926	10,832	989	1,147	10,465

Exports of zinc and lead products in November declined as compared with the preceding month, the decreases being 7.4 per cent for raw zinc, 3.2 per cent for zinc sheets, and 17.2 per cent for lead.

In point of value, the exports of these products effected in November declined by 10.5 per cent.

## CHEMICAL INDUSTRY

**FORMATION OF THE SULPHURIC ACID SYNDICATE.** — Negotiations were recently concluded and a Syndicate agreement signed regarding the sale of sulphuric acid. The following concerns have joined the syndicate: the Henckel von Donnersmarck Beuthen Estates Ltd. Giesche Ltd., Hohenlohe Ltd., and the Silesian Mining and Zinc Smelting Ltd. The Syndicate is not a new

institution, as it formerly existed in Breslau, but since it has been transferred to Katowice, the sales quotas have been revised and a new agreement drawn up; thus, on the Upper Silesian territory, it is a new organisation. Mr. Brooks, General Manager of Messrs. Giesche Ltd., has been elected as chairman of the Syndicate.

## VARIOUS

### THE ADVANCEMENT OF HORSE BREEDING IN POLAND.

— Conditions in Poland are favourable for the development of horse breeding. The soil and climate are very suitable, and therefore the Polish horse has become an animal of great strength, agility, speed and resistance; also the rural population has a great liking for, and displays considerable skill in horse breeding. Having these natural conditions, it only remains to agree upon the proper methods of breeding, put them into operation and supply the right stock for propagation.

Action of this kind, if it is to spread over the whole country, cannot be carried out by a private organisation alone; it must have Government support. In Poland the leadership of the movement is centred in the Department of Horse Breeding of the Ministry of Agriculture, which includes the two Divisions—of Stud Farms and Horse Breeding. The work of the Department embraces: 1) supply of stallions to the population; 2) supply of studs with new stallions; 3) breeding thoroughbreds at studs and colt farms; 4) organisation of new breeding stations and the development of those in existence; 5) management of estates belonging to the Department; 6) action in private man's breeding; 7) drafting and carrying out of new laws; 8) economic policy in the field of horse breeding.

The State horse breeding stations are composed of stallion stations, stud farms and colt farms. There are 8 stallion stations in Poland: in Bogusławice, 135 stallions; in Drogomyśl, 167 stallions; in Gniezno, 242 stallions; in Janów Podlaski, 190 stallions; in Łąck, 111 stallions; in Sądowa Wisznia, 149 stallions; in Sieraków, 157 stallions; in Starogard, 143 stallions. Altogether there were, at the end of 1926, 1,304 stallions, as follows:

English thoroughbred	203
" half-breed	715
Arab thoroughbred	52
" half-breed	168
Anglo-Arab	4
Lippiza	34
Hucul	23
Anglo-Norman	7
Holstein	2
Hannover	14
Oldenburg	20
Frisian	3
Norwegian	1
Norfolk-Bretagne	42
Percheron	3
Boulogne	1
Rhine-Belgian	12
Total:	1,304

96 stallions died during 1926: 56 English half-breed, 14 English thoroughbred, 8 Arab half-breed, 8 Oldenburg, 3 Hanno-

ver, 3 Norfolk-Bretagne, 2 Lippiza, 1 Anglo-Arab, 1 Rhine-Belgian.

During the same period, the stud farms at Janów Podlaski produced 5 stallions, at Kozienice — 2 stallions, and the colt farm at Janów — 9 stallion colts. In addition there were purchased, in 1926, 83 stallions and 12 mares, of which number 67 were bought at home, and the rest abroad by way of reparation payments from Germany. The following breeds were bought:

	In Poland;		Abroad:		Total:	
	stallions	stallions	mares	stallions	mares	
English thoroughbred	5	5	—	10	—	—
" half-breed	49	11	—	60	—	—
Arab thoroughbred	2	—	—	2	—	—
" half-breed	7	—	—	7	—	—
Hucul	2	—	—	2	—	—
Holstein	—	—	3	—	3	—
Hannover	1	—	9	1	9	—
Norfolk-Bretagne	1	—	—	1	—	—
Total:	67	16	12	83	12	—

In 1926 the Department of Horse Breeding supplied to farmers 1,259 stallions, which covered 45,357 mares. Of this number, 27,379 mares, or about 60 per cent, belonged to small holders, and 17,978, or about 40 per cent, were the property of large estate owners. In comparison with 1925, 1,780 more mares were covered, and the total number of stallions leased or at stations, increased by 3.

The breeding and rearing of horses is carried on at Janów Podlaski and Kozienice, and in the latter only English thoroughbreds are reared.

One of the most important tasks of the Kozienice stud farm is to arrange for the covering of thoroughbred mares, belonging to private breeders, by the best stallions in the country. In 1926 at Kozienice 91 privately-owned thoroughbred English mares were covered. At the end of 1926, the number of horses in the State stud farms was 136 mares, 10 stallions, and 136 colts. The breeds were as follows:

	Stallions	Mares	Colts
English thoroughbred	5	29	35
" half-breed	2	34	51
Arab thoroughbred	2	20	21
" half-breed	1	32	17
Anglo-Arab	—	1	—
Hannover	—	9	—
Holstein	—	3	—
Hucul	—	8	12
Total:	10	136	136

During 1926 the State stud farms produced 57 colts of which 17 were thoroughbred English, 16 half-breed English, 10 thoroughbred Arab, 9 half-breed Arab and 5 Hucul.

Besides the stud farm, there is at Janów a colt farm, which contains colts purchased from breeders and which after careful rearing will be passed on to the studs. At the end of 1926 the colt farm had 25 colt stallions.

In 1926 the State stud farms were further extended at an expenditure of £ 167,000. The work in connection with the organisation of a stud farm at Samborzec (Sandomierz district), to which



A HORSE BREEDING FARM IN WESTERN POLAND  
(PHOT. I. PUCINSKI)

the Arab thoroughbreds will be moved, was continued.

The plan of the further development of stud farms in 1927 was drafted, and the necessary credits therefor received. The duties of the Department of Horse

Breeding, as regards private breeders, are as follows: 1) licencing of stallions, 2) registration of mares, 3) organisation of shows, and 4) co-operation with the Ministry of War.

The licencing of stallions in 1926 was

carried out more efficiently than in the preceding year. The work of the qualification commissions was satisfactory, which is proved by the fact that only 7 reclamations were made by private breeders. The 23 qualification commissions examined 181,554 stallions, qualifying and licencing 10,788 for breeding purposes.

The registration of breeding mares has begun in certain districts, but since this work is much more complicated it cannot be rapidly developed.

In 1926, a large cavalry horse show was held at Lwów, and about 40 smaller shows were organised throughout the country. The results of these shows proved that they encouraged horse breeding, influencing the adoption of proper rearing methods and the right type of horse; also the state and trend of private breeding could be ascertained. The Ministry of Agriculture paid special attention to the cavalry horse classes, for which 25 per cent of the prizes was allotted.

The Department of Horse Breeding has to draft and carry out laws, and on the basis of those previously issued, it controlled Polish Racing Associations and their activities.

In 1926, a decree was issued concerning the official publication of a register of thoroughbred Arab horses. Decrees for the official publication of registers of thoroughbred and good half-breed English horses have been printed before.

The work of the Department of Horse Breeding is, needless to say, for the purpose of developing the Polish horse to a point where horses of Polish origin will cover local needs and will be sought for on foreign markets.

In 1925, the number of horses sent abroad was 33,107, while in 1926 the corresponding figure was 48,688, or 47 per cent greater.

**MOVEMENT OF PRICES IN NOVEMBER.** — During this month the trade turnover in many branches of production was livelier in view of the approach of Christmas. Activity would have been greater, were it not for the tightness of money, which hampered the discount of bills of exchange; conditions, however, were not worse in this respect. A further hindrance as regards the money market was the continued delay of the farmers in realising their crops and, therefore, the limiting of their expenditure for industrial products to the minimum.

Prices, on the whole, did not show upward tendency; only in certain groups which were influenced by special circumstances they rose slightly. The following statement shows the movement of price indexes (1914=100):

	Wholesale price index:	Retail price index:	Cost of living index:
Jan.	112.8	147.8	116.6
Febr.	114.1	147.8	116.5
March	115.8	147.1	116.0
April	119.4	147.7	117.8
May	120.5	150.0	118.8
June	120.2	149.1	119.0
July	120.9	147.2	115.3
August	120.1 <sup>1)</sup>	147.2	116.4
Sept.	119.3 <sup>2)</sup>	149.6	117.2
October	119.7 <sup>3)</sup>	150.0	119.0
November	120.9 <sup>4)</sup>	151.5 <sup>2)</sup>	121.8 <sup>3)</sup>

The indexes of wholesale and retail prices indicated a slight and even rise by 1.0 per cent; the index of cost of

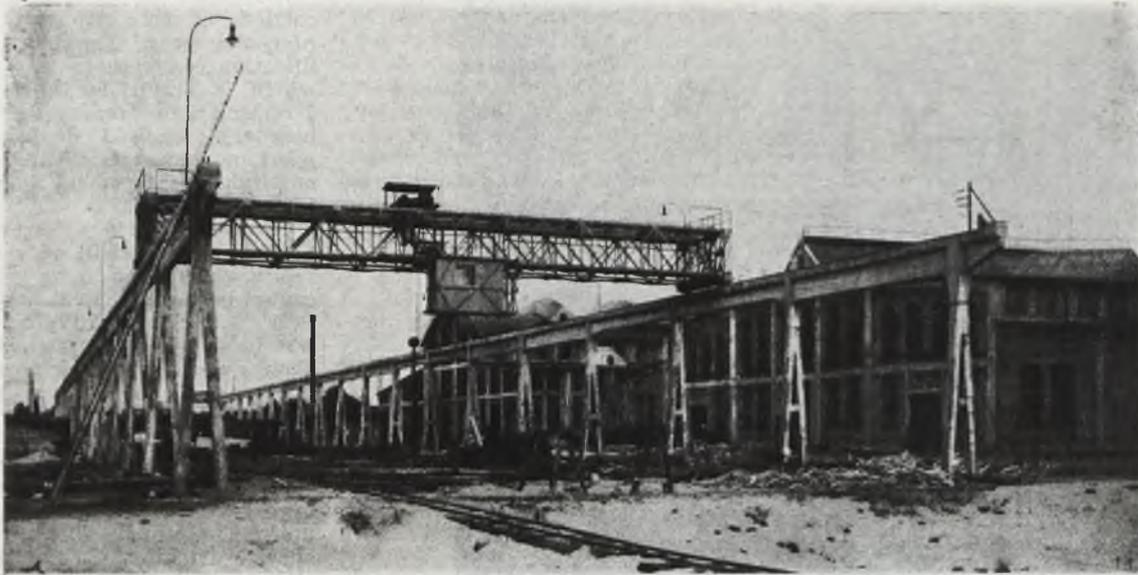
living, however, rose by 2.3 per cent. The rise in the general wholesale index was owing to the rise of that of the agricultural products by 1.1 per cent, colonial goods by 2.7 per cent, and industrial articles by 0.9 per cent. Analysing more closely the agricultural group, there are found certain contradictions: thus, foodstuffs, as a result of lower grain prices, fell by 0.5 per cent, while animal products increased by 3.2 per cent; cattle and meat had a downward tendency, while milk products went up (the rise in colonial goods was due to increase in coffee).

The industrial goods index rose as a result of the further rise in timber prices (by 1.0 per cent, owing to the greater demand on the part of timber exporters), and the index of the "various"

<sup>1)</sup> In connection with the legal devaluation of the Złoty, we give indexes, for the calculation of which the prices ruling in 1914 were taken, converted into the currency introduced recently. These indexes are identical with the gold indexes which were given previously in these columns—Ed.

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

<sup>3)</sup> Provisional figures.



ONE OF THE WORKSHOPS OF THE POLISH LOCOMOTIVE WORKS, CHRZANÓW

group increased by 3.5 per cent, owing to the rise of petroleum products after the cessation of competition through the organisation of a petroleum Syndicate\*). The remaining groups indicated small variations: prices of textile products were lower by 0.6 per cent, influenced by the lower cost of cotton, and a slight overproduction of certain winter fabrics; metals rose by 0.1 per cent, owing to the increase of cost in lead and tin and simultaneous decrease in that of zinc. The price of coal did not change.

The rise in the retail price index (by 1.0 per cent) was caused primarily by the increase of retail prices on agricultural products by 1.9 per cent; the retail prices for industrial articles increased in lesser proportion, by 0.3 per cent.

The index of the cost of living rose (by 2.3 per cent) on account of the increase in the cost of provisions — by 3.4 per cent, and fuel — by 1.0 per cent. Rent, clothing and footwear did not change, while the remaining items showed a rise.

## FAIRS AND EXHIBITIONS

**THE VIITH LWÓW EASTERN FAIR IN THE LIGHT OF FIGURES.** — The Eastern Fair Bureau in Lwów has completed the statistics for the VIIth annual Fair, which took place in Sept-

ember, 1927. The data show that the area taken up by exhibits was slightly greater than in 1926 — 31,740 square metres as against 31,647 square metres. The same is true of the number of exhibitors, which was 1,515 in comparison with 1,508 for the past year. Of the 1,515 firms, 143 were agents and not direct producers.

The home firms were 1,117, or 73.73 per cent of the total number, and the foreign were 398, or 26.27 per cent. In 1926, the proportion of foreign producers was only 16.31 per cent.

The foreign exhibits were divided among the following countries:

	Number of firms	Percentages
Germany	117	29.65
Austria	75	18.85
Czechoslovakia	55	14.08
France	33	8.29
Great Britain	18	4.52
United States	17	4.27
Belgium	11	2.76
Sweden	11	2.76
Switzerland	9	2.26
Italy	9	2.26
Holland	7	1.76
Hungary	5	1.76

Smaller numbers of exhibitors came from Latvia, Denmark, Greece, Turkey, Norway and Palestine. The Free City of Danzig was represented by 22 firms.

As is seen, foreign participation was strong and was most pronounced in the agricultural implements and machinery group, where 48 foreign firms and only 13 home producers exhibited. In every other group here was a preponderance of home firms.

The home exhibitors were most numerous in the following groups: stock raising—176 firms; vehicles—161; fancy goods — 89; metallurgical — 77; art — 60; chemical — 59; paper — 55; technical — 54; seeds — 53; foodstuffs — 49; electric—48; textile—44; ceramical—38; and 33 in instruments of precision.

