

THE POLISH ECONOMIST



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IN March there was a continuation of the period of improvement which has been a consequence of the stabilisation of the currency and economic conditions in 1926. Yet the economic situation showed certain unfavourable indications and moments of uncertainty, which were caused by over-production in the textile industry, one of the most important factors in Poland, and by the somewhat unsatisfactory state of winter sowings.

In agriculture, as a result of unfavourable atmospheric conditions, not only was the growth of winter crops weak, but also work in the fields has been delayed. As a result the farmers have held back supplies, and the prices of corn and its products have jumped above the level on the Western European and American markets.

In industry there was, in general, renewed activity, which was connected with the investment plans of the Government and Local Governments and the excellent prospects of the building season. The number of unemployed fell considerably.

In trade, with the exception of the textile branch, an increase of turnover, though still small, could be discerned. In this connection and also by reason of increased production, railway transports increased considerably; also at the Polish ports March brought with it a break in the winter inaction, while the export of coal through Gdynia reached a record figure.

Foreign trade showed a large increase of imports due to the bringing in of large quantities of goods, the customs rates of which have been readjusted as from March 15, at the ratio of 1:1.72 and 1:1.30.

The State Budget in March, the last month of the fiscal year, showed a considerable rise in expenditure. Yet simultaneously revenue rose to such an extent that it not only covered the expenditure, but also gave a large surplus. On the credit and money market a certain lightness continued to be felt.

The credit activity of the Bank of Poland was especially strong, and the bullion and foreign currency reserves increased, which testifies to the strengthening of the balance of payments in spite of the unfavourable balance of trade.



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
OCCUPATION:		area UNDER FORESTS (in sq. km.)	90,621
agriculture	65 p. c.		
industry	14 p. c.		
commerce	8 p. c.		
various	13 p. c.		

POLAND'S CHIEF TOWNS			
Warszawa (Warsaw)	1,015,420	Poznań	236,265
Łódź	580,000	Kraków	200,332
Lwów	219,388	Wilno	178,215
		Katowice	118,870
		Lublin	114,042
		Bydgoszcz	111,197
		Soanowice	103,039
		Częstochowa	95,518
		Białystok	90,200

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

THE CURRENT ISSUE, No. 5/1928, of "The Polish Economist" contains the following articles: Review of the economic situation in Poland in March; First two Reports of the Financial Adviser to the Polish Government; The Budget for 1928/29; International Problems of the Cement Industry; The Supply of Artificial Fertilizers to Polish Agriculture; The Economic Problem of Lithuania. As usual, there are also market reports covering grain, butter, eggs, timber, coal, petroleum, iron, zinc and lead &c., 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.

ANNUAL SUBSCRIPTION: 15/-, \$ 3'00 OR 30-
WARSAW, 2, ELEKTORALNA

	UNIT	MARCH 1927	FEB. 1928	MARCH 1928
TRANSPORTS:				
RAILWAY TRAFFIC	truck loaded	545,445	468,152	485,057
PORT TRAFFIC:	(15 tons)			
Danzig	reg. ton	341,947	279,955	820,244
Gdynia		24,842	55,265	63,688
BUDGET:				
RECEIPTS		248.1	238.9	306.2
including:				
taxes and public levies		127.7	123.6	168.2
monopolies		54.7	71.4	77.8
State undertakings		32.9	6.7	23.6
EXPENDITURE		221.9	233.4	296.8
MONEY CIRCULATION:				
BANK OF POLAND NOTES	million 3	668.4	1,047.7	1,127.6
COVER IN GOLD AND FOREIGN CURRENCIES	% %	54.79	69.87	68.44
TOKEN COINS	million 3	42.6	283.2	285.1
CREDIT:				
(Bank of Poland)				
BILLS DISCOUNTED	million 3	351.9	469.2	495.8
OFFICIAL DISCOUNT RATE	% %	8.5	8.00	8.00
FOREIGN CURRENCIES:				
(Warsaw Stock Exchange — average rates)				
U. S. A. DOLLAR		8.95(1)	8.90	8.90
POUND STERLING		43.53(1)	43.45	43.50
FRENCH FRANC		0.35(1)	0.35	0.35
SWISS FRANC		1.72(1)	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 March 1928

- Amendment of the Treasury Fines Act ("Dz. Ust. R. P." No. 21, item 178).
- Guarantees of undertakings engaged in the transport of emigrants ("Dz. Ust. R. P." No. 21, item 187).
- Reduction of the cost of foreign passports ("Dz. Ust. R. P." No. 21, item 191).
- Amendment of the Polish-German railway freight tariff ("Dz. Ust. R. P." No. 21, item 194).
- The Parcelation of State Lands Act ("Dz. Ust. R. P." No. 22, item 198).
- The Building and Settlement Law ("Dz. Ust. R. P." No. 23, item 202).
- The allocation of lands for allotment ("Dz. Ust. R. P." No. 23, item 203).
- Partial amendment of the regulations concerning the privileges of the Credit Association of Polish Industry Bonds ("Dz. Ust. R. P." No. 25, item 220).
- Transport regulations relative to direct Polish-Russian freight traffic ("Dz. Ust. R. P." No. 25, item 225).
- Some amendments to the Customs Tariff nomenclature ("Dz. Ust. R. P." No. 26, item 230).
- Regulations concerning partial suspension of emigration ("Dz. Ust. R. P." No. 26, item 239).
- Executive decree concerning the fixing of customs rates in the new monetary unit ("Dz. Ust. R. P." No. 26, item 241).
- The redemption of the liabilities of the treasury contracted during the period from 1918 to 1920 in gold or strong currencies ("Dz. Ust. R. P." No. 27, item 248).
- The regulations concerning egg export ("Dz. Ust. R. P." No. 27, item 249).
- The imposition of tax on mineral oil ("Dz. Ust. R. P." No. 27, item 252).
- Port dues, cargo charges and pilot fees in Polish ports ("Dz. Ust. R. P." No. 28, item 264).
- Supplement to the regulations concerning Polish sea-going vessels ("Dz. Ust. R. P." No. 29, item 269).
- The conversion of the liabilities of towns and other local governments ("Dz. Ust. R. P." No. 29, item 270).
- Registration of the bonds of the Imperial Russian Bank of Nobility as well as of the certificates of the Imperial Russian Peasant Bank ("Dz. Ust. R. P." No. 29, item 277).
- Law regulating the raising of foreign credits by Local Governments and sale abroad of shares and mortgage bonds issued by long-term credit companies and institutions ("Dz. Ust. R. P." No. 31, item 290).
- Aviation Law ("Dz. Ust. R. P." No. 31, item 294).
- Amendment of the law in force in former Austrian Poland, concerning the organisation of chambers of commerce and industry ("Dz. Ust. R. P." No. 31, item 300).
- Supplement to include Danzig in the Trading and Navigation Agreement with Norway ("Dz. Ust. R. P." No. 31, item 303).
- Change in the prescriptions concerning the temporary regulation of Local Government Finance ("Dz. Ust. R. P." No. 36, item 335).
- Regulating assistance for the amelioration of agriculture ("Dz. Ust. R. P." No. 36, item 344).
- Recalculation of the balances of public and private enterprises ("Dz. Ust. R. P." No. 38, item 352).
- Change in the provisions concerning the granting of State guarantees ("Dz. Ust. R. P." No. 38, item 358).
- Registration of agricultural products which are pledged ("Dz. Ust. R. P." No. 38, item 360).
- Inspection of animals for slaughtering and meat ("Dz. Ust. R. P." No. 38, item 361).
- The organisation and sphere of activity of the mercantile marine authorities ("Dz. Ust. R. P." No. 38, item 366).
- Liquidation of the property of ex-Russian legal bodies ("Dz. Ust. R. P." No. 38, item 377).
- Establishment of the State enterprise "Polish Posts, Telegraphs and Telephones" ("Dz. Ust. R. P." No. 38, item 379).
- Limited Liability Company Law ("Dz. Ust. R. P." No. 39, item 383).
- Protection of inventions, models and trade-marks ("Dz. Ust. R. P." No. 39, item 384).
- Chambers of Agriculture ("Dz. Ust. R. P." No. 39, item 385).
- Customs facilities for machinery and apparatus not manufactured within the country ("Dz. Ust. R. P." No. 41, item 403).

	UNIT	MARCH 1927	FEB. 1928*	MARCH 1928
STATE OF EMPLOYMENT:				
UNEMPLOYED		205,770**	177,368**	167,676**
PART-TIME WORKERS		23,683	25,565	48,878
PRODUCTION:				
COAL	thousand tons	3,001	3,271	3,509
OIL		59.5	58.4	61.3
STEEL		114.4	102.3	118.3
IRON		47.7	54.5	58.1
ZINC		13.6	12.6	13.6
AGRICULTURAL INDEXES:				
(crop estimates)				
RYE	5 points system	3.5	3.2	2.9
WHEAT		3.5	3.2	3.1
BARLEY				
OATS				
PRICES:				
WHOLESALE PRICE INDEX	1914=100	115.8	117.6	121.2
INDEX OF COST OF LIVING IN WARSAW		116.0	118.3	119.3
FOREIGN TRADE:				
IMPORTS:		221.6	270.4	372.1
including:		412.8	379.4	431.0
foodstuffs (edible fats, fish & herring, coffee, rice, wheat &c.)		55.0	39.5	52.6
animal products (lanned hides, dried skins &c.)		78.7	40.4	48.5
ores		15.4	22.4	31.6
chemicals (vegetable & animal fats, dyes, colours & varnishes, potassium salts &c.)		3.7	3.7	4.0
metals & metal products		7.4	6.1	5.9
machinery & apparatus		66.2	65.4	51.3
paper & paper wares		30.2	36.9	40.3
textiles & textile products		91.4	86.8	80.1
EXPORTS:		13.8	17.7	27.3
including:		44.3	38.2	53.4
foodstuffs (sugar, meat, eggs, forage, peas & beans, barley, hops &c.)		18.0	30.7	49.5
live animals — in thousands of heads		6.7	6.4	11.4
timber and wood ware (planks, deals & battens, pulpwood, pit props, round wood & logs, veneers &c.)		5.9	9.4	10.9
plants & seeds		54.3	80.4	104.5
coal and coke		11.1	12.7	14.9
petroleum products		222.3	197.8	208.3
iron and iron products		1,623.0	1,554.6	1,539.7
zinc				
textiles and textile products				
EXCESS OF EXPORTS (+) OR IMPORTS (-)		+ 0.7	- 72.6	- 163.8

* Corrected figures.
** Registered unemployed.
*** Change in tabulation: the new 3 instead of gold fr.

1) % of 1924.

THE POLISH ECONOMIST

A MONTHLY REVIEW OF TRADE, INDUSTRY AND ECONOMICS IN POLAND

WARSAW — LONDON — NEW YORK

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IN MARCH there was a continuation of the period of improvement which has been a consequence of the stabilisation of the currency and economic conditions in 1926. Yet the economic situation showed certain unfavourable indications and moments of uncertainty, which were caused by overproduction in the textile industry, one of the most important factors in Poland, and by the somewhat unsatisfactory state of winter sowings.

In agriculture, as a result of unfavourable atmospheric conditions, not only was the growth of winter crops weak, but also work in the fields has been delayed. As a result, the farmers have held back supplies, and the prices of corn and its products have jumped above the level on the Western European and American markets.

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On the credit and money market a certain tightness continued to be felt. The credit activity of the Bank of Poland was especially strong, and the bullion and foreign currency reserves increased,

which testifies to the strengthening of the balance of payments in spite of the unfavourable balance of trade.

REVIEW OF THE GENERAL ECONOMIC SITUATION IN POLAND

MARCH 1928

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BARLEY
OATS
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EXCESS OF EXPORTS (+) OR IMPORTS (—)		+ 0·7	— 72·6	— 163·8
TRANSPORTS:				
RAILWAY TRAFFIC	truck loaded (15 tons)	545.445	468.152	485.057
PORT TRAFFIC (DANZIG AND GDYNIA)	reg. ton	366.789	335.220	383.912
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BANK OF POLAND NOTES	million zł	668·4	1 047·7	1.127·6
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TOKEN COINS	million zł	422·6	283·2	285·4
CREDIT:				
(BANK OF POLAND)				
BILLS DISCOUNTED	million zł	351·9	469·2	495·8
OFFICIAL DISCOUNT RATE	% %	8·50	8·00	8·00
FOREIGN CURRENCIES:				
(WARSAW STOCK EXCHANGE-AVERAGE RATES)				
U. S. A. DOLLAR	} zł	8·95**)	8·90	8·90
POUND STERLING		43·53**)	43·45	43·50

REMARK: — Figures appearing in the above table are intended exclusively to characterise the economic situation in March 1928; 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".

FIRST TWO REPORTS OF THE FINANCIAL ADVISER TO THE POLISH GOVERNMENT

IN OCTOBER 1927, with a view to stabilising the Złoty on a gold basis, thus establishing Poland's credit at home and abroad, and

ensuring a solid foundation for the economic development of the country, the Polish Government contracted a foreign loan and adopted a programme of stabilisation.

The Stabilisation Plan provides, *inter alia*, for the election of an American as a member of the Council

*) Corrected figures.
**) zł of 1924

of the Bank of Poland to assist and advise the Bank in relation to its duties under the Stabilisation Plan. The Government also agrees that this American member of the Bank of Poland's Council shall be appointed Financial Adviser to the Republic of Poland to assist and advise the Government through the Ministry of Finance as to the various measures provided for in the Plan. The American member of the Council of the Bank of Poland is elected for a period of three years. During his tenure of office he will also exercise certain functions as representative of the Fiscal Agents of the Loan.

a result of information gained as far as possible at first hand.

In both reports Mr. Dewey gives a detailed description of the budgetary, fiscal and administrative measures taken by the Polish Government in accordance with the Stabilisation Plan. Further he reports on the monetary stabilisation effected by the country, the service of the Loan, the shortterm credit situation, and finally the general economic conditions in Poland in the year 1927.

This part of the first report is of general interest and it is here published *in extenso*:



TYPICAL SCENERY IN SOUTHERN POLAND (PHOT. S. PLATER)

The Stabilisation Plan provides also that the Adviser will prepare a quarterly report on the progress of the various aspects of the Plan. The report will be addressed to the Bank of Poland which will promptly publish it.

In the month of February the Bank of Poland published the first report of the Financial Adviser, Mr. Charles S. Dewey. The first report covers only the first six weeks of the Adviser's stay in Warsaw, i. e., up to December 31, 1927. The second report was published in April and covers the period January - February - March, 1928.

It was the Adviser's intention not only to cover in his reports the measures referred to, but also to describe the general situation as regards the credit of Poland and the economic conditions as they exist in the country. Such estimates of conditions are stated with all frankness and as

PART V

Economic Conditions

"Notwithstanding the many difficulties under which Poland has laboured — war destruction and disorganisation, scarcity of capital, instability of currency, diversity of previous economic and political life in the several regions now combined into one State — the country has made very decided economic progress since the close of the war. The year 1927 witnessed a marked recovery from the depression which ruled during the greater part of 1925 and 1926. Economic conditions, considered as a whole, have been more satisfactory than in any other year of the history of the Republic. The same statement holds good of almost every separate branch of activity.

