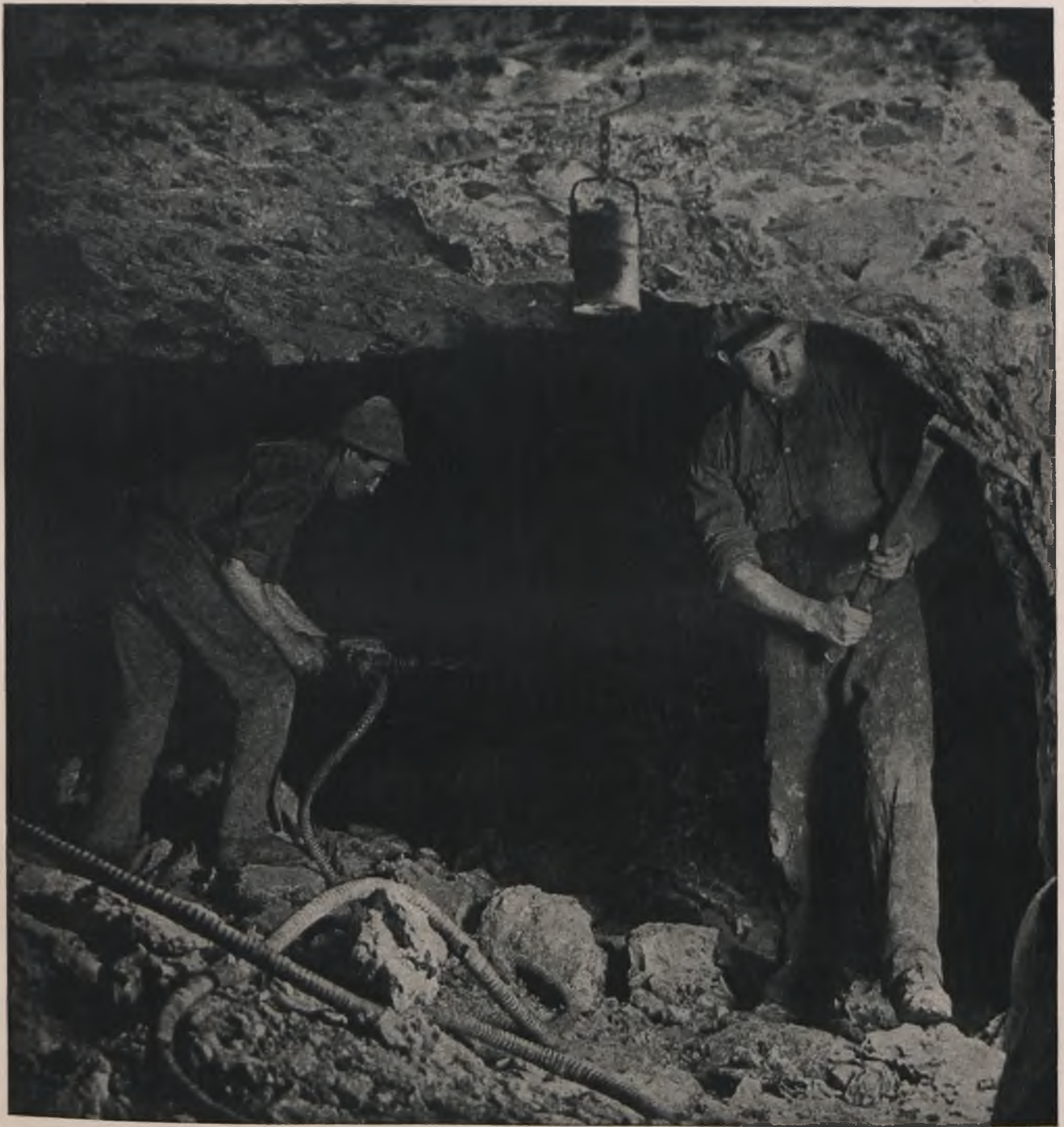


# THE POLISH ECONOMIST



LOOK AT THIS MAP BEFORE GOING ANY FURTHER



JANUARY, as a rule, is a transitory period characterised by a general lull. The last month was not an exception in this respect, although it is true that the position was slightly better than in the past few years. At the same time there were during the period under review, signs of improvement along the whole economic front for the coming spring and summer.

In agriculture the state of winter sowings was satisfactory while the final returns showed the area under cultivation to have risen by over 1.5 per cent as compared with the preceding year. The investment movement is steadily developing. Also stock breeders are making arrangements for export in order to be ready as soon as the warm weather sets in.

In industry unemployment increased but the rate of its growth was much lower than in December. At the same time the number of part time workers declined to a large extent. The output of coal, foundry and petrol um products, increased, and the textile and ceramic industry worked strenuously in anticipation of a good season.

In commerce, no signs of active preparations for the new season were in evidence. On the markets, supplies of agricultural products continued to be small, which adversely affected the sales of manufactured products.

Foreign trade showed a decline in the adverse balance owing to the decrease in imports and a simultaneous increase in exports. It is worthy of note that the proportion of exports to imports has increased considerably.

The State revenue was practically the same as in December, but it was much greater than in the corresponding period of last year. On the other hand, expenditure declined, with the result that the excess of revenue over expenditure showed a further increase.

On the money market there was a shortage of liquid capital owing to slack business and increased industrial activity.

The Złoty showed no fluctuations.

	UNIT	JAN. 1927	DEC. 1927*	JAN. 1928
<b>STATE OF EMPLOYMENT:</b>				
UNEMPLOYED		208,536**	174,800**	181,072**
PART-TIME WORKERS		34,177	33,190	31,485
<b>PRODUCTION:</b>				
COAL	thousand tons	1,112.2	3,446.0	3,452.0
OIL		60.0	60.8	64.3
STEEL		98.3	95.0	104.9
IRON		42.3	57.6	59.2
ZINC		11.5	13.2	13.1
<b>AGRICULTURAL INDEXES:</b>				
(crop estimates)				
RYE	5 points	3.5	3.4	3.3
WHEAT		3.6	3.4	3.3
BARLEY	system			
OATS				
<b>PRICES:</b>				
WHOLESALE PRICE INDEX		112.8	120.0	118.0
INDEX OF COST OF LIVING IN WARSAW	1914-100	116.6	121.0	120.3
<b>FOREIGN TRADE:</b>				
IMPORTS:		186.7	275.9	271.2
including:		309.1	413.8	351.4
foodstuffs (edible fats, fish & herring, coffee, rice, wheat &c.)		41.3	57.4	42.9
animal products (tanned hides, dried skins &c.)		11.8	17.5	20.0
ores		4.9	9.0	6.5
chemicals (vegetable & animal fats, dyes, colours & varnishes, potassium salts &c.)		18.9	23.9	27.2
metals & metal products		13.6	16.5	16.6
machinery & apparatus		20.1	41.2	41.9
paper & paper wares		5.8	9.1	9.9
textiles & textile products	million	54.1	72.7	42.4
EXPORTS:		201.1	215.4	218.4
including:	£ (***)	1,900.4	1,683.7	1,790.8
foodstuffs (sugar, meat, eggs, forage, peas & beans, barley, hops &c.)	and thousand	55.4	54.7	48.5
live animals - in thousands of heads	tons	96.2	92.4	82.8
timber and wood ware (planks, deals & battens, pulpwood, pit props, round wood & logs, veneers &c.)		7.2	16.6	23.0
plants & seeds		71.5	161.6	156.1
coal and coke		39.9	55.1	51.6
petroleum products		474.1	485.2	454.4
iron and iron products		8.8	10.6	11.0
zinc		9.2	9.3	10.2
textiles and textile products		36.6	26.0	31.0
EXCESS OF EXPORTS (+) OR IMPORTS (-)		1,182.5	930.1	1,113.9
		11.6	7.1	7.4
		36.7	19.7	20.1
		5.8	7.2	5.6
		14.3	14.8	11.1
		11.3	12.5	11.6
		8.2	10.1	9.9
		11.0	12.0	12.7
		3.8	3.8	4.3
		+ 14.4	- 60.5	- 52.8

\* Corrected figures.  
\*\* Registered unemployed.  
\*\*\* Change in tabulation: the new £ instead of gold fr.



POPULATION of Poland	29,249,000	AREA OF POLAND (in sq. km.)	388,279
DENSITY (per 1 sq. km.)	75.3	area UNDER CULTIVATION (in sq. km.)	183,078
<b>OCCUPATION:</b>			
agriculture	65 p. c.	area UNDER FORESTS (in sq. km.)	90,621
industry	14 p. c.		
commerce	8 p. c.		
various	13 p. c.		

**POLAND'S CHIEF TOWNS**

Warszawa (Warsaw)	1,015,420	Poznan	184,756	Katowice	104,868	Sosnowiec	86,432
Lodz	451,974	Krakow	183,706	Lublin	94,412	Czestochowa	80,473
Lwow	219,388	Wilno	128,954	Bydgoszcz	87,643	Bialystok	76,792

**READ**

**THE POLISH ECONOMIST**

A MONTHLY REVIEW OF TRADE, INDUSTRY AND ECONOMICS IN POLAND

THE CURRENT ISSUE, No. 3/1928, of "The Polish Economist" contains the following leading articles: "Review of the Economic Situation in January", "Poland's Foreign Trade Balance" by Charles Dauey, financial adviser to the Polish Government, "Polish Customs Tariff Reform", "Bank of Poland in 1927", "Veterinary Protection in Poland" and "Economic Relations between Poland and the Baltic Countries". 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	JAN. 1927	DEC. 1927	JAN. 1928
<b>TRANSPORTS:</b>				
RAILWAY TRAFFIC	truck loaded	451,298	499,906	454,832
PORT TRAFFIC:	(15 tons)			
Danzig	reg. ton	320,943	362,678	294,253
Gdynia		16,894	50,941	48,912
<b>BUDGET:</b>				
RECEIPTS		191.3	255.2	255.0
including:				
taxes and public levies		99.7	153.7	137.5
monopolies		58.4	70.8	81.5
State undertakings	million £	12.1	13.3	15.3
EXPENDITURE		172.3	248.9	229.0
<b>MONEY CIRCULATION:</b>				
BANK OF POLAND NOTES	million £	584.8	1,003.0	1,003.3
COVER IN GOLD AND FOREIGN CURRENCIES	% %	53.21	72.61	71.07
TOKEN COINS	million £	407.3	309.3	285.3
<b>CREDIT:</b>				
(Bank of Poland)				
BILLS DISCOUNTED	million £	319.2	456.0	460.7
OFFICIAL DISCOUNT RATE	% %	9.5	8.00	8.00
<b>FOREIGN CURRENCIES:</b>				
(Warsaw Stock Exchange average rates)				
U. S. A. DOLLAR		8.99 <sup>1)</sup>	8.90	8.90
POUND STERLING		43.75 <sup>1)</sup>	43.52	43.47
FRENCH FRANC		0.36 <sup>1)</sup>	0.35	0.35
SWISS FRANC		1.74 <sup>1)</sup>	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 January 1928

Amendment of the railway tariffs as regards the movement of goods between Poland and Germany ("Dz. Ust. R. P." No. 2/1928, item 15).

Amendment of the decree regarding the Commercial Register ("Dz. Ust. R. P." No. 3, item 19).

The Prevention of Bankruptcies Act ("Dz. Ust. R. P." No. 3, item 20).

Amendments regarding the State Agricultural Bank ("Dz. Ust. R. P." No. 3, item 23).

Polish-German protocol concerning the opening of certain customs frontier points ("Dz. Ust. R. P." No. 4, items 24 and 25).

Amendment of the executive decree relating to the Stamp Fees Act ("Dz. Ust. R. P." No. 4, item 29).

Supplementary retail price list for imported tobacco products ("Dz. Ust. R. P." No. 4, item 30).

The transfer of marine fishing matters to the Ministry of Industry and Commerce ("Dz. Ust. R. P." No. 5, item 33).

Sugar contingents for home consumption, from the 1927/28 campaign ("Dz. Ust. R. P." No. 5, item 35).

Executive decree concerning emigration ("Dz. Ust. R. P." No. 6, item 37).

The labelling of certain local products in the retail trade ("Dz. Ust. R. P." No. 7, item 43).

Amendment of the Statutes of the Credit Association of the Polish Industries ("Dz. Ust. R. P." No. 7, item 49).

Regulations concerning direct railway freight traffic from Germany via Poland to Soviet Russia and vice versa ("Dz. Ust. R. P." No. 7, item 51).

Polish-German agreement concerning the execution of Art. 312 of the Treaty of Versailles ("Dz. Ust. R. P." No. 8, item 53).

Temporary suspension of emigration to the Argentine ("Dz. Ust. R. P." No. 8, item 62).

Control over insurance establishments ("Dz. Ust. R. P." No. 9, item 64).

New regulations relating to maximum customs duties ("Dz. Ust. R. P." No. 9, item 66).

<sup>1)</sup> £ of 1924.



# THE POLISH ECONOMIST

A MONTHLY REVIEW OF TRADE, INDUSTRY AND ECONOMICS IN POLAND

WARSAW — LONDON — NEW YORK

DATE OF THIS ISSUE: FEBRUARY 29, 1928

HEAD OFFICE: WARSAW, 2, ELEKTORALNA. TELEPHONE: 412-66, 412-73  
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JANUARY, as a rule, is a transitory period characterised by a general lull. The last month was not an exception in this respect, although it is true that the position was slightly better than in the past few years. At the same time there were, during the period under review, signs of improvement along the whole economic front for the coming spring and summer.

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### REVIEW OF THE GENERAL ECONOMIC SITUATION IN POLAND

JANUARY 1928

	UNIT	JANUARY 1927	DECEMBER 1927*)	JANUARY 1928
<b>STATE OF EMPLOYMENT:</b>				
UNEMPLOYED . . . . .		208.536	174.800	181.672
<b>PRODUCTION:</b>				
COAL . . . . .	thousand tons	1.112·2	3.446·0	3.452·0
OIL . . . . .		60·0	60·8	64·3
IRON . . . . .		42·3	57·6	59·2
<b>AGRICULTURAL INDEXES:</b>				
(CROP PROSPECTS)				
RYE . . . . .	5 points system	3·5	3·4	3·3
WHEAT . . . . .		3·6	3·4	3·3
BARLEY . . . . .		.	.	.
OATS . . . . .		.	.	.
<b>PRICES:</b>				
WHOLESALE PRICE INDEX . . . . .	(1914 = 100)	112·8	120·0	118·0
INDEX OF COST OF LIVING IN WAR-SAW . . . . .		116·6	121·0	120·3
<b>FOREIGN TRADE:</b>				
IMPORTS . . . . .	million zł	186·7	275·9	271·2
EXPORTS . . . . .		201·1	215·4	218·4
EXCESS OF EXPORTS (+) OR IM- PORTS (-) . . . . .		+ 14·4	- 60·5	- 52·8
<b>TRANSPORTS:</b>				
RAILWAY TRAFFIC . . . . .	truck loaded (15 tons)	451.298	499.906	454.832
PORT TRAFFIC (DANZIG AND GDYNIA)	reg. ton	337.837	413.619	344.165
<b>BUDGET:</b>				
RECEIPTS . . . . .	million zł	191·3	255·2	255·0
EXPENDITURE . . . . .		172·3	248·9	229·0
<b>MONEY CIRCULATION:</b>				
BANK OF POLAND NOTES . . . . .	million zł	584·8	1 003·0	1.003·3
COVER IN GOLD AND FOREIGN CUR- RENCIES . . . . .	% %	53·21	72·61	71·07
TOKEN COINS . . . . .	million zł	407·3	309·3	285·3
<b>CREDIT:</b>				
(BANK OF POLAND)				
BILLS DISCOUNTED . . . . .	million zł	319·2	456·0	460·7
OFFICIAL DISCOUNT RATE . . . . .	% %	9·5	8·00	8·00
<b>FOREIGN CURRENCIES:</b>				
(WARSAW STOCK EXCHANGE-AVERAGE RATES)				
U. S. A. DOLLAR . . . . .	zł	8·99**)	8·90	8·90
POUND STERLING . . . . .		43·75**)	43·52	43·47

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

\*) Corrected figures.  
\*\*) zł of 1924.

# POLAND'S FOREIGN TRADE BALANCE

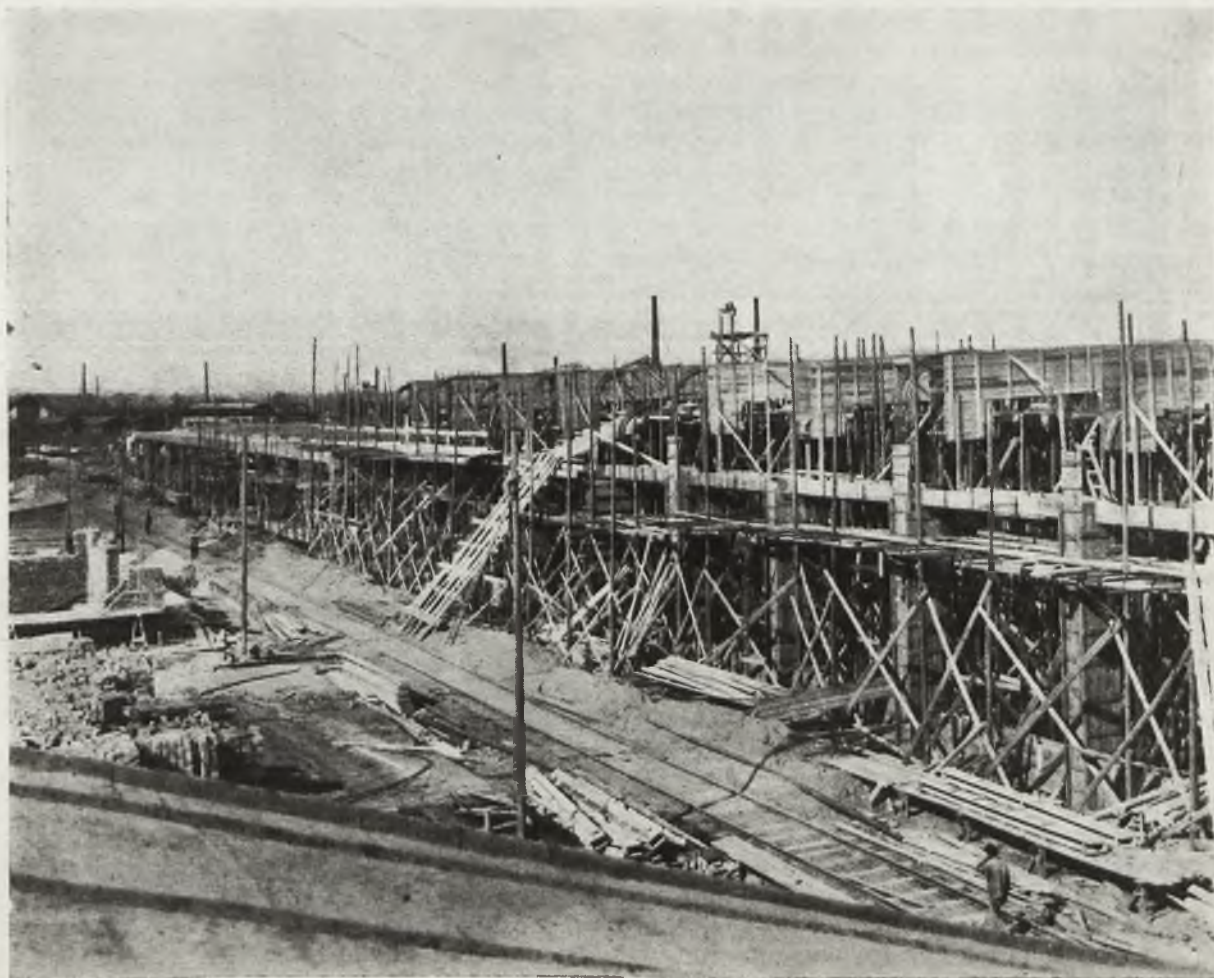
BY

**CHARLES S. DEWEY**

FINANCIAL ADVISER TO THE POLISH GOVERNMENT

THE SUBJECT of a country's balance of trade is always an important one and of great public interest, but frequently is not well understood. A temporarily favourable balance of trade has the effect of producing as much over-confidence as

were at their maximum, commencing July 1924, and terminating June 1925, with the twelve month period beginning January 1, 1927, and ending December 31, 1927. In 1924, there had been a crop failure which produced a heavy importation of



CABLE FACTORY NEAR KRAKÓW, UNDER CONSTRUCTION

an unfavourable balance has of arousing anxiety in the minds of the public. The whole subject is not one that can be treated in generalities but must be studied and analysed if all the factors of the situation are to be understood and given their real value.

The total figures of the balance of trade of any given year should not be compared with the final figures of any subsequent year, unless the articles of import and export in the years taken in comparison, are analysed. This is particularly true in Poland's foreign trade figures. Let us compare the twelve month period when, Poland's imports

foodstuffs during 1924/1925. Also the stabilisation of the Złoty at about this time increased public confidence to such an extent that there were rather generous purchases of consumption goods, and the extension of foreign credits by foreign concerns to Polish importers was rather liberal. On the other hand, in 1927 with the memory of the depreciation of the Złoty still in mind, importation has been on a more conservative basis and credits somewhat more restricted. Also the unfavourable balance of trade during 1927 is much less in magnitude than that between July 1924, and June 1925, despite the fact that in 1927 there was a rather

heavy importation of grain in the second quarter of that year, necessitated by the over-exportation of this commodity during the latter part of 1926. In comparing the two periods, it is found that there has been an increased export of nearly 18 per cent and a decreased import of about  $7\frac{1}{2}$  per cent.

The statement given below compares the trade of the two twelve month periods (in millions of gold Fr.):

	July 1924 — June 1925	1927
Imports . . . . .	1.814	1.680
Exports . . . . .	1.238	1.459
Excess of Imports.	576	221

These are the totals of trade obtained in the two years under comparison, and while some improvement in the general results is shown in 1927, yet this improvement is not the controlling factor nor the one which should be given the greatest consideration. The important questions are, is there a sound reason for large importations, what is the character of goods being imported at the present time, and what is the distribution of markets to which Poland's exports are sold.

The answer to the first question is apparent from two points of view. The destruction of capital in Poland was enormous, both during the great war and as late as in 1920, during the war with the bolsheviks. Moreover as a by-product of this capital destruction and the resulting loss in purchasing power the stocks of raw materials and of goods on merchants' shelves decreased well below the point required by the ordinary life of the country. These facts indicate that there is an actual need for imports into Poland and in general outlines the type of imports which are needed.

In answer to the question as to the character of goods being imported at the present time, it may be said that they consist in a very great part of raw materials and capital equipment.

In answering the third question it may be said that the distribution of Poland's export markets is wider and therefore more satisfactory.

The willingness of foreign capital to extend credit depends not so much on the figures of Poland's trade balance, as on the composition of her imports. Beside the importation of productive goods, there are always to be found items for consumption and their relationship to the productive items is most important. It is but natural that certain consumption items are necessary for the life of the country and must be imported because their domestic production is impossible. Luxury items, however, do not fall under this class and during any period of reconstruction they should represent a very minimum part of the imports of any country.

The government at all times has the power of regulating foreign trade but the most permanent effect results from co-operation of the citizens themselves. They should aim at developing the economy of the country by the importation, as far as possible, of that type of goods which can be used in increasing the productivity and the reconstruction of the country. It is gratifying to see that from an analysis of the trade of 1927, as compared to the period July, 1924, to June, 1925,

leading up to the depreciation of the Złoty, that the character of imports at the present time tends strongly away from the consumption articles and towards the productive. The following grouping clearly pictures this development in comparing the two periods. There has been a 17 per cent decrease in the importation of foodstuffs, and a decrease of 49 per cent in primarily consumption goods other than food. On the other hand, the import of raw and semimanufactured materials has increased by 28 per cent and of machinery by 19 per cent. This change is in the right direction. While Poland's balance of trade may be unfavourable for some time to come and until her capital requirements have been satisfied, yet as long as the deficiency remains moderate in amount, and as long as the ratio of the different classes of imports shows a tendency towards the increase of productive materials, it will be possible for the Government and the people to finance the unfavorable balance of trade, provided their credit abroad remains satisfactory. It is not unusual for a country during a period of reconstruction or of new development to continue to have for a period of years an unfavourable balance of trade representing the inflow of needed capital. It is obvious, however, that the general confidence of the world as a whole in the earnestness and steadfastness of purpose of a country's people will always have an important bearing on their ability to receive credit at a reasonable rate of interest.

The year 1926 gave Poland a favourable balance of trade to the extent of more than 400 million gold Fr. Two factors entered into this situation: the restriction placed on imports by the Government and the decreased buying power of the country. On the other hand, exports of coal were greatly stimulated by the coal strike in England. Had it not been for this accidental favouring factor, however, the balance of trade might not have been so good on account of the loss in exports to Germany. In 1924, 43 per cent of Poland's exports went to Germany and the trade with most other western countries was small. Beginning with 1925, owing to tariff disagreements, the export trade with Germany commenced to diminish and in 1926 amounted to only 25 per cent of the total. In the meantime, however, trade with other countries was stimulated and the loss of exports to Germany was taken up by increased exports to them.

This experience shows the advantage of having well diversified markets for Poland's exports, so that the failure or inability to ship to any one country will not have an extensive depressing effect upon Poland's economy.

To sum up, several factors should be given their proper weight, in considering Poland's foreign trade balances.

1) Poland has suffered great capital losses, a portion of which must be replaced by purchases abroad, and for this reason it is quite possible that there will be an unfavourable balance of trade varying to a greater or lesser extent for some time to come.