The foreign exhibitors were represented in the following groups: metallurgical — 50 firms; agricultural machinery — 48; technical — 45; electric — 33; paper — 28; instruments of precision — 28; fancy goods — 27; textile — 21; vehicles — 21; foodstuffs — 19; chemical — 17; cosmetics — 12.

## TREATIES

**AGREEMENT FOR THE TEMPORARY REGULATION OF THE TIMBER TRADE BETWEEN POLAND AND GERMANY.** — This agreement, signed in Warsaw on November 30, 1927, may be summarised as follows:

In view of the coming renewal of negotiations for a commercial treaty, the Governments of Poland and Germany have decided to begin the re-opening of trade relations by concluding first an agreement regarding the temporary regulation of the timber trade between the two countries. To this end, there have been chosen: by the Polish Government — M. August Zaleski, Minister of Foreign Affairs, and by the German Government — M. Ulrich Rauscher, Envoy Extraordinary and Minister Plenipotentiary in Warsaw, who should act as plenipotentiaries.

After the exchange of their documents, which were acknowledged to be good and properly composed, the plenipotentiaries agreed to the following resolution:

1. — Germany grants Poland an import contingent for sawn timber (item 76 of the German Customs Tariff) to the amount of 1,250,000 cubic metres, for which the present duty of 1 Rmk. will not be raised.

\* See page 22.

This contingent may be imported into Germany during the period from December 1, 1927, to November 30, 1928, inclusive.

It is agreed that in this convention as sawn timber is understood the timber which is described in item 76 of the German Customs Tariff, i. e.: for building or other purposes, hard or soft, sawn or prepared in any other way, unplanned.

2. — Poland accepts the obligation of establishing for logs and stems, during the period from December 1, 1927, to November 30, 1928, incl. (item 228 pt. 2a and b and pt. 3 of the Polish Customs Tariff), in export to Germany, the following export duties:

logs and stems — per 100 kg.:	
a) logs and stems of foliferous trees	0.40
b) " " " " " " " "	
" beech, aspen, alder excepted	0.20
c) aspen, unwrought	1.50

As round timber is understood wood described in item 228 of the Polish Customs Tariff (pt. 2a and b), also aspen (pt. 3), with the exception of alder, in the following dimensions: coniferous — minimum length 3 metres, diameter of the top end 20 cm., measured without the bark; foliferous — minimum length 2 metres, diameter of the top end 20 cm., measured without the bark.

It is further agreed that a cubic metre of sawn softwood should be considered equivalent to 600 kg., and a cubic metre of sawn hardwood equivalent to 800 kg.

3. — The exports foreseen in pts. 1 and 2, will be carried out without special permits and, as regards sawn timber, are subject only to control by both sides over the transported consignments. The respective statements will be mutually compared every three months. Differences must be cleared up and settled by mutual understanding.

4. — When a comparison of the amounts transported is made in accordance with pt. 3, the German side will state what amounts have been put into transit yards in Germany. If consignments have been put into exclusively transit yards, they will not be counted in the contingent foreseen in pt. 1; if they have been put into a mixed transit yard or into private bonded warehouses, they will be counted as a half for the contingent.

5. — Timber mentioned in pts. 1 and 2 will be treated by both countries on the basis of the most-favoured-nation clause; this does not concern the application of convention duties.

6. — Timber mentioned in pts. 1 and 2, loaded at Polish stations for transport to Germany, will be considered as timber of Polish origin. In the event, however, of foreign origin being proved through the production of certificates, it will not be counted in the contingent.

7. — Timber in transit through Poland and Germany is not to be counted in the contingent foreseen in pt. 1.

8. — This agreement in no way prejudices the future resolutions of the commercial treaty which is to be concluded.

9. — The present agreement will be ratified and will be put into force as regards the customs duties embraced by pts. 1 and 2, from the moment of exchange of ratified copies thereof. With regard to the remaining points, the agreement will be valid from the moment of its signature.

10. — The present agreement has been drawn up in two copies, having identically the same meaning, in Polish and in German. The two copies have equal force.

## FOREIGN TRADE

— The large turnover in trade during October was continued in November. The figures published by the Chief Statistical Office indicate that imports rose by gold fr. 4,432,000 up to gold fr. 155,581,000, and that exports fell by gold fr. 4,277,000, to gold fr. 133,464,000. Therefore, the value of exports was 85.8 per cent of the value of imports, and the unfavourable balance of trade was gold fr. 22,117,000.

The largest rise in imports was in the foodstuffs group, by gold fr. 8,686,000, and undoubtedly was influenced by the approach of Christmas. Thus the import of tea, coffee and cocoa increased by gold fr. 801,000, of herring and other fish by gold fr. 1,631,000, of edible animal and vegetable fats by gold fr. 861,000, and a series of smaller items also showed a rise. The import of rice rose by gold fr. 1,207,000, while the import of wheat not only did not fall, but increased by a further gold fr. 859,000.

Changes in the imports of other groups are slight in comparison with October. There was a rise in the animal products group by gold fr. 1,964,000, in rubber and its products by gold fr. 1,453,000, and in textiles by gold fr. 820,000, of which jute rose by gold fr. 839,000 and raw and combed wool, by gold fr. 2,303,000, while the remaining items of this group either showed almost no changes, like silk, fabrics and cotton yarn, or, like cotton, declined by gold fr. 983,000.

Imports of chemicals decreased, with the exception of certain small groups, by gold fr. 1,041,000; so did ores, metals and metal products — by gold fr. 3,118,000, of which gold fr. 2,337,000 is accounted for by scrap iron; and also machinery, electrical wares and vehicles — by gold fr. 3,399,000. Finally, the imports of paper and books also decreased.

In exports there was a large increase, by gold fr. 9,006,000, in the foodstuffs group. The rise is mainly due to the normal seasonal export increase in sugar by gold fr. 9,591,000, in meat — by gold fr. 1,191,000, and in fodder — by gold fr. 776,000. The other items of this group show a decline, particularly eggs which fell by gold fr. 2,148,000.

The second group showing an increase was that of plants and seeds, which rose by gold fr. 1,642,000, the greatest rise being in pod plant seeds and grasses, while oil seeds declined.

Apart from foodstuffs and seeds, the remaining more important groups all showed decrease. Exports of live animals declined by gold fr. 2,774,000, owing mainly to a fall in pig exports; timber and products thereof fell off by gold fr. 1,642,000, and every item of this group decreased, with the exception of sleepers and telegraph poles.

The fall in coal exports is not as great as the figures show, because, as mentioned in these pages in the preceding month, part of the September data were delayed and included in the October report, therefore the figures for that month were greater than the actual exports. In comparison with the average of the two preceding months, the decline in November was approximately 100,000 tons instead of the apparent 300,000 tons. Nevertheless, the falling off of coal exports, though not great, made itself felt in the balance of trade.

Likewise, exports of petroleum products, after a temporary improvement in October, decreased in November by 1,107,000, while ores and metals fell by gold fr. 1,589,000, thus almost exactly regaining their September level. Lastly, the exports of textiles decreased by gold fr. 1,876,000, of which cotton fabrics showed the largest fall (gold fr. 1,939,000), while flax and hemp slightly increased.

In weighing the above data for foreign trade it is easy to come to the conclusion that the November returns are not exactly favourable. The temporary circumstances are: that export in October was especially large, therefore the decrease in November is of no great moment, and that the increase of imports was due to seasonal causes. The movement of foreign trade during the present year is given in the following statement (in millions of gold fr.):

October	1926	102.2	117.9	+ 15.7
November	"	108.0	131.8	+ 23.7
December	"	90.9	118.7	+ 27.8
January	1927	107.6	115.8	+ 8.2
February	"	112.0	116.4	+ 4.4
March	"	128.3	128.7	+ 0.4
April	"	148.2	119.4	- 28.8
May	"	163.8	114.2	- 49.6

## I M P O R T S

## E X P O R T S

G O O D S	Nov.	January-Nov.		Nov.	Jan. - Nov.		G O O D S	Nov.	January - Nov.		Nov.	Jan. - Nov.	
	1927	1927	1926	1927	1927	1926		1927	1927	1926	1927	1927	1926
	Volume — in tons			Value—in thousands of gold fr.				Volume — in tons			Value—in thousands of gold fr.		
<b>TOTAL:</b>	<b>360.133</b>	<b>4,487.202</b>	<b>2,174.374</b>	<b>155.581</b>	<b>1,519.872</b>	<b>805.303</b>	<b>TOTAL:</b>	<b>1,634.541</b>	<b>18,692.378</b>	<b>20,230.512</b>	<b>133.484</b>	<b>1,333.931</b>	<b>1,187.271</b>
<b>Foodstuffs</b>	<b>62.116</b>	<b>904.221</b>	<b>221.230</b>	<b>34.514</b>	<b>355.036</b>	<b>137.235</b>	<b>Foodstuffs</b>	<b>129.347</b>	<b>839.450</b>	<b>1,339.710</b>	<b>40.427</b>	<b>320.572</b>	<b>343.456</b>
including:							including:						
wheat	14.438	251.561	6.099	4.234	77.035	1.762	wheat	300	6.089	52.220	96	1.906	13.844
rye	901	129.464	7.785	210	32.788	1.432	rye	1.353	7.773	219.603	377	2.142	39.012
maize	5.505	130.366	19.617	957	21.944	3.139	barley	6.517	55.469	131.023	1.764	13.361	23.685
rice	6.820	63.189	29.048	2,647	25.526	11.906	oats	342	6.979	62.445	78	1.573	10.580
nuts, almonds and spices	824	3.939	2.604	1,487	7.969	5.153	peas and beans	10,217	29.830	45.885	3,493	10,595	12,470
tea	197	1.912	1.647	972	9.432	7.861	potatoes	19,074	128.218	108.758	833	7,417	4,621
cocoa	702	4.914	3.204	1,206	9.148	5.069	potato flour and starch	4,851	10.135	21.791	1,922	3,868	5,452
coffee	730	6.443	5.813	1,862	16.712	15.749	sugar	39,751	173.875	210.964	13,582	65,757	64,752
fish and herring	10,819	72.755	52.171	4,550	27.706	18.964	meat	1,777	24.996	31.877	2,910	34,324	31,919
edible fats of animal origin	3,299	16.453	6.813	5,179	25.696	11.616	butter and cheese	729	8.381	7.327	2,264	23,219	15,398
edible fats of vegetable origin	1,523	11.249	7.320	1,789	13.394	8,909	eggs	2,751	64.351	56.464	5,795	94,652	71,297
tobacco	830	14.660	12.053	1,670	18.433	21,194	hops	316	1.269	672	1,394	7,728	4,501
forage	6,227	41,736	14,191	1,137	7,172	2,302	forage	21,055	258,505	294,754	2,213	36,261	25,312
<b>Live animals (head)</b>	<b>11.128</b>	<b>225.783</b>	<b>76.952</b>	<b>447</b>	<b>3,104</b>	<b>382</b>	<b>Live animals (head)</b>	<b>331.599</b>	<b>2,242.652</b>	<b>2,571.481</b>	<b>11.350</b>	<b>101.212</b>	<b>63,278</b>
including:							including:						
Animal products	3,243	36,017	22,535	19,866	114,385	55,716	pigs	70,488	690,669	564,455	9,736	88,639	44,403
including:							geese	216,306	1,024,572	1,290,102	1,095	5,035	5,344
dried skins	1,608	20,158	10,311	2,843	33,243	13,916	<b>Animal products</b>	<b>1.119</b>	<b>13,340</b>	<b>18,890</b>	<b>1,845</b>	<b>19,806</b>	<b>18,422</b>
tanned hides	477	5,393	5,851	5,338	48,743	28,648	<b>Timber and wood ware</b>	<b>450.076</b>	<b>5,941.295</b>	<b>4,563.145</b>	<b>30.583</b>	<b>336.325</b>	<b>190.064</b>
furs	46	250	138	2,665	11,183	3,820	including:						
<b>Timber and wood ware</b>	<b>1.634</b>	<b>19.554</b>	<b>17.877</b>	<b>550</b>	<b>7.246</b>	<b>3.393</b>	pulpwood	97,382	1,139,533	1,013,120	3,469	35,476	24,193
<b>Plants and seeds</b>	<b>3.387</b>	<b>31.412</b>	<b>17.851</b>	<b>1.507</b>	<b>16.891</b>	<b>10.094</b>	pit props	74,683	1,007,218	807,797	2,086	25,917	16,388
Building materials, minerals, ceramic products; glass	98,838	975,221	769,918	3,228	29,842	14,818	round wood and logs	76,562	1,384,616	754,849	4,636	70,962	25,756
including:							planks, deals, battens	155,909	1,857,344	1,389,160	16,268	159,113	86,331
ceramic products	7,175	97,939	46,773	1,241	12,144	4,893	railway sleepers and telegraph poles	25,195	273,615	373,821	1,861	15,881	16,526
<b>Fuel and petroleum products</b>	<b>24.439</b>	<b>219.544</b>	<b>114.395</b>	<b>829</b>	<b>8.168</b>	<b>4.012</b>	furniture, coopers' ware and veneers	4,163	59,722	58,204	1,441	19,945	15,836
<b>Rubber and rubber products</b>	<b>528</b>	<b>3.408</b>	<b>1.315</b>	<b>3.937</b>	<b>22.206</b>	<b>9.734</b>	<b>Plants and seeds</b>	<b>8.233</b>	<b>77.841</b>	<b>60.908</b>	<b>5.530</b>	<b>33.169</b>	<b>20.501</b>
including:							including:						
Chemicals	32,549	600,365	268,850	11,930	139,493	87,323	grasses and pasture plants seeds	3,203	39,170	36,497	3,319	18,931	11,226
including:							oil seeds	3,081	21,293	12,029	1,449	7,780	5,314
vegetable fats	2,527	22,644	16,633	2,389	22,194	16,729	<b>Building materials, minerals, ceramic prod.; glass</b>	<b>65.219</b>	<b>686.328</b>	<b>297.379</b>	<b>753</b>	<b>10.722</b>	<b>4.744</b>
animal fats	1,834	17,011	13,073	1,681	15,742	12,648	<b>Coal, coke, briquettes</b>	<b>908.174</b>	<b>10,294.950</b>	<b>13,065.521</b>	<b>14.951</b>	<b>186.716</b>	<b>230.829</b>
tanning materials	1,970	17,782	16,675	1,209	9,868	8,410	<b>Petroleum products</b>	<b>20.064</b>	<b>258.710</b>	<b>422.491</b>	<b>4.392</b>	<b>51.279</b>	<b>71.701</b>
dyestuffs (synthetic)	98	908	347	1,084	9,001	3,649	including:						
<b>Ores, metals and metal products</b>	<b>105.407</b>	<b>1,433.880</b>	<b>574.903</b>	<b>11.774</b>	<b>147.078</b>	<b>64.678</b>	petroleum	5,212	45,802	95,489	802	7,059	11,348
including:							motor and lubricating oils	6,513	100,765	194,070	765	13,138	20,330
iron ores	57,789	641,043	249,290	1,658	13,033	5,670	benzine	3,117	57,275	64,417	918	15,805	17,845
zinc	12,368	179,280	91,889	1,561	26,879	13,611	paraffine wax	3,242	19,770	25,820	1,605	11,359	17,531
scrap iron	14,494	453,322	125,665	959	30,423	5,507	<b>Chemicals</b>	<b>8.021</b>	<b>114.516</b>	<b>121.622</b>	<b>2.040</b>	<b>21.871</b>	<b>21.943</b>
copper and copper products	727	7,356	3,197	1,259	12,363	5,434	<b>Ores, metals and metal products</b>	<b>89.946</b>	<b>412.229</b>	<b>312.178</b>	<b>14.216</b>	<b>157.396</b>	<b>128.445</b>
including:							including:						
cast iron; iron and steel, rails	5,202	61,639	31,531	1,078	10,721	5,852	iron and steel sheets	4,896	48,431	22,427	1,572	15,736	6,599
pipes	3,551	35,421	23,666	1,322	12,909	8,340	zinc and zinc dust	11,209	118,644	104,876	7,921	88,322	80,656
zinc and zinc dust	1,046	11,448	7,578	925	10,428	6,676	sheets	1,046	11,448	7,578	925	10,428	6,676
<b>Machinery, electrical wares, means of communication</b>	<b>6.936</b>	<b>68.060</b>	<b>35.934</b>	<b>18.781</b>	<b>186.503</b>	<b>86.163</b>	<b>Machinery, electrical wares, means of communication</b>	<b>237</b>	<b>5.471</b>	<b>6.481</b>	<b>322</b>	<b>5.306</b>	<b>8.133</b>
including:							<b>Paper, books and pictures</b>	<b>721</b>	<b>15.581</b>	<b>22.845</b>	<b>347</b>	<b>6.131</b>	<b>6.356</b>
motors	457	3,763	2,348	916	8,705	4,244	<b>Textiles and textile products</b>	<b>8.327</b>	<b>32.187</b>	<b>28.686</b>	<b>6.171</b>	<b>78.073</b>	<b>73.056</b>
electrical machinery	178	2,016	1,248	902	9,520	4,560	including:						
textile machinery	1,258	8,306	1,800	2,980	24,542	5,859	flax and hemp	2,189	17,575	15,347	1,544	8,658	7,240
agricultural machinery	957	9,685	3,906	1,307	18,267	7,099	cotton fabrics	243	5,178	3,864	1,398	28,297	21,202
boilers and heating appliances	328	3,861	2,898	1,081	10,143	5,392	wool yarns	99	1,308	1,398	1,193	15,836	14,727
electrical appliances	1,347	13,390	9,147	3,942	37,735	23,987	<b>Clothing and fancy wares</b>	<b>49</b>	<b>399</b>	<b>321</b>	<b>465</b>	<b>3,783</b>	<b>4,403</b>
motor cars	523	6,143	2,039	2,190	25,384	8,797	<b>Various</b>	<b>8</b>	<b>115</b>	<b>529</b>	<b>72</b>	<b>1,178</b>	<b>1,939</b>
<b>Paper, books, and pictures</b>	<b>8.542</b>	<b>75.570</b>	<b>38.431</b>	<b>4.946</b>	<b>47.594</b>	<b>25.645</b>	<b>Various</b>	<b>8</b>	<b>115</b>	<b>529</b>	<b>72</b>	<b>1,178</b>	<b>1,939</b>
including:													
waste and rags	3,429	33,275	21,967	1,601	18,415	11,642							
paper and paper ware	3,040	26,187	10,567	1,975	17,971	8,009							
<b>Textiles and textile products</b>	<b>12.281</b>	<b>123.474</b>	<b>89.399</b>	<b>44.109</b>	<b>397.619</b>	<b>278.164</b>							
including:													
jute	2,225	19,646	10,560	2,273	16,195	11,812							
cotton	7,007	72,294	59,764	17,535	152,550	144,244							
cotton yarns	221	2,880	1,672	1,944	23,185	12,876							
fabrics	131	1,445	908	1,780	19,717	12,159							
wool (combed incl.)	1,832	18,286	11,778	11,912	105,885	60,931							
yarns	306	2,555	802	3,769	33,050	9,522							
fabrics	18	170	98	2,019	17,898	9,397							
<b>Clothing and fancy wares</b>	<b>81</b>	<b>839</b>	<b>853</b>	<b>1,949</b>	<b>18,247</b>	<b>16,143</b>							
<b>Various</b>	<b>153</b>	<b>1,616</b>	<b>1,012</b>	<b>3,214</b>	<b>24,563</b>	<b>11,766</b>							