Agriculture is by far the most important factor in Polish economic life. Nearly two-thirds of the population lives on the land. From an agricultural standpoint the year 1927 was reasonably satisfactory. The crops harvested in the autumn of 1926, although below the altogether exceptional "bumper" figures of 1925, were in general a little above the average of recent years. The harvest of 1927 itself was considerably better still; broadly speaking, the output of the major crops was about one-tenth greater than the year before. The increase was due primarily to higher yields per unit of area resulting from favourable weather conditions, greater use of fertilizers and improved tillage. There was a slight increase in area planted, but Poland has reached a point where, unless sacrificing its forests, little can be added to the productive lands without large capital outlay for drainage of swamp-lands.

Polish agriculture now stands at substantially its pre-war level. The planted area is only slightly less than the average of years immediately before the war, and taking the last three years together the average yield per acre for most crops has equalled or exceeded the pre-war figure.

Perhaps the best single indicator of the volume of production of all branches of industry combined is furnished by the number of cars loaded on the railways. The figures for 1927 were much higher than those of any other post-war year. Already in 1926 a considerable increase had appeared as compared with the two years preceding; this gain, however, had been chiefly in export traffic, the shipment abroad of coal having been greatly stimulated by the British coal strike. In 1927, with car-loadings for export at a slightly lower level, the total number loaded for all purposes was about one-eighth greater than in 1926, which in turn had exceeded slightly the highest previous record, that of 1923. The increase over 1926 in the number of cars loaded for destinations within Poland itself was 25 per cent. The increase was shared by practically every class of commodities. It was particularly conspicuous in building materials, apparently reflecting gain in construction activity. Excluding crops, the movement of which is highly seasonal, the domestic car-loadings in Poland during the last quarter of 1927 were about 11 per cent greater than in the same quarter of 1926 and more than 50 per cent greater than in the first quarter of 1926.

The enhanced activity of the industries during 1927 is likewise brought out by the data as to employment. The total number employed in manufacturing, mining, metallurgy, public enterprises and utilities (not including the State railways) and public works reached in the latter part of the year a figure materially higher than any previously recorded (792,000 in October). For the year as a whole the average number so employed was about one-fourth greater than the average for 1926, and about one-tenth greater than for 1925.

Correspondingly the number unemployed fell off in 1927. The number of persons actually out of work is somewhat less than the number registered at employment offices as seeking jobs. Some for example are at work on farms but desire factory

or mine employment. At the height of the depression of 1926 about 300,000 were registered as seeking work. The number fell below 200,000 at the end of that year, rose slightly in the spring of 1927, and then declined rapidly to a minimum of little over 100,000 in the fall of the year. The proportion of factory workers on part-time was also much less in 1927 than in either of the two years preceding.

The increase in number employed and the decrease in part-time employment in 1927 as compared with 1926 was general in practically all branches of manufacturing industry.

Statistics of actual output are available for the mining and metallurgical industries of Poland. The production of coal, the most important mineral product, was greater in 1927 than in any other post-war year, notwithstanding the fact that export of coal was less than in 1926. It was nearly equal to the pre-war output. The quantity of petroleum produced has never since the war attained its former proportions; it shows little change from year to year. Salt production is substantially stationary, but that of potassium salts, a post-war development, becomes year by year more important. Iron ore production in Poland is highly variable, depending in part on the demand for steel and in part on the accessibility and price of imported ores; a certain proportion of the latter is required in any case, owing to the low iron content of the domestic ore. Output of iron ore in the first 10 months of 1927 was 65 per cent greater than in the same period of 1926 and at a rate considerably greater than in 1913.

Polish production of pig iron and crude steel reached a post-war record in 1927, although still considerably less than in 1913. As compared with 1924, 1925 and 1926, in all of which years the iron and steel industry was considerably depressed, a very marked gain in output appeared. For the eleven months ending November pig iron production was 95 per cent, and steel production 59 per cent greater than in the corresponding period of 1926.

Poland is one of the largest zinc-producing countries of the world. Part of the product of the smelters is from ore brought across the border from neighbouring mines in German Upper Silesia. The production was substantially stationary for several years before 1927, at a level about one-fourth less than before the war. In 1927 an increase appeared of more than one-fifth over 1926, bringing the total nearly up to the pre-war figure.

Foreign Trade.—There have been extraordinary changes in the balance of Poland's foreign trade*) during recent years, changes which are by no means fully reflected in annual totals of exports and imports, and that can be appreciated only from monthly data. One of the aims of economic policy for the future must be to make more stable both the outflow and the inflow of goods. Owing to the decline in the exchange value of the Złoty during

*) In this connection see a special article by Mr. Dewey in "The Polish Economist", No. 3/1928, page 89.



INDUSTRY IN FULL SWING (PHOT. S. PLATER)

the latter part of 1925 and the first part of 1926, the true changes in trade can best be judged from data expressed on a gold basis.

The value of imports has shown especially marked fluctuations. On a gold basis the total annual value of exports showed little change during the three years 1924 to 1926, but in 1927 was about 13 per cent greater than the year before. On the other hand imports, which were considerably larger in 1925 than in 1924, fell off greatly in 1926, following the decline in buying power of the Złoty and the imposition of various restrictions on the inflow of commodities. In 1927, on the other hand, imports were nearly twice as great as the year before, and in gold value were the greatest ever recorded. While these large imports consisted in great proportion of necessary raw materials and of machinery and other equipment, they caused the balance of trade again to become "unfavourable". The excess of imports over exports for 1927 was \$ 42,800,000, as compared with the abnormally great excess of exports over imports in 1926, which amounted to \$ 79,100,000. From March, 1924, to August, 1925, imports continually exceeded exports; the opposite was the case in every month from September, 1925, to March, 1927, while each month since then the balance has again been on the side of imports. Throughout the year 1927, and

particularly during the last six months, imports of almost every separate class of goods were greater than the year before.

One of the causes of the shift from an excess of exports in 1926 to an excess of imports in 1927 was the over-exportation of grain immediately following the harvest of 1926, which necessitated the re-importation of large quantities later on. This unfortunate and expensive movement of grain points to the need of a more satisfactory system of warehousing grain after harvest, and of enabling producers to secure advances on their stored product. Steps in this direction are in contemplation.

During the three months: April, May and June, 1927, the value of grain (including flour) imports was gold Fr. 102,900,000, whereas the corresponding figure for 1926 was gold Fr. 3,690,000.

Although the recent unfavourable trade balance does not appear entirely satisfactory from the point of view of international payments, no solicitude is felt at this time on this account for the reason that much of the increase has been for the purchase of productive goods. Furthermore, it is an indication of an enhancement of the purchasing power of the population. The increasing excess of imports over exports during 1927, viewed in conjunction with enlarged national production for the domestic market, denotes an augmentation of the per capita

consumption of the country and may be considered a sign of increasing prosperity".

Mr. Dewey gives nearly the same view of economic conditions in Poland in his second report, covering the first quarter of 1928. The final passages of this report read as follows:

"It is worthy of note that even apart from the proceeds of the Stabilisation Loan, the reserves of the Bank of Poland are greater at present than they were a year ago. In the face of the continuous excess of imports over exports, the holdings of gold and foreign assets have increased during every month but two. This fact seems to indicate that the recent excess of imports has been partly, if not chiefly, met by increased extension of ordinary merchandise credits by foreign sellers to Polish buyers".

THE BUDGET FOR 1928/29 |

ONE OF THE first duties of the recently elected Sejm was the work connected with the Budget presented by the Government. On March 27th, the Sejm was opened and on March 31st the budgetary year came to an end. Therefore the Government had to bring in not only the Budget for the year 1928/29, but also a provisional budget for the first quarter of the new year (April—June 1928), since the examination of the Budget by the two Chambers must necessarily take some considerable time and provision had to be made for the financial administration of the country from April 1st. The Government brought in yet a third statutory project, for extraordinary State investments, the realisation of which should begin at once, i. e., in April 1928.

The two last-mentioned laws (provisional Budget and extraordinary investments) were passed by the Sejm in 4 days, and were published in the "Dz. Ust. R. P." of April 2, 1928.

It must be emphasised that the provisional Budget was not modelled on the 1927/28 Budget, but on that for 1928/29, since the latter includes new or increased expenditure and investment projects which otherwise could not be made at the proper time and so would harm the economic life of the country and the efficiency of the investments themselves.

The beginning of the building season is a case in point and was one of the reasons for the rapidity with which the Sejm examined and passed the extraordinary investment Budget. This special Budget was put in the form of a separate statute and was not included in the general Budget for 3 reasons: 1) the necessity for a speedy passage through the Sejm, 2) the necessity for having a special legal basis for investment expenditure after the expiration of the budgetary year (for that part of the construction work which will be continued during the building season of 1929) and 3) the fact that the investment Budget will make expenditure from a source different from that of the general Budget, i. e., instead of future

revenues, the surplus of revenue over expenditure in the budgetary year 1927/28.

Thanks to the budgetary surpluses gained since July 1926, and in spite of buying up the token money and coin, the Treasury reserves which formerly were rather low, improved to such an extent that it became possible, without embarrassing the Treasury, to grant a sum of $\text{Z} 86\cdot2$ million for extraordinary State investments, embracing the building of indispensable State Offices ($\text{Z} 47\cdot3$ million), as well as $\text{Z} 5$ million for the establishment of a special fund to serve general cultural purposes, which are provided for by very moderate quotas in the general Budget.

The Treasury reserves from which the above disbursement of $\text{Z} 91\cdot2$ million is to be made, amounted on February 29th to $560\cdot1$ million, and thus were greater than on January 1, 1927 (when they were $\text{Z} 196\cdot7$ million), by $\text{Z} 363\cdot4$ million. If the balance of the Stabilisation Loan is eliminated, it will be found that during the period January 1, 1927 to February 29, 1928 the Treasury reserves increased by $\text{Z} 76\cdot7$ million. This rise is accounted for by the excess of revenue over expenditure, which for the 15-month period amounted to $\text{Z} 327\cdot1$ million.

The good results of the State financial administration are more clearly realised from the fact that the Budget for 1927/28 foresaw a surplus of $\text{Z} 2\cdot3$ million, whereas the actual revenue exceeded the estimate by 38·9 per cent. The expenditure during that year, though to a much smaller degree (only 25·7 per cent), also exceeded the Budget estimate; this excess of expenditure, which will have to be covered by a special Treasury Act, was caused by the payment of a bonus to Government employees, who were not granted higher salaries on account of increased expenses for the Loan Service (Stabilisation Loan of 1927), and because of special sums allotted to the building of a second State cyanamide factory.

The results of the 1927/28 administration in comparison with the Budget for that year and the Budgets for formers years are shown in the following statement (in millions of Z):

	1924/25	1925/26	1926/27	1927/28	1927/28
	a c t u a l				estimated
Total of State					
Revenue . . .	1.504·3	1.570·4	2.127·1	2.768·8	1.993·5
Civil service . . .	187·5	183·7	210·3	249·4	187·8
Pensions	16·3	22·9	22·9	27·5	26·8
Public Levies . . .	966·9	890·1	1.128·1	1.495·0	1.020·2
Monopolies	333·6	445·1	627·0	796·8	650·9
State Enterprises	—	28·6	138·8	200·6	107·8
Total of State					
Expenditure . . .	1.676·9	1.806·5	1.971·1	2.503·8	1.991·3
Civil service . . .	1.483·0	1.572·5	1.639·9	2.042·8	1.647·9
Pensions	128·4	167·5	181·7	243·8	183·5
State Liabilities .	12·7	66·5	149·5	186·3	145·1
State Enterprises	52·8	—	—	30·9	14·8

It is seen from the above that the general stabilisation of the currency and of political and economic relations and the balancing of the Budget without resort to the issue of token money and loans, have worked together to greatly increase the revenue of the country. Therefore the scope of the Budget for 1928/29 has been extended, and

embraces certain necessary items of State expenditure as well as credits for purposes hitherto insufficiently provided for.

The general outline of the Budget for 1928/29 (administration—gross, enterprises—net) is as follows (in thousands of X):

	R E V E N U E			E X P E N D I T U R E		
	ordinary	extra-ordinary	Total	ordinary	extra-ordinary	Total
A) Civil service	220	—	220	3,010	—	3,010
The President of the Republic . . .	173	—	173	8,624	600	9,224
The Parliament	135	—	145	4,946	60	5,006
State Control	28	—	28	2,157	—	2,157
Council of Ministers	10,771	140	10,911	48,123	4,255	52,378
Ministry of Foreign Affairs	3,776	—	3,776	712,263	32,703	744,966
" War	22,127	—	22,127	218,358	5,107	223,465
" the Interior	1,195,028	134,883	1,329,911	123,341	6,356	129,697
" Finance	36,578	—	36,578	107,594	568	108,162
" Justice	9,725	—	9,725	15,499	30,864	46,364
" Industry and Commerce	543	—	543	3,972	—	3,972
" Transport	10,187	1,345	11,532	44,974	1,820	46,794
" Agriculture	6,474	—	6,474	354,887	18,090	372,976
" Religious Cults and Education	10,777	28,445	39,222	99,830	34,827	134,656
" Public Works	822	—	822	59,400	832	60,232
" Labour and Social Protection	3,047	—	3,047	45,341	2,225	47,566
" Land Reform	389	—	389	2,779	—	2,779
Pensions	27,110	—	27,110	103,839	—	103,839
Grants to Invalids	—	—	—	130,046	—	130,046
State liabilities	9,500	—	9,500	231,224	—	231,224
T o t a l A	1,347,409	164,813	1,512,222	2,320,207	138,308	2,458,515
B) State Undertakings						
Concil of Ministers:						
a) Polish Telegraphic Agency	—	—	—	735	—	735
b) State Printing Works	98	—	98	—	—	—
c) State Publications	360	—	360	—	—	—
Ministry of War:						
a) State Arsenals	—	—	—	—	14,000	14,000
b) State Munition Powder Works	—	—	—	—	5,000	5,000
c) State Airplane Works	—	—	—	—	120	120
Ministry of Interior:						
a) Polish State Health-Resorts	—	—	—	—	—	—
Ministry of Finance:						
a) State Printing Works	—	—	—	—	—	—
b) State Mint	—	—	—	—	—	—
Ministry of Industry and Commerce:						
industrial, commercial, mining and foundry undertakings	2,000	—	2,000	—	—	—
Ministry of Communications:						
Polish State Railways	73,716	—	73,716	—	—	—
Ministry of Agriculture:						
State Forests	79,643	—	79,643	—	—	—
Ministry of Public Works:						
State Water Works in the Upper Silesia	—	—	—	—	—	—
Ministry of Labour and Social Protection:						
Emigration camps	—	—	—	—	—	—
Ministry of Posts and Telegraphs:						
Post and Telegraph and its subsidiary undertakings	20,770	—	20,770	—	—	—
T o t a l B	176,587	—	176,587	735	19,120	19,855
C) Monopolies						
Ministry of Finance:						
Salt Monopoly	45,000	—	45,000	—	—	—
Tobacco Monopoly	370,000	—	370,000	—	—	—
Spirits Monopoly	400,000	—	400,000	—	—	—
State Lottery	13,200	—	13,200	—	—	—
Match Monopoly	8,694	—	8,694	—	—	—
T o t a l C	836,894	—	836,894	—	—	—
T o t a l A + B + C :	2,360,890	164,813	2,525,703	2,320,943	157,428	2,478,370



SPRING FLOODS IN EASTERN POLAND
(PHOT. S. PLATER)

The estimate foresees a surplus of revenue over expenditure of $\text{Z} 47.3$ million. That such an excess is possible, is proved by the items of revenue which are calculated at a lower rate than their results in 1927/28 which were especially good, since the revenue calculated, not only in nominal Złoty but also in gold Francs, was greater than in the preceding years. Acting, however, on the hypothesis that the good results of 1927/28 were in their entirety due to the favourable conditions experienced during that year, the Government has lowered the supposed revenue for the new year by about 8 per cent. The considerable caution with which the Budget has been prepared, becomes apparent when it is seen from the monthly Treasury reports that State revenue is still rising at the present moment. In reality the increase of revenue should be mainly ascribed to the improvement in conditions, as mentioned above, and only in a small measure to fortuitous circumstances which will for some time to come remain favourable; when, however, they cease to act — of which certain signs are to be seen — this will only check the further growth of revenue but should in no case reduce it.