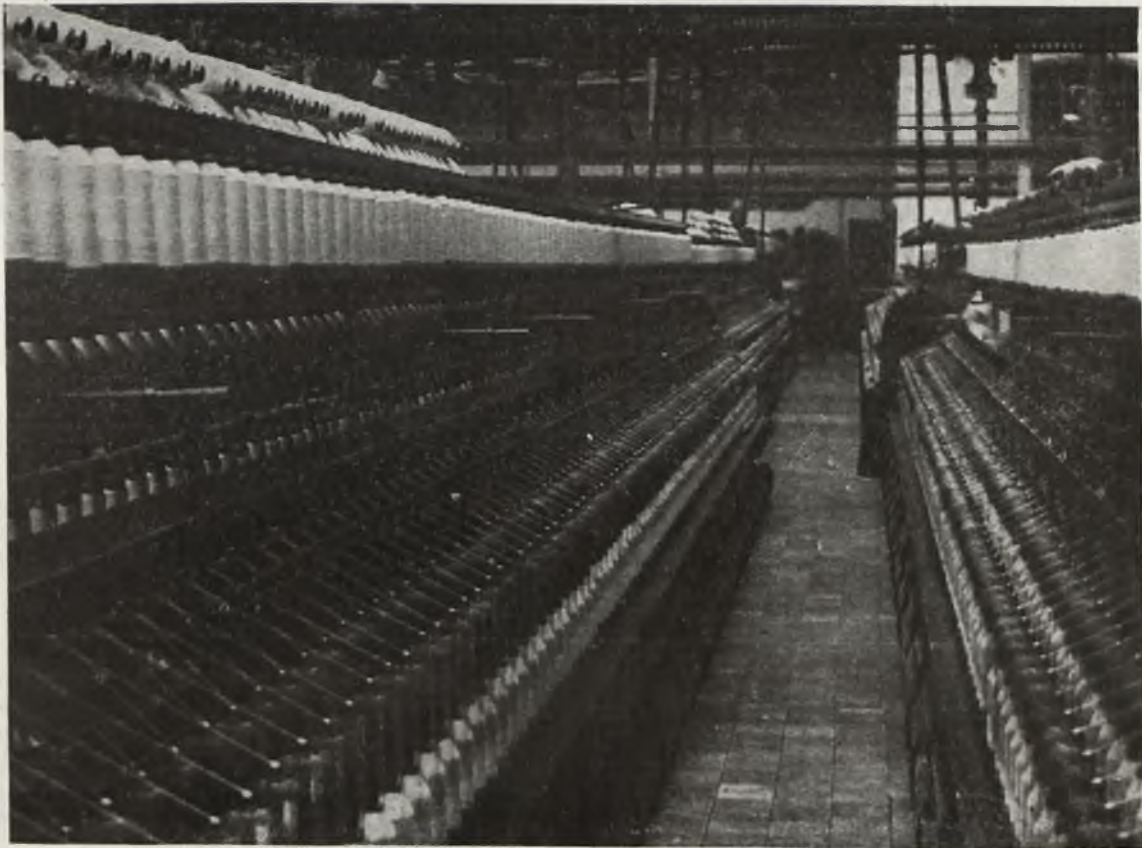
2) As long as Poland's imports show a tendency



towards a growing proportion of productive material which later on will increase Poland's own productivity and wealth, an unfavourable balance of trade, within the reasonable limits, may for some time to come be financed without any danger to the stability of the currency from the proceeds of the Stabilisation Loan. The possibility of an unfavourable trade balance was foreseen and arranged for at the time the loan was negotiated, and the employment of a part of the proceeds of the loan for this purpose will naturally be reflected in the Bank of Poland's statement by an occasional downward movement in its holdings of foreign exchange.

As has already been stated, so many factors enter into the situation that an increase or a de-

crease in the holdings of foreign exchange by the Bank of Poland do not represent the complete picture. The Bank of Poland is not a rigid construction but expands and contracts its credits and holdings of foreign exchange as required by the best interests of Poland's economy. The Bank itself would be the first institution to sound a note of warning should the balance of trade reach a point that would endanger the stability of the currency. The people of Poland can best show their interest in the entire situation by importing during the period of Poland's reconstruction a growing percentage of those articles which will add to the country's productivity and, once having imported them, by their efficient use add constantly to the country's wealth.



INTERIOR OF ONE OF THE THE SPINNING MILLS OF MESSRS. SCHEIBLER AND GROHMAN, LTD., ŁÓDŹ (PHOT. S. PLATER)

## POLISH CUSTOMS TARIFF REFORM

TWO IMPORTANT decrees\*) concerning the economic life of the country were published on February 14, 1928, namely — the decree relating to the conversion of the customs tariffs into the new monetary unit and the decree relating to the repeal of import prohibitions on certain products. The two decrees complete each other and are made effective on the same date — March 14, 1928.

As for the first named decree, such a conversion of customs rates was foreseen in Article 18 of the Presidential decree of November 5, 1927 dealing with the stabilisation of the Złoty. The introduction of the new monetary unit raised an extremely complicated problem, for the rates in the customs tariff of 1924 were expressed in gold Złoty while those which were actually applicable, were much lower owing to the fall of the currency in the second half of 1925.

Legal devaluation of the Złoty removed the basis for valorisation of the customs tariff, but on the other hand, it brought to the fore the problem of the conversion of the rates.

\*) See Pages — 115 and 117

The enquiry instituted by the Ministry of Industry and Commerce in the middle of last year proved beyond doubt that most of the local branches of production could be operated without the relevant customs duties being valorised. It is true, however, that the protection had lost a great deal of its original value owing to the depreciation of the currency, but only in some cases would valorisation of customs duties favourably affect the development of economically working enterprises and thus help to take advantage of the productive capacity of the country.

The system of import licences carried on in regard to certain products, made the problem of valorisation and of production less pressing. As long as Poland made use of this weapon the solution of the valorisation problem and also of the conversion of customs rates could be delayed. With the moment, however, when, in sympathy with international conventions and recommendations, the Government began to contemplate the maintenance of the system of import licences only in respect of a small number of products, the question of customs rate adjustment began gradually to assume more importance. Various considerations of an essentially local character, such as the question of the Polish trade balance, and those of an external nature like trade relations and negotiations for trade agreements with foreign countries also called for the solution of the customs problem by way of the adjustment of the rates to the existing currency.

The Presidential decree, referred to at the beginning, repeals the import prohibitions published in the so-called lists 2 and 3 which were issued in June and July 19 5 and which then only affected Germany.

Subsequently, owing to the unfavourable foreign trade balance, which constituted a menace to the currency, these measures were extended to other countries (August 7, 1925).

The decree now published repeals the application of the import restrictions to other countries, but they will remain in force as regards Germany until both countries abolish the measures directed against each other. As regards the import prohibitions published in the so-called lists 1 and 4 (issued on August 19th, 1924 and September 1925), they will remain effective regardless of the origin of the goods.

Lists 1 and 4 form now a single list and are annexed to the decree. According to the provisional calculations covering the first 3 quarters of 1927, regulated imports amounted to about 25 per cent of the total imports, and imports of articles appearing on lists 1 and 4 represented about 29 per cent of the regulated imports and about 7 per cent of the total imports. These figures indicate that Poland now repeals import regulations in regard to 71 per cent of the imports hitherto regulated.

Lists 1 and 4 which were published in August 1924 and September 1925 embrace goods which can be dispensed with and which may burden the balance of foreign trade. It is, therefore, only just and natural that Poland, having on the one side

a neighbour practicing monopolistic principles in regard to foreign trade (Russia), and on the other side another neighbour which regulates the imports of coal, live-stock and products of animal origin, should not abandon entirely the regulation system.

The repeal of the existing import prohibitions to the extent of two-thirds, constitutes sufficient proof that Poland is imbued with international tendencies in this respect.

This step was also facilitated by the financial assistance which Poland received last year and which helped to stabilise the currency.

The customs duties are converted in the following manner: the bulk of goods according to a scale equal to less than a half of that corresponding to the fall of the Zloty since 1925, namely in the proportion of 1:30:1; customs duties on articles of first necessity such as: rye, flour, coffee, tea, cocoa, rice, sugar, meat, lard, butter, eggs, herrings, fertilisers, cyanamide, ores, scrap iron, pig iron, scythes, sickles, unleavened bread and millers' gause are converted at the ratio one to one, that is to say that the present rates are maintained; the remaining goods are converted according to the ratio 1:72:1. This last ratio is applicable to goods of which the import can be dispensed with and in regard to which the regulation system will be maintained. It will also be applicable to those which have been subject to regulations and those which have not; among the latter should be mentioned: salicylic acid, intermediate compounds for the manufacture of organic dyestuffs, organic dyestuffs, pharmaceutical products, cathodic lamps, radio-apparatus, musical instruments, vehicles, knitted wares, fancy wares and cosmetic preparations. In this short list of goods (converted at the ratio 1:72:1) apart from the articles that can be dispensed with, were included the majority of those which it was deemed necessary to convert at the full rate in order to provide adequate protection.

The above method of converting the customs duties must be regarded as moderate and the introduction of the ratio 1:30:1 in regard to the bulk of goods represents a decline in the original duties by 24 per cent. It should be borne in mind that the revision of the customs tariff in 1926 (calculated to restrict the consumption and diminish imports) resulted in the increase of customs duties from 15 per cent to 25 per cent and even more.

The number of customs rates, converted in accordance with the full ratio 1:72:1, covers less than 20 per cent of the total imports. The new customs tariff will no doubt act as an automatic regulator of trade relations between Poland and abroad for many years to come.

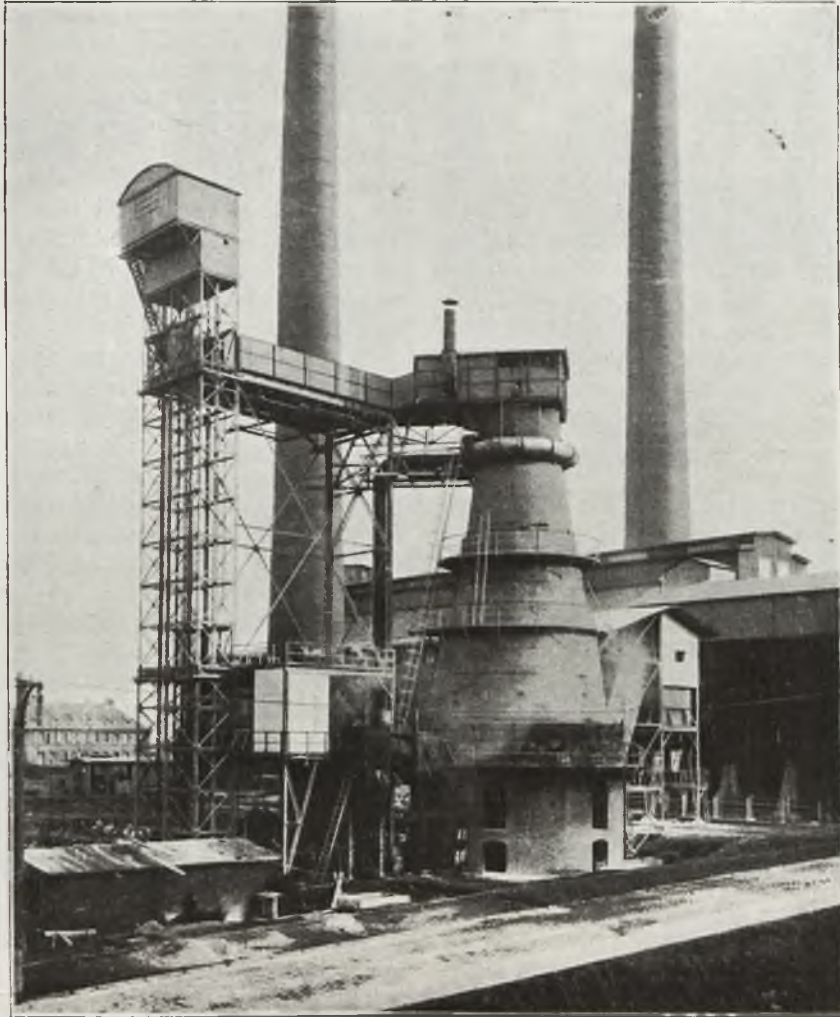
## BANK OF POLAND IN 1927

THE FOURTH year of the activity of the Bank of Poland can, no doubt, be considered as a turning point in its history. In fact, the modifications which took place in the Bank's activity during the last year as regards the scope, character and

methods of operation and the position of the entries in the accounts and above all as regards its rôle and significance in the financial policy of Poland were so far-reaching that there is no exaggeration in saying that a new institute of issue has been created in place of that founded in connection with the first monetary reform.

This turning point in the history of the Bank does not correspond with the calendar year. The first phase began actually in the middle of 1926

The Bank of Poland, organised as a joint stock public company, in which large masses of the community are share holders, received at its inception the exclusive right to issue bank notes. Founded in connection with the currency reform, its primary rôle was to defend the position of the Złoty, which was particularly sensitive owing to small cover. The rate of exchange of the Złoty also largely depended upon the financial position of the country as a whole, including the balance



LIME KILN AT THE STATE CHEMICAL FACTORY, CHORZÓW (PHOT. S. PLATER)

when, after the assumption of power, in May 1926, by the present Prime Minister, Marshal Piłsudski, a period of stabilised economic and political conditions set in and when, above all, budget equilibrium was attained and the issue of treasury notes was suspended. The first phase lasted till October 1927, and the second phase continued from that date to the end of the year when, thanks to the foreign loan, the stabilisation of the currency together with the monetary reform was ultimately accomplished.

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of foreign payments. But the rôle of the Bank changed some time later; the exclusive right to issue notes became fictitious as the Treasury began to issue them; by January 31, 1926 the value of these notes reached 115·7 per cent of the bank notes in circulation. The influence of the Bank being limited to the extent of about 40 per cent of the money in circulation, and being unable to improve the balance of payments which, owing to unfavourable prices and to the isolation of Poland in the matter of foreign credit, became adverse, the Bank ceased to be the regulator of the money market and the guardian of the currency, which

depreciated in value so that it became solely a source of cheap credit for industry and the base of operations for private banking institutions. Owing to the breakdown of the currency reform, the latter were confronted with an acute crisis and based their activity on re-discount at the Bank of Poland. The bullion and foreign currency reserve of the Bank, the basis of its operations as an institute of issue, which amounted to gold Fr. 357·4 million in 1924, declined to 121·7 million on March 31, 1926. Having lost control over the money market, the Bank suspended in July 1925 the exchange of the bank notes against foreign currencies (the sale of cheques on New York at par, without limitation) and the exchange of the Złoty fell considerably.

After a certain improvement, the Złoty was stabilised at the level of  $\text{Zł}$  9 to the Dollar in the middle of 1926. The end of 1927 brought with it legal stabilisation at practically this level ( $\$ 1.00 = \text{Zł}$  8·91) and thus the Złoty has become a gold currency. The amended Statutes of the Bank provide for the exchange of the bank notes against gold in bars or coin, when the Council of Ministers, acting on the recommendation of the Council of the Bank, will deem it necessary to adopt such a policy. Meanwhile the Bank is empowered to exchange bank notes against foreign currency convertible into gold.

The maintenance of the Złoty at the stabilised level is assured by the bullion and foreign currency reserve which, at the end of October 1927, rose to gold Fr. 421·8 million, thanks partly to transfers to the Bank by the public which had hoarded gold and foreign currency during the period of the fall of the Złoty, and partly to the favourable balance of payments (at the beginning this resulted from the favourable foreign trade balance and later from the inflow of foreign capital). During the last two months of 1927, the bullion and foreign currency reserves grew at a rapid pace, due mainly to the collection of the proceeds of the Stabilisation Loan; at the end of the year they reached gold Fr. 702·0 million or  $\text{Zł}$  1,207·4 million. This represented 120·4 per cent of the bank notes and 72·6 per cent of the total volume of note circulation and sight liabilities. But even these comparatively large reserves might have proved without value if the conditions which prevailed in 1925 and in the first half of 1926, had been in existence; but in this respect a radical change has taken place. The Bank of Poland has regained its *de facto* exclusive right to issue bank notes and has become master of the money market. The volume of treasury notes fell from  $\text{Zł}$  470·0 million in the middle of 1926 to  $\text{Zł}$  428 million at the end of that year and then to  $\text{Zł}$  309 million; by the end of December 1927 the total volume of treasury notes in circulation amounted to 30·8 per cent of the total bank note issue. Under the influence of the increased bullion and foreign currency reserves and the great development of economic life, the aggregate amount of bank notes in circulation rose in 1927 from  $\text{Zł}$  593 million to  $\text{Zł}$  1,003 million. It is also worthy of note that the value of the treasury note issue

was legally limited to  $\text{Zł}$  320 million, which sum represents the maximum amount of the issue of small token coins because the paper money is being withdrawn from circulation. The withdrawal of the treasury notes was facilitated by the continuous increase of revenue over expenditure since July 1927. The equilibrium of the budget has thus become the foundation stone for the stability of the Złoty.

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The amendment of the Statutes of the Bank, carried out in 1927, as well as the stipulations of the Stabilisation Plan of October 1927, ensure to the Bank not only the dominating rôle on the money market but also enable it to play an important part in the financial and economic policy of the country, especially when it is borne in mind that the Bank has a decisive influence on the execution of the Stabilisation Plan. At the same time, the activity of the Bank was limited by various provisions contained in the amendment to the Statutes.

In order to assist the Bank in the discharge of its functions as the regulator of the money market, the Stabilisation Plan not only foresees the restriction of the issue of treasury notes, but also the redemption of the floating debt of the Treasury (the 3 months interest-bearing exchequer bonds to the sum of  $\text{Zł}$  25 million). The temporary limitation of the non-interest bearing credit of the Treasury at the Bank of Poland to one-half of the amount provided for by the Statutes and the deposit of all the funds of the Treasury at the Bank contribute also towards this end; also all payments and disbursements of the Government are to be effected through the Bank of Poland, the Postal Savings Bank and the Treasury Cash Offices. The Bank is also kept informed of the state of the accounts of the Treasury with the Postal Savings Bank and of the Treasury Cash Offices. A special Treasury reserve originating in the Stabilisation Loan and amounting to Złoty 75 million remains deposited with the Bank and may be utilised by agreement with the Bank.

The control over the execution of the Stabilisation Plan and the disposal of the Stabilisation Loan, is in the hands of the Bank of Poland. In this connection the Bank has agreed to the appointment of an American expert to the Board of the Bank. The functions of this adviser are carried out through the intermediary of the Bank and even his reports must be addressed to the Bank, which alone has the right to publish them.

The plan foresees that the Government, together with the Bank, will control the inflow of foreign credits and if the Bank deems it advisable, steps may be taken to ensure further credits.

Having received extensive powers and privileges, the Bank is called upon to take care of the Złoty. The limitations concerning the issue, provided in the Statutes were drafted in such a manner that the minimum cover was raised to 40 per cent. This includes not only the bank notes in circulation

but also the sight liabilities of the Bank.

Restrictions in respect of the currency reserve, which must represent at least 1/4 of the minimum cover are to the effect that these currencies must be convertible into gold and that foreign bills of exchange may be included in the reserves on condition that they are accepted or endorsed by foreign Banks of high standing. In this connection, apart from the currency reserves included in the cover, the Bank has built up considerable reserves

headed by the Federal Reserve Bank. These credits are in the form of re-discounts or advances against internal bills expressed in Złoty which have been discounted by the Bank of Poland. In this way the Złoty was recognised as an international means of exchange and herein lies the chief significance of these credits for it is not likely that the Bank will avail itself of this facility; but the fact that this credit was granted by financiers of the world, shows that Poland and its currency



WORKSHOPS OF MESSR. THE "WOLBROM", MANUFACTURERS OF RUBBER GOODS (PHOT. S. PLATER)

which are not included in the cover. These reserves include a sum of foreign currency corresponding to that portion of the Stabilisation Loan, which was destined to constitute the Treasury reserve as well as that to be devoted to the purchase of silver for money stamping which, together, make a total of  $\text{Z} 165$  million; on December 31, 1927 these reserves amounted to  $\text{Z} 201.7$  million.

The year 1927 not only saw a change in the part played by the Bank as regards its internal functions but also that which it played in the finance of the world. The stipulations of the Stabilisation Plan and the granting of control over its execution to the Bank of Poland form a basis of co-operation with other banks of issue. There is a close connection between the Stabilisation Loan and the credits amounting to \$ 20 million extended to the Bank of Poland by 14 issue banks

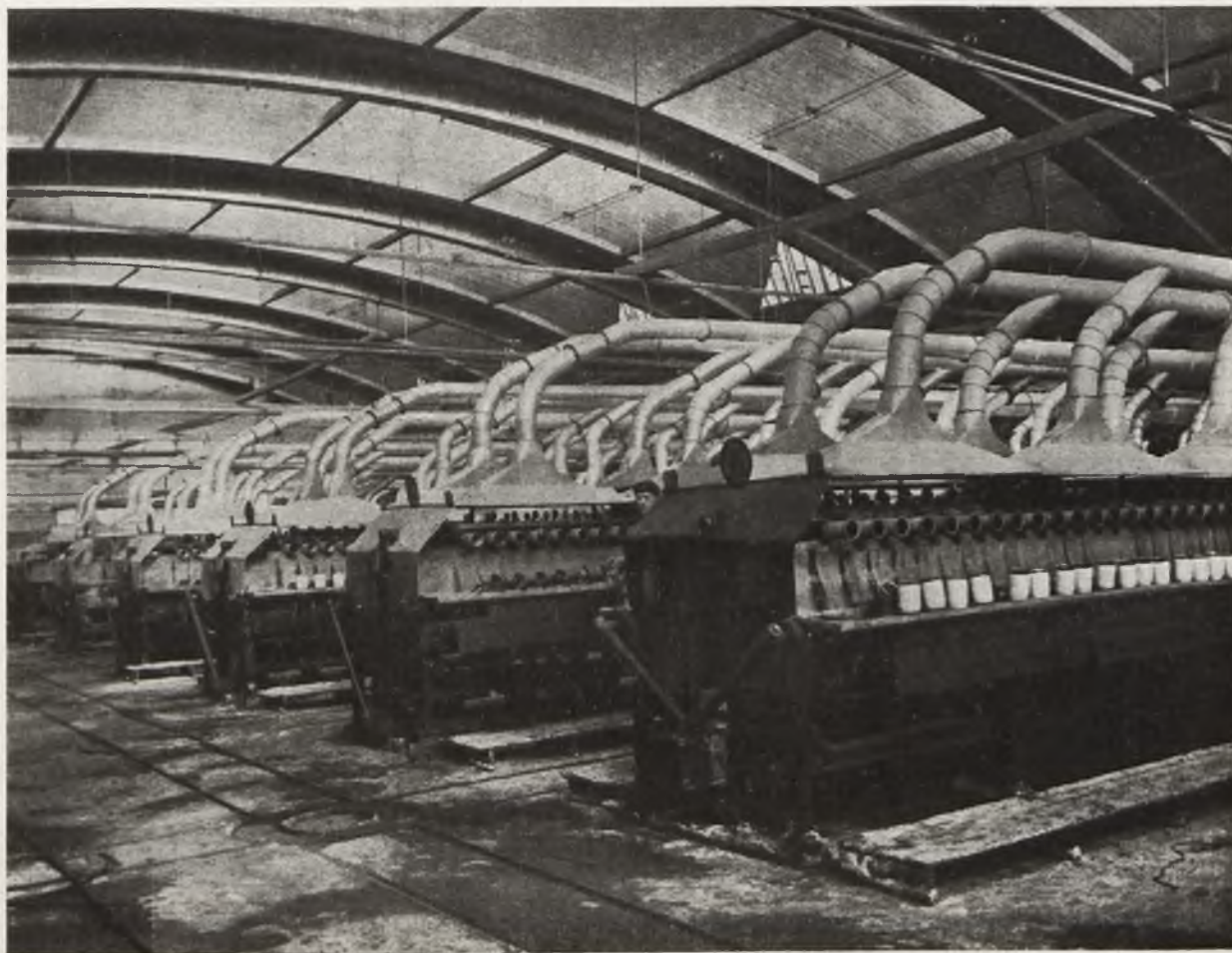
inspire confidence. This fact also indicates the international character of the Stabilisation Loan, which, as is well known, was floated in all the chief European countries and the United States of America.

Admitted into the organisation of the banks of issue in December 1927, Bank of Poland took part in the new act of cooperation of the banks of issue aiming at the improvement of money conditions in Italy. The share of the Bank of Poland in the reserve of the Banca d'Italia is £ 500,000.

In connection with the growth of the bullion and foreign currency reserves, the Bank of Po and was able to considerably increase its activity in the year 1927, when, owing to the development of economic life, there was a big demand for credit facilities. The value of bills discounted rose

during the year from  $\text{zł}$  321.3 million to  $\text{zł}$  456.0 million, while the discount credits granted by the Bank rose during the same period from  $\text{zł}$  449.3 million to  $\text{zł}$  650.0 million. The value of loans against securities rose from  $\text{zł}$  9.3 million to  $\text{zł}$  40.9 million; from this it is seen that the credit policy was liberal and indeed the discount credits granted rose at such a rapid pace that the percentage of employment declined during the year from 73.7 per cent to 70.2 per cent. The Bank endeavoured

the Bank of Poland began to grant advances to the private banks to the amount of 90 per cent of the value of bills of over 3 months, which were then negotiated by that branch of industry. Moreover, it should be mentioned that bills of exchange issued by agriculturists in connection with the purchases of seeds, fertilisers, agricultural implements and live-stock may, in accordance with the Statutes may be discounted even if their term of payment is longer than the months, but does not



INTERIOR OF ONE OF THE MILLS OF THE ARTIFICIAL SILK FACTORY, TOMASZÓW  
(PHOT. S. PLATER)

to remove certain shortcomings in the system of credit contingents. It was in favour of an elastic policy which would permit of increasing or decreasing the limits of credits according to the requirements of daily life without trespassing on the principles of sound economy. The nature of the bills in its portfolio and that of private banks improved greatly in 1927. Accommodation bills have almost totally disappeared from circulation.

Following the tendency of the market, the Bank reduced, in 1927, the discount rate from 9.5 per cent to 8.0 per cent and the interest on loans against securities, from 11 per cent to 9 per cent. In connection with seasonal depression in December 1927, which was particularly evident in the cotton industry, and in order to assist the industrialists,

exceed six months; however, the total amount of bills of this nature discounted must not exceed 20 per cent of the portfolio. At the end of 1927 they amounted to  $\text{zł}$  20.8 million.

During the period under review credits granted to agriculture amounted to  $\text{zł}$  115.8 million, to industry and mining— $\text{zł}$  114.9 million and to trade— $\text{zł}$  201.1 million. Of course, the figures concerning the credits arranged according to the drawers of the bills make a different showing.

Thus, there was a big increase in re-discount credits granted to banks i. e. from  $\text{zł}$  110.8 million to  $\text{zł}$  173.2 million in the petroleum industry (from 5.3 to 9.4 million), in the iron and steel industry (from 44.1 to 66.3 million), in the chemical industry (from 19.6 to 29.8 million), in agriculture

(from 7.3 to 10.2 million) and in commerce (from 5.0 to 8.6 million).

A comparison of the credits granted by the Bank with the short term credits granted by the State and private banks showed that in the middle of 1926 the credits extended by the Bank of Poland represented 30.8 per cent of the total amount of credits and that at the end of 1927 the percentage declined to 24.3. This indicates clearly that the situation on the credit market in Poland has much improved and that the Bank ceases to be the chief source of credit; it can now be regarded as providing the necessary reserves.

In 1927, the Bank contributed materially towards the revival of long term credit. In connection with the conversion of the bullion and foreign currency reserve, the Reserve Fund of the Bank rose by  $\text{zł}$  79.7 million. This sum was increased by  $\text{zł}$  25 million, being the premium on the second issue of shares and other items. The Reserve Fund of the Bank rose from  $\text{zł}$  3.3 million to  $\text{zł}$  94.4 million.

In accordance with the Statutes of the Bank, at least a half of this amount must be invested in Government securities. In 1927, the Bank bought Government securities to the amount of  $\text{zł}$  33.6 million. In addition, purchases of Government securities for own account amounted to  $\text{zł}$  2.6 million and for the Pension Fund to  $\text{zł}$  6.1 million.