June	1927	160.0	114.0	— 46.0
July	"	136.2	113.9	— 22.3
August	"	129.9	120.6	— 9.3
September	"	127.1	119.1	— 8.0
October	"	151.1	137.7	— 13.4
November	"	155.6	133.5	— 22.1

Analysing these figures, it is seen that as regards imports there are three turning points: in March and April there was a sudden rise caused by the scarcity of grain in the country; from July, after the harvest, imports rapidly decreased, yet remained at a level considerably higher than in the corresponding period of 1926, and the third phase was an increase of imports in connection with the conclusion of the Stabilisation Loan in October, together with seasonal increases in November.

Thus, in totalling up the imports for the 11 months of 1927, and comparing the result with the corresponding sum in 1926, the increase is found to be gold fr. 714,569,000 or 88.8 per cent. To arrive at a true valuation of the very large increase, the corresponding figures in the above table for the two years must be compared.

In the first place there is the important question of grain imports, which caused an increase of gold fr. 140 million. It has often been repeated in these columns that grain import, into a self-supporting country in this respect, is not a healthy movement; yet it was, owing not to faulty economic policy, but to the bad 1926 harvest, and for the very reason that the policy was wise, it did not cause that harm which was made under similar circumstances in 1924.

Eliminating grain, it is found that the imports of other foodstuffs also rose considerably, but upon further enquiry it is seen that the increase was mainly in articles generally consumed by the people (such as herring and edible fats), and points to an improvement of the conditions of the population in general.

There was a large rise in imports of raw and semi-finished materials such as raw hides, technical fats, synthetic dyes, iron and zinc ores, scrap iron, jute, cotton and wool. Comparing these imports quantitatively (since price variations were large), it is seen that most of those articles which are generally referred to as the index of national welfare, have increased two-fold, while some of them, as in the case of iron ore and scrap iron, have increased three-fold.

Below is given a statement of the imports of artificial fertilizers, which are of special importance to Poland (in tons):

	January—November:		
	1925	1926	1927
phosphorites	92,944	69,224	181,943
potassium salts	74,893	19,463	77,091
Chilian saltpetre	56,768	21,395	33,960
Thomas slag	102,360	65,521	163,851

Finally, there was a very large rise in the imports of machinery, especially of textile and agricultural.

Summing up what has been elaborated above, the most reasonable conclusion to arrive at is that, in general, the increase in imports was a sign of economic welfare, while the import of grain, although undoubtedly unhealthy, must be regarded as being inevitable; the import of unnecessary articles or goods, harmful from an economic point of view, did not play a rôle of any importance.

Analysing the exports in the same manner, the natural supposition that the end of the British coal strike would be a turning point, proved wrong, because there was no appreciable change in coal exports. It is true that in November exports are falling rapidly, but only to return to the October level, when selling conditions were similar. The rise in March was temporary so that there was only one turning point and that was the vigorous rise in October, presuming, of course, that December will keep to the same level. The total exports for the 11 months are higher than in 1926 by gold fr. 146,660,000, or 12.4 per cent.

Naturally, in comparison with the rise of imports, the increase of exports appears absurdly small. In reality, however, the case has a different aspect: imports in 1927 are compared with the imports of 1926, which were ever small, while exports in 1926 were already considerably greater than in 1925. Moreover, while conditions as regards coal were favourable in 1926, they became altogether unfavourable in 1927, even to a point where maintenance of foreign sales on the present level should be considered a very creditable achievement. Finally, while in 1926, after the good harvest of 1925, gold fr. 80 million's worth of grain was exported, in 1927 the amount was only gold fr. 20 million.

Of the different export groups, the first place in 1927 is held by timber. There is a considerable increase also in metals and live animals (mainly pigs), certain foodstuffs (eggs and milk products) and textiles. Not all these increases are reassuring: the largest group — timber, gives rise to apprehension, because calculation has shown that the dimensions of the export of round timber are greater

than sound forestry can permit. Besides the decrease in grain and coal exports, there is to be noted a fall in sugar and petroleum products.

These unfavourable signs are well understood and are constantly watched by those who direct the economic policy of Poland. The organisation of the Export Institute is one of the results thereof. Up to now, however, the best-laid plans as regards exports have failed from lack of capital, but everything goes to show that in this respect there will be improvement. Poland has reached the stage where, though she constantly has an unfavourable foreign trade balance, she is steadily increasing the amount of foreign trade, and the expected improvement on the credit market will further this movement.

## 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. 111:** Polish timber export concern seeks buyers.

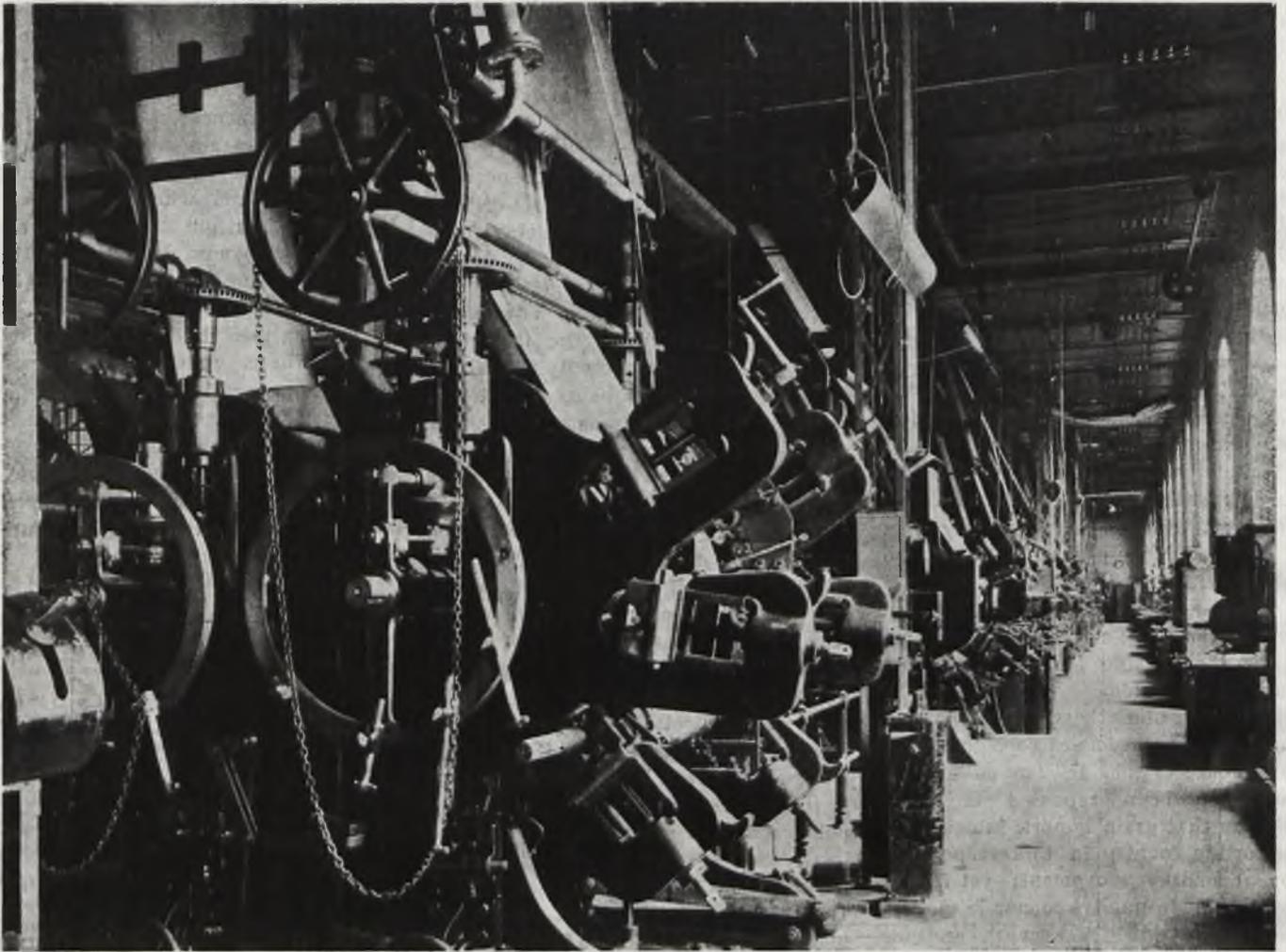
**Ref. No. 112:** Polish manufacturer of sanitary utensils, cast iron and enamelled ware, also iron piping is desirous of entering into relations with foreign merchants.

**Ref. No. 113:** Polish undertaking manufacturing technical rubber and asbestos products seeks foreign representatives.

**Ref. No. 114:** Polish manufacturers of acetic acid seek foreign buyers.

## CUSTOMS DUTIES AND FOREIGN TRADE REGULATIONS

**POSTPONEMENT OF THE DECREE CONCERNING MAXIMUM DUTIES.** — In accordance with the decree of the President of the Republic which appeared in the "Dz. Ust. R. P." No. 114/1927, item 979, the coming into force of the Maximum Customs Duties is postponed to February 1, 1928.



ONE OF THE COTTON WEAVING MILLS OF MESSRS. "SCHEIBLER & GROHMAN LTD.", ŁÓDŹ

The postponement is made in the hope that before its elapse, trade relations with a number of countries will be regulated.