Only a sharp economic crisis, which there is no reason to expect, could seriously reduce the revenue in 1928/29 as compared with 1927/28.

The main part of the State revenue is provided by public levies and monopolies. For 1928/29 they are estimated to produce much more than in the Budget for 1927/28, but are nevertheless less than the actual revenue in that year, as is illustrated by the following statement:

	Revenue:		
	estimated	actual	estimated
	(in millions of Z)		
	1927/28		1928 29
Total of public levies and monopolies	1,671.1	2,291.8	2,094.2
Public levies	1,020.2	1,495.0	1,257.3
Direct taxes	503.4	680.9	571.3
including:			
Land tax	63.0	63.8	60.0
Tax on real estate	34.5	46.3	40.0
Industrial tax	196.0	281.8	210.0
Income Tax	120.0	170.6	180.0
Property Tax	95.0	65.9	50.0
Indirect taxes	130.2	166.9	159.0
Customs	182.0	372.0	280.0
Stamp fees	112.3	178.7	165.1
Extraordinary Supplementary Tax	62.3	96.5	82.0
Monopolies	650.9	796.8	836.9
including:			
Spirits monopoly	320.4	360.8	400.0
Tobacco monopoly	273.6	372.1	370.0

The revenue from the Industrial Tax is estimated at $\text{Z} 71.8$ million less than the returns for 1927/28. The revenue from the Income Tax is calculated at only $\text{Z} 9.4$ million more than was paid in the past year, although this tax is for the income made in 1927 — the year of favourable conditions — and the revenues from this tax have a decided upward tendency: in 1924 they were $\text{Z} 39$ million; in 1925 — 62; in 1926 — 104, and in 1927/28 — $\text{Z} 171$ million. The revenue from the customs is estimated at 25 per cent lower than the amount brought in 1927/28, although the readjustment of customs rates and the rise in imports would lead one to expect an increase from this source. In similar cautious manner the revenue from other taxes are planned. The revenue from monopolies

is given at zł 836.9 million, while the returns in 1927/28 were zł 796.8 million. And yet monopolies, after their reorganisation, are showing a constantly increasing profit. During the first months of 1927/28 monopolies returned monthly zł 58—60 million, in November 1927 they gave zł 71 million, in January 1928 they reached zł 81 million, and in March 77 million.

Revenue from extraordinary taxes for 1928/29 has been assessed at a lower sum than in 1927/28, since it was found that the return from the capital tax was in the past year placed at too high a figure; for the new year the revenue from this tax is put at the level of the actual returns in preceding years, namely— zł 50 million.

The revenue from State enterprises has been estimated at a figure nearly 70 per cent higher than in the 1927/28 Budget, yet lower than the actual revenue from this source in that year (zł 200.6 million). In particular, the revenue from the State Railways has been put at a figure about 100 per cent higher than in the former Budget, and the revenue from the State forests about 40 per cent greater.

With regard to expenditure, the total sum for 1928/29 has been assessed about 24 per cent higher than in the 1927/28 Budget, while extraordinary expenses—in particular investments together with subsidies to non-paying enterprises—have been increased to a greater extent (33 per cent). An analysis of the ordinary expenditure in the Budget for 1927/28 in comparison with that for 1928/29, reveals the fact that mainly productive expenditure has been raised, namely: expenditure on material, which has a great significance for the home industry, by zł 109 million, and expenditure destined for work to be carried out by the Ministries, by zł 258 million.

The expenditure planned in the new Budget does not take into account an increase in the wages of Government employees, which is really necessary and up to now has been effected by single additional payments. The Government has made the question of increased wages dependent on new sources of income, to be authorised by the Sejm. For this purpose the Government has put before the Sejm plans for new tax statutes, namely: 1) a project for a permanent Property Tax (the revenue from which is estimated at zł 100 million); 2) a project for an increase of the Land Tax (zł 60 million); 3) a project for a building tax (zł 60 million). The returns from these sources should together amount to zł 200 million (allowing for default &c.), which would be given to the improvement of the condition of Government employees.

Further, it must be emphasised that the total extraordinary expenses, administrative as well as monopoly and non-commercialised enterprises, the greater part of which is investment expenditure, are to amount, in 1928/29, to zł 445 million. If there is added zł 88 million from the extraordinary State Investment Budget, there is obtained a sum of zł 530 million allotted by the Government for investments. This sum is further supplemented

by zł 140 million from the Stabilisation Loan and investments in long-term credit bonds, which the Government, according to the draft of the Treasury Statute, will be able to make from the Treasury reserves up to 25 per cent of their total amount. A decree of the President of the Republic has already authorised the Government to invest in bonds zł 75 million from the Treasury reserves. The above shows the activity of the Government, in the field of investments, in a favourable light.

Turning to the draft of the Treasury Statute for 1928/29, it is found that it maintains the majority of the resolutions in the Treasury Statute for 1927/28. The financial administration is to be continued on the basis of monthly budgets, i. e., all credits foreseen in the Budget for 1928/29 are to be opened monthly by the Treasury. The Minister of Finance has the right to increase the expenses foreseen in the financial administrative plans of enterprises and monopolies, so long as these changes do not cause a decrease in revenue to the Treasury, are not destined for personnel, and do not imply additional State grants to the said enterprise or monopoly. Thus, the estimates for the enterprises are not meant to be strictly adhered to, but rather for purposes of orientation.

The whole Budget is prepared with the leading idea that there must absolutely be a favourable balance. This result is further guaranteed by Article 6 of the project of a Treasury Statute, which determines that opening of a credit not included in the Budget, can only take place upon the initiative of the Minister of Finance, sanctioned legally, and upon the condition that at the same time there are sufficient resources to cover the new expenditure.

INTERNATIONAL PROBLEMS OF THE CEMENT INDUSTRY

THE CEMENT industry of Europe is at present making attempts at international consolidation. The production of every cement exporting country exceeds its home consumption capacity by 50 per cent, therefore new outlets are sought abroad, on the markets of countries which have an insufficient supply of cement.

The international market is the field of tremendous competition between cement producing countries and therefore a situation is created whereby cement importing countries buy cement, in spite of the heavy transport charges, at a price lower than the home price of the exporting states. The price which the countries receive for their exported cement is so low that it does not cover, in many cases, the net cost of production, to say nothing of amortisation, overhead charges and interest on capital outlay. Nevertheless, factories are bound to keep up this export, since it is the only way in which they can secure constant output, without the risk of shutting down for half the year. The consequence of a shut-down is the paying off of all trained workers and the necessity of finding

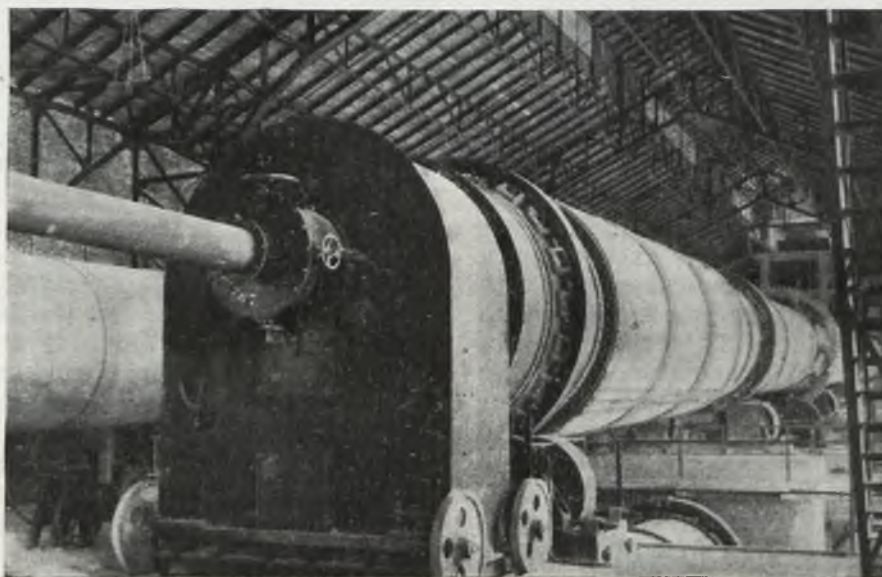
them again when activity is renewed. A workman who is aware of the seasonal nature of his occupation, will not work as well as a man who has a steady job and can see a future in the factory he works for. Moreover the inaction of a factory entails a series of expenses which count against the period of actual work.

These reasons are the source of the efforts made on behalf of consolidation in the cement industry, both within the country and without. Thus, during the last months the German cement industry has concluded a number of agreements with foreign cement-manufacturing groups, partly renewing former pre-war agreements, and

The Swedish and Danish cement industries for several scores of years have worked together with the German industry, everywhere avoiding competition.

After the war there came into play a new and important factor with which the German industry must count, i. e., the Polish cement industry, composed of the factories of the former Austrian and Russian territories.

The war caused Germany to lose a large part of its former internal sales area, that is, Upper Silesia, the Poznań territory and Danzig. The exports of Polish cement have been rising rapidly, which has been felt by Germany on the markets



REVOLVING KILN AT THE "FIRLEY" LTD. CEMENT WORKS

partly adapting others to the changed conditions on the world markets.

The most important of these international agreements is that between Germany and Belgium: it treats of mutual protection of the respective territories, and takes into account a question of great moment to Germany, that of the Dutch market. The agreement is concluded for one year only, yet the fact that between Germany and Belgium an understanding has been reached with regard to the Dutch market, should be considered a step forward in the march of European consolidation.

The Belgian cement industry is very strong, in view of the considerable home consumption and the well regulated overseas export based on long years of experience. Moreover Belgium reached an understanding with France in December 1927, whereby one more strong competitor was written off the list as regards the Belgium industry.

of the Baltic countries and the States of Latin America, which formerly were the domain of the German producers.

These considerations have inclined Germany to approach the Polish industry and to search for an understanding with regard to the maintenance of prices on common markets, and it is possible (and much to be desired) that these efforts be successful, because proper agreements will enable Poland to develop an export trade to dimensions in keeping with her production capacity.

Germany and the Scandinavian countries, which are large producers of cement, and Belgium and France are showing a strong inclination to establish an International Cement Cartel. This tendency can be explained by the simple fact that should the existing cement factories commence operations at full capacity, the world markets would be flooded, and prices would come tumbling down, causing losses which could never be recovered. Therefore

the cement industry is satisfied with smaller yet steady production and is concerned mainly with keeping its works away from the dangers associated with competition.

The present state of production of the cement factories in the different European countries is approximately as follows: the Polish industry is working at 45 per cent of capacity, the German at 50 per cent, the Swedish at 65 per cent, the Belgian at 70 per cent, the French at 90 per cent, while the English industry alone of all European countries is working at full capacity.

The same question presents an entirely different aspect in the United States, where the consumption of cement is increasing at a rate unknown before, and individual factories are being extended to dimensions unheard of in Europe. Yet America is also seeking new outlets; she is an important competitor, the more dangerous since with her factories producing at full capacity, she is in a position to export even at a serious loss, should she deem this expedient. The industry in the United States is strongly consolidated, and in this respect is ahead of Europe by many years.

All these facts give weight to the information, appearing recently in German newspapers, that the representatives of the German, Belgian and French cement industries are in the near future to commence negotiations in the matter of establishing an all-European agreement.

Undoubtedly, the Polish cement industry, which has lately formed a central Sales Office both for home and foreign sales and thus become an important factor in the European cement industry, will take part in the negotiations, will follow the course of events, and form an opinion with regard to the wisdom of such an agreement both from the point of view of the policy of its works and the general economic policy of the country.

THE SUPPLY OF ARTIFICIAL FERTILIZERS TO POLISH AGRICULTURE

ARTIFICIAL fertilizers began to be utilised on a larger scale in Poland about the year 1905 and reached the highest point of their use in the year before the war, 1913/14, when the amount was 1,550,000 tons. Before the war the maximum distribution over the whole of Poland was an average of 85 kg. per ha, which was very small, for the corresponding figures in Germany were 271 kg. per ha, and in Denmark 274 kg.

Such was the average distribution, but the distribution in various parts of Poland differed by large amounts: for instance in the Western Voievodships the average was about 360 kg. per ha, or more than the average over the whole of

Germany, while in the Central Voievodships it was only 42 — 45 kg. per ha, and in the Eastern Voievodships the figure dwindled down to 6 kg. per ha. The relatively large consumption of artificial fertilizers in the Western Voievodships is explained by the better general conditions for agriculture in those parts, and especially the lower cost of fertilizers. These figures, converted into corn, were 34 per cent of the prices charged further East for potassium fertilizers, and 58 per cent of those of nitrogen fertilizers. The very low average of 6 kg. per ha in the Eastern Voievodships was caused by the fact that only a small fraction of land owners, mainly large estates, utilised artificial fertilizers, while the majority did not use them at all.

During the war the consumption of these fertilizers in Poland fell practically to zero, and only began to increase in 1919, according to the following figures (in thousands of tons):

<i>Fertilizers:</i>				
	<i>phosphorous</i>	<i>nitrogenous</i>	<i>potassium</i>	<i>total:</i>
1919	—	—	—	9.5
1920	—	—	—	36.0
1921	—	—	—	99.0
1922	—	—	—	150.0
1923	150.7	104.0	81.6	336.2
1924	187.6	97.7	84.3	369.6
1925	319.2	148.6	242.9	710.7
1926	306.5	153.3	220.7	680.5
1927	392.0	184.0	264.0	840.0

The figure for 1927 is the largest average consumption during the period 1915 — 1927, but is only 46 kg. per ha, or 54 per cent of the 1913/14 average.