## VETERINARY PROTECTION IN POLAND

THE RESUMPTION of Polish German negotiations for a commercial treaty draws attention to one of the most conflicting and important questions — the problem of export of live-stock and products of animal origin from Poland to Germany.

This problem arises out of the differences in the economic structure of the two countries. As is well known, Poland is an essentially agricultural country, having a surplus of animal products available for export, while Germany, on the other hand, is a country essentially industrial with an inadequate production of live-stock and products of animal origin. It is to be feared, that without sufficient protection for Polish exports of live-stock and products of animal origin, the customs rebates to be granted to Germany in respect of manufactured goods and the repeal of import prohibitions and various other trade facilities, will adversely influence the Polish foreign trade balance and will generally entail losses.

The German agricultural circles are of the opinion that the import of live animals and of products of animal origin from Poland should, even after the signature of a commercial treaty, be prohibited or subject to considerable restrictions owing to the alleged unsatisfactory position as regards the health of the animals and the consequent danger of infection to the German areas. The object of the present article is to throw light on this problem and to find

out whether the sanitary conditions of Polish live-stock as well as the veterinary service in Poland are such as to warrant these fears.

To elucidate the problem, it may be well to deal in the first place with the training of veterinary officers and the organisation of the relevant division of the State Administration. In addition to a certificate of matriculation received from one of the State Secondary Schools, veterinary officers are required to produce a diploma granted after 4 years training at one of the two veterinary schools of the country, namely — the Academy of Veterinary Medicine at Lwów, and the Veterinary Faculty of the Warsaw University. Prospective veterinary officers must, moreover, have at least two year's practical experience or pass a two year's preparatory stage, either at the Ministry of Agriculture, or at one of the voievodship veterinary establishments. Furthermore prospective veterinary officers must serve a term of a further two years in a district veterinary service or at a public slaughter house or at one of the experimental research stations, which is designated in each case by the Minister of Agriculture. After the termination of the period of practical experience and of the preparatory stage, the student must present himself for examination which, when passed, qualifies him as a veterinary officer. This examination is both written and oral. For the former a period of 6 months is allowed and if the paper is found satisfactory, the candidate presents himself for the oral examination, which again is divided into practical and general tests.

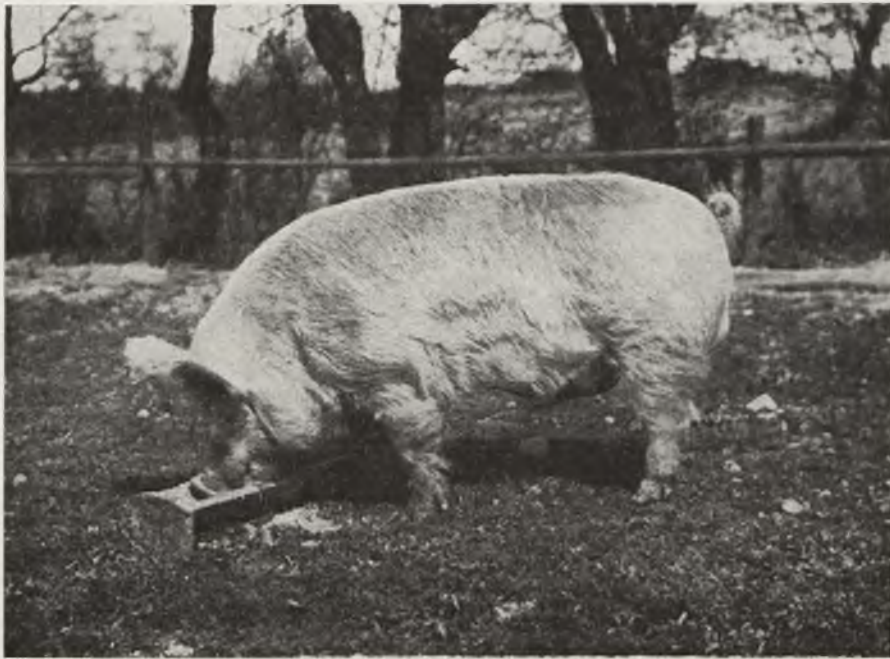
The veterinary administration is subject to the Ministry of Agriculture, which embodies a Veterinary Department composed of 3 sections. The Voievodship establishments also have agricultural and veterinary sections; the latter sections are now separate units in order to ensure better and more efficient service and are conducted by veterinary inspectors. To begin with, this organisation was introduced in 6 voievodships and is now being extended to the remaining voievodships. In every district, the so-called "powiat", there is at least one veterinarian and in the larger districts two and more. The Veterinary Department controls 5 veterinary research laboratories which are attached to the following institutions: Academy of Veterinary Medicine at Lwów, The University of Warsaw, the University of Kraków and the State Scientific Institute of Husbandry at Bydgoszcz; and there is one laboratory in Wilno. There are in Poland 3 State Laboratories engaged in the preparation of vaccines and veterinary products and in addition 3 similar laboratories which, though privately-owned, are supervised by government officials. The control of vaccines and sera is exercised by the State Scientific Institute of Husbandry, Bydgoszcz.

Let us now pass under review the results obtained by the State Veterinary organisations.

Owing to the war with Soviet Russia, Poland was infected in 1920 with cattle plague and the whole of Europe was anxious as to whether Poland would succeed in controlling the disease and prevent its

spreading to the rest of Europe. Thanks to efficient organisation and considerable outlay the disease was completely stamped out in 1922, and was not allowed to spread to other countries. All the European countries fully realised the significance of the successful work performed by Poland which was evidenced by the fact that the Polish delegate to the International Congress at Rome was requested to express congratulations to the Minister of Agriculture. In order to protect Poland against the possibilities of infection by this disease, a special veterinary belt was created, while at the same time there were issued special regulations prohibiting the import as well as the passage in transit of animals and products of animal origin

still fairly grave in 1924, when 2,443 small holdings situated in 100 districts, were reported to be affected; in 1925, 2,143 small holdings located in 74 districts were still suffering from this disease; in 1926, the number of small holdings declined to 449 and the number of districts concerned — to 41; on December 31, 1927 only three small holdings located in three different districts were reported; on January 15, 1928 only 2 small holdings in 2 different districts were still affected. These extraordinary results were obtained only thanks to great sacrifices and severe regulations. Compensation for animals slaughtered, excluding the various administrative costs, amounted to about Złoty 8 million. Horse dourine came to Poland during the war



A FINE SPECIMEN OF A POLISH-BRED PIG

which might bring infectious animal diseases from Russia.

Prior to the war tuberculosis was noted on the territories which previously formed part of the Russian Empire and during the Great War it was also reported to exist in the Poznań and Pomeranian areas. During the war, no proper measures were taken to check this disease, for it will be remembered that the military authorities confined their activities almost solely to vaccination of the animals in order to diminish the death rate, which policy was dictated by the necessity to maintain meat supplies. It should be mentioned in this connection that the German authorities did not resort to vaccination in their own country. Vaccinations performed by the occupation authorities contributed largely to the spreading of the disease with the result that in 1922, 4,000 small holdings located in thirteen voievodships, were reported to be infected with tuberculosis. The position was

and affected 31 districts. Thanks to radical measures taken by the authorities which resulted in the slaughtering of about 800 stallions and mares which were either ill or suspected of being ill; this disease was completely stamped out in May, 1927, since which time Poland has been free from it.

Foot-and-mouth disease was brought to Poland not from the East, as used to be the case before the war, but from the West. It reached its highest point in October 1926, when 144 districts or about a half of Poland was infected. This disease was successfully combated so that now only 14 districts are reported to be infected. Further steps were taken by the Polish Government against foot-and-mouth disease and in order to discover the unknown cases, blood analyses were taken in all the localities which were considered as suspected areas. Moreover blood analyses of all horses in the frontier belt 15 klm. wide were also undertaken; the same policy was carried out in regard to a number of



districts situated in the Tarnopol and Stanisławów voievodships. In this way a number of cases were discovered and the respective animals destroyed. The spreading of foot-and-mouth disease was facilitated by the circumstance that the occupation authorities did not kill the animals the blood of which showed positive reactions, but formed special working units, which were stationed on various estates. With the liquidation of these arrangements by the Polish Government, the foot-and-mouth disease declined considerably. So far the average number of horses killed on account of this disease is about 2.000 per annum. The campaign against this disease will be carried on energetically, as from April 1, 1927, when the new veterinary law, which is uniform for the whole of Poland will be made operative.

in Germany, it should be remembered that the number of districts in Poland are 275 and in Germany about 800; the figures are for fortnightly returns of infectious animal diseases. Tuberculosis, which was manifest in Poland in 13 voievodships and which, as already stated, affected over 4.000 small holdings, was controlled to such an extent, that after four years there were only two small holdings, situated in two different districts suffering from this disease.

This result is most gratifying.

In Germany, on the other hand, during the war, there were only isolated cases of tuberculosis and one district was still infected in October, 1927.

Foot-and-mouth disease with which Germany was infected earlier than Poland, reached in Germany its zenith in the middle of November 1926, when the



PREPARATION OF ORGANO-THERAPEUTIC REMEDIES AT THE WORKS OF MESSRS. LUDWIK SPIESS I SYN, S. A., WARSAW

The Polish Government has also adopted various measures for the combating of rabies. These measures will be applicable to the whole of Poland as soon as the new law is made effective; it should be stated here that apart from diseased or suspected dogs, about 70.000 stray dogs are killed annually.

The campaign against infectious pig diseases is being conducted energetically and will be still more successful when the new law comes into operation as it provides for compensation for the animals which died or were destroyed owing to epidemics.

Now the question arises as to whether the results obtained by the present veterinary administration in Poland are less favourable than those achieved in other countries and particularly in Germany.

When comparing the results of measures taken against infectious animal diseases in Poland and

epidemic covered 722 districts, that is all districts with the exception of 80; in Poland, the peak of this disease was recorded about the same time, that is in October, 1926 when there were 144 districts infected or only about one half of the total area of the country. In both countries the position improved so that on July 31, 1927 there were only 18 districts infected in Poland that is about  $\frac{1}{16}$  of the total number while in Germany the improvement occurred at the end of September 1927, when the disease was still noted in 63 districts, that is about  $\frac{1}{12}$  of the total number of districts of the Reich. Since that time foot-and-mouth disease has developed again in the two countries with the result that in October 1927 41 districts were infected, but the situation was well in hand and on December 31 only 14 districts, or about  $\frac{1}{23}$  of the total number of Polish districts suffered from this epidemic. In Germany however the disease has continued to make progress and on December 31, 1927 there were again 213 districts

or about  $\frac{1}{4}$  of the total number of districts contaminated.

On October 15, 1927 swine fever was noted in Poland in 45 districts that is in about  $\frac{1}{7}$  of the total Polish districts, while in Germany on the same date it was reported in 209, or in  $\frac{1}{4}$  of the total number of districts. The total number of infected districts at the end of 1927 was in Poland 54 and in Germany 181.

The above mentioned figures indicate that so far as the combating of infectious diseases is concerned, Poland obtained much better results than Germany and it is obvious, therefore, that from the point of view of veterinary facilities and organisation Poland may be ranked among the progressive countries. It would be a mistake to compare the present state of affairs in Poland with that which obtained in Russia prior to the war.

Export of animals and animal products from Poland to Germany does not present any more danger than that from other European countries. It is also clear that the possibility of bringing infectious animal diseases is not out of the question particularly when it is borne in mind that the livestock trade has become of late essentially international. Even if the international movement of cattle and products of animal origin be entirely arrested, the possibility of spreading infectious animal diseases would not be eliminated, for, as is well known, the different bacteria are spread by means of various effects and also by people.

In order to show that Poland is doing everything in its power to protect the countries which import cattle and animal products from Poland, it is sufficient to mention the fact, that in 1926 when about one half of Poland was infected by foot-and-mouth disease, the Polish Government, acting on its own initiative prohibited the export of cattle from more than a half of the whole territory, although such a measure was not demanded by any veterinary agreements entered into by Poland, and despite the fact that breeders insisted on the abolition of this measure. It is worthy of note that even now, despite a satisfactory situation two voievodships are closed to trade on account of this disease and four voievodships on account of tuberculosis, although in two of these four voievodships this disease is considered as having been stamped out.

In summing up, it should be stated, that the organisation of the veterinary service in Poland is by no means less efficient than that in Germany and the above mentioned results in the matter of combating infectious animal diseases testify to the energy of the Polish veterinary authorities. Furthermore, it is also interesting to note that the occurrence of infectious animal diseases is not only less frequent than in Germany but, on the contrary, some of the maladies assumed much larger proportions in Germany and elsewhere than in Poland.

Bearing in mind these considerations, Poland is completely justified in its endeavours to expand its foreign trade in cattle and products of animal origin.

## ECONOMIC RELATIONS BETWEEN POLAND AND THE BALTIC COUNTRIES

THE YEAR 1927 witnessed a decided change in the economic relations between Poland and its Baltic neighbours — Latvia and Estonia. With the latter a commercial treaty was signed on February 19, and with the former a provisional trade agreement — on December 22. As regards the third neighbour, Lithuania, it is well known that up to the present, relations are practically non-existent though Poland is in no way responsible for this state of affairs.

The main reason for the delay in reaching an agreement with the first two mentioned countries was their pro-Russian policy which was evidenced in the so called "Russian clause" being inserted in their commercial treaties with other countries. This clause authorised Latvia and Estonia to grant to Soviet Russia special customs facilities, which were not to be extended to other countries having a commercial treaty with either of them.

In addition there is the "Baltic clause", whereby the two countries are empowered to give special customs facilities to each other and to Lithuania.

The framing of these peculiar principles of co-operation between the Baltic countries themselves and, though to a lesser degree, with Soviet Russia, is accounted for by various political considerations arising out of the fact that these countries are restored on what was formerly known as Russian territory. It is quite comprehensible that these countries show a marked tendency to tighten their economic relations as they are animated with the desire to form a solid block in the general European economic life. The tendency of economic *rapprochement* with Russia, although justified by the necessity of keeping fully employed the excessively developed industry and by their position as transit countries, appears to be in conflict with the principles underlying the establishment of a Baltic block and all the more so as it may prove dangerous to the economic independence of the countries concerned. A resolute step forward towards a *rapprochement* with Russia was made by Latvia by the signing, on June 2, 1927, of a commercial treaty containing a whole range of special customs reductions for Russian products. Among the rebates which range from 15 to 60 per cent, Poland is especially interested in those on salt (50 per cent), kerosene (25 per cent), sugar (15 per cent) and other items of lesser importance. Of the total imports of salt into Latvia in 1926 amounting to Lats 886,000 (1 Lat = 1 gold Fr.), the imports from Poland amounted to Lats 104,000 and those from Russia — Lats 200,000.

The aggregate imports of petroleum and petroleum products represented a value of Lats 1,938,000, which sum included imports from Russia valued at Lats 537,000 and from Poland — valued at Lats 420,000. Imports of sugar totalled Lats 13,574,000, of which Poland's share represented a value of Lats 3,932,000. Under the provisional treaty of

of December 22, 1927, Poland is not entitled to the above mentioned customs reductions, but the fact that Poland has only signed a provisional agreement (subject to cancellation at a month's notice) although there is in existence a project of regular commercial treaty, shows the temporary nature of the regulations of the economic relations between Poland and Latvia. The present position is marked by benevolent reserve for it is only after the Russian-Latvian treaty will have been in operation for one year

by Estonia towards the Soviet Russian-Latvian treaty, testifies to its sense of reality which is only natural, particularly when one bears in mind the results of the previous attempts to regulate her economic relations with Soviet Russia. Thanks to this attitude on the part of Estonia, the Polish Estonian treaty, which leaves the question of the Russian clause open, was negotiated. It may be mentioned that the Estonian Parliament has already ratified this treaty.



MANUFACTURE OF CIGARETTES AT THE GRODNO STATE-OWNED FACTORY

that its *raison d'être* can be proved. This treaty is unfavourably commented upon by Latvian economic circles. The objections were not only of a political nature, but also doubts were expressed as to its execution in practice. According to the treaty, exports from Latvia to Russia are to reach Lats 40,000,000, that is to say, that they are to be four times as large as those for 1926 (10,000,000 Lats). Time will show whether it is possible to take advantage of this privilege, but it may be stated, that the delivery of goods-waggons to a value of Lats 14,110,000 per annum, appears to be impossible of realisation.

The granting of privileges of this kind is, as it were, an opening phase of a close customs union and leads to unfavourable consequences for the economic independence of the country, which is the weaker member of the union. The significance of such a step was well understood by Estonia which, it may be recalled, received the news of the conclusion of the Russian-Latvian commercial treaty with some hostility, for in view of the conclusion in February 1927 of a special treaty between Latvia and Estonia establishing a customs union between the two countries, the only alternatives are either for Estonia to join the Russian-Latvian treaty or for Latvia to repeal it. *Tertium non datur* if customs union is to be realised in practice. The extremely reserved attitude, displayed

The Polish-Estonian trade balance, although small, is highly favourable to Poland, which is confirmed by the following statement (in thousands of gold Fr.):

Year	Imports from Estonia	Exports to Estonia
1924	260	2,016
1925	326	3,486
1926	107	7,414
1927 (first 9 months)	595	2,469

Imports into Estonia in 1926 amounted to Emk. 9,557 million of which Poland's share was 10.4 per cent (1 per cent in 1924, 1.6 per cent in 1925). In the year 1926, Poland became the fourth supplier following Germany (29.1 per cent), England (12.1 per cent) and the United States of America (12 per cent). Soviet Russia occupied the fifth place with 7.5 per cent. Polish exports to Estonia are chiefly composed of: rye, sugar, kerosene, coal, petroleum products, soda, salt, timber, iron, iron and zinc sheets, enamelled and cast iron hollow ware, various chemicals, clover, osier, wood wares, cellulose, clothing, fancy wares and textile products.

Business with Latvia plays an increasingly important rôle in Poland's foreign trade. Polish statistical returns contain the following data (in thousands of gold Fr.):

Year	Imports from Latvia	Exports to Latvia
1924	6.794	26.271
1925	19.523	30.977
1926	3.751	1.485
1927 (first 10 months)	8.090	1.430

Poland's share in the imports of Latvia amounted to about 0.50 per cent in 1921, 2.39 per cent in 1922, 6.07 per cent in 1923, 4.98 per cent in 1924, 5.73 per cent in 1925, and 8.99 per cent in 1926. Poland's share is therefore growing and she has risen from the fourteenth place in 1921, to the third place in 1926. The chief Polish exports to Latvia in 1926 were textile raw materials (6.5 per cent of the total imports, mostly wool, rags, flax and hemp), timber, seeds (8 per cent), skins, bristles, coal, fabrics (30.8 per cent), metal products (5.1 per cent), roots, plants and vegetables, fish and fish products, sugar (29.3 per cent) salt, foodstuffs, fodder etc.

Germany is Poland's chief competitor on the

Latvian market. England used to occupy second place, but her share is decreasing (from 18.5 per cent in 1922 to 9.8 per cent in 1926).

In connection with the conclusion of the treaty between Russia and Latvia, it may be of interest to give some figures concerning Russia's share in the Latvian foreign trade; imports from Russia in 1924 amounted to Lats 16,417,000, and Latvian exports to Russia — to Lats 4,497,000. In 1926, the corresponding figures were as follows: imports—Lats 11,606,000, exports—Lats 10,240,000; Russia's share of the aggregate imports into Latvia was 1.5 per cent in 1922, while in 1924 it was larger than the volume of Polish imports and amounted to 6.4 per cent; in 1925, it declined to 3.79 per cent and in 1926 to 4.79 per cent.

It is to be anticipated that Russia's share will increase when the special customs rebates provided for by the commercial agreement come into the force.

## SUMMARY OF LAWS, ACTS AND EXECUTIVE DECREES

published in the "Official Journal of Laws of the Republic of Poland" ("Dziennik Ustaw Rzeczypospolitej Polskiej") from January 15th to February 15th 1928

**Executive decree concerning emigration** ("Dz. Ust. R. P." No. 6, item 37).

**The labelling of certain local products in the retail trade** ("Dz. Ust. R. P." No. 7, item 43).

**Amendment of the Statutes of the Credit Association of the Polish Industries** ("Dz. Ust. R. P." No. 7, item 49).

**Regulations concerning direct railway freight traffic from Germany via Poland to Soviet Russia and vice versa** ("Dz. Ust. R. P." No. 7, item 51).

**Polish-German agreement concerning the execution of Art. 312 of the Treaty of Versailles** ("Dz. Ust. R. P." No. 8, item 53).

**Temporary suspension of emigration to the Argentine** ("Dz. Ust. R. P." No. 8, item 62).

**Control over insurance establishments** ("Dz. Ust. R. P." No. 9, item 64).

**New regulations relating to maximum customs duties** ("Dz. Ust. R. P." No. 9, item 66).

**Confirmation of the agreement entered into on August 12, 1925 between Poland and The Free City of Danzig relative to the application of export duties** ("Dz. Ust. R. P." No. 10, item 81).

**Customs rebates on seeds of coniferous trees** ("Dz. Ust. R. P." No. 10, item 82).

**The imposition of stamp fees in connection with the sale of securities** ("Dz. Ust. R. P." No. 10, item 83).

**Basic prices of the State Spirit Monopoly for alcohol delivered by distillers from the 1927/28 campaign** ("Dz. Ust. R. P." No. 11, item 87).

**State Assistance in the form of credit in connection with Land Unification** ("Dz. Ust. R. P." No. 11, item 90).

**The dissolution of the Commission of Inquiry into Conditions and Costs of Production and Exchange** ("Dz. Ust. R. P." No. 13, item 95).

**The issue of the 4 per cent Premium Investment Loan<sup>1)</sup>** ("Dz. Ust. R. P." No. 14, item 99).

**The State Railway transport regulations** ("Dz. Ust. R. P." No. 14, item 102 and 103).

**Amendment of the Polish Railway tariff for the transport of persons, luggage, and express parcels** ("Dz. Ust. R. P." No. 14, item 104).

**Supplement to the law of August 2, 1926 concerning the raising of the State Loan in U. S. A. Dollars** ("Dz. Ust. R. P." No. 15, item 107).

**Conversion of the rates of the customs tariff into the new monetary unit<sup>2)</sup>** ("Dz. Ust. R. P." No. 15, item 112).

**Abolition of import prohibition on certain goods<sup>3)</sup>** ("Dz. Ust. R. P." No. 15, item 113).

**The parceling plan for 1929** ("Dz. Ust. R. P." No. 15, item 115).

<sup>1)</sup> See page 123.

<sup>2)</sup> See page 115.

<sup>3)</sup> See page 117.

## PRODUCTION AND TRADE

**STATE OF EMPLOYMENT.** — In January, the labour market in Poland continued to be under the cloud of the usual winter depression; nevertheless,

there were signs of forthcoming improvement.

The number of registered unemployed at the State Labour Exchange rose,

during the 4 weeks ending February 2, from 164,800 to 181,672, that is by 16,872 or 10.2 per cent.

The increase of unemployed was, no

doubt, very large, but the rate of its growth was smaller than in the preceding month, when the average weekly increase was 6.420 whereas in January it was 4.218. It is also worthy of note that the position in regard to part-time workers improved to a large extent.

Wages did not show an upward tendency.

The undermentioned statement illustrates the situation on the labour market at the beginning of the relevant periods:\*)

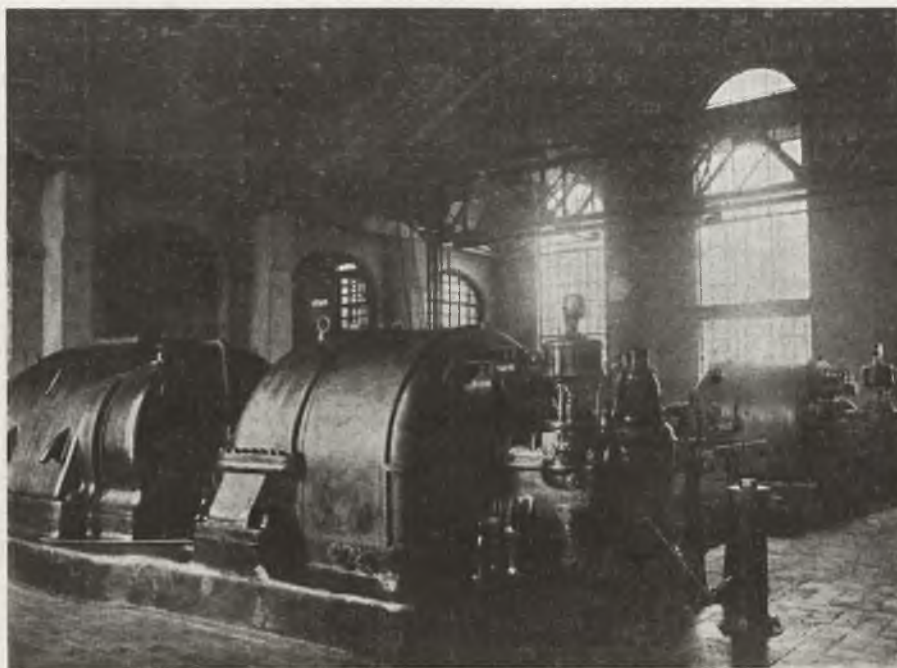
January 1927	190.140
February ..	208.536
July ..	159.365
August ..	147.713
September ..	132.952
October ..	116.843
November ..	115.732
December ..	136.738
January 1928	164.800
February ..	181.672

The further increase of unemployed in January is accounted for by the same causes which always have a decisive influence on the Polish labour market in the winter periods, that is, the decline in the number of employed agricultural workers and the return of seasonal land workers from abroad; as employment in the basic branches of local production remained more or less on the same level, the bulk of the unemployed were unskilled workers. This statement is confirmed by the following figures:

	December 1927	January 1928	+ Increase - decrease
mining	19.905	19.264	+ 59
foundries	2.623	2.754	+ 131
metal	13.476	12.623	- 853
textile	14.522	15.157	+ 635
building	17.846	20.582	+ 2.736
clerical	17.990	17.977	- 13

In coal mining, the number of wage-earners was not subject to any material change, but it is not improbable that the number of miners will be reduced as the result of a falling off in the sales of coal during the spring season. The situation in petroleum mining was unchanged. In the remaining branches of mining favourable conditions prevailed. Operations in iron ore mines are being carried on intensively; the output of potassium salts increased considerably. The number of unemployed miners in January rose by 59 and represented 14 per cent of those at work.

Iron foundries were working under much better conditions than in the preceding month thanks to the inflow of important orders. There was a big demand for pig iron. A slight improvement was also in evidence in the



MACHINE ROOM T THE CHEMICAL FACTORY  
"AZOT", JAWORZNO (PHOT. S. PLATER)

iron sheet departments whereas in the galvanised sheet division the slack period continued. Rolling mills operated less intensively. The number of unemployed foundry workers rose in January by 131 and represented 5 per cent of the employed.