In the future, there should be a very small number of States, trade relations with which have not been regulated, and which thereby are subject to the Maximum Tariff.

**IMPORT PROHIBITION AND EXPORT DUTY ON WHEAT AND WHEAT FLOUR.** — By a decree of November 18, 1927 ("Dz. Ust. R. P." No. 102, item 887), the import into Poland of wheat and wheat flour was forbidden. Simultaneously, by a decree of November 23, 1927 ("Dz. Ust. R. P." No. 103, item 900), an export duty was imposed on wheat and wheat flour.

The import prohibition came into force on December 4, and will last until December 31.

In art. 1 of the decree of prohibition, a clause was inserted to the effect that certain quantities of wheat and wheat flour may be exempted, by special permission of the Ministry of Finance.

The above prohibition was introduced because of the recent excessive importation of wheat and wheat flour. In August the import of wheat was

3,219 tons, in September 3,592 tons, in October 12,086 tons and in the first half of November 9,644 tons. Similarly, the import of wheat flour increased: in August it was 678 tons, in September 177 tons, in October 568 tons, and in the first half of November 1,002 tons.

The wheat and wheat flour prohibition is now applied for the second time this year, the first occasion being from the middle of June to the 31st of August, when it had the effect of regulating the needless excess of imports of food-stuffs.

The decree establishing an export duty on the above products, is equally as flexible as the prohibition decree, for there is foreseen the possibility of exemption from duty. The decree is given below:

§ 1.— An export duty is established for wheat and wheat flour. Therefore items 246 and 249 of the Customs Tariff ("Dz. Ust. R. P." No. 76/1925, item 536) take on the following meaning:

Item of the Customs Tariff	Denomination	Duty per 100 kg. in %
246	wheat	20
	Remark: by permission of the Treasury	free
249	wheat flour	20
	Remark: by permission of the Treasury	free

§ 2.— The duty on wheat and flour loaded on trucks within the territory of the Polish Republic not later than the day preceding that on which the present decree comes into force, will not be charged for 20 days thereafter.

§ 3.— The present decree comes into force on the third day following its publication, and is valid until June 30, 1928, inclusive.

#### CONDITIONAL CUSTOMS PROCEDURE FOR MOULDS.

— The import or export of moulds for temporary use is made under a clause of the conditional customs procedure. In order to obtain a permit for moulds under the conditional customs procedure, applications, hitherto, had to be made out in duplicate and sent to the Ministry of Finance through the Ministry of Industry and Commerce. This method was inefficient owing to the delay caused thereby.

In order to simplify the procedure, the right of granting permits under the conditional customs procedure has been given to the Customs Directorates therefor. The Customs Directorates in Warsaw, Poznań, Lwów, Mysłowice, Danzig and Wilno have been authorised to apply conditional customs procedure for the free import and export of factory moulds for the casting of machinery parts &c.

Under the conditional customs proced-

ure the duty is charged as a safeguard. The term of the return of the article must be within 6 months. Permits may be granted only to trustworthy home factories.

**REDUCTION OF CUSTOMS DUTY ON FISHERMENS' NETS AND NET YARN** was announced by a decree dated October 31, 1927, published in the "Dz. Ust. R. P." No. 102, item 890. On the strength thereof the Ministry of Finance grants permits for the application of a reduced duty of 10 per cent of the normal, on imported fishermen's nets and yarn for their manufacture.

**EXPORT DUTY ON SUGAR BEET**, was announced by a decree dated December 9, 1927 ("Dz. Ust. R. P." No. 116, item 989), establishing an export duty on sugar beets of  $\text{zł}$  2 per 100 kg. This duty is 40-50 per cent of the price, according to statistics for the 4th quarter of 1925 and 1926.

**EXPORT DUTY ON BONE**, was announced by a decree dated December 9, 1927 ("Dz. Ust. R. P." No. 116, item 988), whereby item 226 of the Customs Tariff is amended to the effect that the duty on ground and unground bone is raised to  $\text{zł}$  7 per 100 kg.

The increase of duty is caused by the excessive export of bone, while home factories of bone fat, glue and meal, are left with insufficient supplies of raw material, and therefore encounter difficulties in production.

The duty is raised to the level at which it was previous to the depreciation of the Złoty in the second half of 1925. The increase from  $\text{zł}$  4 to  $\text{zł}$  7 per 100 kg. is 40 to 50 per cent of the current home price of  $\text{zł}$  14 to  $\text{zł}$  15 per 100 kg.

In the reports on this subject, drawn up by the Union of the Chemical Industry and the Central Union of Polish Industry, Mining, Trade and Finance, there was given a list of the following countries in which there is total prohibition of bone export: Austria, Belgium, Czechoslovakia, France, Greece, Rumania, Hungary, Italy. The following countries apply an export duty higher than the former duty in Poland (in  $\text{zł}$  per 100 kg.):

Yugoslavia . . . . .	6.90
Latvia . . . . .	6.90
Bulgaria . . . . .	17.26

In view of the shortage of bone on the international market, the previous duty, amounting to 28 per cent of the price, was insufficient to check excessive export.

**REGULATION OF BRAN EXPORTS.**—On the basis of a resolution of the Economic Committee of Ministers dated October 26, 1927, there is duty free export of rye and wheat bran to the amount of 30,000 tons for the period up to January 31, 1928. The mills which participate in this business must declare to the Minister of Finance their agreement to lower the price of rye flour by  $\text{zł}$  0.3 per 1 kg., and to sell to farmers rye and wheat bran at a price not exceeding 62½ per cent of the current price of rye.

The division of the contingent will be carried out by the mutual representation



INTERIOR OF ONE OF THE PATENT MEDICINE WAREHOUSES AT MESSRS. "L. SPIESS I SYN" LTD., WARSAW (PHOT. J. MALARSKI)

of millers' unions, who will take into account the production capacity of the different mills.

It must be mentioned that barley bran, on the basis of the resolution of a special Governmental commission of September 14, 1927, is not subject to the export duty foreseen in the decree ("Dz. Ust. R. P." No. 74, item 652).

**RETURN OF IMPORT DUTY IN CONNECTION WITH EXPORT OF FERROCYANIDES, BLUES AND LYE.**—The return of duty on the export of these articles is instituted with the purpose of enabling larger sales to be made abroad, and combating foreign competition. They must be exported owing to the fact that the capacity of the home market is insufficient.

The amount of duty returnable is dependent on the amount of raw material utilised per unit (100 kg.) in the finished product, and is (in  $\text{zł}$  per 100 kg.):

potassium ferrocyanides	13.60
sodium	9.60
blues	18.50
lye (potassium carbonate)	1.60

The return of duty will be made in the usual manner, i. e., by the issue of "export cheques" by the relevant customs authorities, on the strength of a certificate from the proper export association.

The "export cheques" are made out to bearer, are legal tender for settling customs dues for the import of any goods whatsoever, and are valid for nine months.

A list of export associations having the right to issue the above mentioned certificates, will be drawn up by the Ministries of Finance and Industry and Commerce, and published in the official paper, the "Monitor Polski".

The above regulations will come into force on the day of their announcement in the "Dz. Ust. R. P.", and will be valid until March 31, 1928.

The special executive regulations of the decree will be drawn up by the Treasury.

## TRANSPORTS

**RAILWAY TRAFFIC IN NOVEMBER** was kept up at nearly the same intensity as in the preceding month; the average daily movement of 15 ton goods waggons decreased slightly from 18,901 to 18,844, or by 57. As the seasonal transport of mass products, such as sugar beet and potatoes, dwindle, the work on the State Railways will resume its normal activity.

In comparison with November 1926, the average daily movement of freight cars was greater by 287, or by 1.5 per cent; the railways worked more efficiently, and there was seldom a shortage of cars.

The average daily supplies of 15 ton waggons in November were as follows:

	October	November
loaded on the Polish State Railways:		
destined for local stations	13,736	13,776
destined for abroad	3,401	3,236
total:	17,137	17,012
received from abroad	616	675
transit via Poland	1,148	1,157
<b>Total:</b>	<b>18,901</b>	<b>18,844</b>

The small decrease in the traffic was caused by an average decline of 125 cars per day loaded at Polish stations, while those destined for home stations further increased by a daily average of 40, and those destined for abroad fell off by an average of 65 per day. There was simultaneously a slight rise in the number of cars received from abroad by a daily average of 59, and in transit—by an average of 9.

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

	Oct.	Nov.
coal, coke and briquettes	3,418	3,641
crude oil and petroleum products	230	199
timber	855	989
agricultural products	3,199	3,066
raw materials and industrial products	2,095	2,016
miscellaneous	3,939 <sup>1)</sup>	3,865 <sup>1)</sup>
<b>Total:</b>	<b>13,736<sup>1)</sup></b>	<b>13,776<sup>1)</sup></b>

Thus it can be seen that the increased loadings were caused by a rise in the coal transports by a daily average of 222 cars, and in timber by 134, while the remaining groups decreased; agricultural product transports fell by 143 owing to the decrease of potato transports (from an average of 524 cars per day in October to 210 in November), while sugar beet increased from 1,763 to 1,854, and grain—from 299 to 344. There was a decrease in transports of crude oil (by an average of 31 cars per day), raw materials and industrial products (by 79), and "various" (by 74).

The following statement gives the daily average number of cars dispatched to foreign countries (in 15 ton waggons):

	October	November
coal, coke and briquettes	2,179	2,036
crude oil and petroleum products	45	47
timber	749	733
agricultural products	71	70
miscellaneous	357	350
<b>Total:</b>	<b>3,401</b>	<b>3,236</b>

The export transports of coal diminished seriously by a daily average of 143 cars; the remaining freight groups showed small variations.

**POLISH AND FOREIGN PASSENGER RAILWAY RATES.**—The Railway Tariff Reform Office of the Ministry of Communications has drawn up a comparative statement of the passenger rates on the lines of 17 European

Countries. Below is given the tariff basis and third class rate per kilometre

for Poland, her neighbouring States and several other countries:

Country	Basis	Rate per km.	Third class ticket for:		Additional charge for express service
			100 km.	500 km.	
Poland	1 — 200 km.	5.5	5.55	23.60	25 per cent
	201 — 400 "	4.5			
	401 — 600 "	3.5			
	over 600 "	2.5			
Germany	per km.	10.6	10.60	53.00	1 — 75 km.— X 1.06 75 — 150 km.— X 2.12 over 150 km.— X 3.18
Austria	1 — 50 km.	6.93	6.30	26.36	1 — 50 km.— X 1.76
	51 — 100 "	5.67			X 3.28
	over 150 "	5.04			101 — 200 km.— X 4.54
					201 — 350 km.— X 6.30 351 — 600 km.— X 10.48
Czechoslovakia	1 — 250 km.	5.94	5.94	22.31	1 — 30 km.— X 1.57
	251 — 350 "	4.32			X 2.87
	over 350 "	2.16			31 — 100 km.— X 9.17
					101 — 250 km.— X 9.17 251 — 500 km.— X 5.47
Rumania	1 — 100 km.	9.54	9.54	34.14	1 — 100 km.— X 1.67
	101 — 200 "	8.27			101 — 200 km.— X 3.34
	201 — 300 "	6.36			over 200 km.— X 5.00
	301 — 400 "	5.09			
	401 — 500 "	4.80			
	501 — 600 "	4.88			
	601 — 700 "	4.66			
	701 — 800 "	4.03			
	801 — 900 "	2.33			
	over 900 "	2.33			
Russia	1 — 100 km.	9.66	9.66	35.78	25 per cent
	101 — 200 "	8.46			
	201 — 300 "	6.44			
	301 — 500 "	5.61			
	501 — 1,000 "	3.82			
Hungary	1 — 250 km.	5.00	5.00	21.10	25 per cent
	over 250 "				
France	per km.	6.93	6.93	34.65	none
	1 — 400 km.	8.76	8.76	41.40	up to 200 km. per cent
	401 — 600 "				over 400 , none
	601 — 800 "				
	801 — 1,000 "				
England	per km.	17.00	17.00	85.00	none

It is seen that the cheapest rates are on the Hungarian lines, then on the Polish, and thirdly on the Czechoslovakian, which are even lower than the Polish on long distance runs. It must, however, be borne in mind that a very small number of passengers utilise the long distance tickets; for instance, in Poland, only 1.5 per cent of the total number of passengers travel over 300 km. The country taking the fourth place in cheapness of rates is Austria, while all the remaining States have much higher rates than Poland; Italy, Germany, and in particular England, have very high passenger tariffs.

With regard to express service charges, it is characteristic that in the countries with low tariffs additional payments for express trains are proportionately greater than in States with a high basic charge. Thus, in Hungary the additional charge is 120 per cent, in Germany and Italy 10 per cent, while in France and England there is no charge.

**NUMBER AND REMUNERATION OF POLISH STATE RAILWAY PERSONNEL.**—The two main questions as to whether their number is too large,

and the remuneration thereof too small, are constantly in the public eye. To arrive, however, at a true conclusion, these questions must be viewed in the light of statistics, and this is made possible by the publication of the statistical year book of the Polish State Railways for the year 1926.

The railway personnel in Poland is divided into two budgetary categories. Employees in the first category hold positions foreseen in the budget with their name and number, while in the second category the budget only foresees the quota to be expended on a definite piece of work without determining the number of workmen for its accomplishment.

This division will be held to in the succeeding statements. The personnel for the last three years was as follows:

*Employees booked:*

	1) under personnel expenses:			
	regular	irregular	seasonal	total
1924	65,667	36,795	4,735	107,197
1925	66,175	34,174	2,545	102,894
1926	65,878	35,042	2,783	103,703

<sup>1)</sup> Together with loadings effected in Danzig.

	2) under material expenses:		
	regular	irregular	total
1924	2.797	85.310	87.107
1925	4.236	84.442	88.678
1926	3.695	84.544	88.239

The changes in the number of railway workers (exclusive of the Ministry of Communications), the proportion per 1 km. of line and per 1 million axle-km. in the years 1924—1926, are shown in the following statement:

	1924	1925	1926
total number of workers	195,304	191,572	191,942
per 1 km. of line	11.7	11.4	11.3
per 1 million axle-km.	47.1	40.9	33.2

From the above it is seen that the actual number of workers, as well as the number relative to the length of lines is constantly decreasing. This speaks for the greater efficiency of the employees.