A fall in the use of artificial fertilizers was to be expected in many European countries during the war, but with the termination thereof the consumption regained the pre-war level, and in some cases rose above it (as for instance in the case of Germany, France and Italy).

However, the return to the use of artificial fertilizers in Poland was slower than in other countries, partly due to the greater devastation of the war, and partly to the fact that until recently the use of these fertilizers did not pay well. As before, so after the war artificial fertilizers were used chiefly by the larger estates. There is no accurate data to show the percentage which went to large holdings and the percentage to small farms, but it can be taken as 70 per cent and 30 per cent.

When it is taken into account that small holdings constitute 70 per cent of all the arable land of the country, it is seen that the consumption of artificial fertilizers by small farmers is negligible (in 1927, about 20 kg. per ha).

Polish soil improves rapidly under the application of artificial fertilizers, and experimental research has shown that 100 kg. of these fertilizers give the following increases in the crops (in kg.):

		Corn	Potatoes	Sugar-beet
Superphosphates	16%	94	590	810
Basic slag	16%	85	531	729
Chilian saltpetre	15½%	322	1.300	1.780
Cyanamide	20%	332	1.339	1.833
Ammonium sulphate	20%	399	1.612	2.200
Potassium salts	40%	150	950	980

The following calculation may serve as an example. Taking the average application of artificial fertilizers on the better cultivated lands before the war (for beet: 300 kg. of phosphorous fertilizers, 150 kg. of cyanamide and 160 kg. of 40 per cent potassium salts, together 610 kg.; for grain: 250 kg. of phosphorous, 100 kg. of cyanamide and 120 kg. of potassium salts, together 470 kg.); the

Artificial fertilizing is an investment which yields good interest; therefore it is well both from an agricultural and general economic standpoint that the consumption of these fertilizers should increase.

The limits to which this consumption can be a raised are very broad. The first step should be an attempt to reach the pre-war dimensions. This rise can be effected without increasing other farming expenditure. If it is admitted that further development will bring about an average consumption for the whole country equal to half the pre-war consumption for the Western Voievodships, or 180 kg. per ha (90 kg. of phosphorous, 35 kg. of cyanamide and 55 kg. of potassium fertilizers), then the total yearly consumption would be 3,300,000 tons. The increase in



POTASSIUM SALT MINE AT KALUSZ (PHOT. S. PLATER)

crops would be increased by 735 kg. of grain. At the present prices, the value of this increase would be zł 294, and the outlay for fertilizers zł 110.

Drainage has an important influence on the effectiveness of artificial fertilizers. According to the tests begun by the Kościelec Experimental Station, artificial fertilizing of undrained soil gave a 6 per cent increase in the crop, while draining to successive depths raised this figure to 13, 25 and 26 per cent. Drainage alone increased the barley crop by 72 per cent, and wheat by 161 per cent. The above experiments, since they only took place during one year and on one spot, cannot serve as a basis for a general calculation. Investigations carried on by the Turfy Experimental Station in Sterny, showed the very favourable effect drainage has on peat-bogs. Before draining, 1 ha gave about 10 cwt. of poor hay, while after draining by open ditches, the sowing of special mixtures and the addition of potassium fertilizers, 2 mowings produced 100 cwt. per ha of sweet good hay.

the crops would amount to 4,600,000 tons, the value of which would be zł 1,840,000,000 as against an outlay on artificial fertilizers of zł 680,000,000.

The work of forwarding the utilisation of these fertilizers was carried out on the following lines:

- 1) the supply of the home market with fertilizers by aiding the home fertilizer industry and facilitating the import of deficit;
- 2) regulation of the price of artificial fertilizers;
- 3) credit for the purchase of fertilizers, and the organisation of the trade;
- 4) experimenting with and propagating the use of artificial fertilizers.

The results which have been achieved can be described as follows:

- 1) The supply to the home market is improving from year to year. This is due chiefly to the increase in the home production, which rose from 300 thousand tons in 1913 to 640 thousand tons in 1927, and covered 76 per cent of the home con-

sumption. Import, which in 1913 was 80 per cent of the total amount utilised, fell in 1927 to 24 per cent. Home production rose most strongly in nitrogenous compounds and although the demand therefor increased to 90 per cent of the pre-war figure, yet in 1927 80 per cent was manufactured within the country. The same percentage of potassium fertilizers was supplied by home production, but the demand rose to only 53 per cent of the pre-war consumption. The lowest amount covered by the home supply was in phosphorous fertilizers and was 60 per cent of the demand. Only the demand for superphosphates was met entirely by the home production. The artificial fertilizers which were imported consisted chiefly of those which are not manufactured within the country, i. e., Chilian saltpetre, basic slag and high percentage potassium salts; these were not liable to duty, with the exception of superphosphates.

2) The prices of artificial fertilizers, calculated on a grain value basis, up to 1926 were unfavourable to farmers. But from the Fall of 1926, when the prices of Polish agricultural products approached the prices on the international markets, artificial fertilizer prices became favourable. The relation of prices before and after the war is illustrated by the following statement (prices per 100 kg. of fertilizers in kg. of rye):

	<i>Before the war:</i>		<i>At the present time:</i>
	<i>in former Russian Poland</i>	<i>in the Western Voievodships</i>	
Superphosphates	16% 57.6	34.4	40
Basic slag	16% 53.5	30.8	31
Chilian saltpetre	239.2	136.3	130
Ammonium sulphate	280.9	165.9	110
Cyanamide	—	—	105
Potassium salts	30% 83.4	28.5	33

The best prices, from the farmer's point of view, are for nitrogen and potassium fertilizers, which have constantly been lower than foreign prices for the same article. The dearest were those for superphosphates, which could not compete with the foreign article, and had to be protected by customs duties. In 1927, under pressure from the Ministry of Agriculture, the prices for the home superphosphates were lowered by from 10 to 18 per cent, but even so they are the dearest of the artificial fertilizers.

3) The credits from State Funds given for the purchase of artificial fertilizers constantly increased, and in 1927 they were sufficient to satisfy the demand, at least as far as home manufactured fertilizers were concerned.

The distribution of fertilizers was concentrated in the State Land Bank (Państwowy Bank Rolny) and chief agricultural trade organisations, which supplied fertilizers to provincial organisations, such as syndicates and co-operative societies. There are also several large private firms which carry on this trade. There is very little direct sale from factory to syndicates or co-operative societies. The concentration of fertilizer sales in the hands of organisations closely allied with agriculture is advantageous, and the unfavourable side of the two-degree intermediation generally met with (central

trade organisation and provincial organisation) is the increased trading costs, covered by the discounts granted by the factories to wholesale purchasers. These discounts were up to 4 per cent in the case of nitrogen compounds, 7.5 per cent for potassium salts, and 8.5 per cent for superphosphates.

The chemical control of the artificial fertilizers sold on the home market is developing very favourably. The trade in nitrogen and potassium salt fertilizers may be regarded as completely regulated in this respect, and they are sold according to their chemical contents. The sale of superphosphates is not yet regulated as well as could be desired from the standpoint of the farmer; superphosphates are sold with a guarantee which permits plus or minus 0.5 per cent, and this is generally employed for the benefit of the manufacturers, which supply superphosphates with a lower content of P_2O_5 than guaranteed. The superphosphates industry will not agree to outside control over the material dispatched from the factory. For this reason, and the small knowledge thereof displayed by the farmers, only an insignificant quantity of the home superphosphates are accessible to control of the chemical contents on the part of the receiver.

4) The experimental work and propagation of the utilisation of fertilizers has been strongly developed during the last years. The different functions are performed by all the 25 agricultural experimental stations, a part of the advanced schools and other organisations. Experimental work has been co-ordinated by the formation of the Union of Agricultural Experimental Stations of the Polish Republic. The work is therefore either under the direct control of the Ministry of Agriculture (as in the case of the National Farming Institute), or indirectly by means of financial subvention. The number of fertilizer experiments in 1927 was 6,000, of which 500 were for purposes of research work and the rest were for purposes of propagation. The work of instruction and enlightenment has also well progressed.

The research work has already yielded considerable practical knowledge as to the utilisation of different fertilizers for different plants, soils and methods of cultivation. Besides the regular experimental work foreseen in the programme, special investigations are carried out whenever a new artificial fertilizer appears on the market, or a new method of fertilizing is tried. To this group belong the experiments carried out in 1927, which tested the fertilizing qualities of phosphorous meal, and the Lossow method of soil cultivation and fertilizing.

In 1927 an investigation of the phosphorous beds situated within the country was begun.

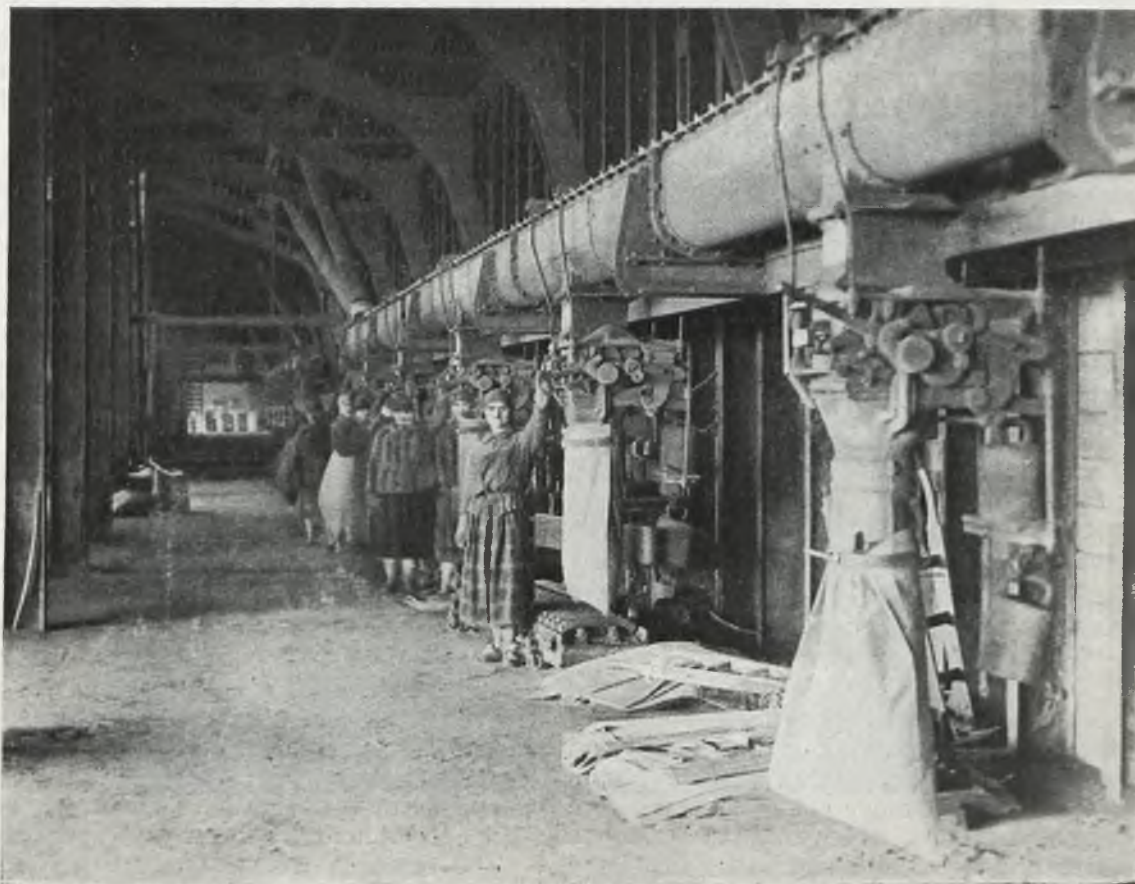
The work of research is aided by the Ministry of Agriculture by means of subsidies. In 1927, $\text{Z} 800,000$ were granted for this purpose; in addition, single donations are made by other State institutions, such as the State Land Bank and the Chorzów State Chemical Works. This latter undertaking granted in 1927 $\text{Z} 175,000$, which was utilised by the experimental stations for the purchase of apparatus, for prizes, soil tests and the above

mentioned investigation of phosphoric deposits. The means for carrying out experimental work in fertilizing is now sufficient for the needs of agriculture throughout the whole country, with the exception of the Southern and Eastern Voievodships, where there are still too few experimental stations.

A special Bureau for propaganda has been founded for the sole purpose of increasing the utilisation of artificial fertilizers, and giving instruction in their use. The Bureau has equipped a number of stations of its own.

extent to which the exploitation of home phosphorites will pay.

3) The lowering of the prices of home superphosphates, by greater efficiency in production and eliminating some of the middlemen's costs. This industry has formed a cartel for the whole country, which includes large well-run establishments and small non-efficient works which increase the average price determined by the cartel. Since the superphosphates industry enjoys high customs protection (Zł 3 per 100 kg.), it is just to demand that the



FILLING BAGS WITH CYANAMIDE AT THE STATE CHEMICAL WORKS, CHORZÓW
(PHOT. S. PLATER)

The general programme of future work in this branch should proceed on the lines already marked out.

The following are the problems which are at present of greatest moment:

1) The development of the potassium salts industry, which has reached the stage where it can no longer meet the demand without large capital outlay. No time can be spared, for the extension of the mines is necessarily work of long duration. Also the potassium salt concentrating works should be enlarged, since the lack of high percentage salts makes the country dependent on foreign supplies.

2) The investigation of the possibilities of home phosphorites being used as artificial fertilizers. The results of these investigations will indicate the

home price be lowered to the production cost of the efficient factories. Prices should be decreased for the time being by about 6 per cent, of which 4 per cent should be at the cost of production, and 2 per cent at the cost of the middlemen.

4) The continuation and the development of the credit activity of the State Land Bank, so that small land-owners should be in a position to employ artificial fertilizers.

5) Special propagation of the use of fertilizers by means of a proper price policy and system of discounts in those districts where this method of cultivation is little known.

6) The regulation of the trade according to the plan prepared by the Ministry of Agriculture, so that farmers, especially those with small holdings,

may be protected from excesses on the part of the suppliers.

7) The development of public demonstrations and instructions, especially in the Eastern Voievodships.

As the conditions for intensive farming improve, the consumption of artificial fertilizers will of itself increase. The increase will be more rapid on the larger estates, and slower on the small farms, the owners of which in most cases are not aware of the advantages accruing from modern cultivation methods. It is for this reason that the propaganda should, in the first place, take into account the small holdings, and adapt itself to their needs.

It must be remembered that the application of artificial fertilizers over the whole territory of Poland, on a level equal to the high degree of cultivation of other states, is closely allied with the problem of the amelioration of agricultural conditions. There are great areas the soil of which is over-moist, and the application of artificial fertilizers thereon, without first draining them, would be to no purpose.