In the metal industry, the situation continued to be good. The number of wage-earners, however, decreased by 853. Manufacturers of agricultural machinery and implements were well employed, although operations slackened off towards the end of the month, due to the market not showing any definite tendency as to the spring purchases.

In the electrical industry, the state of employment as well as sales were maintained at a high level. In view of the anticipation of a good building season, small workshops were working at full capacity. Unemployed metal workers represented 14 per cent of those at work.

In the textile industry the working conditions were practically the same as a month earlier, the bulk of the mills being engaged in the production of light summer fabrics; although business in this line is still on a restricted scale, the prospects for the coming season are encouraging. In connection with the difficult conditions obtaining in the export market, this year's plan of operation is drawn up with the idea of relying on the home requirements.

The knitting industry, after having sold out the carryover from last year, is now engaged in the production of the lighter type of goods, and as sales in summer usually show a certain falling off, mills are being operated on a reduced scale. Foreign competition was rather keen in the clothing department. The flax industry, however, was doing well. The number of unemployed textile workers increased by 635 and represented 10 per cent of those at work.

Building operations in January continued to be on a small scale but a revival is anticipated as soon as weather conditions are more propitious.

The ceramic industry on the contrary worked at full capacity in the anticipation of a heavy demand for building materials. Owing to the completion of a large number of buildings and the slack season, the number of unemployed in this trade rose by 2.736.

In the group of clerical workers, the number of unemployed was not subject to any considerable fluctuations. The increase of unemployed in this group was arrested.

The number of part-time workers declined from 33.190 in December to 31.465 in January. Of this number 61 persons worked 1 day per week, 352 — 2 days, 2.898 — 3 days, 9.174 — 4 days and 18.976 — 5 days per week. The average time worked was 4.5 days per week as against 3.8 in the preceding month.

\*) In our previous reports the figures of unemployed at the end of the monthly period were given; commencing with this number, the figures as at the beginning of the month will be reported.

In connection with the depression prevailing on the labour market wages did not show an upward tendency. Slight increases in certain trades were reported in the Kraków and Tarnów areas. Demands for increases were formulated recently by the unions of textile and metal workers in the Bielsk area as well as by ceramic workers in the Łódź district.

The conflict between employers and employees in the iron foundry industry in Upper Silesia which was reported in our last issue<sup>1)</sup>, came to an end.

## GRAIN

— The state of winter sowings showed a certain deterioration at the end of January, as the estimate, according to the 5 point system, was 3·3 for wheat and rye, as against 3·4 in the preceding month. The area under winter sowings rose in the autumn of 1927 by 1·4 per cent, as compared with the preceding year and was: under wheat 1,089,000 ha, under rye 5,077,000 ha and under barley 25,000 ha.

Prices of grain on the Polish market assumed a downward trend during the period under review. Prices of wheat in the first half of February declined by 2·7 per cent as compared with the corresponding period of January, and those of rye, during the same period, fell by 2·3 per cent. Towards the end of January only prime quality wheat was selling well. There is every reason to believe that the present stocks of wheat of local origin together with the imported reserves, are large enough to meet the requirements till the end of the agricultural year; for this reason an increase of prices for this commodity is not likely to take place.

As regards rye, the supplies also appear to be ample as, thanks to the prohibition to export, the whole crop is in the country.

As the yield of potatoes in 1927 was exceptionally large, it is almost certain that the consumption of rye will decrease so that the stocks of rye now on hand will not only cover the local needs but there will be a surplus available for export. The oats and barley markets were somewhat depressed and the prices for these articles are stationary.

The movement of prices (per 100 kg.) on the grain market during the period under review, is illustrated by the following table:

<sup>1)</sup> See "The Polish Economist" No. 1/1928, page 61.

	Jan. 1st—15th		Jan. 15th—31st		Febr. 1st—15th		Percentage of difference
	₤	\$	₤	\$	₤	\$	
<b>W H E A T :</b>							
Warsaw ... ..	49·60	5·57½	49·13	5·51½	48·06	5·40	— 2·2
Poznań ... ..	46·55	5·23	46·27	5·20	45·08	5·07	— 2·6
Lwów ... ..	47·52	5·34	47·22	5·30½	46·60	5·23½	— 1·3
Average price . . . . .	47·89	5·38	47·54	5·34	46·58	5·23½	— 2·0
Berlin RMk. ... ..	23·58	5·62½	23·39½	5·57	22·69	5·40½	— 3·0
Chicago ... ..	—	4·75½	—	4·77½	—	4·75	— 0·5
<b>R Y E :</b>							
Warsaw ... ..	39·73	4·46½	39·65	4·45½	38·76	4·35½	— 2·2
Poznań ... ..	39·34	4·42½	39·34	4·42	38·54	4·33	— 2·0
Lwów . . . . .	38·40	4·31½	38·62	4·34	37·51	4·21½	— 2·9
Average price . . . . .	39·16	4·40	39·20	4·40½	38·27	4·30	— 2·4
Berlin RMk. ... ..	23·73	5·65	23·56	5·61	23·08	5·49½	— 2·0
Chicago ... ..	—	4·26	—	4·33	—	4·22½	— 2·4
<b>B A R L E Y :</b>							
a) Brewing:							
Warsaw ... ..	40·63	4·56½	40·05	4·50	40·05	4·50	—
Poznań ... ..	40·32	4·53	40·27	4·52½	40·23	4·52	—
Lwów ... ..	38·80	4·36	not quoted	—	39·73	4·46½	—
Average price . . . . .	39·92	4·48½	—	—	40·—	4·49½	—
Berlin RMk. ... ..	24·31	5·79	24·46	5·82½	24·48	5·83	—
b) Feeding:							
Warsaw ... ..	36·70	4·12½	36·45	4·09½	36·50	4·10	—
Poznań ... ..	34—	3·82	34—	3·82	34—	3·82	—
Lwów ... ..	33·29	3·74	33·02	3·71	32·84	3·69	— 0·6
Average price . . . . .	34·66	3·89½	34·49	3·87½	34·44	3·87	— 0·2
Berlin RMk. ... ..	not quoted	—	not quoted	—	not quoted	—	—
Chicago ... ..	—	4·08½	—	4·01½	—	4·19	+ 4·4
<b>O A T S :</b>							
Warsaw ... ..	35·91	4·03½	35·78	4·02	35·55	3·99½	— 0·6
Poznań ... ..	33·38	3·75	33·82	3·80	33·46	3·76	— 1·1
Lwów ... ..	32·44	3·64½	32·52	3·65½	32·04	3·60	— 1·5
Average price . . . . .	33·91	3·81	34·04	3·82½	33·68	3·78½	— 1·1
Berlin RMk. ... ..	20·68	4·92½	20·59½	4·90½	20·69	4·92½	— 0·5
Chicago ... ..	—	3·72	—	3·73½	—	3·77	+ 0·9

The grain balance sheet for January was closed with a favourable balance amounting to 2,538 tons, valued at gold Fr. 495,000; in the preceding month the adverse balance reached gold Fr. 2,509,000.

Imports and exports of the four main varieties during the past two months as compared with January 1927, were as follows (in tons):

	1927:		1928	1927
	December	January	January	January
<i>Exports:</i>				
wheat	217	135	533	
rye	1,063	748	1,303	
barley	8,513	7,601	9,057	
oats	329	314	772	

	Imports:		
	1927	1928	1927
wheat	13,647	3,400	7,329
rye	1,898	951	6,071
barley	91	47	63
oats	2,985	1,862	1,569

Exports of wheat and rye were almost exclusively directed to Germany. Barley was mostly exported to Germany (22 per cent), to Austria (18·3 per cent), Belgium (15·6 per cent), Czechoslovakia (12·2 per cent), Latvia (11·2 per cent), Holland (9·2 per cent). Smaller quantities were forwarded to Estonia, England, Switzerland, Norway, Rumania and Sweden. Oats were exported to Germany (40·2 per cent), Latvia (23·3

per cent), Austria (20·4 per cent) and Belgium (16 per cent).

The chief sources of wheat supplies were Germany and the United States of America, which furnished 44·7 and 36·4 per cent of the total imports. Smaller quantities were received from Canada (15·5 per cent), Russia and Hungary. Rye was exclusively supplied by Germany and barley by Rumania.

Oats were imported from Germany (96·2 per cent) and Rumania (3·8 per cent).

## BUTTER

— The tone on the butter market in the second half of January improved steadily. In Warsaw a committee composed of the representatives of the dealers and producers increased prices on three different occasions. The capital as well as provincial towns were well supplied. During the first half of February a firm tone prevailed, due to small production as compared with the requirements. In contrast with the second half of January supplies were limited while the demand was greater.

Prices of butter in the first half of February as compared with the second half of January as well as the differences between the two, are shown in the following statement:

	January 15th-31st		February 1st-15th		Percentages of difference
	₤	\$	₤	\$	
Bydgoszcz	6·10	0·69	6·20	0·70	+ 1·6
Katowice	6·40	0·72	6·50	0·73	+ 1·5
Lublin	5·90	0·66	6·50	0·73	+ 10·0
Lwów	5·60	0·63	6·20	0·70	+ 10·6
Warsaw	6·20	0·70	7·20	0·81	+ 16·0
Wilno	6·65	0·75	6·90	0·79	+ 5·4

Export of butter in January amounted to 681 tons representing a value of £ 3,900,000. Of this quantity 87 per cent was sent to Germany and 8 per cent to England, while Sweden, Denmark and Austria absorbed smaller quantities.

## EGGS

— In the latter half of January the egg market showed signs of revival. The favourable weather conditions resulted in increased egg production. The supplies augmented from day to day and the situation on the market became easier, while prices for eggs fell off slightly. The demand on the local market increased owing to lower figures and was entirely covered by new laid eggs. In the first half of February, the downward tendency was



TYPICAL INTERIOR OF PEASANTS COTTAGE NEAR ŁOWICZ

still more distinct. Supplies were ample and despite increased requirements no shortage was experienced. In anticipation of a further decline in prices, dealers refrained from extensive purchases.

The export of eggs was still on a small scale. Prices for fresh eggs on the different Polish markets were as follows (in Złoty per case of 1.440 eggs):

	January 15th-31st		February 1st-15th	
	₤	\$	₤	\$
Katowice	360·—	to 370·—	310·—	to 320·—
Kraków	395·—	" 405·—	288·—	" 331·—
Lublin	290·—	" 360·—	240·—	" 275·—
Lwów		396·—	276·—	" 310·—

Export of eggs effected in January totalled 825 tons valued at £ 2,667,242 as against 1,239 tons valued at £ 4,497,471 in the preceding month.

Of this quantity over a half (56 per cent) were taken by Germany, 30 per cent by Austria, 12·5 per cent by Czechoslovakia and smaller quantities by Italy and Rumania.

Imports of eggs during the period under review amounted to 274 tons valued at £ 867,491; the chief suppliers were Germany and Russia which furnished 78 per cent and 18 per cent respectively; smaller consignments were received from China and Latvia.

## SUGAR

**THE 1927/8 SUGAR CAMPAIGN.**— The sugar campaign has given less favourable results than were anticipated,

due to disease in the sugar beet. Still, there is some comfort in the fact that the total output is as large as in the preceding year.

The output of sugar in the year 1927/8 converted into white crystal represented 495,389 tons, as against 495,750 tons in the corresponding period in 1926/7. As stocks on hand on October 1, 1927 were much smaller (3,412 tons) than in 1926 (17,668 tons), the aggregate quantity available on February 1, 1928 — amounting to 498,801 tons, was smaller than on January 1, 1927 when it represented 513,418 tons. The sales of sugar were 250,418 tons during the period October—February 1927, as against 279,800 tons in the same period of 1926/7. The decline was by no means the result of a decrease in local consumption which, on the contrary, rose considerably, from 106,062 tons to 111,356 tons, but it was solely accounted for by the drop in exports from 173,738 tons in 1926/7 to 139,445 tons in 1927/8. The basic sugar contingent for home consumption for the period from October 1926 to September 1927 amounted to 309,556 tons (white crystal) and the reserve contingent—46,433 tons making together 355,989 tons. The actual consumption in the corresponding period of 1925/6 was 267,255 tons and in 1926/7—309,060 tons. The development in the local consumption which has taken place during the last two years, is illustrated by the following table (in tons):

	1925/26	1926/27	1927/28
October	18,736	20,983	27,058
November	21,400	34,165	27,347
December	27,010	21,172	32,298
Total:	67,137	76,320	86,697
January	20,776	29,742	
February	15,399	17,436	
March	24,551	22,542	

April	20.040	26.605
May	26.417	24.990
June	16.405	26.098
July	31.742	32.255
August	21.228	30.132
September	23.524	22.940
Total:	267.255	309.060

## TIMBER

The position on the round wood market was made quite clear during the course of January and after the termination of the auction sales at the chief forest directorates the prices may be regarded as being definitely stabilised; in any case, there is no reason to believe that they will be increased in the near future. Prices for sawing material have already exceeded the pre-war level, whereas those for fire-wood continue to be rather low. The fall in quotations which was anticipated in connection with the opening of the German market did not take place, which proves that the stocks of round wood in Germany are limited. The reduction of cutting in the Western voievodships in which felling of timber affected by *panolis flammea* is almost entirely terminated, was badly felt, as the normal annual contingents have been decreased in consequence.

The prices quoted in December, 1927 and in January, 1928 in different Directorates of State Forests, were as follows f. o. r. loading station (in  $\text{z}$  per cubic metre):

		Dec. 1927	Jan. 1928
Pine logs for saw mills			
(per cubic m.)	Warsaw	84.—	80.—
" " "	Radom	65.—	71.—
" " "	Siedlce	69.50	70.90
" " "	Wilno	50.—	—
" " "	Białowieża	46.50	60.—
" " "	Poznań <sup>1)</sup>	61.—	63.10
" " "	Bydgoszcz	51.80	63.—
" " "	Toruń	74.—	80.—

<sup>1)</sup> Prices for timber affected by the "Panolis flammea".

pine logs for building purposes	(per cubic m.)	Siedlce	48.50	53.50
" " "	" " "	Białowieża	39.50	52.—
" " "	" " "	Wilno	40.—	—
pine pit props	(per cubic m.)	Warsaw	37.—	37.—
" " "	" " "	Radom	37.—	37.—
" " "	" " "	Siedlce	23.—	27.50
" " "	" " "	Poznań <sup>1)</sup>	25.30	29.80
" " "	" " "	Bydgoszcz	24.60	31.—
" " "	" " "	Toruń	29.00	29.—
spruce logs for saw mills	(per cubic m.)	Siedlce	42.—	43.30
" " "	" " "	Lwów	44.—	44.—
oak logs for joinery	(per cubic m.)	Białowieża	110.—	115.—
" " "	" " "	Łuck	150.—	150.—
pulpwood	(per stacked cub. m.)	Siedlce	28.40	30.—
" " "	" " "	Wilno	25.—	—
" " "	" " "	Białowieża	28.—	29.—
pine fire wood	(per stacked cub. m.)	Warsaw	16.—	16.—
" " "	" " "	Radom	16.—	16.—
" " "	" " "	Siedlce	13.—	13.—
" " "	" " "	Wilno	9.50	—
" " "	" " "	Białowieża	13.25	13.50
" " "	" " "	Poznań <sup>1)</sup>	10.80	10.80
" " "	" " "	Bydgoszcz	14.40	15.—
" " "	" " "	Toruń	16.—	16.—
spruce fire wood	(per stacked cub. m.)	Lwów	10.75	11.—
beech fire wood	(per stacked cub. m.)	Lwów	14.—	13.—

As regards sawn wood the situation is not quite clear as yet. The high prices for round wood are not conducive to large consignments of sawn wood being thrown on the German market, which certain circles in the trade in Poland and Germany feared recently would be the case. Some business for forward delivery in being done and as supplies are limited sellers seem very cautious. Producers of sawn wood are still hoping for better prices and the present price of about 110 marks for medium quality, franco Polish-German frontier stations, is regarded as unsatisfactory. As long as the present prices are maintained, the export trade to England is of little interest. Only spruce

<sup>1)</sup> Prices for timber affected by the "Panolis ammea".

and fir have any chances in England during the coming year, because the demand for these lines on the part of the German buyers is likely to be weak in consequence of which prices will probably be at a comparatively low level. In anticipation of better values a number of producers and dealers appear to be inclined to maintain their connection, with their old English customers.

Export effected in January and in December are given below (in tons):

	December 1927	January 1928
pulpwood	133,367	135,673
pit props	91,987	61,158
logs and stems	67,063	94,767
telegraph poles	1,767	3,717
deals, boards, battens	149,628	127,618
sleepers	17,879	8,667
cooper's ware	2,747	2,366

## REVENUE FROM STATE FORESTS IN 1927.

—According to the calculations made by the Ministry of Agriculture, the revenues from State Forests paid in to the Treasury amounted to  $\text{z}$  112,242.862'24, of which  $\text{z}$  108,242.862'24 represented revenues provided for in the budget, and the remaining, 40 million were paid into the working capital account. Moreover, the sum of  $\text{z}$  8'0 million was employed for the purchase of forests on behalf of the Treasury.

In 1926 the revenue from State forests paid in to the Treasury amounted to  $\text{z}$  72,651.181'57, which was less by  $\text{z}$  44,581.680'67 or by 61 per cent than in 1927.

## COAL

—The situation in the Polish coal mining industry in January was, on the whole, satisfactory, as compared with the preceding month, despite a considerable decrease of sales, both on the domestic and foreign markets. On the other hand, the output of coal rose slightly so that the stocks at pit heads increased; it should be stated that the above mentioned falling off in home sales is usual at this time of the year, due to the decrease of sales of coal for heating purposes. The demand for coal for steam raising, however, showed a further decrease particularly when compared with the average monthly requirements for the past few years; this shows the improved industrial situation in the different branches of production.

The unfavourable situation on foreign and in particular on Scandinavian and Baltic markets, owing to competition on the part of English coal, was not aggravated in January. Prices were maintained at their previous level. The anticipated reduction in the prices of coal on the Scandinavian markets by



A CORNER IN A TIMBER YARD AT AN EAST POLISH SAW-MILL (PHOT. J. BULHAK)



English coal owners who, it may be recalled, have decided to build up a reserve to be used for the recovery of the Skandinavian markets, has not, as yet, taken place.

It may be mentioned that the contribution towards the above mentioned fund is 3d per ton of the coal raised.

The situation in the coal mining industry in January in the three coal basins is illustrated by the following table (in tons):

Coal mining districts	Extraction	Home consumption	Exports	Stocks at pit heads <sup>1)</sup>
Upper Silesia	2,555,000	1,405,000	830,000	980,000
Dąbrowa	674,000	379,000	184,000	364,000
Kraków	223,000	179,000	1,000	85,000
Total for January:	3,452,000	1,963,000	1,015,000	1,429,000
Total for December: <sup>2)</sup>	3,446,000	2,056,000	1,026,000	1,317,000
+ in relation to December +	6,000	- 93,000	- 11,000	+ 112,000

The above mentioned figures show that the aggregate output of coal rose in January to 3,452,000 tons, an increase of 6,000 tons as compared with the preceding month. Sales totalled 2,978,000 tons or 104,000 tons or 3.37 per cent less than in December.

Stocks at pit heads at the end of January amounted to 1,429,000 tons, the increase over the preceding month being 112,000 tons or 8.50 per cent. Of the total sales, 1,963,000 tons were locally absorbed, which was 93,000 tons or 4.52 per cent less than in December.

Exports amounted to 1,015,000 tons, a decline of 11,000 tons or 1.07 per cent as compared with a month earlier.

Exports in January to the different markets are illustrated in the following table (in thousands of tons):

Destination	1925	1926	1927	1927	
	first semester <sup>2)</sup> (monthly averages)			December <sup>3)</sup>	January
Austria	194	214	192	272	276
Hungary	36	42	48	56	63
Sweden	—	144	202	209	198
Denmark	2	72	97	142	144
Czechoslovakia	47	41	47	94	90
Latvia	1	18	29	45	33
Yugoslavia	8	14	22	8	4
Switzerland	2	10	19	11	17
Italy	1	49	126	36	45
Rumania	6	8	10	9	7
Lithuania	1	3	6	4	5
Memel	1	3	2	5	9
Holland	—	1	—	—	3
Finland	—	9	9	10	5

<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> 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> Corrected figures.

France	—	23	16	19	35
Norway	—	7	15	42	43
England	—	37	—	—	—
Germany	451	1	1	2	—
Belgium	—	—	12	4	—
Russia	—	—	6	—	—
Other countries	—	1	6	1	6
Total:	750	697	865	969	983
Danzig	26	37	27	29	25
Bunker coal	—	38	15	28	7
Total:	776	772	907	1,026	1,015
Export, Germany not included	325	771	906	1,024	1,015
Shipped through:					
Danzig	29	225	314	384	417
Gdynia	—	30	54	109	104
Tczew	—	5 <sup>1)</sup>	11	—	—

Exports to the Scandinavian and the Baltic countries, which are the best markets for Polish coal, amounted to 462,000 tons, a decrease of 24,000 tons or 4.94 per cent as compared with the preceding month — December. This decline is accounted for by the falling off of exports to Latvia (by 12,000 tons), to Sweden (by 11,000 tons), to Finland (by 5,000 tons), and to Danzig (by 4,000 tons). On the other hand, slight increases, totalling 8,000 tons, were reported in the exports to Denmark, Norway, Lithuania and Memel. Exports to the Succession States (Austria, Hungary and Czechoslovakia) rose slightly, by 7,000 tons as compared with December, and amounted to 429,000 tons. The quantities absorbed by Hungary and Austria augmented, whereas those taken by Czechoslovakia declined slightly. The remaining countries absorbed 115,000 tons, an increase of 25,000 tons or 21.74 per cent over December. This increase is accounted for by larger quantities being shipped to the different countries, chiefly to France (by 16,000 tons) and to Italy (by 9,000 tons).

In January, Poland gained a new customer, Holland, which took 3,000 tons; slight decreases were observed in the exports to Yugoslavia, Rumania, Germany and Belgium. As regards the sales of bunker coal effected in January, there was a drop of 21,000 tons as compared with a month earlier. The average daily transports despatched to foreign countries declined in January (25 working days) to 40,600 tons, the decrease as compared with December being 440 tons or 1.07 per cent.

It is noteworthy that, compared with December 1927, the despatch of coal through the Polish ports, Danzig and Gdynia, rose to 521,000 tons, that is, by 28,000 tons or 5.68 per cent. Of the above mentioned quantity, 417,000 tons were shipped through Danzig, which is a record figure for this port, an

<sup>1)</sup> Average quantity for 6 months; this figure has been calculated as explained in note No. 2 exports via Tczew lasted only 4 months.

increase of 33,000 tons or 8.59 per cent as compared with December last.

Shipments through Gdynia declined in January by 5,000 tons or 4.59 per cent and amounted to 104,000 tons; owing to the Vistula being closed to navigation on account of ice, no shipments were directed through Tczew.

Owing to the falling off in the sales, the number of idle days rose slightly in January.

The number of workmen employed at the end of January was 112,600, a decrease of 373, as compared with December. The number of registered unemployed miners at the end of January was 19,964, or practically the same as in the preceding month. The average output per workman remained unchanged and amounted to 1.246 kg. per working day.

Wages were maintained at their previous level.

The negotiations between the coal owners and employees concerning an increase of 25 per cent and certain amendments to the existing agreement, have not, as yet, been terminated.

The home and export prices to countries within the coal convention (Austria, Hungary and Czechoslovakia) remained unchanged. Export prices f. o. b. Danzig and Gdynia to the Scandinavian and Baltic countries were maintained at the same level as in the preceding month, the quotations, however, being a shade firmer.

Railway rates for coal transport were not subject to any changes during the period under review.

## PETROLEUM

— According to provisional data the output of crude oil in Poland in January last was as follows (in tons):

Drohobycz district	54,500
Jasto	6,300
Stanisławów	3,490
Total:	64,290

At Borysław, the most important petroleum field, the extraction of crude oil amounted to about 48,000 tons, the increase over the preceding month being well over 3,000 tons. The improvement in the situation of the Polish petroleum industry is to be attributed to the completion of new wells at Mraźnica. The average daily output in the Borysław area was about 1,550 tons; the most important oil-fields are situated at present in the Mraźnica, district which gave above 650 tons per day during the



CRUDE OIL PLANT AT THE STATE PETROLEUM REFINERY AT DROHOBYCZ (PHOT. S. PLATER)

period under review. The aggregate production of crude oil rose by 3,500 tons or by over 5 per cent, as compared with the preceding month. Of late a number of wells have been completed in the Mrażnica district, which will undoubtedly contribute towards increased drilling activity in this territory which, it may be mentioned, is generally regarded as the land of the future.

Wages in the petroleum industry in January remained at the same level as in the preceding month and no conflicts between the employers and employees were reported.

Since the centralisation of purchases in the hands of the Petroleum Syndicate, prices for the Borysław standard crude have been stabilised at the level of from \$ 209 to 210 per 10 ton tank loco Borysław.

The petroleum market showed signs of depression particularly in the kerosene section, due to the close of the winter season. Prices of petroleum products on the internal market remained stationary.

Stocks at refineries augmented, but the prospects for foreign sales are encouraging.

In December the situation in the refining industry improved greatly thanks to the foundation of the Union of Refiners which eliminated keen competition and which succeeded in stabilising prices for crude oil at a level leaving a fair profit to the producers and the refiners.

Home consumption of petroleum products was maintained; exports, on the other hand, showed a falling off both in quantity and value. The output of crude oil in December was as follows (in tons):

Drohobycz district	51,327
Jasło "	6,086
Stanisławów "	3,393
Total:	60,806

The extraction of crude oil in the Drohobycz area was: 44,727 tons of Borysław Standard crude and 6,590 tons of special brands. Compared with November, the output in the Borysław area rose by 2,400 tons despite suspension of operations at wells on account of the

holidays. The average daily production in Borysław was about 1,436 tons, as against 1,398 tons in November. Needless to say, this increase is accounted for by the completion of new wells.

Stocks of crude oil, held by the storage companies and the producers on December 31, were as follows (in tons):

Drohobycz district	45,249
Jasło "	5,875
Stanisławów "	5,572
Total:	54,696

It is seen from the above figures that stocks of crude oil rose somewhat as compared with November (53,367 tons). On the other hand, stocks at the refineries declined by about 4,000 tons, which shows that work is being pursued with increased energy.

The number of workmen engaged in the petroleum mining industry at the end of December was 11,580, of which 8,133 were working in the Drohobycz area. The number of wage-earners dropped slightly, as compared with the preceding month owing to the dismissal of seasonal workers.

In the natural gas industry the situation continued to be favourable. The output of gasoline rose to a certain extent mainly due to the completion of the well „Standard Nobel 2” at Mraźnica which is giving large quantities of gas. Prices of gasoline showed an upward trend and fluctuated around \$ 530 per 10 ton tank (in November \$ 515).