The remunerations of the Polish State Railway personnel are the following (in %):

I. — Employees booked under the personnel expenses:	1924	1925	1926
total sum of remunerations	273,528,998	336,483,336	339,100,915
per 1 km. of line	16.392	19.973	19.962
per 1 million axle-km.	66.000	71.870	58.650
per cent of total sum of operation expenses	39.2	38.0	36.0
average wage for 1 employee	2.551.6	3.270.2	3.269.9

II. — Employees booked under the material expenses:	1924	1925	1926
total sum of remunerations	—	—	183,721,914
per 1 km. of line	—	—	10.815
per 1 axle-km.	—	—	31.770
per cent of total sum of operation expenses	—	—	19.9
average wage for 1 employee	—	—	2.082.9

From the above it is seen that though the total sum of remunerations has increased, the remuneration per 1 million axle-km. has decreased, and that the relation of personnel expenditure to the total operation expenditure has also become smaller.

### PORT TRAFFIC IN NOVEMBER. —

The late autumn months and the months of winter always witness a decline in shipping on the Baltic. Therefore such a decline was to be expected in November of the present year, especially as winter has set in early and hard. Strange to say, however, that although freight turnover through the Polish ports diminished, the steamer traffic increased.

Thus, in November, there entered Danzig 525 ships with an aggregate of 341,126 net reg. tons (in October 539 with 329,407 net reg. tons), and cleared 512 ships with an aggregate of 327,816 net reg. tons (in October also 512, but with only 313,779 net reg. tons). The efficiency of steamer tonnage utilisation, calculated on the basis of the formula given in these pages in the preceding issue\*), was 13.0 per cent for arriving steamers, and 78.5 per cent for those departing; in October, this efficiency was 15.5 per cent and 91.0 per cent respectively. The tonnage exploitation was less efficient in November owing to the small freight turnover coupled with the increased steamer traffic. This caused a further drop in steamer freight rates.

The nationality of the arriving and departing ships in Danzig was the following:

	Arrivals:		Departures:	
	net	net	net	net
	ships	reg. tons	ships	reg. tons
Poland & Danzig	49	20,857	43	18,560
Germany	162	82,511	152	76,992
Finland	3	906	4	4,343
Estonia	2	1,071	1	50
Latvia	23	21,537	22	23,092
Lithuania	1	437	1	437
Sweden	107	55,683	117	57,657
Norway	41	26,220	39	24,377
Denmark	79	64,010	82	67,410
England	27	31,169	25	29,256
Holland	7	4,083	6	3,411
Belgium	—	—	2	1,205
France	5	5,372	5	5,734
Rumania	1	102	—	—
Portugal	1	865	1	865
Italy	8	21,143	5	13,571
Greece	4	686	2	260
Turkey	1	24	—	—
Japan	1	4,254	—	—
Czechoslovakia	2	196	4	336
Austria	—	—	1	260
<b>Total:</b>	<b>525</b>	<b>341,126</b>	<b>512</b>	<b>327,816</b>

Freight traffic, according to provisional data, was as follows: there entered

80,188 tons of goods (in October 96,422 tons) and left 505,177 tons (in October 538,440 tons). Ores took first place among imports with 26,486 tons (15,540 tons in October), and scrap iron ranged second with 13,417 tons (36,472 tons). The decrease in scrap iron shipments was due to the fact that in the preceding months the foundries were supplied with excessive amounts; in the first months of the new year, an increase in these shipments is to be expected. Artificial fertilizers and chemicals were imported to the extent of 11,150 tons (20,261 tons in October), herring—13,708 tons (10,390 tons in October), and foodstuffs—5,468 tons. As regards exports, the first place is held by coal—338,357 tons (377,077), timber—126,824 tons (132,763), sugar—14,099 tons (2,779), cement—9,628 tons (8,170), grain—4,386 tons (4,940), artificial fertilizers—4,355 tons.

From this summary of freight movement it can be seen that though it did not greatly differ from the preceding month, yet, on the whole, it was less favourable.

The gradual reduction of imports continued, and exports for the last three months have also had a downward tendency. Thus, in August of this year, they were 569,000 tons, in September 543,000 tons, in October 538,000 tons, and in November 505,000 tons. Although there is every probability that it is a passing phase, the matter should not be neglected. It should not be forgotten that although the Polish ports are making good progress, they are not yet sufficiently strong to stand alone without the help of the Government's economic policy.

The following table, based on provisional data, illustrates certain aspects of the freight movement through Danzig in October and November (in tons):

	Imports:		Exports:	
	October	November	October	November
Grain	1,999	3,176	4,940	4,386
Sugar	—	—	2,779	14,099
Herring	10,390	13,708	—	—
Artificial fertilizers and chemicals	20,261	11,150	—	4,355
Timber	—	—	132,763	128,824
Cement	100	—	8,170	—
Coal	4,402	3,076	377,077	338,357
Ores	15,640	26,486	—	—
Iron	36,710	13,417	—	—
Groceries and foodstuffs	2,186	5,486	1,158	3,152
Building materials	—	2,620	—	9,628
Various	4,834	960	11,723	4,376
<b>Total:</b>	<b>96,432</b>	<b>80,188</b>	<b>538,640</b>	<b>505,177</b>

Below is given a separate statement of the export of coal, which is the main



A NEW TYPICAL RAILWAY WATER TOWER

\*) See "The Polish Economist" No. 12/1927, page 504.

export article for Danzig and the other Polish ports. Coal, bunker coal excepted, was shipped, in November, to the following countries (in tons):

Sweden	130.820
Denmark	99.118
Italy	14.766
France	13.603
Latvia	24.992
Finland	29.518
Norway	25.197
Germany	988
Estonia	100
Lithuania	553
Africa	6.425
<b>Total:</b>	<b>346.909</b>

The passenger traffic through Danzig was slightly greater in November than in October, as can be seen from the following:

	Arrivals:		Departures:	
	October	November	October	November
Liba	52	4	74	453
Stockholm	9	—	—	—
Copenhagen	72	100	273	267
London	104	91	744	948
Hull	13	53	318	202
New York	159	55	346	713
Helsingfors	6	2	—	—
Riga	1	—	—	—

64 ships arrived at Gdynia in November with an aggregate of 47.534 net reg. tons (in October 53 with 40.791 net reg. tons), and 60 departed with an aggregate of 43.770 net reg. tons (in October 52 with 41.869 net reg. tons).

As regards freight movement, the only article of any importance is coal, of which there was exported in November through Gdynia 91.777 tons (in October 95.256 tons); also 2.800 tons of cement was exported. Import shipments were very small, being 2.544 tons of granite paving blocks, 241 tons of stone for port building, and 40 tons of merchandise, altogether 2.825 tons.

Passengers arriving were 24, departing (for Havre) 855. The movement of ships in Gdynia according to nationality was as follows:

	Arrivals	Departures
Poland & Danzig	4	3
Germany	11	12
Sweden	31	27
Norway	7	9
Denmark	7	5
Finland	1	1
France	3	3
<b>Total:</b>	<b>64</b>	<b>60</b>

**MEASUREMENT OF POLISH MERCHANT VESSELS.**—In the "Dz. Ust. R. P." No. 105/1927, item 906, there was announced a decree with regard to the measurement of Polish merchant vessels. The decree contains the executive regulations to a Presidential decree, concerning the measurement of vessels, dated May 17, 1927 ("Dz. Ust. R. P." No. 47/1927, item 422).

When Poland gained control over the Polish sea-coast, the German Marine Law was in force and the measurement of

vessels was made in accordance with the German Measurement Act of June 20, 1888, with the amendments thereto dated March 1, 1895, and April 12, 1908. After the return to Poland of the Polish sea-coast, Polish merchantmen encountered difficulties in entering foreign ports, because each vessel had measurement certificates issued by its country of origin. To settle this problem, on May 17, 1927, there was issued a measurement decree based on the Morsom system — recognised in England, Germany and the majority of countries, and including amendments founded on the latest English regulations.

The more important resolutions have been included in the Presidential decree proper, while those strictly technical have been issued as regulations, which is an appendix to a decree of the Minister of Industry and Commerce, dated November 24, 1927.

The measurement authorities are the Merchant Marine Offices of Gdynia and Danzig. Taking the above decrees as a basis, agreement has been reached with Sweden, which has a different system of measurement, especially as regards engine room and bunkers, for the mutual recognition of measurement certificates.

**STORE AND CRANE CHARGES IN THE PORT OF DANZIG\*).**—On December 1, 1927, there came into force new regulations for storing and charges therefor, and new regulations for cranes and charges for the use thereof.

The new storing regulations are not materially different from the former regulations dated December 23, 1925, but they consist of the old plus amendments and extensions.

Articles 7 to 13 contain the operation regulations. The storing and delivery of goods is in general effected by the workmen of the persons storing, under the supervision of the Quay Department. Exceptionally the Quay Department has the right to employ for storing its own workmen only, and not allow access to any other workman. The re-packing and sorting of goods in warehouses is permitted, but these goods may not be finished or sold retail there. The uninterrupted storing of goods in waterside warehouses or yards should not exceed 20 days, after which time the Quay Department has the right of moving the goods elsewhere (this regulation does not apply to warehouses and yards destined for long-term storing).

The storing charges are made according to the Public Storing Charge Tariff. The rates are dependent on the location of the warehouses or yards, and the length of time of storage. The basic charges are given below (in pfennigs—per day):

	First 7 days	Succeeding 7 days	Next 10 days	Each succeeding day
Free Harbour	4	5	15	15
Vistula Terminal	4	5	10	12

\* General tariff of port charges in Danzig — see "The Polish Economist" No. 12/1927, page 505.

Port Canal	4	4	4	4
	3	3	3	3
Holm				
Storage yards				
Free Harbour				
1st Line	2.0	2.5	5.0	7.0
Free Harbour				
2nd Line	1.5	1.5	1.5	1.5
Vistula Terminal—				
same as Free				
Harbour				
Holm 1st Line	0.5	0.5	0.5	0.5
" 2nd "	0.01	0.01	0.01	0.01

The crane regulations foresee the order of vessels and goods for which cranes are supplied. Sometimes the hiring of cranes is dependent on the fulfilment of special conditions, such as working several shifts. These regulations are indispensable, in order to speed up loading and unloading. The technical personnel is supplied by the Quay Department, the remaining personnel to serve the cranes should be supplied by the lessee of the cranes. The method to be followed for weight raising is prescribed in the regulations, so that the loading appliances and cars be protected from damage. For the quickening of loading or unloading it is required that, as far as possible, all hatches be served simultaneously, and that the maximum crane efficiency be attained; otherwise the cranes may be leased elsewhere.

The crane charges are made in accordance with the Public Crane Charge Tariff, per ton or per hour. The rates depend on the kind of crane, and whether the crane is equipped with grabs, also on the goods lifted. Some characteristic rates are as follows:

for loading heavy bulk cargoes with 7-ton portal cranes equipped with grabs, per ton on one shift, (G\*) 0.70; on several shifts — G 0.60; for ores — G 0.55 (with a minimum per hour of G 35.00, G 30.00 and G 15.00 respectively). For loading light bulk cargoes with the same cranes per ton on one shift G 0.65; on several shifts — G 0.55; for coal — G 0.45 (or a minimum per hour of G 26.00, G 22.00 and G 18.00 respectively).

Loading heavy bulk cargoes with 2½ ton cranes per ton on one shift is G 0.42, on several shifts — G 0.30; for ores — G 0.25 (or a minimum per hour of G 8.00, G 6.00 and G 5.00 respectively). For light bulk cargoes per ton G 0.35, G 0.25 and for coal G 0.20 (or a minimum per hour of G 5.00, G 3.50 and G 3.00 respectively).

The above outline of storage and crane charges shows that the tariffs are not high; and in the special case of coal and ores, they even do not cover the cost of operation.

**GDYNIA — SOUTH AMERICA DIRECT STEAMER SERVICE.**—The Finland Syd-America Linien Ltd., which maintains a regular service between Finland and South America (Rio de Janeiro, Santos, Buenos Aires) has decided to make Gdynia a port of call, regularly on the outward voyage, and occasionally on the return trip.

The above Company has a fleet of 7 vessels ranging from 6.000 to 8.000 net

\* G = Danzig Gulden (= 2, 17522 at par).

reg. tons, and is able to effect regularly one voyage per month.

The sailings from Gdynia to Rio de Janeiro, Santos and Buenos Aires are as follows\*) (provisional dates — 1928):

from Gdynia:		
s. s. Orient	January	5th
" Garryvale	"	25th
" Navigator	February	15th
" Bore VIII	March	10th
" Herakles	"	30th
" Mercator	April	20th
" Equator	May	10th
" Orient	"	30th
" Garryvale	June	20th

from Buenos Aires:		
s. s. Bore VIII	January	6th
" Mercator	"	24th
" Equator	February	15th
" Orient	March	5th
" Garryvale	"	24th
" Navigator	April	16th
" Bore VIII	May	10th
" Herakles	June	1st
" Mercator	"	20th

In the second half of 1928, sailings will be made every 3 weeks in the same order.

**THE DEVELOPMENT OF MOTOR TRAFFIC IN POLAND.**

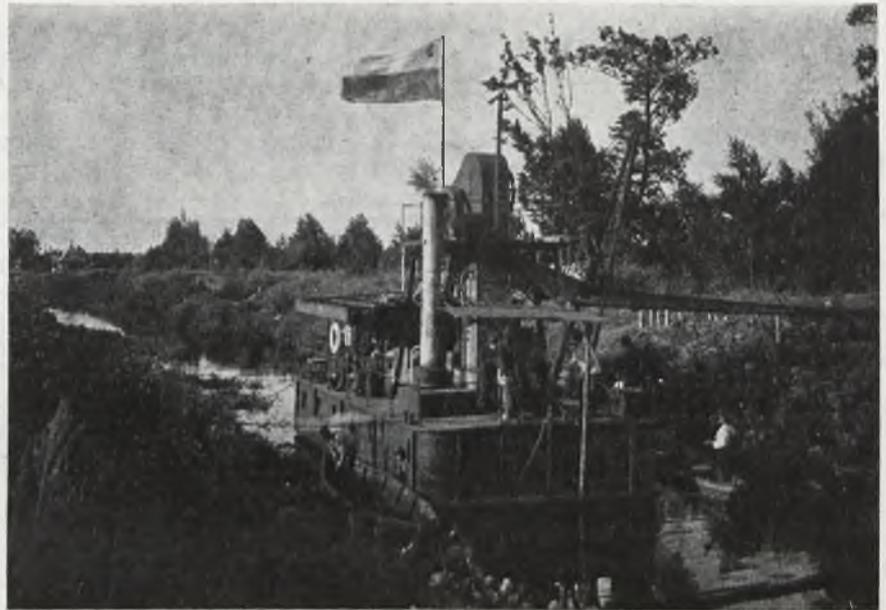
Motor traffic in Poland is constantly increasing, though it is still far less than in the majority of Western European countries. The greatest increase occurred during the present year and was caused by the constantly rising purchasing capacity of the population. In 1925, the total number of registered motor cars (excluding army cars), rose by 2,409, in 1926 — by 1,936, and in the first half of 1927 — by 2,234. The increase in total numbers of motor vehicles, including all kinds of mechanically driven machines, motor-cycles, &c., was 3,297, 2,504 and 2,626 respectively. On January 1, 1925, there was one automobile for every 2,370 inhabitants; on January 1, 1926, there was one automobile per 2,000 inhabitants; on January 1, 1927 — one per 1,790 inhabitants, and on July 1, 1927 — one per 1,590 inhabitants.