THE ECONOMIC PROBLEM OF LITHUANIA

THE QUESTION of economic relations with Lithuania only became real for Poland quite recently — from the moment when Lithuania felt compelled by the League of Nations to commence negotiations with Poland for the establishment of normal relations which have been non-existent since the war. What results will ensue and how quickly they will be attained is difficult to say in view of the invariable return on the part of Lithuania to the same unreal political claims. In any case, the first step towards the liquidation of the last of the post-war anomalies, i. e., the non-existence of normal conditions between two neighbouring countries, has been made. Two States, which up to the war had been for over a hundred years under the yoke of the Russian Government and together fought against its supremacy, and before this had been for 300 years united of their own free will and together formed a single nation — these two countries for 9 years after the war have not been able to find a common *modus vivendi*. Is not this paradoxical? And especially so since it is not a state of affairs imposed upon the weaker by a stronger nation, but inversely, for it is a matter to-day of common knowledge that it is Lithuania which will not budge from a fictitious state of war with Poland, and repeatedly has rejected propositions made by the latter to enter into normal relations, primarily those of an economic nature.

It is especially noteworthy, and the figures given below make this very apparent, that in the field of economic conditions Poland and Lithuania have many interests in common and none at variance.

Lithuania covers an area of 55.9 thousand km.² (ranking 20th in Europe) and numbers 2,170,000

inhabitants (census of 1923; 23rd place in Europe). Thus, there is an average density of population of 39 per km.² (17th place in Europe). It is a country thoroughly agricultural since 80 per cent of the population make their living from farming. The land, with the exception of small areas of forest, is the sole source of wealth of the country; it has no mineral wealth, no industry of any importance (hardly 6 per cent of the population are engaged in industry or crafts), practically no commerce (3 per cent of the population), and no large cities. The only economic stronghold of Lithuania, besides her agricultural power, is the geographical situation of the country which is favourable to the development of transit trade. In this respect Lithuania is in a position similar to Poland; both the countries lie on the transit route between the East and West of Europe.

It would seem that under these conditions the economic policy of Lithuania would be directed in the first place towards the development of agriculture and in the second place to the booming of transit trade through the country; especially should her efforts lie in this direction because in each of these fields she has had, and still has, apart from favourable conditions generally, a series of difficulties which must be overcome: as regards agriculture — probably the lowest level of soil cultivation in Europe, lack of up-to-date improvements and a low standard of stock raising, and as regards transit — the deplorable state of the means of communication. In this last respect there hangs over Lithuania, just as over Poland, the fatal heredity of Russia, which administered these lands without the slightest regard to their economic and cultural needs.

What has Lithuania accomplished for both the above ends, during the period since the war, that is since she became a separate unit?

The condition of agriculture has been made worse rather than better. This was caused directly by the Land Reform, which set itself a task which was political and not economic. In Lithuania the majority of the large and medium estates belonged to Poles, while Lithuanians were, in general, the proprietors of small holdings. It is not to be wondered at that the Lithuanian State began agricultural reform by favouring the governing nationality. In any case this fact and a similar movement which went hand-in-hand with it, i. e., expropriation of land without indemnity — are questions for the home policy of Lithuania, which we neither wish to nor can consider in these pages, as we are interested only in the economic side of the Land Reform. It is found that undoubtedly this reform was carried through too rapidly and with insufficient preparation. Thus, in 1921, there was designated for parcellation every land holding greater than 80 ha, and thereby it came about that 747,000 ha were destined to be divided up. On December 31, 1926, 490,303 ha or 66 per cent of the total were parcelled out, and the whole plan is to be completed in 1928. By the end of 1926, 50,000 new farms were formed out of the parcelled lands; and the new proprietors,

in the majority of cases, received land destitute of buildings and animals, while Government help in the form of credits amounted, for the whole period (to the middle of 1926), to \$ 1,200,000, or barely \$ 2.50 per ha. In such fashion the Land Reform caused the liquidation of what were formerly well-run large farms, while in the place of these there were established new small holdings, too poor, not only to be able to improve, but even to maintain themselves. Many years will pass before these new farms become organised on an efficient basis, and meanwhile Lithuanian agriculture and economic life is passing through a very critical period.

In similar fashion the Lithuanian Government did not take advantage of the favourable transit

and in Eastern Poland the only bulk export product. Poland has coped with the difficulty engendered by the closing of access to Kłajpeda by sending timber by a slightly longer route through the port of Danzig; but this state of affairs is causing the downfall of Kłajpeda. Before the war it was *par excellence* a timber exporting port, since this article constituted the cargo for 80 per cent of the outgoing ships; and of the total exports, 65 per cent were from Poland, 15 per cent from lands to-day belonging to Russia, 6 per cent from Latvia, and only 14 per cent from Lithuania. In 1913, the export of sawn timber through Memel amounted to 434.5 thousand cub. m. in 1922 (the period of administration of the port by the League of Nations) it



VIRGIN FOREST IN EASTERN POLAND
(PHOT. J. BUŁHAK)

conditions. Here also political motives took the upper hand over economic reasons. And here also the foundation was anti-Polish tendencies and the dislike of entering into relations with Poland.

Transit through Lithuania has two main directions: one from the East to the West and *vice-versa*, and the other from the South in the direction of the Baltic Sea. In both these directions, owing to the absence of relations with Poland, Lithuanian transit is hampered: on the East-West route by reason that the main part of this line of communication passes through Poland, which makes Lithuania necessary to transport goods by secondary lines little adapted for efficiency in transit, while the Northern route is wholly blocked, since on this line only export goods from Poland to the Baltic Sea are transported. This concerns the port of Kłajpeda (Memel), and besides railway transit, river transport down the Niemen. The whole Eastern part of Poland, between which and the Sea lies Lithuania, gravitates naturally to Kłajpeda, while the Niemen, flowing a considerable distance through Poland, is the natural water-way for Polish timber, which is in general the main,

was 201.2 thousand cub. m. and in 1925 (under Lithuanian management) it amounted to 63.8 thousand cub. m.

Similar is the case of the Lithuanian railways which, owing to the lack of transit traffic from Poland, have too little work to do, and are therefore a losing enterprise which has not the means to develop and extend itself for efficient service.

It has therefore come about that the Lithuanians, blinded by political considerations, have neglected the only two means of raising the economic state of their country.

On the surface the indices of the economic development of Lithuania apparently contradict the above deductions. The trade balance since 1922 is in general equal, with a slightly unfavourable tendency in 1924 and 1926; the State budget has been balanced since 1921; the "Lit" (= 10 cents U.S.A.) since its introduction in 1922 has not deviated from par, the State Debt is inconsiderable (about \$ 9 million, or \$ 4.1 per inhabitant).

But a closer analysis of Lithuanian economic development dissolves this illusory picture.

In the first place let us take the trade balance. In export, timber from Lithuania is 21·2 per cent of the total in point of value (1926). This favourable item in her trade, however, Lithuania has brought about by uneconomic exploitation of her forests. The state of affairs in this respect to-day is alarming. Before the war forests constituted 25 per cent of the total area of the country, and to-day they are only 14 per cent. The normal yearly growth of forest in Lithuania suffices to satisfy barely 14 per cent of the home needs and export should not be thought of. If the Lithuanian Government will, in the future, want to save its country's forests from utter destruction — and sooner or later it will come to this way of thinking—it will then lose one of the most important favourable items in its foreign trade balance.

Similarly, on the import side, the situation cannot remain in its present state. Lithuania is practising radical customs tariff protection, both agricultural and industrial. In the long run, a small and weak country cannot maintain these conditions. Already one of the Lithuania's main contractors, Germany, is exerting considerable pressure in this direction. And once customs protection is modified, it will be impossible, and undesirable, to limit the internal consumption, which is at present abnormally low.

Similarly in the case of the balance of the State budget: it will be difficult to maintain equilibrium, for the realisation of a number of important investments in agriculture, in the building of roads, railways &c., can no longer be delayed, and the poor Lithuanian population will not easily find, in their present condition, the means to cover increased expenditure.

In view of these considerations, Lithuanians should carefully follow the trend of the negotiations between their delegates and those of Poland.

If the Lithuanians once decide to lay aside antagonism and political tendencies, and regard the question from a strictly economic standpoint, they will easily be convinced that by the regulation of economic relations with Poland they will, in more than one way, help the development of their own country.

They will revive the port of Kłajpeda, which to-day is moribund, and will tap the trade markets on the Niemen.

Simultaneously the railways will gain large traffic from Poland, which will favourably affect the State budget, to-day burdened by a railway deficit, and this will permit the indispensable railway investments.

Moreover, they will gain for their goods access to the vast Polish market, whereby they will, to a certain extent, be freed from the almost monopolistic attitude of Germany which is to-day the sole, with few exceptions, purchaser of Lithuanian products. Free trade with Poland, which country, as regards certain articles, is rather the associate than the competitor of Lithuania on the international market, should lead to the levelling of the abnormally low prices for Lithuanian agricultural products in comparison with Polish; this would be entirely in the interest of the Lithuanian farmer.

Poland is also interested in the quickest possible settling of economic relations with Lithuania. She is interested in the possibility of exporting her timber through Kłajpeda. This is perhaps the only matter Poland really cares about — beside, of course, the general aim of liquidating abnormal relations with one of her neighbours.

No aggressive aims against Lithuania are harboured by Poland in the field of economics, just as there never were in the field of politics.

SUMMARY OF LAWS, ACTS AND EXECUTIVE DECREES

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

from March 15th to April 15th 1928

Law regulating the raising of foreign credits by Local Governments and sale abroad of shares and mortgage bonds issued by long-term credit companies and institutions ("Dz. Ust. R. P." No. 31, item 290).

Aviation Law ("Dz. Ust. R. P." No. 31, item 294).

Amendment of art. 2 of a decree in respect of the issue of a 4 per cent premium loan ("Dz. Ust. R. P." No. 31, item 296).

Amendment of the Statute in force in former Austrian Poland, concerning the organisation of chambers of commerce and industry ("Dz. Ust. R. P." No. 31, item 300).

Supplement to include Danzig in the Trading and Navigation Agreement with Norway ("Dz. Ust. R. P." No. 31, item 303).

Sale of artificial fertilizers ("Dz. Ust. R. P." No. 34, item 318).

Law regulating banks and banking operations ("Dz. Ust. R. P." No. 34, item 321).

Employment contract for clerical workers ("Dz. Ust. R. P." No. 35, item 323).

Employment contract for manual workers ("Dz. Ust. R. P." No. 35, item 324).

Safety and hygiene in workshops ("Dz. Ust. R. P." No. 35, item 325).

Statutes of town and country credit companies and amendments in the statutes of credit institutions, sanctioned by the former occupation authorities ("Dz. Ust. R. P." No. 35, item 326).

Regulation of the obligations of the Polish State arising out of the taking over of the Lwow — Sniatyń — Zaluze Railway ("Dz. Ust. R. P." No. 36, item 327).

Facilities for industrial and transport companies ("Dz. Ust. R. P." No. 36, item 329).

Change in the Statutes concerning the temporary regulation of Local Government finances ("Dz. Ust. R. P." No. 36, item 335).

Management of State forests ("Dz. Ust. R. P." No. 36, item 336).

Control over foodstuffs and articles in general use ("Dz. Ust. R. P." No. 36, item 343).

Regulating assistance for the amelioration of agriculture ("Dz. Ust. R. P." No. 36, item 344).

Recalculation of the balances of public and private enterprises ("Dz. Ust. R. P." No. 38, item 352).

Changes in the organisation of the State Land Bank ("Dz. Ust. R. P." No. 38, item 352).

Change in the Statute concerning the granting of State guarantees ("Dz. Ust. R. P." No. 38, item 358).

Registration of agricultural products which are pledged ("Dz. Ust. R. P." No. 38, item 360).

Inspection of animals for slaughtering and meat ("Dz. Ust. R. P." No. 38, item 361).

Change in the Laws concerning the exclusive right of the State to instal pipe lines for natural gas ("Dz. Ust. R. P." No. 38, item 362).

Hours of trading and hours for opening certain trading and industrial enterprises ("Dz. Ust. R. P." No. 38, item 364).

The organisation and sphere of activity of the mercantile marine authorities ("Dz. Ust. R. P." No. 38, item 366).

Change in art. 120 of the Statute concerning the State Industrial Tax ("Dz. Ust. R. P." No. 38, item 371).

Liquidation of the property of ex-Russian legal bodies¹⁾ ("Dz. Ust. R. P." No. 38, item 377).

Change in Statutes regarding the Posts, Telegraphs and Telephones ("Dz. Ust. R. P." No. 38, item 378).

Establishment of the State enterprise "Polish Posts, Telegraphs

and Telephones" ("Dz. Ust. R. P." No. 38, item 379).

Limited Liability Company Law ("Dz. Ust. R. P." No. 39, item 383).

Protection of inventions, models and trade-marks ("Dz. Ust. R. P." No. 39, item 384).

Chambers of Agriculture ("Dz. Ust. R. P." No. 39, item 385).

Unions of Local Government Bodies ("Dz. Ust. R. P." No. 39, item 386).

Changes in the freight tariff of the Polish State Railways, normal gauge ("Dz. Ust. R. P." No. 39, item 387).

Regulation of auction sales ("Dz. Ust. R. P." No. 41, item 395).

Export duty on alder wood¹⁾ ("Dz. Ust. R. P." No. 41, item 400).

Production cost, excise duty and selling prices of alcohol ("Dz. Ust. R. P." No. 41, item 401).

Amendment of the Statutes of the Bank Gospodarstwa Krajowego ("Dz. Ust. R. P." No. 41, item 402).

Customs facilities for machinery and apparatus not manufactured within the country ("Dz. Ust. R. P." No. 41, item 403).

Certificates of origin of for animals and inspection of animals at railway stations and landing stages ("Dz. Ust. R. P." No. 42, items 408 409 and 410).

Provisional Budget for the period from April 1 to June 30, 1928¹⁾ ("Dz. Ust. R. P." No. 43, item 419).

Extraordinary State investments²⁾ ("Dz. Ust. R. P." No. 43, item 420).

Executive decree to the Presidential decree concerning communal savings banks ("Dz. Ust. R. P." No. 44, item 424).

The freeing from State Administration of the enterprise "State Telegraph and Telephone Instrument Factory" ("Dz. Ust. R. P." No. 45, item 428).

Permission for the Postals Savings Bank to engage in life insurance ("Dz. Ust. R. P." No. 45, item 444).

Prolongation of the effectiveness of export duty on rye and rye flour ("Dz. Ust. R. P." No. 45, item 445).

¹⁾ See page 182.

²⁾ See page 182.

¹⁾ See page 217.

¹⁾ See page 207.