The situation in the gasoline industry in December is illustrated by the following statement:

output of gas (in thous. of cub. m.)	43.264
throughput of gas (in thous. of cub. m.)	20.743
output of gasoline (in tons)	2.476
home consumption	2.416
exports	48.6
number of workmen employed	178

The extraction of ozokerite at the two mines, situated at Dźwiniacz and Borysław, amounted to 61 tons in December, as against 69 tons in the preceding month.

The decline of output is accounted for by the stoppage of work (on account of strike) at the Borysław mine as well as to the holidays. Export of this mineral to Austria, France and Germany totalled 97.7 tons; stocks on hand at the end of the month amounted to 177 tons. The number of workmen engaged in this industry was 428.

The situation in the petroleum refining industry in December is illustrated by the following figures (in tons):

throughput of crude oil	61.282
output of petroleum products	55.751
home consumption	33.715
exports	18.750
stocks on December 31st	170.760
number of workmen employed in refineries	4.974

The throughput of crude oil was maintained at a high level and exceeded the actual output of the wells, with the result that the stocks of crude oil held by the refineries and storage companies, declined. Of the total amount — 33.715 tons were consumed locally: kerosene — 16.409 tons, benzine — 3.840 tons, gasoline — 4.663 tons, lubricating oils — 4.671 tons and paraffine wax — 745 tons. The consumption of petroleum products in December was smaller than a month earlier owing to the decline in consumption of kerosene, benzine and paraffine wax.

Exports of petroleum products in December are given below (in tons):

benzine	3.853
kerosene	4.745
gas oil	3.549
lubricating oil	2.211
paraffine wax	2.709
other products	2.683
Total:	18.750

The distribution of exports according to destination was as follows (in tons):

Czechoslovakia	7.986
Austria	2.378
Switzerland	1.019
Germany	734
Other countries	2,913
Danzig	3.720
Total:	18.750

Stocks on hand on December 31, rose as compared with a month earlier (165.058 tons) and were as follows (in tons):

benzine	19.341
petroleum	18.850
gas oil	16.577
lubricating oil	28.589
paraffine wax	4.151
other products	83.252
Total:	170.760

## IRON

— The situation in the iron foundry industry in January was much the same as in December. Conditions are not likely to improve before the end of February, that is, not before the revival of the building season. Nevertheless, the inflow of orders was larger than in December because those which had been anticipated for rails were finally placed. The volume of orders from wholesale dealers also augmented. The gradual growth in the output of pig iron resulted in an increase in that of iron ores, which rose in January despite the suspension of operations at 3 mines on account of the cold weather. Prospecting work was continued, which indicates that the industrial circles concerned view future prospects with optimism.

The production as well as imports and exports of ores in January last as compared with the preceding month and other periods are given below (in tons):

	Extraction	Imports	Exports
Total for 1927	539.706	709.529	90.455
monthly average	44.975	59.129	7.538
4th quarter 1927	53.349	61.309	9.559
December	55.686 <sup>1)</sup>	68.487	12.953
January 1928	58.178 <sup>2)</sup>	36.357	10.710
1927	37.047	35.801	4.942

It is seen from the above figures that the output of ores in January was greater by 2.492 tons or 4.5 per cent than in December last. Compared with the monthly average for the whole year the output effected during the period under review was larger by 29.6 per cent.

The number of mines previously in operation declined in January by 3, but as two new mines were opened, the total number only dropped from 32 in December to 31 in January. Of these, 28 were producing while the remaining 3 were engaged in preparatory work.

The following statement shows the productivity per workman and team (only those mines which were actually engaged in iron ore production are accounted for):

	Number of mines:	Number of workmen:	Output per workman per month (in tons)		
	operated	productive	total		
3 quarter 1927	28	25	6.292	6.185	7.54
4 quarter 1927	30	26	6.596	6.509	8.19
December	32 <sup>1)</sup>	29 <sup>1)</sup>	6.788 <sup>1)</sup>	6.757 <sup>1)</sup>	8.25
January 1928	31 <sup>2)</sup>	28 <sup>2)</sup>	6.864 <sup>2)</sup>	6.389 <sup>2)</sup>	8.50

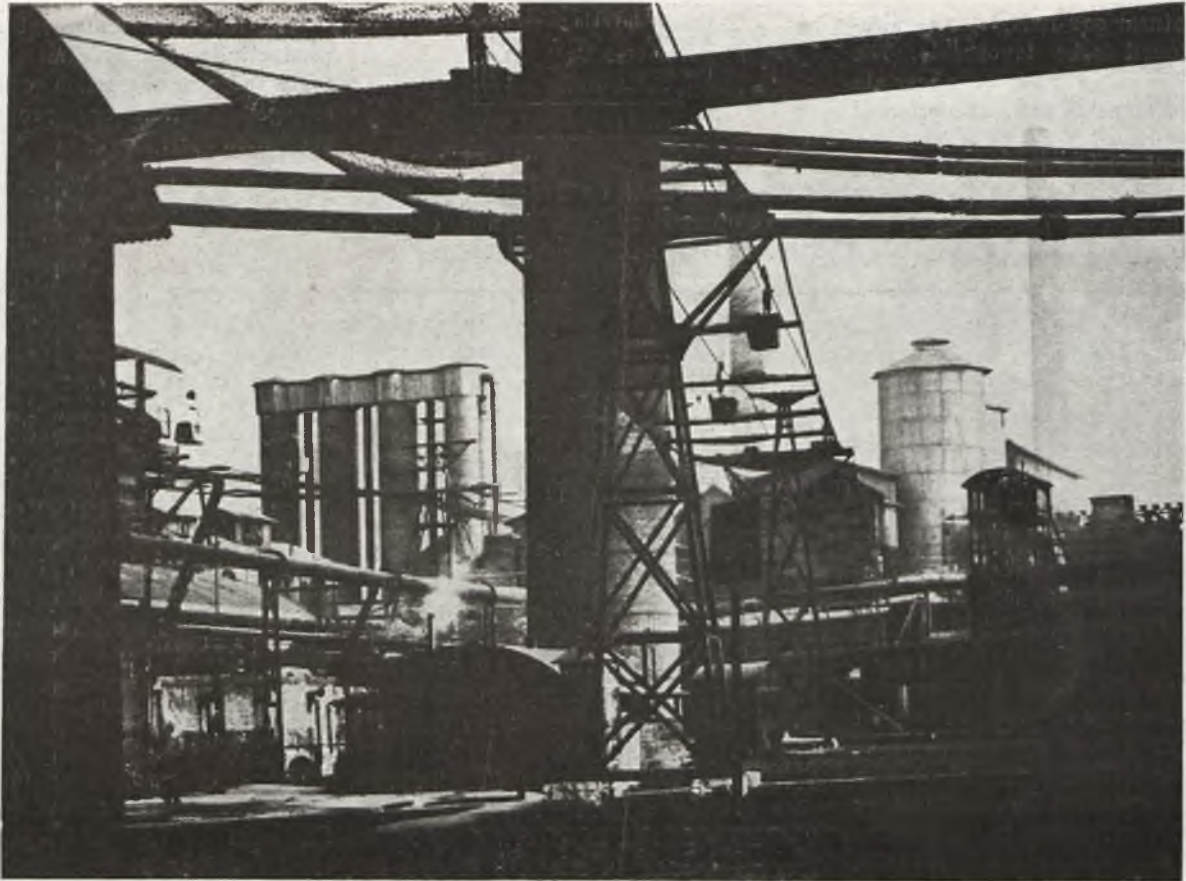
As regards the iron foundries, in January there was a slack period due to shortage of orders although the same were more numerous than in December. Speaking generally, however, the output of pig iron and steel increased; rolling mills worked under less favourable conditions than in the preceding month; this period was used for the overhauling of machinery.

The output of the foundries is illustrated by the following statement (in tons):

	Pig iron	Steel ingots	Rolled products <sup>1)</sup>	Number of workmen employed
total for 1927	618.186 <sup>1)</sup>	1,244.217 <sup>1)</sup>	921.178 <sup>1)</sup>	—
monthly average				
in 1927	51.515	103.685	76.765	43.968
4th quarter 1927	58.597	101.768	83.529	45.403
December	57.604 <sup>1)</sup>	95.011 <sup>1)</sup>	78.835 <sup>1)</sup>	44.819 <sup>1)</sup>
January 1928	59.093 <sup>2)</sup>	104.850 <sup>2)</sup>	75.148 <sup>2)</sup>	46.072 <sup>2)</sup>
1927	42.314	98.260	64.050	40.399

These figures indicate that the output of pig iron in January last, as compared with December 1927, rose by 2.6 per cent and that of steel by 10.3 per cent. The number of workmen engaged in the foundries rose by 1.253, or by 3.1 per cent. The increase of the number of workmen is attributable to the reduction in the case of certain classes of workers of the 10 hour day to 8 hours. So far only certain sections are affected by the new arrangement, so that the number of new men taken on will increase in the near future. In connection with the favourable conditions, iron foundries have adopted various investments and are concentrating their efforts on creating new branches of production as well as on the improvement of working methods and on the reduction of costs of production. These investments are not completed but they have reached an

<sup>1)</sup> Corrected figures.  
<sup>2)</sup> Provisional figures.  
<sup>3)</sup> Pipes not included.



A VIEW OF THE "PEACE" IRON FOUNDRY, UPPER SILESIA (PHOT. S. PLATER)

advanced stage, so that production may be increased should necessity arise. Extensions are being made in the following sections: blast furnaces, Martin furnaces, rolling mills and pipe works.

The number and volume of orders were larger than in December 1927. According to the data furnished by the Polish Syndicate of Iron Foundries which do not cover pig iron, pipes and own consumption, the aggregate orders represented 44.165 tons, as against 29.058 tons in December. Of this quantity Government orders were for 20.923 tons (in December 7.001 tons), and those received from private interests 31.242 tons (in December 22.057 tons).

Privately placed orders were composed of 19.770 tons placed by wholesale dealers and 11.472 tons placed by industry. In December the corresponding figures were 14.046 tons and 8.011 tons respectively. The foundries experienced no difficulty in obtaining the necessary raw materials.

Imports of ores amounted to 45.446 tons in January, as against 68.487 tons in December last, the decrease amounting to 33.5 per cent. Imports of scrap iron rose from 18.710 tons in December to 24.679 tons in January.

Exports of foundry products declined as compared with December, which is illustrated by the table below (in tons):

	Exports:			Imports:		
	Dec. 1927	January: 1928	1927	Dec. 1927	January: 1928	1927
pig iron	671	293	2.146	859	623	360
rails, iron and steel articles	6.047	3.988	4.662	1.263	835	822
iron and steel sheets	4.403	2.722	4.290	991	1.445	829
pipes	3.702	4.098	3.277	201	—	232

It is seen from the above figures that all export items, with the exception of piping, declined. The aggregate exports of foundry products amounted to 11.101 tons, as against 14.823 tons a month earlier, the drop being 25 per cent.

**NEW COMBINE IN UPPER SILESIA.** — The consolidation of the iron founding industry in Upper Silesia is still in progress and, at present, it is stated, a new combine is being organised which is to correspond to the "Vereingte Oberschlesische Hüttenwerke", called into being in German Upper Silesia a few years ago. It will be remembered that the two big concerns "Oberschlesische Eisenindustrie" and "Oberschlesische Eisenbahnbedarfs A. G." where split up after the plebiscite in Upper Silesia so

that one of these Companies lost the source of its semi-finished supplies and the other a portion of its industrial plant.

The recent Union of the "Peace" foundry with the Baildon foundries was calculated to partly improve this unsatisfactory situation. At present negotiations are being conducted with a view to organising a concern which would concentrate in its hands the production of steel and which would have at its disposal the indispensable raw materials—coal and coke. This combine is to include the "Peace" foundry, the Count Belestam mines, the Baildon foundry and the "Ferrum" Company. In this way this concern would control 3 mines with an annual output of 1.4 million tons as well as large plants producing all grades of iron and steel products, from pig iron to the finished article.

## ZINC AND LEAD

— The zinc and lead industry worked under normal conditions during January, although prices for zinc and lead showed a downward trend, and on account of this, zinc smelters are sparing no efforts in trying to reduce the cost of production. New methods are being introduced and careful attention is given to the use of poor ores and

waste which were formerly considered as valueless. In accordance with this policy three important companies made large investments not only at their smelting plants but also in the mines.

The output of zinc and lead ores is on the increase, which is illustrated by the following table (in tons):

	Extraction:		Imports:	
	ores gross amount	smelted ores	zinc ores	lead ores
Total of 1927	1,041,366	377,292	1,966,655	16,349
monthly average	86,780	31,441	16,388	1,362
4th quart. 1927	92,886	33,439	15,366	1,663
December	86,052 <sup>1)</sup>	30,979 <sup>1)</sup>	17,375 <sup>1)</sup>	1,711 <sup>1)</sup>
January 1928	89,131 <sup>2)</sup>	32,087 <sup>2)</sup>	13,679 <sup>2)</sup>	1,113 <sup>2)</sup>
1927	86,818	31,254	11,646	404

The above figures indicate that the drop in the output which took place in December was offset by rise in January, although it is true that production has not reached the monthly average for the last few months. Compared with December, the output of zinc ores increased by 3,079 tons or by 3.5 per cent. It was also higher by about 35 per cent than the average monthly output for 1927.

In January, there were 12 mines in operation of which 10 were producing and the remaining two were engaged in preparation work. The number of workmen declined by 1 per cent.

The following statistical returns illustrate the situation in zinc and lead mining in 1927 and in January 1928. It should be stated that, when calculating the figures relating to the output, only the workmen employed at productive mines were taken into account.

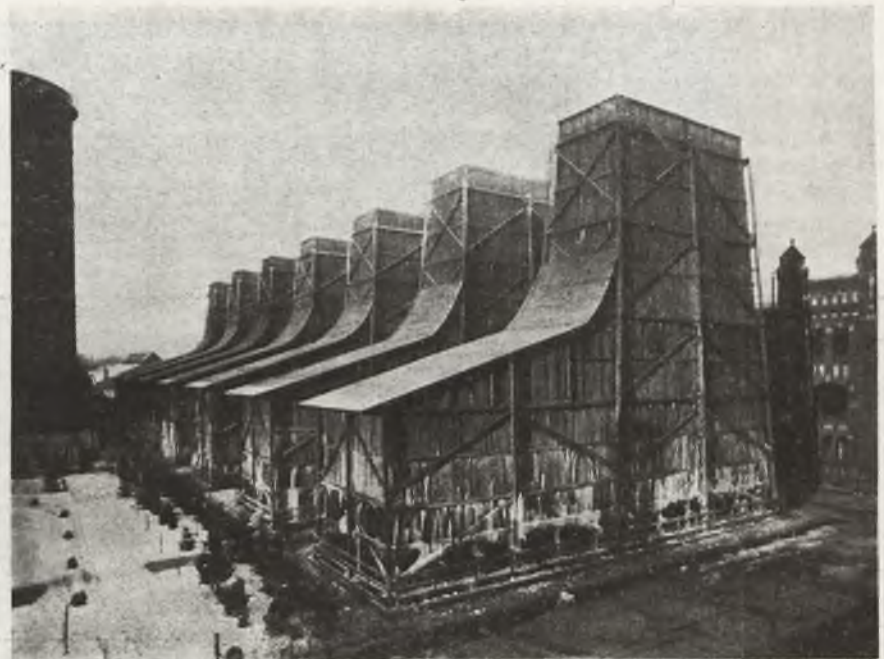
	Number of mines:		Number of workmen:		Output per month:	
	operated	producing	total	at producing mines	zinc	lead
1st quarter 1927	12	9	8,054	7,335	12.1	12.1
2nd "	12	9	7,842	6,718	11.6	11.6
3rd "	12	9	7,620	7,285	12.6	12.6
4th "	12	9	7,543	7,347	12.7	12.7
December	12	10	7,296	7,132	12.1	12.1
January 1928	12	10	7,225	7,068	12.6	12.6

The construction of plants for the production of zinc oxide is being carried on intensively. So far, two plants are being operated by 2 different companies and although the works are not yet completed, they gave the following output (in tons):

	Output (in tons)	Number of workmen employed
October 1927	380	130
November "	430	132
December	397	138
January 1928	460	131

Zinc and lead smelting works carried on operations under normal conditions

<sup>1)</sup> Corrected figures.  
<sup>2)</sup> Provisional figures.



A VIEW OF A PORTION OF THE LODZ ELECTRICAL POWER STATION (PHOT. S. PLATER)

and their output, on the whole, was maintained on the previous level which is confirmed by the table below (in tons):

	raw zinc	Output of zinc sheets	raw lead	Number of workmen employed
Total of 1927	150,300	15,539	28,863	
Monthly average 1927	12,525	1,295	2,405	12,727
4th quarter 1927	13,031	1,292	2,416	12,854
December	13,159 <sup>1)</sup>	1,078 <sup>1)</sup>	2,550 <sup>1)</sup>	12,750 <sup>1)</sup>
January 1928	13,094 <sup>2)</sup>	1,071 <sup>2)</sup>	2,153 <sup>2)</sup>	12,804 <sup>2)</sup>
January 1927	11,474	1,092	2,766	12,256

It is seen that the output of the smelting works was slightly lower than in December, but the fluctuations are so small that they may be regarded as normal and arising through the ores being slightly deficient in metal content; these fluctuations may also be attributed to less efficient working of the furnaces. The output of zinc declined by 65 tons or 0.5 per cent and that of zinc sheets and raw lead by 9 and 397 tons respectively.

The output of zinc obtained in January last was larger by 4.5 per cent than the monthly average for the whole of 1927. On the other hand, the decreases in the outputs of zinc sheets and lead, reported in January, were greater by 17.3 per cent and 10.5 per cent respectively than the monthly average for last year. In January, similarly as in December, 13 zinc smelting plants, 4 zinc rolling mills and 2 lead foundries, were in operation.

The situation on the zinc and lead

<sup>1)</sup> Corrected figures.  
<sup>2)</sup> Provisional figures.

market was much the same as in December. Producers could place their outputs without any difficulty but at prices leaving a small margin of profit.

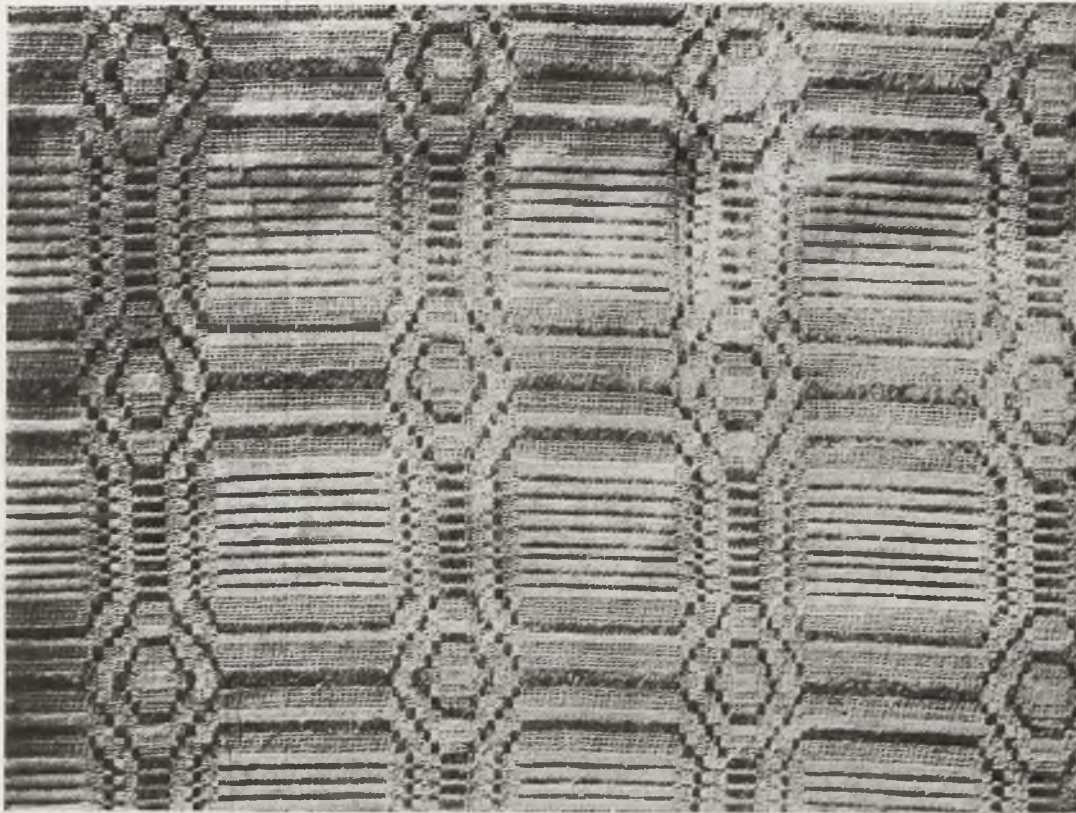
Exports of zinc and lead products were as follows (in tons):

	Raw zinc dust incl.	Zinc sheets	Refined lead	Value of exports (in thous. of gold francs)
October 1927	12,100	1,081	944	10,130
November "	11,209	1,046	823	9,365
December	9,368	608	879	7,308
January 1928	8,861	991	748	7,100
January 1927	7,342	828	1,029	7,287

Exports of zinc declined by 5.4 per cent and those of refined lead by 15 per cent. On the other hand exports of zinc sheets increased by 63 per cent. In point of value the aggregate exports declined by 2.8 per cent as compared with the preceding month.

## CHEMICAL INDUSTRY

**REGULATION CONCERNING THE SALE OF ARTIFICIAL FERTILISERS.** — The Ministry of Agriculture has drawn up a project of a Presidential decree concerning the sale of artificial fertilisers. According to the draft which has been submitted to the Ministries concerned for their consideration, the Ministry of Agriculture is to exercise control over the sale of all kinds of these fertilisers. The term artificial fertiliser will be applicable to all kinds of products of mines or industries which are used for the fertilisation of soil and which contain nitrogen, phosphorus, potassium or lime. The sale of both home and foreign artificial fertilisers will be conducted



POLISH PEASANT HOME WEAVE (PHOT. J. BUZHAK)

in accordance with the following regulations:

- 1) in advertisements, pamphlets and other means of publicity concerning the sale of artificial fertilisers no mention must be made of names and descriptions likely to mislead the intending buyers as to the kind, origin or chemical composition of the products;
- 2) every sale of artificial fertilisers

must be confirmed by a document issued to the buyer by the seller; these documents are free of stamp fees;

- 3) the seller is to specify exactly the proportion of the different ingredients composing the fertilisers and especially those favourably affecting the growth of plants.

The sale of artificial fertilisers in

which the beneficial as well as the prejudicial contents do not conform to the specification forming part of the regulations of the Ministry of Agriculture—is prohibited and sales of such fertilisers are null and void. The draft of the regulation provides penalties for non-observance, the maximum being Złoty 10.000 or 6 months imprisonment.

#### MOVEMENT OF PRICES IN JANUARY.

— The stringency of money which has been in evidence for some time past has adversely affected both the wholesale and retail trades. At the same time, however, producers appeared to be inclined to get rid of their stocks on long credit. On this account large numbers of bills of over three months have appeared in circulation, which has contributed towards further complications on the money market. Of course, such a situation has not been without influence on the level of prices. Thus wholesale prices, which are more sensitive to the different tendencies of economic life, showed a certain falling off, while the seasonal

depression still further aggravated the situation. Retail prices which, as a rule, are more stable, remained practically unchanged. Nevertheless, the index of the cost of living showed a drop. The movement of prices indexes for January as compared with those for the monthly periods from July to December 1927, and for January of that year, are given below (January 1924 = 100):

	Wholesale price index:	Retail price index:	Cost of living index:
Jan. 1927	112.8	147.8	116.6
July "	120.9	147.2	115.3
August "	120.1	147.2	116.4
Sept. "	119.3	149.6	117.2
October "	119.6	150.0	119.0
Nov. "	120.7	151.5	121.8
Dec. "	120.0	151.2	121.0
Jan. 1928	118.6	151.5	120.3

It will be seen that the index of wholesale prices declined in January by 1.1 per cent whereas that of retail prices rose by 0.2 per cent. The index of cost of living declined by 0.6 per cent.

The decline in the index of wholesale prices is attributable to the decrease in the prices of agricultural products by 3.0 per cent; simultaneously prices of manufactured articles rose by 0.2 per cent.

In the group of agricultural products, prices showed an uneven downward tendency. Thus, prices of vegetable products dropped by 0.7 per cent owing to the decrease in the value of grain; on the other hand, foodstuffs of animal

origin experienced a much larger fall, namely by 6 per cent. This decrease is accounted for by a sharp drop in the prices of eggs which is usual at this time of the year. The increase in the index of manufactured articles (by 0·2 per cent) was brought about by the rise in prices of timber (by 2·3 per cent), which in turn was due to the increased demand for this commodity on the part of the German market.

Moreover the group "various articles" showed an increase of prices by 1·0 per cent in connection with the rise in values of leather. The remaining groups showed either no change in prices (coal) or a decrease. Among the latter should be ranged textile products which fell by 0·5 per cent, due to the falling off in the cost of cotton and despite a simultaneous rise in wool; prices for metal products decreased by 0·5 per cent, due to the fall in the value of zinc, lead and tin.

Groceries, which are not included in the two above mentioned groups, declined in value by 0·1 per cent, which was certainly due to the falling off in the demand after the holiday period.

The index of retail prices rose (by 0·2 per cent) as a result of an increase in manufactured products by 0·7 per cent and the simultaneous decline of 0·3 per cent in the prices of agricultural products.

The index of the cost of living declined by 0·6 per cent due to the decrease in the prices of foodstuffs by 2·5 per cent and the increase in rent by 7·1 per cent.

The remaining products, serving as a basis for the calculation of the cost of living, showed no fluctuations.

## TREATIES

### POLAND JOINS THE INTERNATIONAL CONVENTION FOR THE REPEAL OF IMPORT AND EXPORT PROHIBITIONS.

— On February 1, the Polish Government notified its decision to join this convention. Considering that this convention empowers certain countries including Germany, France and Czechoslovakia to maintain import and export prohibitions in respect of certain articles which are also standard and basic items of Poland's foreign trade (coal, scrap iron etc.) and in view of the fact that this convention has not repealed, as yet, certain restrictions concerning the movement of live-stock, the Government submitted at the same time a declaration in which it emphasised the fact that its decision to sign the convention was prompted by the desire to give proof of its solidarity

with the economic activity of the League of Nations, the work of which it has always regarded as being most fruitful.

By signing the convention the Polish Government gives evidence that it approves of the principle of repeal of the system of trade restrictions and prohibitions, which harass the development of international trade relations.

Nevertheless, Poland will not be in a position to ratify the convention until free movement in the basic lines of Polish export trade is ensured either by bilateral agreements or otherwise.