The increase in 1926 was for the most part in passenger cars; the number of motor lorries rose by 155. Of the passenger cars, the largest rise was in taxi-cabs, and secondly in motor buses. In the first half of 1927 there was a relatively greater increase of motor lorries, by 230 or 7·8 per cent. The number of passenger cars during the same period rose by 2,004, or 14·8 per cent, and the largest rise was in motor buses.

The number of automobiles (excluding army cars) in 1926 and in the first half of 1927 is given in the following statement:

	January 1st, 1926	January 1st, 1927	July 1st, 1927
passenger cars	11,807	13,588	15,592
including:			
private and Government cars	8,768	9,606	11,006
taxi-cabs	2,283	2,970	3,351
motor buses	756	1,012	1,235
motor lorries	2,811	2,966	3,196
<b>Total:</b>	<b>14,618</b>	<b>16,554</b>	<b>18,788</b>

\*) The above table of sailings has been communicated by the Finland Syd-America Linien with the usual reservation of change of time or order without notice — Ed.



DREDGING CANALS IN POLESIE VOIEVODSHIP (PHOT. J. BUZHAK)

The largest number of cars, both actually and proportionately to the number of inhabitants, is in Warsaw; the next largest proportional number is in Upper Silesia, then in the Poznań area, and fourthly in Pomerania.

Below is given a statement of the Voievodships in which more than 1,000 motor cars are registered (data for July 1, 1927):

City or Voievodship	Total number of motor cars	Number of motor lorries	Number of inhabitants per car
City of Warsaw	4,312	810	218
Voiev. of Poznań	3,268	303	602
" " Silesia	2,031	536	554
" " Kraków	1,388	307	1,436
" " Warsaw	1,364	225	1,549
" " Pomerania	1,327	185	705
" " Łódź	1,270	208	1,774
" " Lwów	1,206	212	2,254

**AERIAL COMMUNICATION IN NOVEMBER.**

The severe weather in November cut down the air traffic by half. The number of flights (scheduled and extra), dropped from 410 in October to 230 in November; also the distance flown shrank from 124,585 km. to 90,565 km. The number of passengers carried was 293, as against 755 in the preceding month. The transport of mail decreased from 1,802 kg. to 1,160 kg., and that of freight from 31,262 kg. to 19,984 kg.

The increasing severity of the winter leads to suppose that the December figures will be still lower.

**RESPONSIBILITY OF THE POST OFFICE FOR PARCELS COMING FROM OR DISPATCHED ABROAD.**

— Indemnity for parcels lost or for the loss of or damage of part of the contents may not exceed:

a) for ordinary parcels:

up to 1 kg. weight	— gold fr. 10
from 1 to 5 kg. weight	" " 25
" 5 " 10 "	" " 40
" 10 " 15 "	" " 55
" 15 " 20 "	" " 70

b) for parcels with a declared value — the quota declared by the sender in the currency of the country of origin.

Compensation for parcels with an undeclared value dispatched to or from the Free City of Danzig may not exceed gold fr. 2 per kg., and to or from the U. S. S. R. — gold fr. 1 per 1 kg.

To or from the isles of Bermuda and to or from Southern Rhodesia the Post Office accepts responsibility only for parcels with a declared value, while as regards Australia and New Zealand — only for such parcels with a declared value as contain articles not subject to breakage or spoiling.

The Post Office accepts no responsibility for parcels sent to the following countries: the Union of South-Africa, the United States of America, Canada, Mexico, Papua, Northern Rhodesia, Saint Pierre and Miquelon, Transjordanian.

Where parcels destined for a country for which the Post Office accepts no responsibility, are lost or damaged while yet on Polish territory, the Post Office may award compensation according to the ratio fixed for inland parcels.

From November 1, 1927, instead of the previous rate (gold fr. 2 per 1 kg.) for parcels to or from Austria, Czechoslovakia, Rumania and Hungary, the normal rates are applied. This is also the case for parcels sent before November 1, 1923, about which question arises after November 1.

# FINANCE AND BANKING

STATE REVENUE AND EXPENDITURE IN NOVEMBER are shown in the following table (in millions of  $\text{z}$ ):

	Revenue		Expenditure	
	actual	estimated for 1927/8	actual	estimated for 1927/8
A) Civil service ... ..	190.3	1,234.8	231.0	1,973.5
The President of the Republic ...	—	0.2	0.2	2.6
The Parliament... ..	—	—	0.7	8.8
State Control ... ..	—	0.1	0.4	4.5
Council of Ministers . . . . .	—	—	0.1	1.8
Ministry of Foreign Affairs ... ..	2.3	7.9	5.5	39.6
" " War . . . . .	1.2	10.3	89.9	610.8
" " the Interior ... ..	1.8	13.0	15.2	184.7
" " Finance . . . . .	173.0	1,076.2	8.3	108.3
" " Justice ... ..	3.8	34.8	8.7	97.2
" " Industry and Commerce .	1.0	7.0	3.8	34.0
" " Transport ... ..	—	0.3	0.3	3.3
" " Agriculture ... ..	1.5	11.3	2.6	37.7
" " Religious Cults and Edu- cation . . . . .	1.0	8.3	30.4	329.3
" " Public Works . . . . .	2.7	36.1	8.2	87.5
" " Labour and Social Pro- tection ... ..	—	1.0	6.4	58.3
" " Land Reform . . . . .	0.4	1.5	3.4	36.5
Pensions ... ..	1.6	26.8	7.3	82.0
Grants to Invalids ... ..	—	—	11.2	101.5
State liabilities .. . . .	—	—	28.4	145.1
B) State Enterprises . . . . .	17.8	107.8	6.3	14.8
C) Monopolies . . . . .	71.3	50.9	—	—
Total A + B + C:	279.4	1,993.5	237.3	1,988.3

Both revenue and expenditure increased in November. The rise in revenue was due chiefly to the increase in the returns from taxes and monopolies, which were  $\text{z}$  234.4 million, and to larger returns from the Civil Service.

State enterprises brought in  $\text{z}$  17.8 million, or less than in October, and were: Posts and Telegraphs  $\text{z}$  10 million, State Forests  $\text{z}$  4.1 million, the Railways  $\text{z}$  3.5 million; small returns were obtained from the remaining enterprises. The results from State enterprises have been very favourable during the present year. The budget, taking into account the actual condition of the enterprises, was careful in estimating only  $\text{z}$  107.8 million from this source for the whole year. In practice the results have proved much better than anticipated; during the first eight months 141.8 million or 131 per cent of the estimate for the whole year has been returned by these institutions.

in the following table (in millions of  $\text{z}$ ):

State expenditure has also increased considerably during the period under review. The favourable condition of the budget allowed the Treasury to make a series of necessary investments previously impossible owing to an insufficient surplus: the expenditure of several ministries was greatly increased, also the payments in connection with the National Debt were higher, because by January 1st, various instalments of the State Debts are due. The amount of National Debt expenditure, foreseen in the budget, is  $\text{z}$  28.5 million. In addition, the first monthly instalment of the Stabilisation Loan was paid in November.

In connection with extended investments,  $\text{z}$  3.6 million was earmarked for mining and foundry, and  $\text{z}$  3.1 million for army supplies.

November closed with an excess of revenue over expenditure of  $\text{z}$  42.1 million. The revenue, expenditure and

excesses of revenue over expenditure during the budgetary year are given in the following statement (in millions of  $\text{z}$ ):

	Revenue	Expenditure	Excess of revenue
April	202.6	166.1	36.5
May	209.9	189.8	20.1
June	198.8	180.0	18.8
July	203.7	177.1	26.6
August	192.3	164.3	28.0
September	193.8	181.6	12.2
October	233.0	209.6	23.4
November	279.4	237.3	42.1
Total:	1,713.5	1,505.8	207.7

Thus, during the eight months, the total expenditure amounted to 75.6 per cent of the budgetary estimate for the whole year, and the revenue came to 85.6 per cent. The revenue excess is therefore very large, and constitutes a solid reserve; it permits of the carrying out of a number of investments which can no longer be put off.

**TAXES IN NOVEMBER.** — November and December usually give the largest tax revenues during the year. This year was not an exception in this respect, the revenue from public levies and monopolies having reached the comparatively high level of  $\text{z}$  234.4 million. The undermentioned table gives the revenue from these sources from the beginning of the current budgetary year (in millions of  $\text{z}$ ):

April	162.6
May	178.5
June	151.8
July	169.7
August	154.5
September	165.8
October	192.4
November	234.4

The total returns from public levies and monopolies for the last eight months were  $\text{z}$  1,409.8 million, or 84.4 per cent of the  $\text{z}$  1,671.1 million budgeted for the whole year. This result is very satisfactory.

Analysing more closely, it is found that there was a large increase in the returns from direct taxes. In November they amounted to  $\text{z}$  73.9 million, consisting mainly of the three most important sources, namely: the Land Tax ( $\text{z}$  15.1 million), the Industrial Tax ( $\text{z}$  23 million), and the Income Tax ( $\text{z}$  26 million). The large return from the Land Tax gives evidence of the great improvement in agriculture. In this connection, the payment of interest and fines for overdue taxes brought in  $\text{z}$  4.1 million.

Indirect taxes returned  $\text{Z} 12.6$  million, as follows:  $\text{Z} 6.8$  million from the Sugar Tax, and  $\text{Z} 2.8$  million from the Mineral Oil Tax. During the first eight months of the budgetary year, the indirect taxes brought in  $\text{Z} 107.3$  million, which is 82.4 per cent of the budget for the whole year.

The customs duties brought in  $\text{Z} 33.8$  million, or more than in the preceding months. It should be expected that these returns will continue to be large, since the improvement of the financial situation causes a corresponding increase in imports.

The stamp fees returned  $\text{Z} 15.8$  million, or more than in former periods. For the eight months, the revenue from this source was  $\text{Z} 112.2$  million, or 99.9 per cent of the budget for the whole year.

In view of the term of the Property Tax falling due, the returns from this

tax were  $\text{Z} 16.0$  million; but for the eight months period there has come in only  $\text{Z} 33.5$  million, or 35.2 per cent of the sum expected for the whole year.

The 10 per cent Extraordinary Supplementary Tax brought in  $\text{Z} 10.9$  million, as a result of the increase in all revenues in November. During the eight months, this tax has returned 97 per cent of the sum budgeted for the whole year.

The State monopolies gave more than in the preceding months —  $\text{Z} 71.3$  million. The increase was due to the return of  $\text{Z} 35.6$  million from the Spirit Monopoly. The Tobacco Monopoly gave  $\text{Z} 30$  million, the Salt Monopoly  $\text{Z} 4.4$  million, while the remaining monopolies gave only small returns.

A comparative table of revenue from taxes and monopolies is given below (in million  $\text{Z}$ ):

	Actual revenue: <sup>1/10th</sup> of the yearly budget for			
	November: 1926	October: 1927	1927	1927/8
Direct taxes	54.1	73.9	59.9	36.5
Indirect taxes	11.3	12.6	13.3	10.9
Customs duties	11.9	33.8	26.2	15.2
Stamp fees	18.1	15.8	14.2	9.3
Total of the ordinary public levies:	95.3	136.1	114.3	71.9
Property tax	7.9	16.0	3.0	7.9
10 per cent extraordinary tax	7.1	10.9	9.0	5.2
Monopolies	53.4	71.4	62.6	54.0
Total of public levies and monopolies:	163.7	234.4	165.7	139.0

## STOCK EXCHANGE

### FOREIGN CURRENCIES

In November the tendency on the foreign exchange market in Warsaw was irregular. Under the influence of

	31.10	2—5.11	7—12.11	14—19.11	21—29.11	31.11	par value
<b>Warsaw Exchange</b>							
London £ 1	43.41½	43.40	43.42	43.45	43.48	43.48½	43.38
New York \$ 1	8.90	8.90	8.90	8.90	8.90	8.90	8.91
Paris Fr. Fr. 100	35.—	35.—	35.01	35.03	35.06	35.07½	172.00
Brussels Belg. 100	—	124.18	124.24	—	124.46	—	123.95
Zurich Sw. Fr. 100	171.95	171.83	171.89	171.92½	171.92	171.90	172.00
Milan Lir. 100	48.75	48.71	48.65	48.50	48.54	—	172.00
Amsterdam Fl. 100	359.32½	359.26	359.65	359.98	360.19	—	358.31
Vienna Sh. 100	125.85	125.85	125.82	125.72	125.70	—	125.43
Prague Kcz. 100	26.41½	26.41½	26.41½	26.41½	26.41	26.41	180.62
Stockholm Kr. 100	—	—	239.87	—	240.30	—	238.89
<b>Foreign Exchanges</b>							
London £ 1	43.50	43.50	43.50	43.50	43.48½	43.50	43.38
New York $\text{Z}$ 100	11.25	11.25	11.25	11.25	11.25	—	11.22
Zurich $\text{Z}$ 100	—	58.17½	58.20	58.20	58.17½	—	58.14
Vienna $\text{Z}$ 100	—	—	—	—	—	—	79.72
Prague $\text{Z}$ 100	377.50	377.25	377.37½	377.57½	377.91	377.87½	55.36
Berlin $\text{Z}$ 100	46.96	47.—	47.03	47.—	46.96	46.92½	47.09
Danzig $\text{Z}$ 100	57.60	57.62½	57.63	57.56	57.48	57.50½	57.63

the quotations ruling on the foreign stock exchanges the Dutch Florin rose (per 100) by over  $\text{Z} 0.90$ , the Swedish Crown — by  $\text{Z} 0.43$ , the Belga — by  $\text{Z} 0.44$ , the French Franc — by  $\text{Z} 0.07$ , and Pound Sterling (per £ 1) — by  $\text{Z} 0.06$ . On the other hand, the Swiss Franc, Austrian Shilling, Italian Lira and the Czechoslovakian Crown fell slightly. The U. S. A. Dollar continued to be stable in relation to the Złoty. The quotations of the Złoty on foreign stock exchanges

did not show any fluctuations. The turnover on the foreign exchange market was greatly reduced and amounted to about 50 per cent of that of the previous month. The cause for such a large falling off, is accounted for by the high cost connected with the purchase of foreign notes and exchanges.