PRODUCTION AND TRADE

STATE OF EMPLOYMENT IN MARCH. — The situation on the labour market underwent further improvement in March, and in connection with the beginning of the spring work on the land the unemployment among farm workers, who had found work in their neighbourhood, decreased. The renewal of agricultural work caused industry to become more active in order to supply farmers' wants, especially metal factories manufacturing agricultural machinery and implements, artificial fertiliser factories etc. A second factor which influenced the decrease of unemployment was the commencement of the building season, road construction work etc. In the remaining branches of production, such as the heavy industry, the state of employment showed no important changes in March. Therefore, the decrease in unemployment from 177,388 to 167,676 (in spite of the reduction of a certain number of persons doing special work for the unemployed) should be regarded as chiefly the result of seasonal conditions. Nevertheless, a comparison with the two preceding years shows that the state of employment is constantly improving, as can be seen from the following table of

registered unemployed (at the beginning of the different months):

	1926	1927	1928
January	251,326	190,140	165,268
February	301,457	208,536	179,602
March	302,179	213,592	177,388
April	295,529	205,770	167,676

Simultaneously with the fall of unemployment, the number of part time employed has risen. Thus, during March the part-time workers increased from 25,565 to 48,878, which is partly due to the decrease of production in the textile industry. Of the total number of partially-employed, 56 worked one day per week, 351 — 2 days, 9,617 — 3 days, 5,963 — 4 days and 32,892 — 5 days per week; the average time employed thus worked out at 4.5 days per week.

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

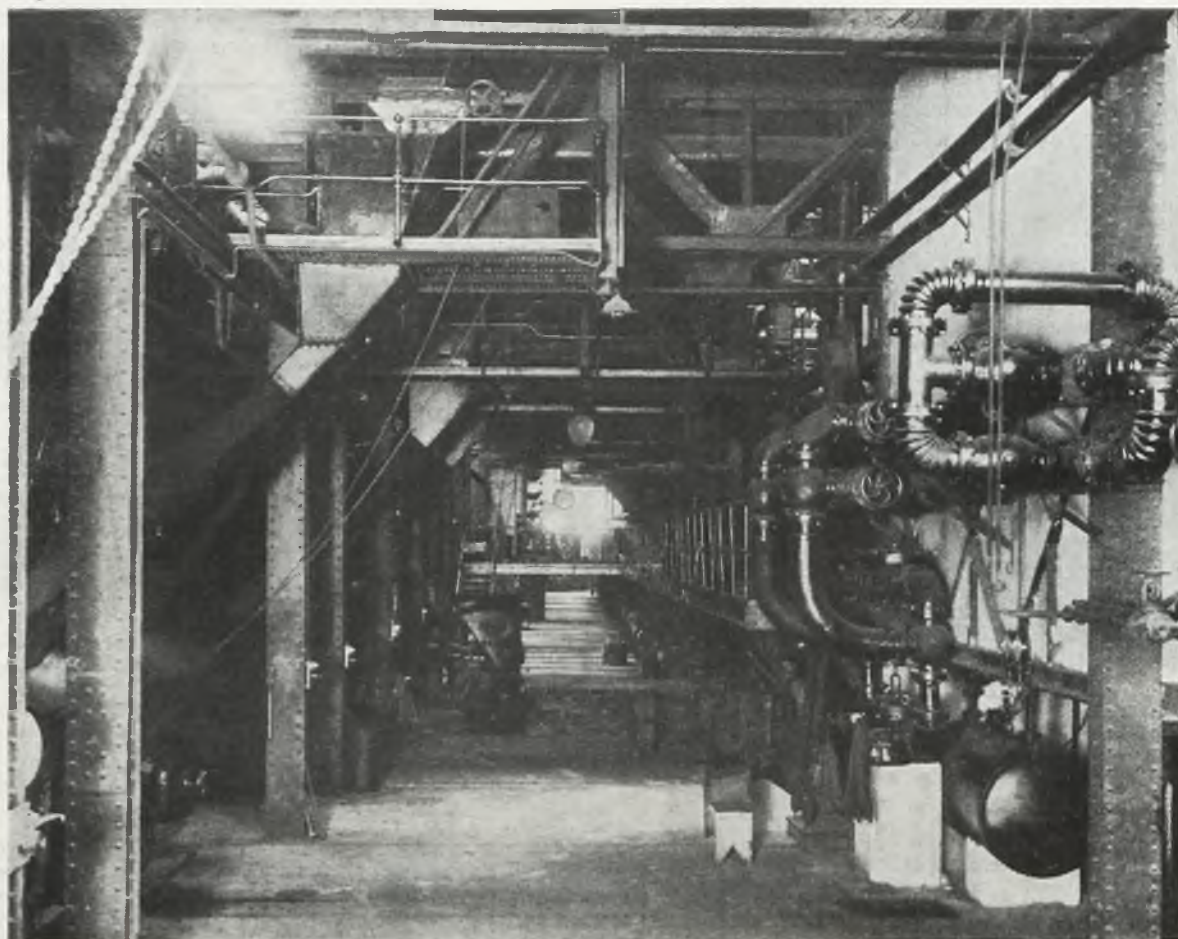
	February	March	+ Increase - decrease
mining	19,814	19,267	- 547
foundries	2,810	2,499	- 311
metal	12,058	11,364	- 694
textile	15,273	16,049	+ 776
building	20,499	18,733	- 1,766
clerical	17,940	17,067	- 873

In coal mining the state of employment did not show any great changes; the daily extraction of coal diminished slightly; export showed no downward

tendency, but there is seen a certain falling off in home sales owing to the smaller quantities used for heating. In the petroleum industry the extraction of crude oil decreased, and hopes of improvement are bound up with the newly commenced drillings. Iron ore mining is developing rapidly, and employs an ever increasing number of workmen. In zinc and lead mines the situation is unchanged. There was considerable activity displayed by potassium salt mines. In general the number of unemployed miners decreased in March by 547, and was about 13 per cent of the employed.

In iron founding, conditions were favourable; the production of pig iron slightly increased, and that of steel and rolling-mill products reached a record amount approximating the figures of pre-war production. The Government orders were not so large, and the purchases especially of building iron, were larger on the part of private interests. Unemployed foundry workers were 4 per cent of those at work.

In the metal industry there was a renewal of activity, especially in the division of agricultural machinery and implements, which, however, did not



A PORTION OF THE WARSAW ELECTRICAL POWER STATION (PHOT. J. MALARSKI)

evenly affect all the industrial centres. Most of the work fell to the factories in the West and Centre of the country, while the inflow of orders in the Southern areas was not sufficient. The factories manufacturing small articles, especially those used in building, were fully employed. The Bielsk textile machinery works are constantly regaining their pre-war sales markets, 3/4 of the production being placed abroad. The situation in the mill machinery works and boiler factories is shaping well. In connection with the improvement in a number of branches of the metal working industry, the number of unemployed fell by 694; unemployed metal workers were 14 per cent of those at work.

In the woolen industry of the Bielsk district, the summer season finished with good results generally. The whole production was sold, and even a considerable number of extra orders were executed. Owing, however, to the somewhat smaller capacity of the winter market, the industrialists are planning to slightly curtail their production of winter-wear. In the Łódź district, the

situation is not very favourable, especially as the sale of cotton goods, even during the pre-holiday period, was very small. The factories have set about decreasing their production by reducing the number of days worked per week, which causes a rise in the number of part-time workers. The sales of Łódź woolen material were not large in spite of a reduction in price and production has been slightly curtailed. In the Białystok district only some of the factories, those which are fitted out for the manufacture of summer wear, were in action. The clothing, jute and fancy wear industries worked under favourable conditions. In connection with the dismissal of Łódź workmen, the number of unemployed in the textile industry rose by 776, and was about 10 per cent of those at work.

In the building industry, the state of employment has been rapidly improving (the number of unemployed building workers decreased by 1,766) in spite of the fact that so far work has been limited to finishing jobs begun in last year's building season. Few new buildings have been commenced yet, but judging

from the preparations, this year's building promises to be on a far greater scale than that of last year, and building credits are everywhere being sought. The ceramical industry, in the expectation of improved conditions, has made considerable investments, therefore, a sufficient supply of ceramical building material appears to be assured.

Worthy of note is the fall of unemployment in the group of clerical workers, which decreased by 873. The greatest unemployment decrease, of course, was in the group of seasonal workers which cannot, unfortunately, be stated in figures because of the lack of statistical data therefor; in any case, the fall in this group accounted for the total decrease in the number of unemployed.

In connection with the improvement on the labour market, a number of trades made demands for wage increase; the seasonal industries were most active in this respect. But in March no important agreement for a collective rise was concluded. The wage increases which were granted, and in some cases they were considerable, were always of

a local character; thus in the Lwów ceramical industry wages were increased by from 20 to 25 per cent, in the Poznań area by 30 per cent, and in the potassium salt mines by 5 per cent.

GRAIN

— The temperature throughout Poland varied between 0·5° and 3·0° C below the average for many years, the lowest temperature being noted to the East of the Vistula. Rain was scarce, the largest falls being in the Southern part of Poland (Kraków 72 per cent, and Cieszyn 64 per cent of the normal amount) and in other parts only from 7 — 40 per cent of the average over a period of many years; for instance in Bydgoszcz it was only 7 per cent, in Poznań 12 per cent, in Wilno 13 per cent and in Kalisz 23 per cent.

During the month the weather was fine, but the strong cold winds and night frosts allowed the snow on the fields to melt very gradually and the soil became well saturated with moisture, especially in the Eastern and Southern areas.

In many Voievodships the winter sowings were under an insufficient covering of snow, and the frosts caused much damage in those areas. The losses cannot yet be reported in figures, but the Chief Statistical Office estimates that the loss in relation to the whole of the winter sowing would be between 12 and 15 per cent; wheat suffered less than rye.

The state of the sowings, according to the 5 point system, on about the 20th of March was as follows:

	1928	1927
wheat (winter)	3·1	3·5
rye	2·9	3·5
barley	2·6	3·5

In general, the state of the winter sowings in many areas was below the average, and in some was bad; it is, however, too early to judge, since fine weather may yet repair the damage.

The uncertainty as regards the crop affected the prices for all kinds of grain, which rose. The movement of prices during the period under review is illustrated by the following statement:

If the prices for the first week in March are taken as 100, the prices in the last week were: for wheat 111, for rye, oats and feeding barley 113,

	HOME EXCHANGES								Berlin	Chicago
	Warsaw		Poznań		Lwów		Av. of 3 exch.			
	₤	\$	₤	\$	₤	\$	₤	\$		
W H E A T										
March 1—7	52·60	5·91	48·86	5·49	50·46	5·67	50·64	5·69	5·63	4·96
" 8—15	54·66	6·14	50·00	5·61	51·62	5·78	52·09	5·84	5·88	5·04
" 16—22	57·30	6·43	51·50	5·78	54·75	6·15	54·52	6·12	5·91	5·10
" 23—31	59·11	6·64	53·90	6·06	55·25	6·20	56·09	6·30	5·90	5·24
April 1—7	60—	6·74	54·50	6·12	55·66	6·25	56·72	6·37	5·96	5·32
" 8—15	60·80	6·83	55·50	6·23	not quoted	—	58·15	6·53	6·17	5·43
R Y E										
March 1—7	41·10	4·62	40·58	4·56	40·05	4·50	40·58	4·56	5·78	4·56
" 8—15	41·63	4·67	43·90	4·93	40·62	4·56	42·05	4·72	6—	4·60
" 16—22	43·95	4·93	43·90	4·93	43·37	4·87	43·74	4·91	6·14	4·67
" 23—31	46·86	5·27	45·90	5·16	45·81	5·14	45·86	5·15	6·16	4·73
April 1—7	48·27	5·42	46·75	5·25	46·12	5·18	47·05	5·29	6·22	4·74
" 8—15	50—	5·61	49—	5·50	not quoted	—	49·50	5·55	6·41	4·85
B A R L E Y (feeding)										
March 1—7	37·55	4·22	35·60	4—	34·44	3·87	35·86	4·03	—	4·48
" 8—15	39—	4·38	35·75	4·01	38·12	4·28	37·62	4·22	—	4·07
" 16—22	42·30	4·75	36·50	4·10	40·75	4·57	39·85	4·47	—	4·30
" 23—31	43·50	4·88	37·30	4·19	41·25	4·63	40·68	4·57	—	4·31
April 1—7	46—	5·16	37·50	4·20	42·75	4·80	42·08	4·72	—	4·39
" 8—15	—	—	39·50	4·43	—	—	—	—	—	4·17
B A R L E Y (brewing)										
March 1—7	41·56	4·67	40·23	4·52	39·96	4·49	40·58	4·56	5·96	—
" 8—15	42·45	4·76	40·50	4·55	42—	4·71	41·65	4·67	5·94	—
" 16—22	44·80	5·03	41·25	4·63	44—	4·94	43·35	4·87	6·04	—
" 23—31	46·58	5·23	42·04	4·72	44—	4·94	44·21	4·97	6·11	—
April 1—7	46·87	5·27	42·25	4·74	45·33	5·08	44·82	5·04	6·15	—
" 8—15	49—	5·50	44—	4·94	—	—	46·50	5·22	6·31	—
O A T S										
March 1—7	38·54	4·33	35·95	4·04	34·98	3·93	36·49	4·10	5·25	3·93
" 8—15	40·62	4·56	37—	4·15	35—	3·93	37·54	4·21	5·47	3·95
" 19—22	43·10	4·84	37·75	4·24	39·58	4·44	40·14	4·51	5·65	3·97
" 23—31	44·25	4·97	39·50	4·44	39·06	4·46	41·14	4·62	5·71	4·31
April 1—7	45·67	5·13	40—	4·49	39·25	4·41	41·64	4·68	5·78	4·33
" 8—15	50—	5·61	41·50	4·66	—	—	45·75	5·11	6·12	4·37

and for brewing barley 109. During the first half of April, the upward tendency continued; and in comparison with the first week in March the relative prices were: for wheat 115, for rye 122, for feeding barley 111, for brewing barley 115 and for oats 125.

The largest increases were in oats, caused by the demand for seed and the credits granted by the State Land Bank for sowing purposes. The prices of medium quality sowing oats in the Poznań area varied from ₤ 48 to ₤ 50 per 100 kg. f. o. r. loading station.

The smaller supply on the home market, in connection with the unfavourable crop outlook, was reflected in rye prices, which increased during the six weeks by about 22 per cent.

In the first half of April the prices of wheat exceeded the highest price in 1927. In relation to the prices noted on foreign corn exchanges, they were higher than Chicago by \$ 1·20 per 100 kg., Liverpool by \$ 1·05, and Berlin by \$ 0·65.

The rise in barley prices was influenced by the demand for sowing purposes.

With regard to foreign trade, March was the third consecutive month which closed with a favourable balance. In January, 1928, the excess of exports over imports was ₤ 885,000, in February ₤ 2,807,000, and in March ₤ 3,758,000.