In accordance with the stipulations of the convention, the Polish Government has notified its decision to maintain export prohibitions in respect of crude oil and import prohibitions in respect of dyestuffs.

**THE POLISH—GERMAN NEGOTIATIONS FOR A COMMERCIAL TREATY** are progressing normally. The centre of gravity of the work has now shifted to the various commissions. The work of the Veterinary Commission has been renewed, and the Polish and German experts who attended the deliberations in Geneva in the matter of veterinary regulation, are taking part therein.

The Customs Commission has led to the agreement of both parties on a series of points, and for the time being has finished its work.

The labours of the Coal Commission were continued; since during February there were held in Berlin consultations concerning the coal question between German and Polish industrialists, certain members of the coal commission took part in the relevant meetings in Berlin.

Taking advantage of the fact that the main work has shifted unto the commissions, the leader of the German delegation, Dr. Hermes, has temporarily left for Germany, there to settle a number of matters not connected with the work of his delegation.

## FOREIGN TRADE

— Before reviewing the statistical returns for the foreign trade of Poland for January 1928, we would draw attention to two changes which have been introduced into our table, necessitated by the new method adopted by the Chief Statistical Office. The first modification is brought about by the Chief Statistical Office beginning with January, expressing the different values in Złoty and not in gold Fr., as it used to do when the Złoty was subject to more or less frequent fluctuations. At present in view of the consolidation and final stabilisation of the Polish currency the old practice is no longer necessary; the amounts covering the year 1927 are

expressed in Złoty in the form of monthly averages.

The second change is, that in accordance with the recommendations of the Economic Section of the League of Nations, gold and silver in bars, as well as gold coins, should not be treated as merchandise. For this reason these precious metals, which used to be accounted for in the statistical returns, are eliminated as from January 1, 1928.

According to provisional returns imports in January last amounted to  $\text{₹}$  271,166.000 and exports to  $\text{₹}$  218,437.000.

Compared with December 1927 imports declined by  $\text{₹}$  4,173.000 and exports increased by  $\text{₹}$  3,006.000 with the result that the adverse balance decreased by  $\text{₹}$  7,179.000 to  $\text{₹}$  52,729.000. The value of exports effected in January represented 80·3 per cent of that of the imports. The corresponding figure in December last was 78·1.

We would call attention of the reader to the annexed table which, in addition to the data for January contains those for the preceding month as well as monthly averages for the whole year 1927.

The decline in the aggregate value of the imports was brought about by a sharp decrease in foodstuffs amounting to  $\text{₹}$  14,521.000. This affected several groups, the reason in each case being of a different nature. The first group embodies wheat and rye, the imports of which declined by  $\text{₹}$  5,452.000; the decline in the value of wheat imports alone amounted to  $\text{₹}$  5,124.000. This decrease is accounted for by the policy of the Government in regard to the grain reserves, which policy has been dealt with in these columns on several occasions.

At the same time imports of oats, maize, rice and flour also declined, due to a certain extent to the above mentioned policy of the Government, although, it may be recalled, this only concerns wheat and rye reserves. Further there was a decrease in the import of nuts, almonds and spices — by  $\text{₹}$  2,134.000 and in that of herring — by  $\text{₹}$  1,021.000. Imports of the last mentioned articles in the past few months were much higher than the average monthly figures but this is a usual occurrence during the period immediately preceding Christmas. The fluctuations in the imports of other products may be regarded as normal. The comparison of the data for January with those of a year ago indicates that imports of foodstuffs were practically on the same level with the exception of those

## I M P O R T S

## E X P O R T S

G O O D S	January			January			G O O D S	January			January		
	1928	1927	Monthly average 1927	1928	1927	Monthly average 1927		1928	1927	Monthly average 1927	1928	1927	Monthly average 1927
<b>TOTAL :</b>	<b>354.350</b>	<b>309.099</b>	<b>408.588</b>	<b>271.166</b>	<b>186.698</b>	<b>240.898</b>	<b>TOTAL :</b>	<b>1,790.809</b>	<b>1,900.429</b>	<b>1,696.337</b>	<b>218.437</b>	<b>201.073</b>	<b>209.562</b>
<b>Foodstuffs</b>	<b>43.552</b>	<b>54.983</b>	<b>81.933</b>	<b>42.908</b>	<b>41.347</b>	<b>55.796</b>	<b>Foodstuffs</b>	<b>82.819</b>	<b>98.233</b>	<b>77.857</b>	<b>48.521</b>	<b>55.429</b>	<b>50.627</b>
including :							including :						
wheat	3.400	7.329	22.101	1.771	3.865	11.640	barley	7.601	9.057	5.332	3.194	3.726	2.231
maize	3.528	3.881	11.431	1.113	1.111	3.328	peas and beans	4.977	2.320	3.080	2.928	1.228	1.869
rice	2.628	2.725	5.793	1.915	2.080	4.033	potato flour and starch	1.411	652	989	1.006	333	645
wheat flour	1.785	422	1.084	1.268	348	865	sugar	32.106	44.058	16.856	18.338	29.552	10.904
plums	1.795	1.656	731	2.146	1.798	819	meat	2.621	2.084	2.293	6.668	4.184	5.462
lemons and oranges	1.700	3.492	1.479	1.299	2.610	1.107	butter and cheese	789	519	748	4.167	1.710	3.590
nuts, almonds and spices	338	335	421	1.363	1.142	1.436	eggs	825	1.430	5.466	2.667	3.572	14.114
tea	219	185	175	2.008	1.651	1.496	hops	65	104	146	707	1.051	1.560
cocoa	395	254	451	1.327	755	1.464	forage	25.372	27.208	23.798	5.819	5.712	5.746
coffee	562	514	582	2.525	2.387	2.603	<b>Live animals (head)</b>	<b>516.108</b>	<b>71.548</b>	<b>200.356</b>	<b>22.985</b>	<b>7.163</b>	<b>15.916</b>
fish and herring	9.309	9.012	6.893	6.660	5.462	3.565	including :						
edible fats of animal origin	1.988	1.277	1.573	5.103	3.580	4.201	pigs	118.222	36.188	64.285	21.740	5.971	14.002
edible fats of vegetable origin	1.163	806	1.096	2.842	1.737	2.229	<b>Animal products</b>	<b>1.805</b>	<b>1.476</b>	<b>1.238</b>	<b>6.271</b>	<b>3.279</b>	<b>3.242</b>
tobacco	727	1,659	1,274	1,649	3,326	2,797	including :						
forage	7,552	9,402	4,110	2,167	2,425	1,249	dried skins	936	468	355	2,470	845	980
<b>Live animals (head)</b>	<b>13.987</b>	<b>15.937</b>	<b>24.052</b>	<b>284</b>	<b>227</b>	<b>532</b>	<b>Timber and wood ware</b>	<b>454.417</b>	<b>474.132</b>	<b>535.537</b>	<b>51.614</b>	<b>39.941</b>	<b>52.914</b>
<b>Animal products</b>	<b>3.371</b>	<b>2.882</b>	<b>3.245</b>	<b>20.037</b>	<b>11.819</b>	<b>17.893</b>	including :						
including :							pulpwood	135.673	115.568	106.075	8.690	5.709	5.796
dried skins	1.845	1.423	1.807	6.157	3.693	5.221	pit props	61.158	92.008	91.600	3.028	3.734	4.101
furs raw	336	185	140	2.461	816	1.127	round wood and logs	94.767	67.525	120.973	9.269	4.888	10.786
tanned hides	409	454	479	8.007	5.314	7.514	planks, deals, battens	127.618	155.863	167.019	23.803	19.886	25.091
furs	12	8	24	1.119	500	1.818	railway sleepers	8.667	15.396	19.064	1.290	1.310	2.122
<b>Timber and wood ware</b>	<b>2.222</b>	<b>1.711</b>	<b>1.940</b>	<b>1.498</b>	<b>840</b>	<b>1.173</b>	furniture	620	396	507	1.165	763	1.010
<b>Plants and seeds</b>	<b>2.416</b>	<b>2.591</b>	<b>2.896</b>	<b>2.778</b>	<b>2.544</b>	<b>2.726</b>	veneers	2.366	1.723	1.796	1.696	1.184	1.265
including :							<b>Plants and seeds</b>	<b>10.188</b>	<b>9.232</b>	<b>7.259</b>	<b>10.971</b>	<b>8.787</b>	<b>5.855</b>
oil seeds	1.698	2.047	2.113	1.313	1.313	1.371	including :						
<b>Building materials, minerals, ceramic products; glass</b>	<b>104.158</b>	<b>88.559</b>	<b>89.688</b>	<b>5.493</b>	<b>5.916</b>	<b>4.747</b>	grasses and pasture plants seeds	5.961	5.926	3.742	7.146	6.520	3.414
<b>Fuel and petroleum products</b>	<b>21.928</b>	<b>11.425</b>	<b>20.600</b>	<b>1.527</b>	<b>866</b>	<b>1.809</b>	sugar beets seeds	1.354	1.254	358	2.170	1.468	493
<b>Rubber and rubber products</b>	<b>490</b>	<b>240</b>	<b>320</b>	<b>4.530</b>	<b>2.746</b>	<b>3.658</b>	oil seeds	1.287	647	1.885	1.022	468	1.370
including :							<b>Building materials, minerals, ceramic prod.; glass</b>	<b>52.665</b>	<b>49.915</b>	<b>62.788</b>	<b>1.394</b>	<b>1.711</b>	<b>1.699</b>
rubber footwear	65	37	44	1.727	861	1.098	<b>Coal, coke, briquettes</b>	<b>1,115.924</b>	<b>1,183.866</b>	<b>935.513</b>	<b>31.028</b>	<b>36.664</b>	<b>29.017</b>
<b>Chemicals</b>	<b>49.581</b>	<b>30.868</b>	<b>54.074</b>	<b>27.241</b>	<b>18.919</b>	<b>22.038</b>	<b>Petroleum products</b>	<b>20.116</b>	<b>38.668</b>	<b>23.194</b>	<b>7.403</b>	<b>11.587</b>	<b>7.953</b>
including :							including :						
potass. salts	12.728	7.936	6.866	2.145	1.258	937	motor and lubricating oils	7.989	13.497	8.935	1.667	2.557	1.994
Chilian saltpetre	8,179	4,549	2,837	3,651	2,289	1,441	benzine	3,476	8,867	5,025	1,687	4,144	2,395
vegetable fats	2,206	2,129	2,123	3,681	3,554	3,600	paraffine wax	3,333	1,842	4,919	2,875	2,165	1,856
animal fats	1,245	941	1,541	1,918	1,582	2,462	<b>Chemicals</b>	<b>12.866</b>	<b>10.785</b>	<b>10.854</b>	<b>3.494</b>	<b>3.195</b>	<b>3.875</b>
dyestuffs (synthetic)	126	78	88	2,090	1,298	1,498	<b>Ores, metals and metal products</b>	<b>34.052</b>	<b>31.937</b>	<b>37.873</b>	<b>19.361</b>	<b>19.532</b>	<b>24.415</b>
<b>Ores, metals and metal products</b>	<b>95.001</b>	<b>98.910</b>	<b>129.840</b>	<b>23.094</b>	<b>17.925</b>	<b>23.338</b>	including :						
including :							iron and steel rails	3,988	4,662	4,300	1,399	1,384	1,353
iron ores	45,446	44,922	59,127	2,209	1,205	2,165	iron and steel sheets	2,722	4,290	4,403	1,462	2,091	2,458
zinc	13,679	11,646	16,388	3,060	3,110	4,199	pipes	4,098	3,277	3,260	2,511	1,957	2,060
scrap iron	24,697	35,470	39,336	3,433	3,588	4,571	zinc	8,861	7,342	10,668	10,109	10,041	13,593
copper and copper products	486	598	680	1,547	1,955	836	" sheets	991	828	1,005	1,441	1,324	1,569
<b>Machinery, electrical wares, means of communication</b>	<b>9.047</b>	<b>3.865</b>	<b>6.415</b>	<b>41.912</b>	<b>20.177</b>	<b>30.508</b>	<b>Machinery, electrical wares, means of communication</b>	<b>599</b>	<b>609</b>	<b>481</b>	<b>1.067</b>	<b>1.006</b>	<b>821</b>
including :							<b>Paper, books and pictures</b>	<b>890</b>	<b>1.813</b>	<b>1.409</b>	<b>614</b>	<b>982</b>	<b>947</b>
motors	909	206	361	2,828	498	1,432	<b>Textiles and textile products</b>	<b>4.277</b>	<b>3.772</b>	<b>3.001</b>	<b>12.746</b>	<b>11.027</b>	<b>12.222</b>
electrical machinery	267	192	185	2,077	2,076	1,515	including :						
wood and metal working machinery	493	374	331	1,999	2,436	1,323	flax and hemp	3,048	2,567	1,685	3,167	1,812	1,485
textile machinery	1,282	250	760	5,821	1,696	3,913	cotton fabrics	235	476	448	2,605	4,174	4,238
agricultural machinery	854	194	925	2,500	778	2,914	wool yarns	113	109	121	2,622	1,971	2,523
boilers and heating appliances	563	222	359	2,576	992	1,663	wool fabrics	55	33	57	1,271	833	1,267
electrical appliances	1,247	1,196	1,273	7,561	6,058	6,124	<b>Clothing and fancy wares</b>	<b>36</b>	<b>25</b>	<b>38</b>	<b>674</b>	<b>493</b>	<b>599</b>
motor cars	633	190	569	4,767	1,463	4,053	<b>Various</b>	<b>10</b>	<b>8</b>	<b>9</b>	<b>276</b>	<b>121</b>	<b>172</b>
<b>Paper, books, and pictures</b>	<b>9.876</b>	<b>4.941</b>	<b>7.006</b>	<b>9.893</b>	<b>5.900</b>	<b>7.597</b>							
including :													
waste and rags	3,824	2,355	3,099	3,611	2,421	2,938							
paper and paper ware	3,863	1,769	2,438	4,039	2,184	2,889							
<b>Textiles and textile products</b>	<b>12.929</b>	<b>9.955</b>	<b>11.363</b>	<b>81.056</b>	<b>54.101</b>	<b>63.189</b>							
including :													
jute	2,052	1,600	1,881	2,784	2,197	2,641							
cotton	7,415	5,095	6,616	32,331	19,801	24,490							
cotton yarns	260	251	255	4,363	3,071	3,605							
" fabrics	144	83	130	3,438	1,984	3,063							
wool (combed incl.)	2,105	1,825	1,652	21,436	17,034	16,561							
" yarns	288	172	235	7,160	4,213	5,275							
" fabrics	21	14	16	3,576	2,749	2,883							



of grain which were larger in 1927 than in 1928, but much lower than the average monthly figure for 1927.

Of the other groups, decreases were recorded in ores by  $\text{zł}$  3,061,000, rubber and rubber wares by  $\text{zł}$  1,068,000 and in several groups of lesser importance such as live animals, plants, seeds etc.

Let us now examine the groups in which the imports have increased, as compared with December last. The first place is occupied by the textile group, the import of which rose by  $\text{zł}$  8,319,000. The bulk of this increase is accounted for by wool (including combed wool) the value of the imports of which rose by  $\text{zł}$  5,282,000. Next come cotton with an increase of  $\text{zł}$  1,442,000, cotton yarns with  $\text{zł}$  1,076,000, woolen yarns with  $\text{zł}$  883,000 and smaller increases in the case of other textiles. Imports of jute fell by  $\text{zł}$  871,000.

The comparison of these figures with those of January 1927 reveals a considerable increase in the imports of textiles, and it is worthy of note that the largest augmentation falls to raw materials. The figures for the total imports for January are also higher than the monthly average for the whole of 1927 and here also the larger increases are observed in raw materials.

Side by side with the rise in the imports of textile products the animal products group rose by  $\text{zł}$  2,492,000, chemicals by  $\text{zł}$  3,358,000, machinery by  $\text{zł}$  2,471,000, and smaller increases were recorded in other groups of secondary importance. As for chemicals, it may be mentioned, that the imports of artificial fertilisers rose considerably; imports of Chilian saltpetre augmented by  $\text{zł}$  3,614,000, while on the other hand, imports of oils for technical and other purposes showed a marked falling off.

On the export side, the group of foodstuffs showed a considerable decrease amounting to  $\text{zł}$  6,161,000 due to the fall in the exports of peas and beans — by  $\text{zł}$  1,252,000, eggs — by  $\text{zł}$  1,830,000, hops — by  $\text{zł}$  2,227,000 and several other products including grain. These decreases could not be offset by the increase of sugar exports by  $\text{zł}$  1,056,000 and butter and cheese by 1,116,000. On the whole, exports of foodstuffs in January last were smaller than in the corresponding period of last year; they were also lower than the average monthly exports in 1927.

The largest difference as compared with January 1927 is to be found in sugar and as compared with the monthly average — in eggs.

A considerable decline (by  $\text{zł}$  3,492,000), as compared with December 1927, was shown by the timber group which is all the more unfavourable, as exports of sawn timber amounted to  $\text{zł}$  2,981,000 and those of railway sleepers to  $\text{zł}$  1,280,000. It should be stated in this connection that the export of timber usually declines in the winter months. Apart from the decreases in the two above mentioned groups there was a drop in the metal and metal products group amounting approximately to  $\text{zł}$  1,969,000; the remaining changes are small and of little significance.

The largest increase, by  $\text{zł}$  6,420,000, was shown in the live animals group. It is of interest to note that the export of pigs was three times as large as in January 1927 and almost twice as large as the average monthly figure for 1927.

The next largest increase was reported in the case of coal and briquettes, exports of which as compared with the preceding month, rose by  $\text{zł}$  4,932,000. This and the petroleum groups are dealt with separately but it may be well to mention that after a continued fall in the exports of petroleum products a distinct improvement has of late been noticeable. Of the other groups which showed increase, those of animal and textile products are worthy of note as they registered increases of  $\text{zł}$  1,592,000 and  $\text{zł}$  709,000 respectively. The other groups showed small increases.

What is, broadly, the importance of the modifications which are taking place in imports and exports?

As regards the former there is no doubt that a considerable decline has taken place in the consumption products, that is principally foodstuffs, and they are replaced by imports for productive purposes such as machinery, artificial fertilizers and textile raw materials; this is a distinctly favourable sign.

The picture presented by the export figures is less clear cut, for side by side with favourable signs such as the growth in the exports of coal, petroleum products and pigs, there are unfavourable aspects such as the decline in the exports of sawn wood.

It is difficult to deal at length with the various causes because of the seasonal character of certain branches of trade, but it is certain that, on the whole, the Polish export trade is steadily developing and is becoming more and more diversified as regards both goods and selling markets and is fighting its way successfully.

## 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. 120:** A Polish firm specialising in the manufacture of mineral and bone superphosphates is desirous of entering into relations with foreign importing concerns.

**Ref. No. 121:** A Polish manufacturer of methylated spirit, fusel oil, acetone, pitch tar, etc, seeks foreign buyers.

**Ref. No. 122:** A Polish undertaking manufacturing doors, windows and all kinds of furniture is desirous of extending its foreign connections.

**Ref. No. 123:** Exporter of calves' stomachs, casings, dried and salted, and lycopodium, wishes to get in touch with importers of these products.

**Ref. No. 124:** Polish manufacturer of felt hats of all descriptions invites foreign inquiries.

**Ref. No. 125:** Iron bars, sheets hoops, hot and cold rolled, steel cylinders &c., are offered for export by a Polish manufacturer.

**Ref. No. 126:** Polish enterprise manufacturing for export normal and narrow gauge rails and accessories thereto, rolled and steel wire, bolts, nuts, rivets, etc., seeks buyers.

**Ref. No. 127:** Polish firm offers machinery and tools for working metals and wood.

**Ref. No. 128:** Polish plated ware factory seeks foreign buyers.

## CUSTOMS DUTIES AND FOREIGN TRADE REGULATIONS

**REGULATIONS CONCERNING THE CONVERSION OF THE RATES OF THE POLISH CUSTOMS TARIFF.** — In connection with the article: "Polish Customs Tariff Reform", hereunder the text of the Presidential decree of February 13, 1928, ("*Dz. Ust. R. P.*" No. 15, item 112) is given:

<sup>1)</sup> See page — 91.



215 points 1, 3, 4, 5, 6, a, b, c, e  
Fancy and toilet articles, complete or in parts children's toys except goods specified in points 2 and 6 d

LIST B

Item of customs tariff  
2 points 2, 3, 4  
in item 3  
17  
18  
19  
20  
22  
in item 24  
34  
36  
in item 37  
in item 39  
41  
103 point 15  
138

Denomination:  
Rice, with the exception of that covered by point 1  
Flour, groats, malt, polished peas  
1. flour  
a) rye  
Acorns, chicory and coffee substitutes  
1. dried acorns  
roasted: chicory, acorns,  
3. other coffee substitutes in peas or grains, not mixed with coffee  
Remark: Products specified under this item of the tariff if ground or powdered are assessed under point 3 of item 18  
Coffee:  
1. raw in the bean  
2. roasted in the bean or ground  
3. coffee substitutes, ground or pressed including the weight of the immediate packing  
Cocoa in the bean and cocoa husks  
1. cocoa in the bean  
2. cocoa husks  
Tea:  
1. of all kinds not specified in 2 and 3 of this item  
a) imported in packages containing 1 kilo or less tea, including weight of immediate packing  
b) in other packages.  
2. herva mate.  
a) Imported in packages containing 1 kg. or less of herva mate, including weight of immediate packing  
b) in other packages  
3. tea pressed (black and green)  
Sugar:  
1. crystallised yellow, crystallised white, white unrefined, powder sugar.  
2. refined sugar in loaves, discs, sticks, slices, whether cut, sawn or pressed; refined powder sugar, sugar candy, refined syrups  
3. unleavened bread, pumpernickel and other special bread without sugar  
Meat, edible animal fats not separately designated, porkbutchers' wares, meat and hams  
1. fresh salted and frozen meat  
2. boiled, dried, smoked, and pickled meat  
a) in air-tight receptacles — including the weight of packing  
b) in other than air-tight receptacles  
3. bacon, lard  
a) bacon fresh, salted, lard  
b) bacon capsicated and smoked  
4. porkbutchers' meat, English bacon, hams  
5. game and fowl, dead  
Butter from cow's milk or goat's milk  
Fish and caviar  
4. herring  
a) fresh, frozen  
b) salted  
Foodstuffs and fodder  
1. foodstuffs  
a) eggs  
Manures, bones, prepared or not  
3. bones prepared with sulphuric acid fertilising composts and powders  
4. calcinated bones, bone meal, crushed animal charcoal, bone ash, bone black  
5. mineral superphosphates  
6. mineral artificial manure, not separately designated  
7. sugar clarification dregs  
8. bacterial preparations and manures  
Calcium cyanamide  
Metallic and mineral ores, slag, slime ores, natural and enriched, roasted in lumps, powder or briquettes

1. iron: ores, slag and slimes with the exception of pyrites and pyrite slag containing 50 per cent iron or less.  
In item 139 Cast iron in ingots, lumps or powder  
1. all kinds of pig iron with the exception of those not separately designated  
In item 142 Iron ore steel: scrap, cast or wrought fragments, waste, crude cast iron, pressed, shavings and powder, old bars, rails of one metre or less in length  
2. Cast iron waste and scrap  
Seythes and sickles  
In item 160 point 1  
In item 195 point 5 Sieve gauze for flour mills

REGULATIONS CONCERNING THE REPEAL OF IMPORT PROHIBITIONS IN RESPECT OF CERTAIN ARTICLES. — The order of the Council of Ministers of 10th February 1928 ("Dz. Ust. R. P." No. 80, item 777) in this matter reads as follows:

Art. 1. — Transport prohibition of goods mentioned in order of the Council of Ministers of June 17, 1925 ("Dz. Ust. R. P." No 61, item 430) and of July 11, 1925 ("Dz. Ust. R. P." No 69, item 486) is rescinded so long as these goods do not originate from or come from the German Confederation and on condition that a certificate of origin and consular visa is presented at the customs station.

Art. 2. — The entry into the territory of Poland of goods detailed in the enclosure to the present order is forbidden.  
Art. 3. — The goods which are forbidden entry on the strength of the present order may be freed from import prohibition by the Ministry of Industry and Commerce in special cases or within the limits of special contingents.

Art. 4. — The present order does not apply to goods embraced by:  
1) the law of May 24, 1922 regarding the ratification of the German Polish Convention, concerning Upper Silesia, signed in Geneva on May 15, 1922 ("Dz. Ust. R. P." No 44, item 370).

2) agreements for small frontier traffic,  
3) regulations for conditional delivery, transforming and reparation service,  
Art. 5. — The execution of the present order is entrusted to the Ministers of Finance, and Industry and Commerce, each within his own sphere;

Art. 6. — The present order comes into force 30 days after its publication.

January 1927, the daily movement was greater by 114.

The following statement illustrates the movement on the Railways (in daily average 15 ton waggons):

	December 1927	January 1928
loaded on the Polish State Railways:		
destined for local stations	11,197	9,956
destined for abroad	3,272	3,136
total:	14,469	13,092
received from abroad	688	552
transit via Poland	969	1,028
Total:	16,126	14,672

The transport decline in January amounted to 1,377 cars per day, of goods loaded at Polish stations, of which those destined for home stations accounted for 1,241 and those destined for abroad for only 136; at the same time there was a decrease by a daily average of 136 in the cars received from abroad; transit freight increased by a daily average of 59 goods waggons.

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

	Dec. 1927	January 1928
coal, coke and briquettes	3,558	3,501
crude oil and petroleum products	179	188
timber	998	955
agricultural products	1,605	807
raw materials and industrial products	1,697	1,645
miscellaneous	3,160	2,860
Total:	11,197	9,956

The decline of home transports can be ascribed directly to the fall in agricultural loadings, which decreased in January by 798 cars per day or nearly 50 per cent compared to December 1927. The large decrease was in the main caused by the further fall in bulk cargo transport which in the case of sugar beet was from a daily average of 696 waggons in December, to 29 in January, and in the case of potatoes from 78 to 51. There was a considerable decline in the transports of the "various" group by a daily average of 300 waggons; it was caused both by the smaller administrative transports and the cessation of loadings of certain groups of goods identified with the holidays.