At the present time, when the movement of foreign currencies and drafts with foreign countries is no longer restricted, it is more profitable to buy

and sell abroad than in the internal market, all the more so, as the Polish banking institutions have extensive connections abroad. The comparatively high rates of commission will be considerably lowered within a few days, through action taken by the Union of Polish Banks.

As regards Dollar notes, which heretofore had a fairly wide circulation in Poland, it is gratifying to note that since the legal stabilisation of the Złoty,



State, Municipal & Land Loans	31.10	2—5.11	7—12.11	14—19.11	21—29.11	30.11	Nominal
5% Conversion Loan . . . . .	63'50	63'25	63'85	64'—	64'70	66'50	₺ 100'—
6% External Dollar Loan 1920 . . . . .	82'50	82'50	82'60	82'—	81'60	—	\$ 100'—
5% Premium Dollar Loan Series II . . . . .	60'50	61'20	61'55	61'90	62'40	63'25	\$ 5'—
10% Railway Loan (1st series) . . . . .	102'75	102'70	102'70	103'—	103'20	102'90	Gold fr. 100'—
8% Bank Gospodarstwa Krajowego Bonds . . . . .	93'—	93'—	93'—	93'—	93'—	93'—	Gold fr. 100'—
8% State Agricultural Bank Bonds . . . . .	93'—	93'—	93'—	93'—	93'—	93'—	Gold fr. 100'—
8% Com. Oblig. of the Bank Gospodarstwa Kraj.	93'—	93'—	93'—	93'—	93'—	93'—	Gold fr. 100'—
8% Land Credit Association Bonds . . . . .	83'—	82'05	82'60	82'50	82'50	—	₺ 100'—
4% Land Credit Association Bonds . . . . .	56'—	56'—	—	—	53'—	—	₺ 100'—
4½% Land Credit Association Bonds . . . . .	61'50	60'70	60'30	59'60	59'25	58'35	₺ 100'—
8% Credit Soc. of the City of Warsaw Bonds . . . . .	83'25	82'45	82'90	82'15	81'30	80'—	₺ 100'—
5% Credit Soc. of the City of Warsaw Bonds . . . . .	69'—	67'15	66'80	64'90	65'05	64'90	₺ 100'—
4½% Credit Soc. of the City of Warsaw Bonds . . . . .	64'75	62'—	62'—	61'50	61'60	—	₺ 100'—

**PUTTING THE PLAN OF STABILISATION INTO OPERATION.** — The following sums, provided for in the plan of stabilisation, were freed from the special account of the National Treasury in the Bank of Poland, into which the Stabilisation Loan had been paid:

- 1) ₺ 75,000,000 for increasing the capital of the Bank of Poland;
- 2) ₺ 100,000,000 for the purchase by the Bank of the Treasury notes in circulation;
- 3) ₺ 25,000,000 to clear up the floating debts of the Treasury.

With the ₺ 75 million the Treasury purchased the second issue of the Bank of Poland shares, thereby increasing the paid up capital of the Bank by ₺ 50 million, and the reserve by ₺ 25 million.

With the ₺ 100 million, the Bank of Poland reduced the issue of Treasury notes, writing off from the special deposit account of the Treasury the balance of the ₺ 92 million Treasury notes, and withdrawing the ₺ 8 million from circulation. In this way the exchange of Treasury notes for bank notes was carried through without increasing the circulation of bank notes and resulted in a considerable decrease in the total circulation. The Bank of Poland during the first twenty days of November drew out of circulation larger quantities of Treasury notes, transferring them to the special account of the Treasury, the balance of which rose thereby from ₺ 48 to ₺ 92 million.

At the same time the circulation of bank notes was not increased but even decreased by ₺ 61'9 million. Therefore the withdrawal from circulation of Treasury notes with the ₺ 100 million, was successful.

The sum of ₺ 25 million is destined for the redemption of the issue of 6 per cent exchequer bonds. The purchase will take place at the latest by the end of 1927, when the term of payment of these bonds falls due, and new bonds will not be issued.

The Government has decided to leave untouched the ₺ 75 million Treasury reserve.

**THE WITHDRAWAL FROM CIRCULATION OF ₺ 2 TREASURY NOTES.** — On November 28th the Minister of Finance signed a decree concerning the withdrawal from circulation of ₺ 2 Treasury Notes. The decree establishes that these Treasury notes, issued in 1925, are legal tender only up to March 31, 1928. After this date, up to March 31, 1930, they can be exchanged for coin and Bank of Poland notes. After April 1, 1930, all obligation of exchange ceases.

The circulation of the ₺ 2 Treasury notes, is not large: on February 20, 1927, it was about ₺ 13 million.

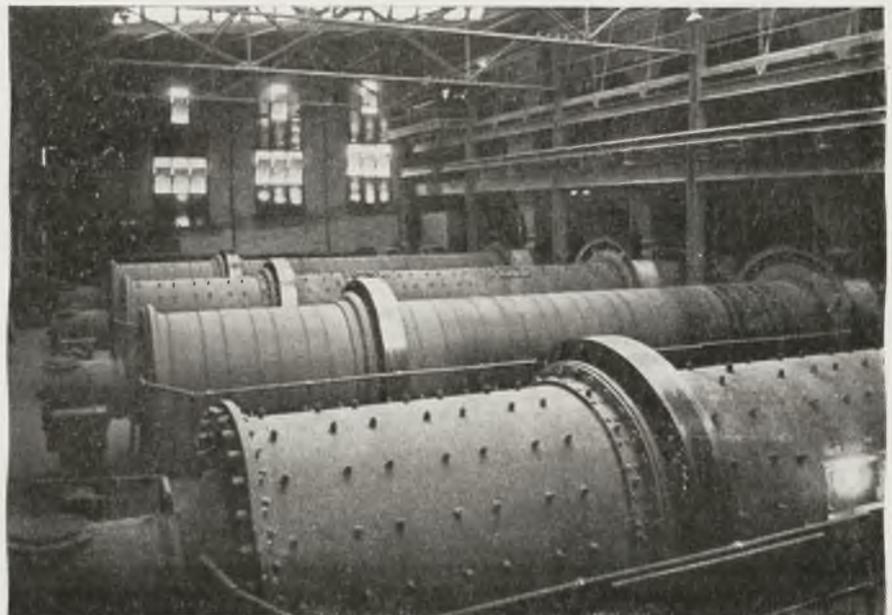
The decree is in accordance with the plan of stabilisation which as is well known was adopted quite recently.

After the withdrawal of the ₺ 2 notes, there will remain the ₺ 5 notes, which will also gradually be taken out of circulation.

**REDUCTION OF THE RATE OF INTEREST ON SECURED LOANS.** —

In accordance with the decree of November 26, 1927 ("Dz. Ust. R. P." No. 109, item 931), which came into force on December 15, 1927, for loans against moveable securities (excepting bonds and goods), the interest and commission charged by banking institutions may not exceed together 12 per cent per annum, while the storing, insuring and valuation charges on the securities may not exceed a total of 1 per cent per month. Hitherto this charge was 2 per cent per month, which was too high in relation to the operating costs.

Loan agreements contracted before December 15, 1927, in which the interest be higher than the above rate, are to be executed in such a manner that the interest may be charged at the higher rate only up to the nearest date of payment, which may not be later than December 31, 1927.



A VIEW FROM THE CHORZÓW STATE CHEMICAL WORKS  
(PHOT. S. PLATER).

## BANK OF POLAND

— The balance-sheet of the Bank of Poland for November showed many and considerable changes, both as regards the arrangement of the different items and the position of the different accounts. The alterations in the disposition of the accounts were mainly due to the putting into practice of the stipulations of the stabilisation plan and to the amendment of the Statutes of the Bank, whereas the changes in the accounts themselves were mainly due to the fact that the Stabilisation Loan was entered therein.

The bullion and foreign currency reserves appeared in the balance-sheet for November in the following manner: on the debit side the bullion reserve was subdivided into gold and silver\*), foreign currencies and drafts, together with foreign assets (gross reserve); on the credit side were placed liabilities in foreign currencies (liabilities resulting from report transactions, as well as balances on foreign currency accounts). The balance-sheet dated November 30th, showed on the debit side the gold reserve which remained abroad as well as that kept at the Bank in Warsaw, also the silver reserve, foreign currencies and drafts, foreign assets, forming part of the cover (net reserve), as well as foreign currencies and assets which do not form part of the cover; on the credit side, there were no foreign currency accounts.

Foreign notes and drafts, which are not included in the cover, hitherto appeared also in the balance-sheet of the Bank but they were entered under the heading of "other assets", and their extent was smaller, due to the fact that the Statutes stipulations were not quite so strict. Up to the present the Statutes of the Bank of Poland allowed bills of exchange issued at home and abroad in foreign currency and accepted by foreign firms of good standing to be included in the cover. It may be mentioned that the foreign currency cover includes also foreign assets deposited in foreign banks, cheques and transfers. Moreover, all the bank notes, drafts and assets, which form part of the foreign currency cover, should be expressed in foreign moneys, which may be converted into gold; the Council of the Bank clearly defined what currencies answer these conditions. The Statutes of the Bank, which

were amended on November 15th, 1927, authorise the inclusion in the cover of only such foreign bills which are either accepted or endorsed by first class foreign banks and are payable within 90 days. In addition, the values forming part of the currency cover should be expressed in currencies convertible into gold. The Council of the Bank will continue to determine, what currencies are in conformity with this ruling. At the beginning of November, foreign currencies and drafts not forming part of the cover represented a value of about  $\text{zł}$  36 million, which sum, as already stated, appeared under the heading of "other assets". In the first 10 days period of the month of November, owing to the new Statutes, a portion of the foreign currency reserve and in particular foreign bills of exchange, which were included in the cover, had to be transferred to the foreign currency reserves, which were previously not included in the cover. This portion represented about  $\text{zł}$  9 million and, together with the  $\text{zł}$  36 million entered under "other assets", represented a new item of foreign currencies and drafts not forming part of the cover, which totalled  $\text{zł}$  45.2 million.

Also during the first 10 days of the period under review, the Stabilisation Loan (in Dollars and Pounds Sterling) amounting to  $\text{zł}$  555 million was entered in the State Treasury account; at the same time, thanks to this entry, the bullion and foreign currency reserves increased enormously the first from  $\text{zł}$  328.7 million to  $\text{zł}$  340.6 million and the second, composed of foreign currencies and drafts, forming part of the cover—from  $\text{zł}$  388 million (less the  $\text{zł}$  9 million which were transferred to currencies not included in the cover) to  $\text{zł}$  918 million, whereas the liabilities in foreign currencies rose from  $\text{zł}$  41.2 to  $\text{zł}$  45.6 million.

Further changes took place at the end of November. To the account for currencies, drafts and foreign assets not included in the cover were transferred the foreign currencies representing the liabilities of the Bank expressed in foreign moneys (balances of accounts kept in foreign currencies and liabilities in connection with report transactions, the two items amounting to  $\text{zł}$  23.7 million) as well as the total of foreign currencies, &c., representing the part of the Stabilisation Loan, which was utilised for the purchase of silver ( $\text{zł}$  90 million) and the value Treasury reserves amounting to  $\text{zł}$  75 million.

In this way, the total of foreign currencies, drafts and foreign assets, which form part of the cover, decreased by about  $\text{zł}$  189 million. Apart from this,  $\text{zł}$  50 million were devoted to the purchase of gold, and the sum of  $\text{zł}$  12 million represented the actual decrease in the foreign currency reserve (gross) in the 3rd ten days period of November. At the same time the liabilities of the Bank in foreign currencies decreased by about  $\text{zł}$  17 million—from  $\text{zł}$  40.8 million to the above mentioned  $\text{zł}$  23.7 million, which was transferred to "other liabilities"; on the debit side, foreign currencies &c. now accepted as part of the cover have been included in the net cover. Consequently, the net foreign currency reserve representing the cover for the note issue in circulation, declined from  $\text{zł}$  861.4 million to  $\text{zł}$  651.2 million, i. e., a drop of  $\text{zł}$  210.2 million. If now the foreign currencies and drafts corresponding to the above mentioned portion of the Stabilisation Loan, as well as the sums of foreign currencies and of gold (about 215 million) are eliminated, it will be found that the foreign currency reserves rose by about  $\text{zł}$  5 million during the 3rd ten days period of November.

During November the currency reserve rose from  $\text{zł}$  396.8 to  $\text{zł}$  857.2 million. Of this sum  $\text{zł}$  651.2 million was transferred to the cover and  $\text{zł}$  206.1 million represented the reserve which was not included in this cover (in this sum was the above mentioned amount of  $\text{zł}$  36 million transferred to "other assets"). The volume of foreign bank notes during the period under review declined from  $\text{zł}$  18.9 to  $\text{zł}$  5.5 million, and that of foreign drafts and assets rose from  $\text{zł}$  377.9 to  $\text{zł}$  645.7 million.

Bullion reserves rose during the period under review from  $\text{zł}$  328.7 million to  $\text{zł}$  510.5 million, gold reserves from  $\text{zł}$  326.5 to  $\text{zł}$  508.2 million, and silver reserves from  $\text{zł}$  2.2 to  $\text{zł}$  2.3 million. Gold reserves rose mainly on account of purchases, the bulk of which were made on November 9th, that is after receiving the Stabilisation Loan. The total purchases were over  $\text{zł}$  20 million, of which  $\text{zł}$  15 million were made in the United States of America and about  $\text{zł}$  1 million on the London gold market. The bullion was transferred to the Bank, and by the end of November  $\text{zł}$  277.4 million were already in the vaults of the Bank, while the rest —  $\text{zł}$  230.8 million, remained abroad. According to the Statutes of the Bank of Poland,  $\frac{3}{4}$  of the minimum cover for the bank notes in circulation and for liabilities payable

\*) According to the value expressed in gold; the silver reserves must at least represent 5 per cent of the gold reserve.