The imports and exports of grain during March, compared with the preceding month and the same period of 1927, are given below (in tons):

Exports:

	February 1928	March 1928	March 1927
wheat	394	326	325
rye	1,291	693	575
barley	9,030	10,991	7,348
oats	721	2,644	670

Imports:

	February 1928	March 1928	March 1927
wheat	2,642	2,174	19,789
rye	468	1,438	13,040
barley	114	48	73
oats	1,497	1,937	2,174

In comparison with March 1927, the export of all corn save wheat was greater in March 1928. In comparison with February, 1928, the export of oats was threefold, that of barley slightly greater, while that of rye and in lesser degree wheat, was smaller. Germany was practically the exclusive importer of Polish wheat (92 per cent), and the sole consumer of Polish rye. It must be remembered that up to and including June 30, 1928, the export of wheat and rye is subject to a duty of £ 15 and £ 20 respectively per 100 kg.

In March barley was exported chiefly to: Belgium (34.7 per cent), Germany (27.8 per cent) and Denmark (19.9 per cent); smaller quantities were shipped to: Latvia, Holland, Austria, Czechoslovakia, Switzerland, Finland and Estonia.

Oats were exported chiefly to: Germany (41.6 per cent), England (28.3 per cent), Latvia (17.6 per cent), and Estonia (9.9 per cent); smaller quantities were sent to: Austria, Czechoslovakia and Lithuania.

The sources of corn imports were: wheat — from Hungary (63.7 per cent), Germany (30.6 per cent), Canada and Czechoslovakia; rye—from Germany (97.3 per cent), Holland and Rumania; barley—from Hungary (51.5 per cent), Germany (45.8 per cent) and Czechoslovakia (2.7 per cent); and oats—from Germany (97.8 per cent), Czechoslovakia, Austria and Sweden.

BUTTER

— In the second half of March the tendency on the butter market continued strong. Consumption increased largely, but the supply was also greater, and sufficient to cover the demand. After the holidays the prices showed a slight fall.

Prices of butter in the first half of April in comparison with the second half of March, are given in the following statement: (in £ per kg.):

	March 15th-31st	April 1st-15th	Percentages of difference
Katowice	7.50	7.10	— 5.3
Lublin	7.00	6.80	— 2.8
Lwów	6.70	6.70	—
Poznań	6.95	6.95	—
Warsaw	7.25	6.80	— 6.2
Wilno	7.50	6.60	— 12.0

The export of butter in March kept to the level of January and February, being 698 tons, valued at £ 4,423,000. Practically the whole of the butter went to Germany, which took 91.5 per cent. Smaller amounts were shipped to England (1.4 per cent), Sweden, Denmark and Austria.

EGGS

— The production and supply of eggs in the second half of March, was sufficient, and the demand was good. During the last week of March, producers and middlemen held back supplies, awaiting a rise in prices before the Easter holidays. During these holidays the tone on the egg market was firm, turnover was large and the demand considerable. After the holidays, there was a weaker tendency, and simultaneously the supply rose in conjunction with larger production.

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

	March 16th-31st	April 1st-15th
Katowice	205.— to 210.—	200.— to 210.—
Kraków	205.— " 210.—	220.—
Lublin	—	225.— " 230.—
Lwów	205.— " 210.—	200.— " 205.—
Tarnopol	210.— " —	180.—
Stanisławów	175.— " 180.—	180.— " 185.—
Warsaw	205.— " 215.—	220.— " 230.—

The export of eggs in March was 5,092 tons valued at £ 13,835,000, thus indicating a considerable increase over the 2,881 tons shipped abroad in February. The main purchaser was, as usual, Germany, which took 3,184 tons or 62.5 per cent of the total exports. Smaller quantities were bought by England, (14.3 per cent), Austria (11.3 per cent), Italy (5.5 per cent), Czechoslovakia (4.5 per cent), Switzerland, Holland, Latvia, Belgium and Hungary.

The imports of eggs into Poland amounted to 11 tons valued at £ 29,000, and came mainly from Norway.

TIMBER

— There was sufficient round timber on the market to satisfy the demand in full. With the exception of a slight upward tendency in the prices of pit-props, the tone was weak especially in pine logs for saw-mills in the Western part of the country, where the prices dropped by five points per cub. m. The stocks of unsold timber are inconsiderable, amounting to not more than 19,000 cub. m. per forest directorate, and there is no doubt that even these



VIEW OF A POLISH FOREST IN SPRING
(PHOT. J. BUŁHAK)

small stocks will be sold at a somewhat lower price.

The average selling prices in February and March f. o. r. loading stations were as follows (in £ per cub. m.):

		Febr.	March
Pine logs for saw mills (per cubic m.)	Warsaw	78.—	78.—
	Radom	71.—	71.—
	Siedlce	65.70	64.35
	Wilno	53.—	51.—
	Białowieża	60.—	60.—
	Poznań	78.70 ¹⁾	77.30 ²⁾
	Bydgoszcz	74.—	69.—
Pine logs for building purposes (per cub. m.)	Siedlce	50.10	54.20
	Białowieża	52.—	52.—
	Wilno	42.—	40.—
pine pit props (per cubic m.)	Warsaw	39.—	39.—
	Radom	37.—	37.—
	Siedlce	27.50	27.50
	Poznań	29.10	31.10
	Bydgoszcz	32.—	32.—
spruce logs for saw mills (per cub. m.)	Toruń	30.—	31.—
	Siedlce	40.20	40.20
oak logs for joinery (per cub. m.)	Lwów	44.—	—
	Białowieża	115.—	115.—
pulpwood (per stacked cub. m.)	Luck	155.—	155.—
	Siedlce	30.—	30.—
	Wilno	24.50	24.50
pine fire wood (per stacked cub. m.)	Białowieża	29.—	29.—
	Warsaw	16.—	16.—
	Radom	16.—	16.—
	Siedlce	13.—	13.—
	Wilno	9.50	8.50
	Białowieża	14.—	14.90
	Bydgoszcz	14.50	13.50
spruce fire wood (per stacked cub. m.)	Poznań	10.90	11.—
	Toruń	16.—	16.—
beech fire wood (per stacked cub. m.)	Lwów	11.—	—
	Lwów	13.—	—

¹⁾ 24 per cent of which affected by the "Panolls Flammea".

²⁾ 16 per cent of which affected by the "Panolls Flammea".

Exports effected in February and March are given in the following table (in tons):

	February 1928	March 1928	March 1927
pulpwood	86.801	71.368	81.555
pit props	55.266	57.557	99.493
logs, eams	109.072	148.353	232.475
telegraph poles	3.075	4.453	3.466
deals, boards, battens	104.700	124.379	274.031
railway sleepers	10.121	17.206	14.464
cooper's materials	2.193	2.337	4.565

It is seen that the amount exported in March 1928 is considerably lower than during the same period in 1927. But the value received, which was z 51 million in March 1928, is very little lower than in March 1927. The turnover of timber during this month when the export of the raw product is at its highest, is satisfactory; this is corroborated by the data from the Chief Statistical Office, which show a large increase of workmen in the timber industry, and railway statistics which testify to the active transports of round timber within the country. Therefore, it may be said that the situation in the Polish timber industry has improved.

COAL

— The figures for the month of March indicate that there was a certain improvement in comparison with the preceding month. The total sales of coal during the period under review, increased in spite of the slight decline of sales at home on account of a considerable increase in exports, chiefly to the Northern markets, though the prices fell further in competition with English coal. The rise in export to

these markets was due to the conclusion of contracts to supply the Swedish, Danish, Norwegian and Finnish railways; the English exporters had also made efforts to secure these contracts.

Owing to the opening of new paper and cellulose works in Sweden after the Easter holidays, a larger demand can be expected on the Swedish market.

It must be stated, however, that although the export in March was more favourable than in February, yet in view of the decrease in prices due to English competition, the general situation was less favourable than in the preceding months.

The state of the coal industry in the different coal fields of Poland in March is shown by the following figures (in tons):

Coal mining districts	Extraction	Home consumption	Exports	Stocks at pit-heads ¹⁾
Upper Silesia	2,634.000	1,441.000	877.000	993.000
Dąbrowa	651.000	411.000	139.000	373.000
Kraków	224.000	188.000	366	82.000
Total:	3,509.000	2,040.000	1,016.366	1,448.000
February ²⁾ :	3,271.000	2,064.000	956.000	1,345.000
+ in relation to February	+ 238.000	- 24.000	+ 60.366	+ 103.000

It is seen from the above table that the total output from the mines rose by 7.28 per cent. The total sales increased, though to a lesser degree than the output and while home sales declined by 1.16 per cent, exports increased by 6.29 per cent. Since the output increased more rapidly than the sales, the stocks at the mines rose by 7.66 per cent.

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

²⁾ Corrected figures.

The export of Polish coal to foreign countries is given in below (in thousand tons):

Destination	1925	1926	1927	1928	
	first semester ¹⁾ (monthly averages)			February ²⁾	March
Austria	194	214	192	262	236
Hungary	36	42	48	58	53
Sweden	—	144	202	148	190
Denmark	2	72	97	127	120
Czechoslovakia	47	41	47	106	91
Latvia	1	18	29	38	30
Yugoslavia	8	14	22	8	25
Switzerland	2	10	19	11	12
Italy	1	49	126	36	52
Rumania	6	8	10	7	15
Lithuania	1	3	6	3	3
Memel	1	3	2	5	10
Holland	—	1	—	3	6
Finland	—	9	9	2	16
France	—	23	16	40	29
Norway	—	7	15	50	62
England	—	37	—	—	—
Germany	451	1	1	2	—
Belgium	—	—	12	6	—
Russia	—	—	6	—	11
Other countries	—	1	6	3	6
Total:	750	697	865	916	967
Danzig	26	37	27	21	27
Bunker coal	—	38	15	19	24
Export, Germany not included	325	771	906	954	1,018
Shipped through:					
Danzig	29	225	314	353	369
Gdynia	—	30	54	105	117
Tczew	—	5 ³⁾	11	—	—

Thus, it is seen that the exports to the Baltic and Scandinavian markets were 458.000 tons (64.000 tons more than in February). The increase was chiefly due to the considerable rise in consignments to Sweden (by 42.000 tons), and increases as regards Finland (by 14.000 tons), Norway (by 12.000 tons), Danzig (by 6.000 tons), and Memel (by 5.000 tons). The exports to Latvia declined by 8.000 tons and to Denmark by 7.000 tons.

The export to the Succession States (Austria, Hungary and Czechoslovakia) was 380.000 tons (46.000 tons less than in February). The largest decline was in the case of Austria (by 26.000 tons), but there was also a decline in the case of Czechoslovakia (by 15.000 tons) and Hungary (by 5.000 tons).

154.000 tons were shipped to the remaining countries (37.000 tons more than in February). There was a relatively large increase as regards Yugoslavia (by 17.000 tons) and Italy (by 16.000 tons); and a smaller rise in the case of Ruma-

¹⁾ 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. Export to Russia was during 2 months.

²⁾ Corrected figures.

³⁾ Average quantity for 6 months; this figure has been calculated as explained in note No. 1; exports via Tczew lasted only 4 months.



THE "PEACE" COAL MINE, UPP. SILESIA. (PHOT. J. PLATER)

nia (by 7.000 tons), Belgium (5.000 tons) and Holland. There was a slight decrease in the amount sent to France (by 11.000 tons) and to Germany.

The average daily shipments of coal abroad decreased to 37.630 tons (in February 39.833 tons).

The quantity of coal passing through the Polish ports was 486.000 tons of which 369.000 tons or 16.000 tons more than in February went through Danzig, and 117.000 tons through Gdynia. The quantity shipped through the two ports was 47.83 per cent of the total coal exports (in February 47.91 per cent).

The number of idle days in the mines was not large (4 per cent of the number of working days in March).

The number of workmen employed in the mines decreased by 99 to 112.067.

The average output per workman rose by 1 kg. to 1.276 kg. of coal extracted per day.

The basic wages in the mines remained without change. It may be remembered that in December, 1927, the Unions in all three coal fields presented a demand for a 25 per cent wage increase and certain changes in the agreements. After long negotiations the matter was referred, in the case of the Upper Silesian coal field, to the Arbitration Commission, which rejected the demand, whereupon the Unions appealed to the Board of Arbitration. Also in the Dąbrowa and Kraków coal fields the matter has not yet been definitely settled.

The average daily wage of miners in February together with the various supplements, including those in kind, was in February $\text{z} 8.70$ as against $\text{z} 8.52$ in the preceding month.

Thus, it is seen that the average daily wage of miners rose slightly during February.

The prices of coal on the home market in March remained unchanged, but as from April 16th a 10 per cent rise came into force, brought about by the difficult situation in the coal industry, which is due to the general increase in wages by 8 per cent.

The price of coal for the countries included in the Convention Agreement (Austria, Hungary, Czechoslovakia) did not change in March.

The export prices f. o. b. Danzig and Gdynia were lowered to 1/3 — 11/-sh. in the case of Upper Silesian coal, and to 10/9 — 10/6 sh. in the case of Dąbrowa coal, respectively.

The railway and ocean freight tariffs were without change in March.

PETROLEUM

— The output of crude oil in March in Poland was as follows (according to provisional data, in tons):

Drohobycz district	51.500
Jasło "	6.300
Stanisławów "	3.490
Total:	61.290

In the most important petroleum basin, Borysław — the extraction was about 45.200 tons, or over 2,000 tons less than in January (February, since it is 2 days shorter, is not suitable for comparison). The average daily production in this basin was: in January 1.530 tons, in February 1.480 tons and in March about 1.460 tons. The fall in the output in March is accounted for by the lack of important new drillings, for it is inevitable that the production from old wells should fall. The only drilling worth mention was the well "Fanto I", which yielded shallow oil at a depth of 283 m. The initial output was 15 — 20 tons per day.

The wages and the relations between workmen and employers were without change and only in the Jasło district two minor incidents caused a break in the even trend of work.

The price of oil decreased somewhat, owing to difficulties in the export trade. The average price of Borysław crude in March was \$ 20.2 per ton. In view of the fact that the State Petroleum Refineries did not purchase the Borysław gross production in March, there is expected a further fall in prices. The prices of petroleum products within the country did not change, with the exception of a slight rise in cylinder and vulcan oils.

The transformation of about 20.500 thousand cub. m. of natural gas gave about 2.600 tons of gasoline.

In February the extraction of oil in Poland was as follows (in tons):

Drohobycz district	49.232
Jasło "	5.749
Stanisławów "	3.405
Total:	58.386

The decrease of production in February was due to two causes. One was the shorter month, and the other was the lack of drilling. The wells drilled in December and January gave a high initial output, but their production

rapidly declined, and was considerably lower in February.

The question of building up the Southernmost part of Mrażnica, will be settled in June or July by the activity of the "Petain" well, belonging to "Limanowa"; the drilling has reached a depth of 1.300 m., and the well is expected to produce at 1.500 m.

The test drillings near Borysław have so far given no results, but a drilling by the Polish State Petroleum Company (in the vicinity of Daszawa in the Borysław district) gave at a depth of 314 m., 60 — 70 cub. m. of natural gas per minute at a pressure of about 20.5 atmospheres. This is one more indication of the gas-fuel wealth in this region.