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

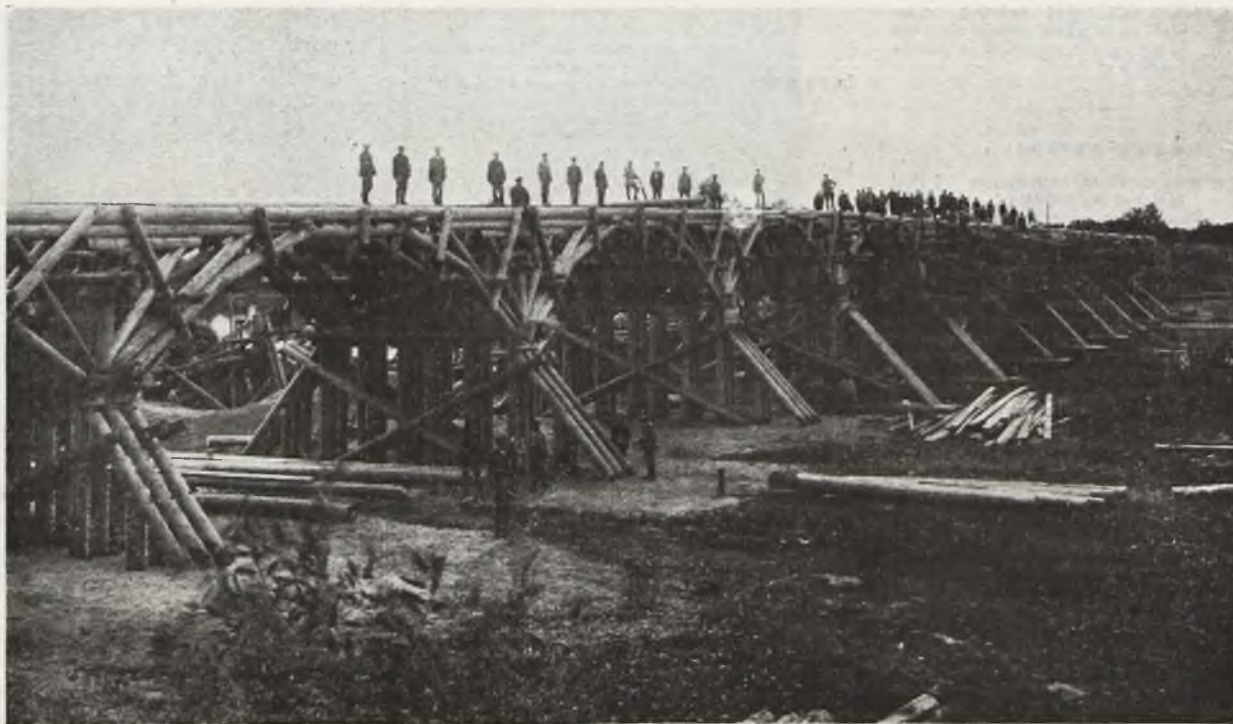
	December 1927	January 1928
coal, coke and briquettes	2,018	2,066
crude oil and petroleum products	41	41
timber	885	776
agricultural products	65	62
miscellaneous	263	191
Total:	3,272	3,136

TRANSPORTS

RAILWAY TRAFFIC IN JANUARY. —

In January there was a further fall in the traffic on the State Railways, for which several causes were responsible, the principal being small transports of agricultural products. Another reason was the reduction in the Railway Administration transports due to the cessation of work on the lines during the frost.

As a result the average daily movement of 15 ton goods waggons on the State Railways decreased from 16,126 to 14,672 or by 9.0 per cent; in comparison with



A BRIDGE OVER THE BUG RIVER, NEAR SLAWUTA UNDER CONSTRUCTION  
(PHOT. S. PLATER)

The fall in foreign transports resulted from a decrease by daily average of 109 cars in timber consignments and 72 in "various"; the export of coal increased by 38 cars per day.

**SPECIAL RAILWAY RATES FOR COAL EXPORTS.** — After several modifications during the year, the rates for the carriage of coal destined for foreign countries at the end of 1927, were as follows:

- 1.— Convention tariff to Italy via Czechoslovakia and Austria, via Tarvisio, which is to be maintained up to September 31, 1928 per 100 kg.):
  - a) for consignments equal to or exceeding 700 tons Austr. Sh. 3.03
  - b) for consignments totalling 15,000 tons per month despatched by more than 1 person or firm or for consignments equal to, or exceeding 5,000 tons despatched by 1 person or firm 2.89
  - c) for consignments of at least 10,000 tons despatched during 1 month by 1 consignor 2.78
  - d) for consignments equal to 25,000 per month or 300,000 tons per annum despatched by 1 consignor 2.63
  - e) for consignments totalling 40,000 tons per month or 420,000 per annum despatched by 1 consignor 2.54
- via San Candidi (per 100 kg.):
  - a) for consignments despatched by single truck-loads 3.51
  - b) for consignments amounting to 5,000 tons despatched by 1 consignor, or for consignments amounting to 15,000 tons despatched by several consignors during the period of 1 month 3.37

- c) for consignments of 10,000 tons despatched by 1 consignor during the period of 1 month Austr. Sh. 3.26
- d) for consignments amounting to at least 25,000 tons despatched by 1 consignor during 1 month or for consignments of at least 300,000 tons despatched during 1 year 3.11
- 2.— Export rates to Stettin, via Drawski Mlyn special rates are temporarily suspended over the German section from Kreutz to Stettin + transshipment charges Rmk. 4.75  
" 1.50
- 3.— Export rates to Switzerland (per 100 kg.):
  - a) Upper Silesia, Katowice, Lindau, Reutin " 1.97
  - b) Dąbrowa — Zebrzydowice Piotrowice — Buchs " 0.58
  - Piotrowice — St.-Margareth Czech. Cr. 21.01  
" 21.00
- 4.— Export rates to Rumania Cernauti Station Swiss Fr. 22.85
- 5.— Rates to Austria — Vienna: since November 1, 1926 the Polish-Austrian Convention rates are in force (special edition).
- 6.— Rates to Hungary via Czechoslovakia (Zwardon — Szob) — since January 1, 1928 the Polish-Hungarian reduced rates are in operation (special edition).
- 7.— Rates to Yugoslavia: to stations situated to the North and to the West of Ljubljana (in Austr. Sh. per 100 kg.):
  - a) for separate truck-loads Austr. Sh. 3.31
  - b) whole train loads of 700 tons " 3.00
- 8.— Rate to Hamburg Rmk. 14.60  
cost of transshipment 1.50 Rmk. 16.10
- 9.— Rate to Königsberg (Verbandstariff) Rmk. 13.10  
cost of transshipment " 1.10 " 14.20

**PORT TRAFFIC IN JANUARY.** — As usual at this time of the year, port traffic in the Polish harbours showed a certain falling off owing to the stoppage of navigation on the Baltic on account of ice.

In Danzig the traffic was less than in December; there were 456 incoming vessels with 323,087 net reg. tons) in December 335,663 net reg. tons) and outgoing ships numbered 436 with 294,253 net reg. tons (in December 362,678 net reg. tons). Compared with January 1927, the traffic was greater. Shipping accommodation was utilised to the extent of 12 per cent in incoming, and 83 per cent on outgoing vessels. The falling off in the utilisation of shipping accommodation on incoming ships was caused by the decrease in the imports of ores from the Northern Swedish ports, due to the closing of harbours by ice; the decline in the imports of herring, which is a usual occurrence at this time of the year, also contributed towards this. As regards exports, the rate of utilisation of shipping accommodation was higher than in December although the volume of goods shipped abroad was smaller. The nationality of ships calling at Danzig in January was as follows:

	Arrivals:		Departures:	
	net		net	
	ships	reg. tons	ships	reg. tons
Poland & Danzig	26	10,630	14	8,968
Germany	143	83,943	142	77,008
Finland	4	7,213	4	7,819

Estonia	1	916	3	2,218
Latvia	24	19,278	26	22,329
Lithuania	5	2,185	5	2,185
Sweden	117	65,495	119	64,574
Norway	21	20,232	21	14,656
Denmark	66	61,036	61	55,678
England	19	22,534	16	19,704
Holland	9	3,475	10	1,796
Belgium	1	265	—	—
France	10	10,581	8	7,531
Italy	2	4,758	2	4,715
Yugoslavia	2	6,727	2	4,851
Greece	1	3,335	—	—
Turkey	1	48	2	48
Austria	1	260	—	—
Czechoslovakia	2	146	1	73
Total:	456	323,087	388	294,253

The movement of goods in Danzig port, according to provisional returns for January as compared with the preceding month, was as follows:

	Imports:		Exports:	
	December 1927	January 1928	December 1927	January 1928
grain	4,554	624	6,545	4,096
sugar	—	—	17,003	25,060
herring	10,878	—	—	—
artificial fertilizers and chemicals	31,878	30,148	7,359	4,780
timber	—	—	129,409	91,307
cement	—	—	16,328	2,308
coal	750	3,857	375,130	362,201
ores	18,553	12,240	—	—
iron and scrap	21,395	18,759	—	—
groceries and foodstuffs	4,649	3,408	2,397	1,583
building materials	2,700	—	—	—
various	1,232	2,888	5,513	6,374
Total:	96,589	75,887	559,684	497,709

As before, Coal occupied the first place among the exports effected through Danzig and amounted to 362,201 tons, as against 375,130 tons in December, and 338,357 tons in November 1927.

The distribution of coal exports according to destination was as follows (in tons):

Sweden	140,926
Denmark	124,145
Latvia	27,470
Norway	25,268
France	12,118
Lithuania	8,283
Finland	7,450
England	7,200
Italy	5,853
Estonia	1,753
Germany	1,735
Total:	362,201

Exports of timber effected through this port, amounting to 91,307 tons, ranked second. There was a falling off as compared with December when timber exports were 136,052 tons. This decline is attributable to the signature

of the timber convention with Germany, as a consequence of which large consignments were directed by rail to that country.

The third place among the exports was occupied by sugar, the shipments of which represented 25,060 tons in January, as against 17,002 tons a month earlier.

Sugar exports will probably continue to increase during the next few months.

Exports of cement showed a marked falling off from 16,328 tons in December to 2,308 tons in January.

In addition to the above mentioned articles, exports of grain amounted to 4,096 tons, artificial fertilizers and chemicals to 4,780 tons and other products to 7,957 tons. According to provisional returns, exports effected through Danzig in January amounted to 497,709 tons as compared with 559,684 tons a month earlier.

Among the imports, fertilizers and chemicals with 30,148 tons (in January 31,878 tons) occupied the first place. The import of these products through Danzig is developing most satisfactorily during the current agricultural year, so much so that the 1927 calendar year broke all previous records as regards these materials.

Next come imports of scrap iron which amounted to 18,408 tons in January (20,871 tons in December).

The third place is occupied by ore imports which totalled 12,240 tons, as compared with 18,553 tons in December; this decline, as already stated, is normal in the winter months, but it is generally anticipated that with the improvement in the weather conditions in the Baltic the shipments of these minerals to Poland and via Poland to Czechoslovakia, will not only recover but will increase on account of the railway rebates accorded for this class of goods by the Polish State Railways.

The next important item is herring, the imports of which amounted to 3,963 tons (in December 10,878 tons), foodstuffs and grain which, taken together, represented 4,032 tons (in December 9,203 tons)

According to provisional returns imports through Danzig totalled in January 75,887 tons, as against 96,589 tons in the preceding month.

At Gdynia the number of incoming ships was 61 with 49,207 net reg. tons (in December 68 ships with 51,737 net reg. tons). Departures numbered 66 with 50,941 net reg. tons (in December 64 ships with 49,912 net reg. tons).

According to the flags, the movement of traffic in January, as compared with December, was as follows:

	Arrivals:		Departures:	
	December 1927	January 1928	December 1927	January 1928
Poland & Danzig	11	6	9	7
Germany	6	10	3	12
Sweden	33	28	33	30
Norway	—	5	—	5
Denmark	5	—	7	5
Finland	—	1	—	1
Latvia	1	4	1	4
France	2	2	2	2
England	5	—	5	—

Exports of coal amounted to 103,562<sup>1)</sup> tons, as against 105,756 tons in December. Shipments of cement and general cargo amounted to about 1,000 tons.

Imports of goods continued to be on a restricted scale.

It is seen that port traffic in Polish ports in January was smaller than in December, which is to be attributable to a whole range of special causes but in the main to unfavourable weather conditions.

**AERIAL COMMUNICATION IN JANUARY 1928**, declined as compared with December. The number of flights (scheduled and extra) decreased from 276 in December to 190 in January the distance flown similarly shrank from 76,695 km. to 64,030 km. and the number of passengers dwindled from 322 to 194. The transport of freight decreased from 16,507 kg. to 11,502 kg. and that of mail from 1,254 kg. to 1,094 kg.

<sup>1)</sup> Bunker coal included.

## FINANCE AND BANKING

— **STATE REVENUE AND EXPENDITURE IN JANUARY** were as follows (in millions of £):

(see page 120)

It is seen from the above figures that the excess of revenue over expenditure amounted in January to £ 25 million, making £ 240.1 million since the

beginning of the budgetary year. This is all the more significant as State expenditure, owing partly to various bonuses granted to the civil servants

	Revenue		Expenditure	
	actual	estimated for 1927/8	actual	estimated for 1927/8
A) Civil service . . . . .	158.2	1.234.8	224.6	1.986.4
Central Authorities and Ministries	156.6	1.208.0	171.8	1.647.9
Pensions . . . . .	1.6	26.8	10.4	82.0
Grants to invalids . . . . .	—	—	12.2	101.5
State Liabilities . . . . .	—	—	30.2	145.1
B) State enterprises . . . . .	15.3	107.8	4.4	14.9
C) Monopolies:	81.5	—	—	—
including:				
Spirit Monopoly . . . . .	40.0	—	—	—
Tabacco Monopoly . . . . .	36.0	—	—	—
<b>Total: A + B + C:</b>	<b>255.0</b>	<b>1.993.5</b>	<b>229.0</b>	<b>1.991.3</b>

and partly to various investments, has increased considerably. This satisfactory result was largely due to the general improvement in the economic situation of the country. It is also noteworthy that the additional expenditure was met without resorting to the imposition of new taxes.

An important rôle in this respect has been played by the State enterprises which, thanks to efficient management, have given large profits. Further progress in this direction will enable the Government to meet the bulk of its expenditure from revenue derived from other sources than taxes. In January, State enterprises gave  $\text{z} 15.3$  million as against  $\text{z} 13.3$  million in the preceding month.

The major portion of the revenues was contributed by the taxes which brought in  $\text{z} 137.5$  million during the period under review. It should be stated that State Monopolies, in the matter of profit, beat all previous records, the sum paid to the Treasury at the end of January amounting to  $\text{z} 81.5$  million.

The disbursements made in January declined as compared with the preceding month, and amounted to  $\text{z} 243.5$  million. A sum of  $\text{z} 4.4$  million was spent on State enterprises in connection with the extension of the works and their modernisation.

Generally speaking the revenue in January was maintained at practically the same level as in December which, it may be recalled, amounted to  $\text{z} 255.2$  million.

During the same period State expenditure was  $\text{z} 229.0$  million, as against  $\text{z} 248.9$  million in December last.

**TAXES IN JANUARY.** — Revenue from taxes and Monopolies showed a slight decrease as compared with the two preceding months. Still, they were larger than in April and May, 1927, that is, the first two months of the current budgetary year. The undermentioned table gives the monthly revenue from taxes and Monopolies in the current fiscal 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
December	224.5
January 1928	219.0

The last three months showed exceptionally large revenue. The decline in January, as compared with December, is accounted for by the decrease of direct taxes, which brought in only  $\text{z} 56.1$  million as compared with  $\text{z} 71.9$  million.

A decrease was recorded in all the direct taxes with the exception of the tax on real estates situated in the towns and partly in the rural districts. The last two mentioned taxes brought in approximately the same amount as in December ( $\text{z} 4.2$  million). Other taxes of importance such as the Land Tax, the Industrial Tax and the Property Tax gave less, for none of these were payable during the period under review.

On the other hand, indirect taxes increased from  $\text{z} 14.9$  million in December to  $\text{z} 15.1$  million in January.

This group of taxes included the excise on wine which rose from  $\text{z} 362.000$  to  $\text{z} 433.000$  as well as the Sugar Tax, which gave  $\text{z} 8,892.000$  as against  $\text{z} 8,330.000$  in December. The tax on mineral oils, which belongs to the same category, showed a rise from  $\text{z} 1,914.000$  in December to  $\text{z} 3,191.000$  in January.

On the other hand, more or less large decreases were reported in the taxes of secondary importance, such as excise which returned  $\text{z} 617.000$  in January, as against  $\text{z} 2,445.000$  in December last.

Customs duties were much less in January than in the preceding month and amounted to  $\text{z} 25.7$  million; this decrease was due to the decline in the revenue from the import duties, which brought in  $\text{z} 22.4$  million in January, as against  $\text{z} 30.6$  million in December. From the point of view of the foreign trade balance this should be regarded as most gratifying.

Stamp fees and similar taxes gave  $\text{z} 15.9$  million in January as compared with  $\text{z} 16.2$  million in December.

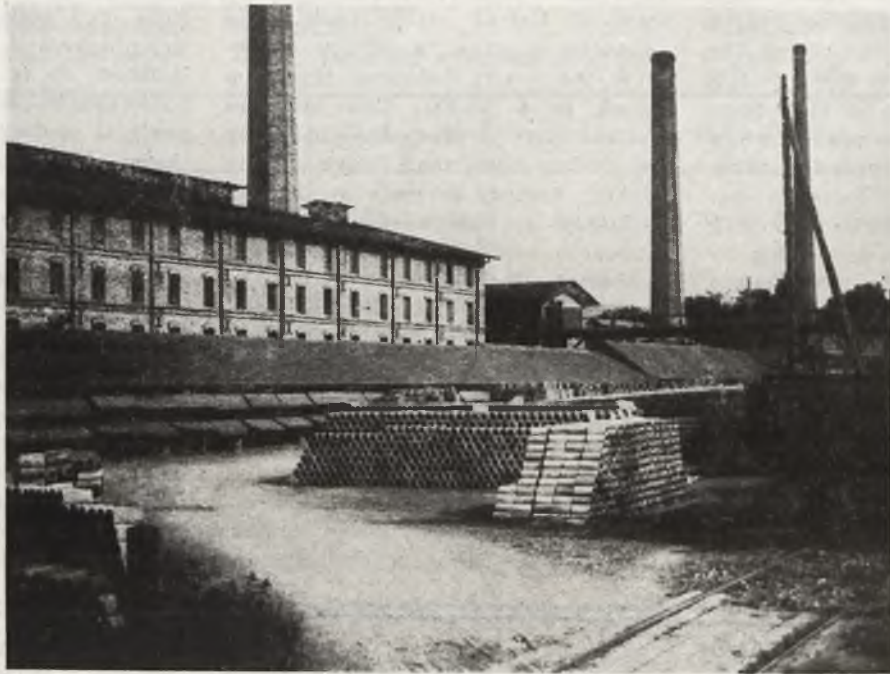
In sympathy with the general decline of the revenue from taxes, the 10 per cent Extraordinary Supplementary Tax showed a decline from  $\text{z} 10.4$  million in December to  $\text{z} 8.8$  million in January.

The Property Tax gave a comparatively large sum due mainly to the collection of the outstanding amounts. The revenue derived from this source amounted to  $\text{z} 16.0$  million, that is, about the same amount as in November 1927 when the largest revenue in the current budgetary year was collected.

A record figure was also returned by the State Monopolies which transferred to the Treasury the sum of  $\text{z} 81.5$  million. Towards this amount the State Tabacco Monopoly paid  $\text{z} 40$  million, the Spirit Monopoly —  $\text{z} 36$  million, the State Lottery —  $\text{z} 1.8$  million and the Salt Monopoly  $\text{z} 3$  million.

The following table shows the revenue from taxes and Monopolies (in millions of  $\text{z}$ ):

	Actual revenue:		$\frac{1}{12}$ th of the yearly budget for	
	January: 1927	December: 1928	1927	1927/8
Direct taxes	41.1	56.1	71.9	36.5
Indirect taxes	14.7	15.0	14.9	10.9
Customs duties	19.2	25.7	34.4	15.2
Stamp fees	13.3	15.9	16.2	9.3
<b>Total of the ordinary public levies:</b>	<b>88.3</b>	<b>112.7</b>	<b>137.4</b>	<b>71.9</b>



A CERAMIC WORKS NEAR WARSAW

Property tax	5.9	16.0	5.9	7.9
10 per cent extra-ordinary tax	6.3	8.8	10.4	5.2
<b>Monopolies</b>	<b>58.3</b>	<b>81.5</b>	<b>70.8</b>	<b>54.0</b>
<b>Total of public levies and monopolies:</b>	<b>158.8</b>	<b>219.0</b>	<b>224.5</b>	<b>139.0</b>

During the past 10 months of the current budgetary year, taxes and Monopolies have brought in the sum of 1.853.3 million which is much more than

the estimated amount for the whole of the year.

**STOCK EXCHANGE**  
**FOREIGN CURRENCIES**

— In contrast with the firm tone which prevailed on the Warsaw Stock Exchange in December last, most of the foreign currencies and drafts showed in January a downward tendency. This

applies solely to the European currencies for the United States of America Dollar remained unchanged. A comparison of the rates ruling at the end of the period under review with those of a month earlier, reveals that Sterling declined by Złoty 0.105, Dutch Fl. by Zł 1, Swedish Cr. by Zł 1.15, Belga by Zł 0.65, Swiss Fr. by Zł 0.58, Austr. Sh. by Zł 0.15 and French Fr. by Zł 0.065 (all, with the exception of Sterling, per

		31.12	2—7.1	9—14.1	16—21.1	23—30.1	31.1	par • value
<b>Warsaw Exchange</b>								
London	£ 1	43.52	43.49	43.46	43.47	43.45	43.42½	43.38
New York	\$ 1	8.90	8.90	8.90	8.90	8.90	8.90	8.90
Paris	Fr. Fr. 100	35.10½	35.09	35.05½	35.07	35.05	35.04	172.00
Brussels	Belg. 100	124.75	124.50	124.36	124.40	124.24	124.10	123.95
Zurich	Sw. Fr. 100	172.15	172.06	171.77	171.77	171.68	171.57	172.00
Milan	Lir. 100	47.13	47.15	47.19	47.18	47.22	47.22	172.00
Amsterdam	Fl. 100	360.50	359.90	359.39	359.57	359.67	359.50	358.31
Vienna	Sh. 100	125.80	125.87½	125.67½	125.60	125.61	—	125.43
Prague	Kcz. 100	26.41½	26.41½	26.41½	26.41½	26.41½	26.41½	180.62
Stockholm	Kr. 100	240.65	240.—	—	—	239.50	—	238.89
<b>Foreign Exchanges</b>								
London	£ 1	43.50	43.50	43.50	43.50	43.50	43.45	43.38
New York	Zł 100	11.25	11.25	11.25	11.25	11.25	11.25	11.22
Zurich	Zł 100	58.05	58.05	58.18	58.17½	58.22	58.20	58.14
Vienna	Zł 100	—	79.15	—	—	—	—	79.72
Prague	Zł 100	377.25	377.25	377.52½	377.54	377.—	—	55.36
Berlin	Zł 100	46.97½	46.93½	47.11	47.07	47.07	47.07½	47.09
Danzig	Zł 100	57.41	57.48	57.53	57.52½	57.54	57.58	57.63

100); only the quotations on Prague remained at their previous level, the Italian Lira rose by Złoty 0'09 (per 100)

The rates on Warsaw on the foreign Exchanges hardened somewhat, which is illustrated by the appended table.

In Switzerland the quotation per Złoty 100 rose by Swiss Fr. 0'15; In Berlin by Rmk. 0'10; in Danzig by Guld. 0'17; in London the rate declined to 43'45 (to the £) thus approaching the quotations ruling in Warsaw. The turnover on the Exchange increased considerably in January and amounted to Zł 58 million, as against Zł 18 million in the preceding month. It is worthy of note that Dollar notes have almost entirely disappeared from the Polish money market since the stabilisation of the Złoty. In December 1927 the

sales of United States bank notes amounted to about \$ 500.000 whereas in the month following, this sum shrank to \$ 90.000. This indicates that the Złoty is gradually eliminating the Dollar from the Polish money market. Savings accounts at banking institutions are now mostly kept in the national currency—the Złoty, and this accounts for the fact that the demand for Dollar notes has fallen off considerably not only on the official Stock Exchange but also on the open market, while the amount of these notes on offer is increasing from day to day.

#### SHARES

During the period under review prices on the share market showed

signs of a general decline. This fall was unexpected and not in the least justified. As is well known the Stock Exchanges frequently witness such happenings particularly in the case of shares of a speculative nature.

It is certain that neither the economic conditions of the country nor its political situation give rise to pessimism and yet despite good prospects for the future and much against the principle of sound finance, the turnover in shares declined considerably.

This took place not because Polish undertakings are confronting a crisis as one could be inclined to believe, but simply because there was a strong group of speculators who spared no efforts to bring down quotations. For this reason, the present situation must

Industrial shares	31.12	2—7.1	9—14.1	16—21.1	23—30.1	31.1	Nominal
Bank Polski . . . . .	155.—	157'45	163'75	163'10	162'65	162'50	Zł 100.—
Bank Dyskontowy Warszawski . . . . .	130.—	130.—	133'10	135'65	136.—	—	Zł 100.—
Bank Handlowy w Warszawie . . . . .	123.—	123.—	123.—	123.—	123.—	123.—	Zł 100.—
Bank Zachodni . . . . .	—	33.—	34'25	34'10	33'40	33.—	Zł 25.—
Bank Zw. Sp. Zarobkowych . . . . .	90.—	91'65	94'95	92'65	92'10	90'50	Zł 100.—
Warsaw Coal Mining Co. . . . .	110.—	111'40	108'35	101'50	98'15	99.—	Zł 100.—
Chodorów . . . . .	—	—	—	—	175.—	—	Zł 100.—
Cegielski . . . . .	49.—	50.—	48'25	48.—	47'75	—	Zł 50.—
Zieleniewski . . . . .	22.—	176.—	—	—	165.—	—	Zł 100.—
Norblin, Buch & Werner . . . . .	200.—	201.—	—	203.—	203'50	—	Zł 100.—
Starachowice . . . . .	66'25	67'75	66'75	62'30	59'75	60.—	Zł 50.—
Lilpop, Rau & Loewenstein . . . . .	40'75	42'25	42'55	41'20	40'50	40'75	Zł 25.—
Ostrowiec . . . . .	87.—	89.—	85'65	83'35	83'70	83.—	Zł 50.—
Modrzejów . . . . .	9'15	47'40	46'45	43'70	42'25	43'50	Zł 50.—
Rudzki . . . . .	—	56.—	51.—	50'50	48'75	48'50	Zł 25.—
Warsz. Sp. Akc. Budowy Parowozów . . . . .	—	41.—	38'50	—	—	—	Zł 25.—
Żyrardów . . . . .	18.—	—	—	—	—	—	Mk. 540.—Rb. 250
Zawiercie . . . . .	33.—	35.—	32.—	—	31'25	29'50	Zł 60.—
Standard Nobel . . . . .	44'50	45'50	43'50	41.—	39'45	—	Zł 50.—
Borkowski (Elibor) . . . . .	20'50	20'60	18'90	—	18.—	18'50	Zł 25.—
Wysoka . . . . .	140.—	142'40	143.—	143.—	144.—	144.—	Zł 100.—
Siła i Światło . . . . .	—	95'50	95'25	93'70	92'50	90.—	Zł 50.—

be regarded as a passing one, for the difference between the actual value of the shares and their quotation is large enough to encourage the public to buy more freely. There are signs that the reverse movement will soon begin as the two opposing camps, the speculators and the public, have already started what may be termed a skirmish.