	OCTOBER 31st		NOVEMBER 10th		NOVEMBER 20th		NOVEMBER 30th	
<b>Assets:</b>								
Bullion:								
gold in bars and cash	326,503,026·59		428,426,435·49		458,239·829·14		508,219,944·53	
silver "	2,170,955·39	328,673,981·98	2,205,744·99	430,632,180·48	2,226,014·94	460,465,844·08	2,275,488·41	510,495,432·94
Foreign currency, drafts and assets:								
included in the cover --		441,075,044·78		917,951,210·89		902,229,999·18		651,173,691·40 <sup>1)</sup>
not included in the cover		1,904,222·31		45,247,377·16 <sup>1)</sup>		45,770,567·48		229,776,803·07 <sup>1)</sup>
Silver and token coins --		432,638,449·72		1,527,111·09		1,332,332·04		743,029·69
Bills of exchange --		32,025,570·54		430,377,874·70		431,369,023·15		430,905,046·99
Loans against securities -		23,306,250·—		32,369,220·09		33,255,923·—		34,246,268·—
Report		9,720,014·33		22,334,000·—		14,220,000·—		—
Own interest-bearing securities		20,214,981·59		11,469,195·63		6,252,862·49		6,082,371·61
Reserve funds invested in the securities --		25,000,000·—		20,214,981·59		27,244,098·58		30,656,386·50
Loans to Government		36,282,185·25		25,000,000·—		25,000,000·—		25,000,000·—
Property and fittings		85,770,086·06		36,282,185·25		36,282,185·25		36,282,185·25
Other assets		1,436,610,786·56		44,822,221·91		45,788,052·17		56,407,046·49
				2,018,227,558·79		2,029,210,887·42		2,011,768,261·94
<b>Liabilities:</b>								
Capital		100,000,000·—		100,000,000·—		100,000,000·—		150,000,000·—
Reserve fund:								
legal	4,653,130·—		4,653,130·—		4,653,130·—		4,653,130·—	
special reserve	79,674,421·80	84,327,551·80	79,674,421·80	84,327,551·80	79,674,421·80	84,327,551·80	104,674,421·80	109,327,551·80
Notes in circulation		929,413,200·—		889,256,490·—		867,469,360·—		939,895,830·—
Sight liabilities:								
current accounts of State institutions -	95,674,727·28		97,243,349·42		122,743,366·12		226,936,844·59	
outstanding current accounts -	112,653,862·43		175,673,195·31		185,474,421·19		146,137,583·85	
treasury notes a/c	—		—		—		30,000,000·—	
silver purchases a/c	—		—		—		90,000,000·—	
State credit fund a/c	—		—		—		141,342,480·—	
various accounts -	6,589,638·90	214,918,228·61	6,224,522·10	279,141,066·83	6,161,069·22	314,378,856·63	10,108,820·34	644,525,768·78
Special account of the Treasury				554,866,477·30 <sup>1)</sup>		555,376,477·30		75,000,000·—
Accounts in foreign currencies		17,885,307·21		20,306,070·69		25,029,730·34		—
Liabilities on report transactions		26,361,960·—		25,265,760·—		15,822,000·—		—
Other liabilities		63,704,538·94		65,064,142·17		66,806,911·35		93,019,151·35
		1,436,610,786·56		2,018,227,558·79		2,029,210,887·42		2,011,768,261·99

<sup>1)</sup> Explanations concerning the missing figures will be found in the report on the activity of the Bank of Poland — Ed.

at sight, must be in gold, and  $\frac{2}{3}$  of this reserve must be kept in the country. The minimum cover at the end of November amounted to  $\text{zł} 633\cdot8$  million, so that the bullion reserves should represent  $\text{zł} 475\cdot3$  million of which  $\text{zł} 316\cdot9$  million must be in the vaults of the Bank. The first stipulation was observed at the end of November.

The fluctuations in the bullion and foreign currency reserves are illustrated by the following table (in millions of  $\text{zł}$ ):

	January 1st	November 1st	November 30th
gold	237·7	326·5	508·2
silver	1·0	2·2	2·3
foreign currencies	31·7	18·9	5·5
foreign drafts and liabilities	183·6	377·9	645·7
Total:	454·1	725·5	1,161·7

In relation to the bank notes in circulation and to the liabilities payable at sight, the cover amounted to 73·32 per cent on November 30th, as against 80·7 per cent on November 1st. Till November the ratio of the cover was only calculated in respect of bank notes, but since November 10th, owing to the amendment of the Statutes, the cover is calculated in relation to the bank notes and sight liabilities. The value of the bank notes in circulation during the period under review rose from  $\text{zł} 929\cdot4$  million to  $\text{zł} 939\cdot9$  million, and

sight liabilities from  $\text{zł} 214\cdot9$  to  $\text{zł} 644\cdot5$  million.

The proceeds from the Stabilisation Loan were not at first considered as sight liabilities (in this connection the bullion and foreign currency reserve rose on the 10th of November as high as 111·52 per cent). As already stated, the whole proceeds of the Stabilisation Loan were entered in the special account of the Treasury. At the end of November the greater part of this sum was transferred to the account of liabilities payable at sight: it was divided into several items, thanks to which it is easy to form an opinion as to its disposal. On the special Treasury account there remained the Treasury reserve of  $\text{zł} 75$  million, which the Polish Government decided to leave intact. Although this sum has not been considered as a sight liability, yet, as we have seen, its equivalent has been incorporated into the foreign currency reserve.

The financial adviser to the Polish Government released the sum of  $\text{zł} 140$  million in the 3rd ten days period of November for the withdrawal from circulation of Treasury notes, the sum of  $\text{zł} 75$  million for the increase in the capital of the Bank of Poland, and  $\text{zł} 25$  million for the settlement of the debt

of the Treasury. Also in the 3rd ten days of November, Treasury notes and token coins to the amount of  $\text{zł} 110$  million were taken out of circulation, with the result that the balance of Treasury notes and liabilities payable at sight in circulation amounted to  $\text{zł} 30$  million on November 30, 1927. During the third 10 days period of November, the second issue of the Bank of Poland shares to the amount of  $\text{zł} 75$  million was taken up by the Treasury. Consequently, the proceeds of the Stabilisation Loan diminished by this sum, while the share capital of the Bank of Poland rose from  $\text{zł} 100$  million to  $\text{zł} 150$  million, and the special reserve from  $\text{zł} 79\cdot7$  million to  $\text{zł} 104\cdot7$  million. During the same period the floating debt of the Treasury was reduced through the purchase of the 6 per cent exchequer bonds of which no further issue will be made. At the end of November, among the items which came up for payment in connection with the Stabilisation Loan and which are included in the liabilities payable at sight, apart from the balance of the sum devoted to the withdrawal of Treasury notes, were purchases of silver for  $\text{zł} 90$  million and the account of the State Economic Fund, amounting to  $\text{zł} 141\cdot3$  million.

It should be stated that the withdrawal of the Treasury notes and token coins from circulation only slightly contributed towards the increase in the volume of bank notes in circulation. During the first and second 10 days periods of November the Bank of Poland withdrew a considerable amount of Treasury notes, so that the volume of the notes taken out, which figured on the special deposit account of the Treasury, rose to  $\text{zł}$  92 million. When withdrawing  $\text{zł}$  110 million in the course of the 3rd decade of November, the Bank wrote off the sum of  $\text{zł}$  92 million from the deposit account of the Treasury and credited the current account, so that  $\text{zł}$  18 million were actually taken out of circulation.

The operations of the Bank in foreign exchange did not affect the amount of bank notes in circulation. The Stabilisation Loan or rather its actual receipt did not result in the issue of bank notes as most of the operations were performed

by means of transfers from one set of accounts to another. Other operations in foreign exchange did not necessitate the increase of money in circulation.

A similar statement may be made as regards the activity of the Bank. The amount of bills discounted declined from  $\text{zł}$  432.6 to 430.9 million. A still further falling off is shown in the amount of credits granted by the Bank, namely from  $\text{zł}$  644.5 to 620.0 million; the percentage of credit employed rose from 67.0 to 69.5. It should be mentioned however that, during the first 10 days period the amount of credits granted reached again the sum of  $\text{zł}$  643.0 million and that of credits employed to a sum of  $\text{zł}$  434.4 million. Secured loans rose during November from  $\text{zł}$  32.0 to  $\text{zł}$  34.2 million.

As for the other items of the bank cover for the notes in circulation, it should be stated that the amount of interest-bearing securities declined from  $\text{zł}$  9.7 to 6.1 million. The reserve fund

invested in securities rose from  $\text{zł}$  20.2 million to  $\text{zł}$  30.7 million. In accordance with the Stabilisation Plan the debt of the Treasury remained at  $\text{zł}$  25 million.

The component parts of the bank cover were as follows (in millions of  $\text{zł}$ ):

	January 1st	Nov. 1st	Nov. 30th
bills	321.3	432.6	430.9
Polish silver coins and token money	29.1	1.9	0.7
loans against se- curities	9.4	32.0	34.2
own interest-bear- ing securities	18.9	9.7	6.1
liability of the Tre- asury	25.0	25.0	25.0
Total:	403.6	501.3	497.0

**INCREASE OF THE CAPITAL OF THE BANK OF POLAND**, from  $\text{zł}$  100 million to  $\text{zł}$  150 million, took place at the end of November by the sale to the Treasury of the second issue of shares (See "Putting the Stabilisation Plan into Operation" — page 41).

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### BANK OF POLAND:

#### ASSETS:

	10.12.27	20.12.27
Gold and silver reserve	$\text{zł}$ 510,600.116.57	$\text{zł}$ 510,665.525.42
Foreign balances	" 891,022.893.76	" 904,272.857.37
Bills of exchange	" 434,441.958.67	" 437,258.273.39
Loans against securities	" 35,957.998.--	" 37,354.841.--

#### LIABILITIES:

Notes in circulation	" 940,383.970.--	" 932,591.590.--
Current accounts	" 407,975.764.29	" 438,053.188.53
Other sight liabilities	" 258,433.739.65	" 520,814.889.71

#### BANK NOTES COVER

(bullion & foreign currencies)	73.28%	72.89%
--------------------------------	--------	--------

**ERRATA.** — In the preceding issue, No. 12/1927, on page 486, columns 1, 3 and 5 of the table of grain movement between Poland and abroad, are for the first quarter of the 1927/28 agricultural year, while columns 2, 4 and 6 concern the first quarter of 1926/27.

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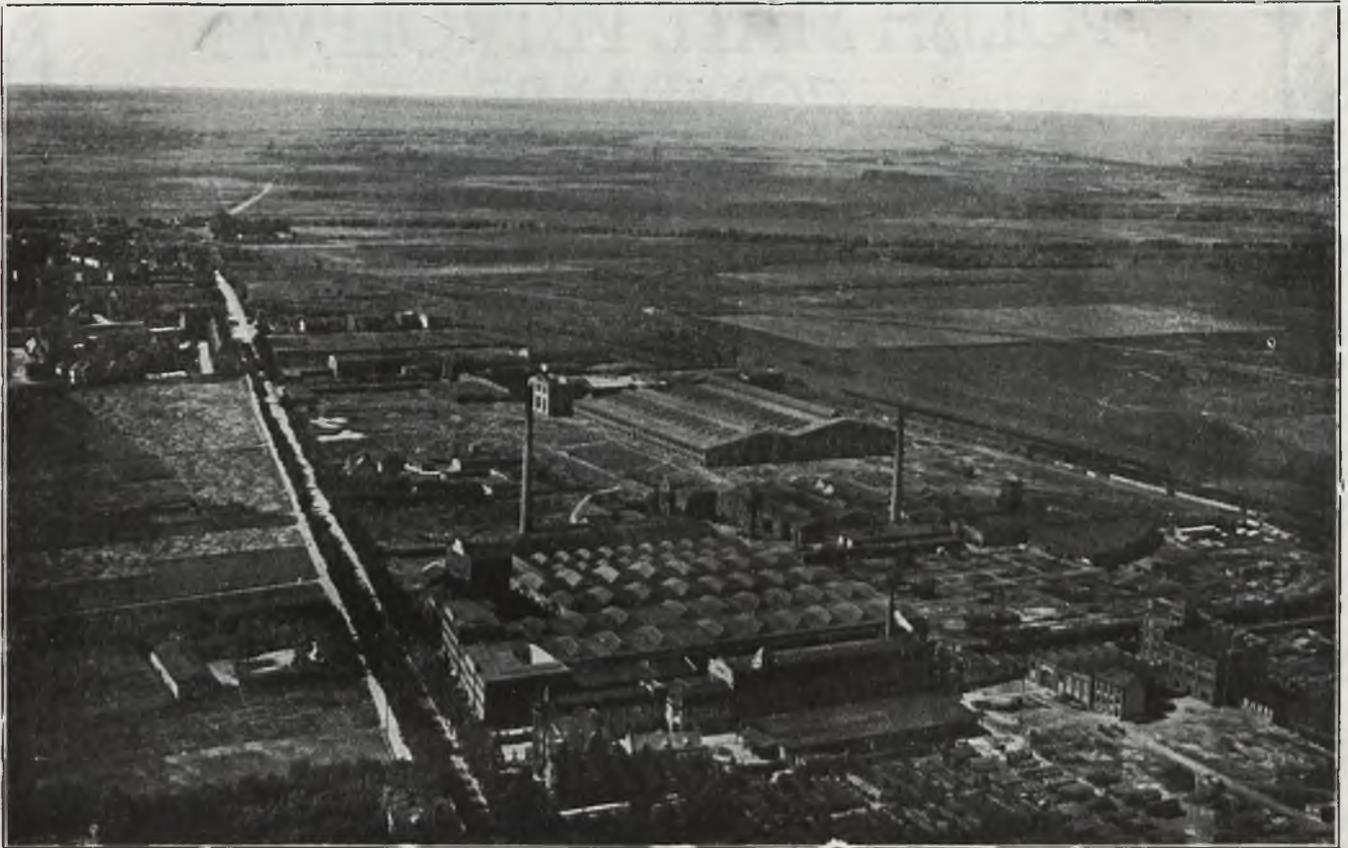
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