Banking shares did not follow the general downward trend, on the contrary, some of them gained a few points. Thus, the Bank of Poland shares rose

by Zł 7'50, Bank Dyskontowy — by Zł 6, Bank Związku S-k Zarobkowych — by Zł 0'50, and the bulk of the others were maintained at their previous level.

Of the industrial shares "Wysoka" improved by Zł 4, Norblin — by Zł 3'50 and Lilpop, Rau & Loewenstein remained unchanged. Other metallurgical shares, as well as those of the coal companies, Borkowski, Nobel and "Siła i Światło" — dropped from 5 per cent to 10 per cent. The only exception were the Rudzki shares which fell by about 13 per cent. Ostro-

wiec shares remained stationary. Modrzejów shares which were hitherto expressed in Polish marks, have now been converted into Złoty shares at the rate of five former shares of 500 mk. each for one Zł 50 share.

#### STATE, CITY AND LAND LOANS

In the Government securities section, the 5 per cent Conversion Loan and the 6 per cent External Dollar Loan 1920 — were strong, whereas the 5 per



cent Dollar Loan 2nd Series, declined slightly. The same remark applies to the 10 per cent Railway loan, 1st series;

the remaining Government securities were unchanged.

Interest-bearing securities of private

undertakings, on account of large offers and a limited demand, showed slights falls.

State, Municipal & Land Loans	31.12	2-7.1	9-14.1	16-21.1	23-30.1	31.1	Nominal
5% Conversion Loan . . . . .	66.25	66.40	66.65	66.70	66.95	67.—	₺ 100.—
6% External Dollar Loan 1920 . . . . .	—	84.50	—	—	85.45	—	\$ 100.—
5% Premium Dollar Loan (2nd series) . . . . .	—	63.20	62.85	63.35	62.05	62.75	\$ 5.—
10% Railway Loan (1st series) . . . . .	102.25	102.10	102.—	102.10	101.90	102.—	Gold fr. 100.—
8% Bank Gospodarstwa Krajowego Bonds . . . . .	93.—	93.—	93.—	93.15	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.—	92.85	93.—	93.—	Gold fr. 100.—
8% Land Credit Association Bonds . . . . .	—	83.35	82.90	83.—	82.40	82.—	₺ 100.—
4% Land Credit Association Bonds . . . . .	—	52.10	52.50	51.50	—	—	₺ 100.—
4% Land Credit Association Bonds . . . . .	57.50	57.85	58.20	57.40	56.60	56.75	₺ 100.—
8% Credit Soc. of the City of Warsaw Bonds . . . . .	82.—	82.20	82.05	80.50	80.75	80.50	₺ 100.—
5% Credit Soc. of the City of Warsaw Bonds . . . . .	65.—	65.40	66.05	65.55	64.95	64.50	₺ 100.—
4% Credit Soc. of the City of Warsaw Bonds . . . . .	—	—	62.50	61.75	61.50	—	₺ 100.—

**THE ISSUE OF 5 PER CENT STATE LAND BONDS.**

The list of Government securities will shortly include new bonds issued in connection with the Land Reform Law, namely — the first series of the 5 per cent State Land Bonds. The Land Reform Law provides for the parcelling as well as for the setting aside of areas which will be subject to expropriation in accordance with the legally predetermined terms; estates operated on modern lines as well as forests and lakes, ponds &c which represent valuable assets as revenue producers, are free from expropriation.

According to the law, about 200,000 ha are to be used annually for Land Reform purposes. Despite the fact that certain owners are empowered to parcel their estates voluntarily to a greater extent than is permissible, there are still large areas subject to compulsory sale. Under these conditions, in accordance with article 31 of the Land Reform Law, the compensation is paid partly in cash, partly in the 5 per cent State Land Bonds at the nominal value, and partly in the same bonds at the value at which they are officially quoted, which value is fixed annually by the Ministry of Land Reform in conjunction with the Ministry of Finance and Agriculture. This quotation may not be lower than 70 per cent of the nominal value of the bonds. The proportion of the three component parts of the compensation depends on the area of the estates subject to compulsory sale and is as follows (in percentages):

Area	Cash	Bonds at nominal value	Bonds according to the official quotation
to 1,000 ha	50	50	—
1,000—1,500	45	45	10
1,500—2,000	40	40	20
2,000—2,500	35	35	30
2,500—3,000	30	30	40
3,000—4,000	25	25	50
over 4,000	20	20	60

For the purpose of making payments in this connection, the first series of the bonds, to an amount of gold ₺ 50 million, will be issued this year. The

bonds will be made out to bearer and will be in denominations of gold Zloty 100, 500, 1,000 and 5,000. To each bond is attached 20 interest coupons and a form for claiming the coupons for the following 10 year period. The coupons are payable twice a year, on June 1st and December 1st, 1928. The first coupon will be payable on June 1, 1928. The amortisation of the bonds will be effected within 41 years.

The payment will be made by semi-annual drawings or purchase on the open market and will begin on June 1, 1928, in accordance with the plan for amortisation in 82 semi-annual periods. The amount of each instalment is about ₺ 1,440,100, of which ₺ 1,250,000 will be used for the payment of interest and ₺ 190,100 for the amortisation of the principal.

In case the bonds purchased for amortisation should not reach the amount of the instalment, the rest will be redeemed by means of drawings.

The numbers and the nominal value of the redeemable bonds will be announced in the "Monitor Polski".

Liability for drawn bonds will cease if not presented within 30 years of maturity and that for coupons after 5 years. Payment for coupons due, as well as for drawn bonds, will be made at the Central State Cash Department, the Treasury, the Państwowy Bank Rolny (the State Agricultural Bank), the Bank Gospodarstwa Krajowego (the National Economic Bank) and the Postal Savings Bank.

It is generally anticipated that these bonds will be favourably received by the public, as securities of this nature are much sought after by the saving public and the investors.

**ISSUE OF 4 PER CENT PREMIUM INVESTMENT LOAN.**

One of the few Government bonds on the market, the Second Series of 5 per cent Premium Dollar Loan, have for a long time reached a remarkable high rate. They have had constantly upward

tendency, for time brought buyers, while the source of supply became practically exhausted. Thus the issue of a new Premium Bond became necessary for two reasons: 1) to satisfy the demand and, 2) to establish a new means for raising capital for investment purposes during the approaching building season and thus add to the industrial strength of the country.

These purposes are to be fulfilled by the issue of a new 4 per cent Premium Investment Loan, voted by the Council of Ministers on January 21; the loan will be placed on the home market by means of a bond issue to the amount of gold ₺ 50,000,000. The bonds will be made out to bearer at gold ₺ 100 each.

The interest will be at the rate of 4 per cent per annum, payable on April 1, and October 1 of each year. In addition the owner of a bond takes part in the drawings for premiums which will take place twice a year during a period of 10 years: i. e. from April 1, 1928 to October 1, 1937.

During this period the gradual amortisation of the loan will take place, namely—each 1/2 year there will be chosen for amortisation 25,000 bonds to the amount of gold ₺ 2.5 million.

The total number of premiums for the 10 years period will be 15,100 amounting to a sum of gold ₺ 10,000,000, as follows:

10 of 200,000	=	gold ₺ 2,000,000
30 " 50,000	=	" " 1,500,000
15 " 25,000	=	" " 375,000
105 " 10,000	=	" " 1,050,000
733 " 1,000	=	" " 733,000
3,161 " 500	=	" " 1,580,500
11,046 " 250	=	" " 2,761,500
15,100	=	gold ₺ 10,000,000

Owing to the gradual decrease, by reason of their amortisation, in the total amount of bonds in circulation the quota detailed for premiums increases in relation to the balance of the loan in circulation — from 1.5 per cent in the first half to 10 per cent in the last drawing, i. e. in October 1937.

The main premiums, i. e. one of ₺ 200,000 and three of ₺ 50,000, are left for the last drawing.

In April 1, 1928 there will be 1,370 prizes of a total value of gold  $\text{zł}$  750,000, namely:

1	of 200,000	= gold $\text{zł}$ 200,000
10	" 10,000	" " 100,000
63	" 1,000	" " 63,000
252	" 500	" " 126,000
1,044	" 250	" " 261,000
1,370		gold $\text{zł}$ 750,000

In the next draw, i. e. in October 1928, the following prizes will be drawn

3	premiums of 50,000	= gold $\text{zł}$ 150,000
2	" " 25,000	" " 50,000
9	" " 10,000	" " 90,000
59	" " 1,000	" " 59,000
241	" " 500	" " 120,000
1,016	" " 250	" " 254,000
1,330		gold $\text{zł}$ 723,500

The drawing of bonds for the purpose of their redemption, as well as drawing of premiums, will take place publicly at the Treasury. The numbers of bonds drawn will be announced in the "Monitor Polski". Should the date of lottery fall on a Sunday, the drawing will be postponed to the next day.

The bonds drawn cease to take part in the drawing of premiums. The capital interest and premiums up to gold  $\text{zł}$  1,000 will be payable at the State Chief Cash Office, the Treasury, the Bank Gospodarstwa Krajowego (National Economic Bank), Bank of Poland and the Postal Savings Bank and its branches.

Premiums above gold  $\text{zł}$  1,000 will be payable at the Bank of Poland, which will make payment without delay and in no case later than 3 months after the bond which has been drawn is presented for payment.

The coupons of the 4 per cent Investment Loan will be free from capital and rent taxes.

The bonds drawn for redemption, become invalid after 30 years, premiums after 10 years and coupons 5 years after their term of payment.

The capital and interest of the 4 per cent Premium Investment Loan are secured by the whole of the assets of the State.

Considering the conditions on which

the issue of the above investment loan is made, it can be stated that the economic life of the country will be stimulated thereby: and in view of the small sum involved, there is no danger that the Second Series of the 5 per cent Premium Dollar Loan will be adversely affected.

## BANK OF POLAND

The first month of 1928 did not see any considerable changes in the accounts of the Bank of Poland. There was a certain decline in the bullion and foreign currency reserve, which for some considerable time has shown an upward trend and which despite slight fluctuations has accumulated and grown steadily since the middle of 1926. The decrease in the bullion and foreign currency reserves (as a matter of fact in the currency reserves) reported in January should be regarded as a passing phase, which is confirmed by the fact that the reserves in question showed an increase in the beginning of February. Without going into detail regarding this matter it should be stated, however that the demand for foreign currencies and drafts on the stock exchange in connection with the unfavourable foreign trade balance, rose, and at the same time payments effected abroad by the Government increased, while the inflow of foreign currencies and exchange from abroad showed a falling off. This is illustrated by the figures of foreign transactions made by the Bank of Poland. The sales of foreign currencies and drafts made by the Bank in January

amounted to  $\text{zł}$  125.9 million (in December  $\text{zł}$  84.9 million) of which  $\text{zł}$  70.1 million were negotiated  $\text{zł}$  32.3 million) on the Stock Exchange (in December  $\text{zł}$  51.2 million were sold to Government Departments (in December  $\text{zł}$  41.6 million); purchases of foreign currencies and drafts during the same period totalled  $\text{zł}$  77.3 million as against  $\text{zł}$  116.9 million in December.

The bullion and foreign currency reserves augmented in January from  $\text{zł}$  519.9 million to  $\text{zł}$  529.1 million. Towards this increase contributed the purchases of gold and silver made abroad amounting to \$ 1 million and the purchases of gold and silver through the medium of the local branches of the Bank (the latter amounted to  $\text{zł}$  0.4 million).

Gold purchased abroad was not transferred to the vaults of the Bank and the bullion reserves kept abroad consequently increased from 164.5 million to 173.3 million.

Foreign currencies forming part of the cover declined during the first two ten day periods from  $\text{zł}$  687.5 million to  $\text{zł}$  636.8 million: at the same time the foreign currency reserves, which do not form part of the cover, fell from  $\text{zł}$  207.1 million to  $\text{zł}$  200.3 million.

The bullion and foreign currency reserves embodied in the cover amounted at the end of January to  $\text{zł}$  165.9 million, a decline of  $\text{zł}$  41.5 million. The modification in the different items of these reserves are given in the following statement (in millions of  $\text{zł}$ ):

	January 1st	January 31st
gold	517.3	526.4
silver	2.6	2.7
foreign currencies, drafts and liabilities	687.5	636.8
Total:	1,207.4	1,165.9

In relation to the Bank notes in circulation and sight liabilities taken together, the cover in January of 1927 was 71.07 per cent.

It is seen that the decline in the cover expressed in percentages is slightly smaller than the fall in the cover itself for, while the amount of bank notes in circulation remained unchanged ( $\text{zł}$  1,003.3 million on January 31, 1928 as against 1,003.0 million on December 31, 1927), sight liabilities of the Bank declined from  $\text{zł}$  659.8 million to  $\text{zł}$  637.2 million. This includes the balance on the state economic fund, representing a portion of the Stabilisation Loan; this balance declined by  $\text{zł}$  10.6 million in connection with the



COLONY OF RAILWAY WORKERS NEAR WILNO (PHOT. S. PLATER)

purchases of Land Credit Association Bonds.

The bank cover for the notes in circulation was as follows (in millions of  $\text{zł}$ ):

	January 1st	January 31st
bills	456.0	460.7
Polish silver coins and token money loans against securities	9.8	17.0
	40.9	41.5
own interest-bearing securities	4.8	5.8
liability of the Treasury	25.0	25.0
<b>Total:</b>	<b>536.5</b>	<b>550.0</b>

It is seen that discount credits employed rose by  $\text{zł}$  4.7 million, but as the contingent of discount credits granted rose from  $\text{zł}$  650 million to  $\text{zł}$  713 million, the ratio of credits granted to those employed fell from 70.0 per cent to 64.6 per cent.

The amount of loans against securities rose by  $\text{zł}$  0.6 million.

The reserves of silver and token coins rose considerably, by 75 per cent, and that of securities by about 20 per cent.

As regards the other items, the amount of securities in which the reserve fund is partly invested rose from  $\text{zł}$  36.9 million to  $\text{zł}$  55.1 million; on the other hand, the reserve fund itself declined from  $\text{zł}$  109.3 million to  $\text{zł}$  94.4 million.

This decrease is accounted for by the writing off of the movable property of the Bank and about 40 per cent of the value of its real estate.

Of course, the value of the real estate appearing among the assets was reduced to  $\text{zł}$  20 million.

Apart from the above mentioned account of the State Economic Fund, the other two accounts of funds originating in the Stabilisation Loan, namely the account for Silver Purchases ( $\text{zł}$  90 million) and that of Treasury Reserve ( $\text{zł}$  75 million), remained unchanged.

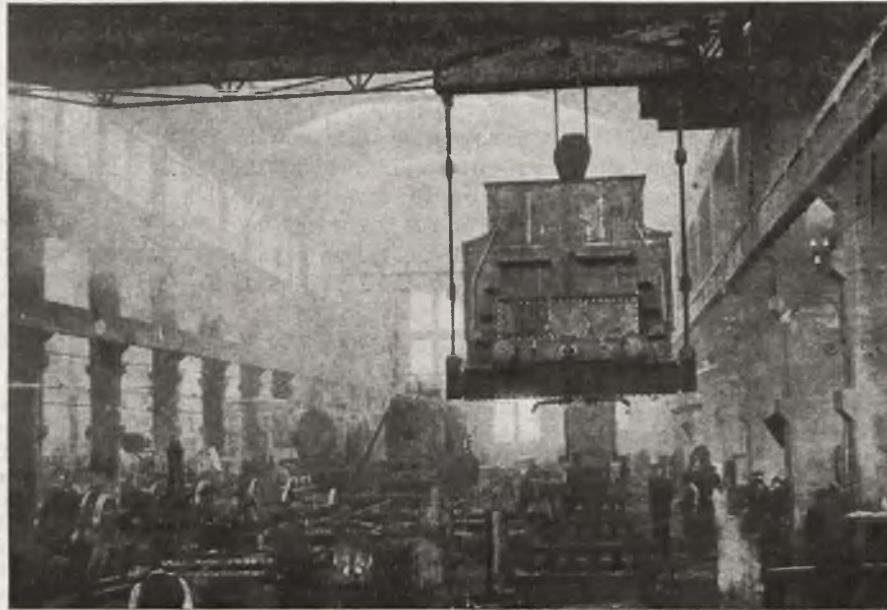
**GENERAL MEETING OF THE BANK OF POLAND.** — On February 10, 1928, there took place the General Meeting of the shareholders of the Bank of Poland: Mr. Stanisław Karpinski, President of the Bank, was in the chair. 172 persons attended the meeting, representing 339 shareholders and 362,663 shares having the right to 12,643 votes.

The agenda was as follows: 1) to confirm the report of the Bank of Poland for the year 1927, including the Balance-Sheet, Profit and Loss Account, the proposed distribution of the profit, 2) to confirm the election of the foreign member to the Board, 3) to fix the remuneration of the members of the Board and of the Board of Control, and 4) to elect four members to the Board and five to the Board of Control.

The report for 1927 was confirmed unanimously; the dividend of  $\text{zł}$  14 on each share of the first issue will be paid beginning from February 11, 1928. Similarly, the election of Mr. Charles S. Dewey as foreign member of the Board was agreed to unanimously, and the remuneration of the members of the Board and of the Board of Control was fixed.

In accordance with article 26 and article 46 of the Statutes: M. M. H. Grohman, K. Fudakowski, T. Tomaszew-

	DECEMBER 31st		JANUARY 10th		JANUARY 20th		JANUARY 30th	
<b>Assets:</b>								
Bullion:								
gold in vaults	352,822.262.51		352,873.051.86		352,947.129.60		353,023.582.51	
"    abroad	164,475.625.33		173,387.809.70		173,387.809.70		173,387.809.70	
silver (gold value)	2,564.950.08		2,576.182.19		2,660.248.13		2,693.366.78	
	519,862.837.92		528,837.043.75		528,995.187.52		529,104.758.99	
Foreign currency, drafts and assets	687,545.196.08	1,207,408.034	683,570.732.56	1,212,407.776.31	668,227.061.96	1,197,222.249.48	636,819.432.06	1,165,924.191.05
Foreign currency, drafts and assets not included in the cover		207,084.142.01		207,053.945.02		199,675.571.02		200,264.053.67
Silver and token coins		9,807.675.09		24,634.403.09		23,780.174.74		16,971.949.78
Bills of exchange		455,998.733.99		450,823.130.34		450,032.874.66		410,703.359.48
Loans against securities		40,895.752.—		39,781.922.—		38,092.136.16		41,531.916.03
Own interest-bearing securities		4,834.364.51		6,770.181.23		6,422.045.66		5,823.293.22
Reserve funds invested in the securities		36,900.736.73		37,750.073.42		54,983.186.32		55,053.489.58
Loans to Government		25,000.000.—		25,000.000.—		25,000.000.—		25,000.000.—
Property and fittings		36,282.185.25		20,000.000.—		20,000.000.—		20,000.000.—
Other assets		54,460.346.44		26,925.099.09		27,610.545.21		28,507.899.84
		2,078,671.970.02		2,051,146.530.50		2,042,821.783.25		2,019,780.158.65
<b>Liabilities:</b>								
Capital		150,000.000.—		150,000.000.—		150,000.000.—		150,000.000.—
Reserve fund	109,327.551.80			94,434.640.—		94,434.640.—		94,434.640.—
Sight liabilities:								
current accounts of State institutions	237,402.701.61		267,229.059.69		319,080.905.78		293,009.315.59	
outstanding current accounts	184,277.409.02		234,076.875.44		207,886.932.81		131,958.556.22	
silver purchases a/c	90,000.000.—		90,000.000.—		90,000.000.—		90,000.000.—	
State credit fund a/c	123,694.857.45		117,853.048.47		117,527.507.16		113,198.257.17	
various accounts	24,409.097.87		20,262.465.90		19,902.207.56		9,028.681.39	
	659,784.065.95		729,421.449.50		754,397.553.31		637,194.810.37	
Notes in circulation	1,003,027.690.—	1,662,811.755.95	947,109.570.—	1,676,531.019.50	912,465.660.—	1,666,863.213.31	1,003,288.050.—	1,640,482.860.37
Special account of the Treasury		75,000.000.—		75,000.000.—		75,000.000.—		75,000.000.—
Other liabilities		81,532.662.27		55,180.871.—		56,523.929.94		59,862.652.28
		2,078,671.970.02		2,051,146.530.50		2,042,821.783.25		2,019,780.152.65



ONE OF THE WORKSHOPS OF THE FIRST LOCOMOTIVE WORKS, LTD., CHRZANÓW

ski, W. Fajans were elected to the Board, and M.M. A. Wierzbicki, W. Seydlitz, P. Geisnheimer, as substitutes.

M. M. T. Kociatkiewicz, S. Lipiński and M. M. S. Samulski, S. Brun and A. Sturm, S. Laurysiewicz, L. Skulski E. Hupert as substitutes. were elected to the Board of Control

## LATEST NEWS

### WARSAW EXCHANGE:

	10.2.28	20.2.28
\$ 1 = Z	8'90	Z 8'90
£ 1 = "	43'43 <sup>3</sup> / <sub>4</sub>	" 43'46 <sup>1</sup> / <sub>2</sub>

### BANK OF POLAND:

ASSETS:	10.2.28	20.2.28
Gold and silver reserve	Z 529,180.632'36	Z 529,285.792'44
Foreign balances	" 639,586.426'56	" 637,105.352'86
Bills of exchange	" 469,012.690'27	" 465,398.738'71
Loans against securities	" 43,478.290'65	" 44,351.498'37

### LIABILITIES:

Notes in circulation	... 988,067.530'--	" 974,624.410'--
Current accounts	... 452,790.517'87	" 492,098.588'23
Other sight liabilities	... 243,924.361'56	" 210,190.569'33

### BANK NOTES COVER

(bullion & foreign currencies)	69'37%	69'56%
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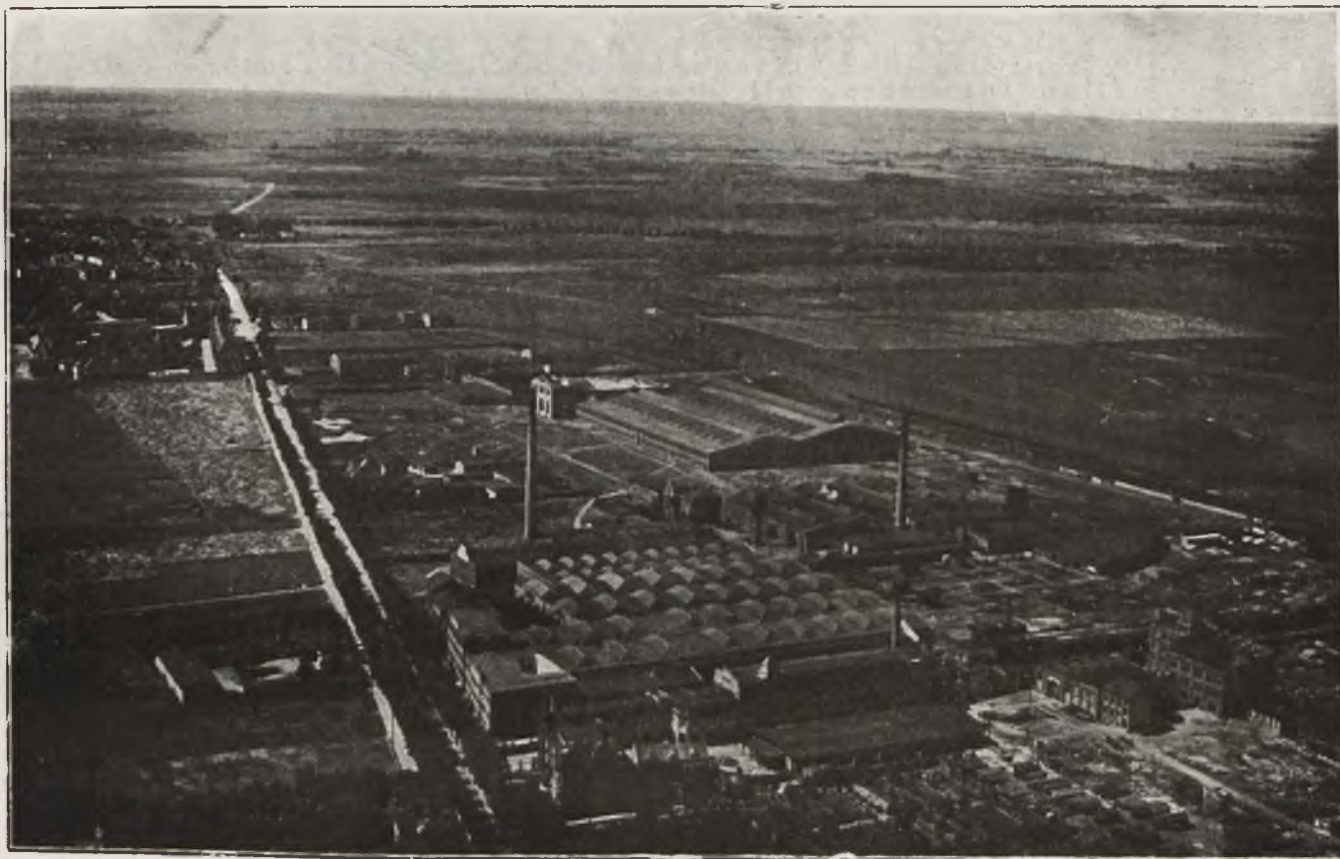
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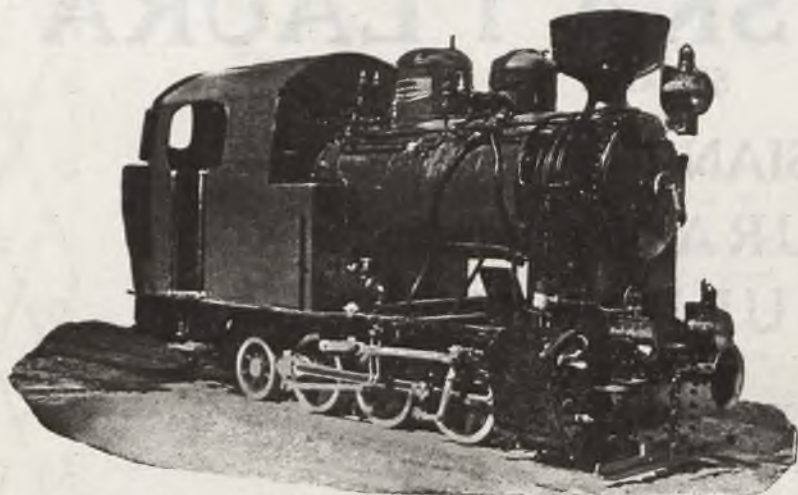
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