The stocks of crude oil (in storage and at the mines), were at the end of February as follows, (in tons):

Drohobycz district	35.663
Jasło "	5.935
Stanisławów "	3.538
Total:	45.136

These stocks decreased in comparison with January (49.529 tons) by 4.390 tons. The Borysław oil stocks were 22.856 tons, or over 3,000 tons less. The decrease in stocks was caused by smaller production and larger supplies sent to the refineries.

The number of workmen in petroleum mining on March 1, was 11.301, of which 7.975 were employed in the Drohobycz district (on February 1, the total number was 11.123).

The transformation of natural gas in February was as follows:

Output of gas (in thous. of cub. m.)	39.307
Throughput of gas (in thous. of cub. m.)	19.193
Output of gasoline (in tons)	2.375
Home consumption "	2.158
Exports "	94

The situation in the gasoline industry continued to be favourable and the production declined only on account of the shorter month (in February 2.561 tons of gasoline were extracted). The prices of gasoline had an upward tendency at \$ 54 per ton (in December and January — \$ 53 per ton). There were 18 works active during the month (16 in Borysław, Drohobycz and Schodnica, and 2 in Bitków).

The state of the refining industry was as follows (in tons):

throughput of crude oil	59.098
output of petroleum products	55.258
home consumption	29.479
exports	19.884
stocks on March 1	185.480
stocks of crude oil in refineries	35.580
number of workmen employed	4.852

The State Mineral Oil Factory in Drohobycz transformed 7.736 tons of crude oil and produced 6.948 tons of various petroleum products. In general 5.500 tons were consumed on the home market, and 5.214 tons were exported. This refinery, the largest in Europe, in February employed 726 workmen.

The home consumption of petroleum products in February declined in comparison with the preceding month, when it was 31.578 tons, but it was greater than in the corresponding period of 1927 (February 1927 = 28.347 tons).

Export has become stabilised since May 1927 at about 20.000 tons per month; in February 1928, it amounted to 19,884 tons, including (in tons):

benzine	3.599
kerosene	3.271
gas oil	5.194
lubricating oil	1.755
paraffine wax	4.406
other products	1.659
Total:	19.884

The export to different countries was as follows (in tons):

Czechoslovakia	5.633
Austria	2.597
Germany	1.298
Switzerland	808
Other countries	3.350
Danzig	6.198
Total:	19.884

The stocks at refineries continued to increase, and on March 1, were 185.480 tons, which embraces (in tons):

	March 1, 1928	February 1, 1928
benzine	23.189	20.734
petroleum	20.703	18.336
gas oil	20.839	18.647
lubricating oil	37.573	33.227
paraffine	3.761	4.469
other products	79.415	81.963
Total:	185.480	177.376

An increase is shown in all the main petroleum products, especially gasoline and lubricating oils, with the exception of paraffine wax.

The amount of ozokerite extracted from the two productive mines (in Borysław and Dźwiniacz), was 59.4 tons in February. The export was 40.5 tons (to Austria and Germany). On March 1, the stocks of ozokerite at the mines were about 188 tons.

SALT).

— During the second half of 1927 all the Polish salt-producing enterprises were in constant and energetic activity, i. e. the 3 rock-salt mines 11 salt works

(10 of the concentrating basin system and one vacuum), and two brine wells producing brine for the manufacture of soda. Of the above enterprises 13 belong to the State, and 3 (1 salt mine and 2 brine wells) are owned privately by the Solvay Co., Ltd.

The total number of workmen employed in the industry averaged 3.551, and was less by 154 in comparison with the second half of 1926.

The total output of salt during the period under review was 292.223 tons, of which the State undertakings produced 162.538 tons (55.7 per cent), and private enterprises 129.685 tons (44.3 per cent).

In comparison with the second half of 1926, the total output increased by 37.615 tons, or by nearly 15 per cent; of this amount 13.663 tons fall to the State undertakings, and 23.952 tons to the private enterprises, which makes an increase of 9.2 per cent and 22.8 per cent, respectively.

Of the total output, there were 142.353 tons (48.7 per cent) of rock salt, 66.249 tons (22.6 per cent) of evaporated salt and 83.621 tons (28.7 per cent) in industrial salt brine (calculated at the rate of 30 kg. of salt per hectolitre of brine).

In comparison with the second half of 1926, all the above kinds of salt show a rise in output, namely: rock salt by 17,453 tons (14 per cent), evaporated salt by 2.332 tons (4 per

cent), and salt in the form of brine by 17.845 tons (27 per cent).

As regards the different grades of salt, there were produced in Poland in the second half of 1927, 185.108 tons (63.4 per cent) of table salt, 99.596 tons (34.1 per cent) of industrial salt, 6.558 tons (2.2 per cent) of cattle salt, and 961 tons (0.3 per cent) of other kinds of salt.

In comparison with the second half of 1926 the increase of production in the different grades was as follows: table salt by 15.794 tons (9 per cent), industrial salt by 19.437 tons (24 per cent), and cattle salt by 2.788 tons (75 per cent).

The increases in the output of table and cattle salt testify to the improvement in the welfare of the population, and the rise in the industrial salt production shows the development in the chemical industry, which is constantly utilising larger quantities of salt for the manufacture of soda.

Sales and local consumption in Poland during the second half of 1927 were favourable; 300.309 tons of salt were sold and a part of the reserve stocks were utilised.

Of the total sales, 283.419 tons (94.4 per cent) were placed on the internal market, and the remaining 16.890 tons (5.6 per cent) were exported.

In comparison with the second half of 1926, the sales rose by 38.174 tons (14.2 per cent) i. e., on the home



PHARMACEUTICAL CHEMICALS STORE ROOM, MESSRS. LUDWIK SPIESS I SYN S.A. MANUFACTURING CHEMISTS AND DRUGGISTS WARSAW. (PHOT. J. MALARSKI)

*) For the results of the first half of 1927, see "The Polish Economist" No. 10/1927, page 403.

market by 34,237 tons (13.6 per cent), and abroad by 3,937 tons (30 per cent).

The exports were divided among the Wieliczka mines to the extent of 3,364 tons, the State Works in Inowrocław (Poznań Voievodship) to the extent of 5,175 tons and the private Wapno mine (Poznań Voievodship) to the extent of 8,351 tons.

12,835 tons (76 per cent) of table, rock and evaporated salt, and 4,055 (24 per cent) of industrial salt were exported. The importing countries were mainly Latvia and Denmark for table salt, and Czechoslovakia for industrial salt.

During the second half of 1927 the Monopoly selling-prices of salt did not change. On October 1, 1927, the wages in the State works were raised by 10 per cent. There was no change in organisation, and the production of salt continued to be in the hands of the Ministry of Industry and Commerce, and the sales were managed by the Treasury.

The detailed results of the operation of the Polish salt industry for the whole year 1927, in comparison with the period before the war and with the years 1925 and 1926, will be given in one of the early issues of "The Polish Economist".

IRON

—With the coming of spring, conditions are slowly beginning to improve. The output of the foundries is increasing, due to the larger home demand, for export has only risen very slightly. The production of pig iron has increased, and there are good prospects for a further rise.

One blast furnace has been closed down, but this was the result of its inefficient service.

There is greater activity to be seen in ore mining which is corroborated not only by increased output but also by the opening of new mines; prospecting work is also gaining in intensity.

Extraction, import and export are given in the following statement (in tons):

		Output	Imports	Exports
Monthly av. for	1927	44,947	59,129	7,538
January	1928	59,900	45,446	8,919
February		59,684 ¹⁾	41,164	8,833
March		69,357 ²⁾	27,388	—
March	1927	43,639	42,815	7,197

¹⁾ Corrected figures.

²⁾ Provisional figures.

The extraction of iron ore increased in March as compared with February by 16.2 per cent, but in view of the fact that in March there were three more working days than in the preceding month, it is found that the average daily extraction rose by only 3.2 per cent.

There were 34 mines at work in March, of which 29 were producing. During the month one producing mine was shut down, and one new mine came into service.

The iron foundries worked with greater activity in March than in February. The increase of production went partly into export and partly into stock, to await the rising demand from the spring building. The calculations of the foundries were upset by the long continued frosts, which delayed the commencement of building and therefore created some little difficulty for the foundries. There is every indication, however, that the extent of building operations in 1928 will be greater than in any of the last few years.

According to the calculations of the Syndicate of Polish Iron Foundries, which does not take into account pig iron, pipes, and so-called "own consumption", the orders in March were for 58,312 tons, or 13.3 per cent less than in February. Of this amount the Government orders were 9,782 tons (in February 22,941 tons), and private orders 48,538 tons (in February 44,344 tons). Of the latter, 28,823 tons (in February 27,064 tons) were orders from the trade, and 19,707 tons (in February 17,280 tons) were from industry.

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

	Pig iron	Steel Ingots	Rolled products	Number of workmen employed
Monthly av. for 1927	51,515	103,685	76,765	43,968
January 1928	59,105	104,281	75,013	46,072
February	54,577	102,283	82,071	47,283
March	58,124	118,341	95,035	47,933
February 1927	47,672	114,416	83,842	41,704

It is seen that the production in all divisions rose considerably. The steel and rolling mills gave a monthly output greater than any year since the war. The production of pig iron in comparison with February rose by 6.6 per cent; the production of cast steel, including steel ingots, rose by 15.7 per cent and the products of rolling mills by 15.8 per cent. The number of workmen increased by 650, or by 1.4

per cent, owing to the change over for certain categories of work from a 10-hour to an 8-hour day; this change, however, has been effected gradually over a period of several months.

The export of foundry products was 12,157 tons, or 5.95 per cent more than in February, and the payment received therefore was zł 6,561,000 or an increase of 18 per cent in comparison with the preceding month.

The following comparative statement shows the export of Polish foundry products (in tons):

	Exports:			Imports:		
	February 1928	March 1928	February 1927	February 1928	March 1928	February 1927
pig iron	758	990	2,602	682	1,596	1,198
rails, iron and steel articles	4,680	3,430	4,961	822	2,998	1,723
iron and steel sheets	2,595	4,776	4,870	1,389	2,897	1,152
pipes	3,452	2,961	3,583	76	—	84

It is seen from the above statement that there was an increase in sheet exports, which is a dearer product, and a decrease in ordinary iron, which is a cheaper product, and this accounts for the greater profit. The excess of exports over imports decreased by 44.5 per cent.

ZINC AND LEAD

—The conditions of work and the development of the lead and zinc industry in March were without change. It must be mentioned, however, that the slight improvement on the lead and zinc world markets was well reflected in the activity of the Polish zinc foundries, which were enabled to increase their production. As has already been indicated in these pages, the home consumption is very small in relation to the export, and therefore every change on the international market is keenly felt by the home industry.

Zinc and lead mining in Poland is an inseparable part of the whole industry. Polish foundries use about 2/3 of home ores to 1/3 of foreign ores, but the foreign ores are so expensive that in order to make zinc and lead smelting pay, the home ores must, by their cheapness compensate for the dearness of the foreign. To-day this arrangement is possible in Upper Silesia owing to large capital outlay which has been made in modernising and organising the mines,



A VIEW OF A SECTION OF THE ROYAL FOUNDRY, UPP. SILESIA
(PHOT. S. PLATER)

The output of zinc and lead ore in its natural and enriched state as well as imports are given below (in tons):

	Extraction:		Imports:	
	ores gross amount	enriched ores	zinc ores	lead ores
Monthly av. of 1927	86,780	31,441	16,388	1,362
January 1928	90,673	32,640	13,672	1,113
February ..	88,505 ¹⁾	31,860	16,669	1,288
March	99,600 ²⁾	35,900	15,798	1,655
March 1927	95,900	34,160	17,754	1,717

The ore extraction in March increased by 12.5 per cent in comparison with February. This was due solely to the longer month, for the daily extraction was barely 0.1 per cent higher. The March production was 14.8 per cent higher than the average monthly for 1927. The imported ore in March was 48.6 per cent of the home extracted ore (calculated in the enriched state). The same number of mines were worked in March as in February (12, of which 11 were producing). The number of workmen employed in the mines fell to 7,008, or by 3 per cent. The output per workman per month rose by 2.4 per cent (from 12.3 to 14.2 tons). The refining works were well occupied in March; they employed 132 workmen and produced 600 tons of zinc oxide as against 480 tons in February and 460 in January.

The work of zinc and lead foundries was carried on under normal conditions.

The output of zinc and lead in March was as follows (in tons):

	Production:			
	raw zinc	output of zinc sheets	raw lead	Number of workmen employed
Monthly av. of 1927	12,525	1,295	2,405	12,727
January 1928	13,094	1,071	2,153	12,804
February ..	12,588	1,457	1,202	12,810
March	13,596	1,460	2,300	12,752
March 1927	12,552	1,194	2,411	12,536

The output of both zinc and lead slightly improved in March: 7.95 per cent more zinc than in February and 4.5 per cent more lead. The production of zinc sheets remained unchanged; the number of workmen diminished; the number of zinc foundries in operation was 13, of rolling mills 4, and of lead foundries 2.

The price situation somewhat improved. Exports of zinc sheets and refined lead in March as compared with February and the corresponding period of last year, are given below (in tons):

	Raw zinc dust incl.	Zinc sheets	Refined lead	Value of exports (in thous. of)
January 1928	8,861	991	748	12,303
February ¹⁾	10,341	891	884	13,839
March ²⁾ 1928	12,457	872	904	16,200
March 1927	12,214	1,247	2,019	20,497

¹⁾ Corrected figures.
²⁾ Provisional figures.

¹⁾ Corrected figures.
²⁾ Provisional figures.

Thus, it is seen that the total export rose by 14.8 per cent to 14,233 tons, while in point of value, it rose by 17.1 per cent.

Compared with March 1927, export diminished in quantity by 8 per cent and in value by 20.9 per cent, due to the fall of the prices on the international market.

VARIOUS

CONFERENCE OF HOP GROWERS.-

In "The Polish Economist" No 8/1927, the situation in the hop industry in Poland was reviewed. Attention was called to the two conditions necessary for the industry to thrive; they were: 1) the more careful gathering and drying of the plant and standardisation of the product, and 2) the organisation of the industry and trade and the unification of the different hop associations throughout the country.

On March 13, 1928 a conference was held at the Ministry of Agriculture, at which representatives of the hop and agricultural organisations took part. Of the resolutions passed at this conference, the following are worthy of note:

1) to strive, not for the extension of hop plantations, but to raise the quality of the product, and in this connection to bring before the Government the following propositions: a) that credits be granted not for the establishment of new plantations, but for the construction of new oasts and for raising the efficiency of old ones; b) that all credits and Government subsidies be granted on the strength of certificates issued by the proper hop associations, in order that the authority of these organisations may be upheld and their work on behalf of the hopplanters be stimulated:

2) to establish the basic hop areas in Poland, i. e. Wołyń, former Russian territory, former Galicia, and the Poznań area, and to leave to the local hop organisations the accurate delimitation of the area suited for hop growing;

3) to introduce into the new customs tariff higher duties on hops, in order to limit the import of foreign hops (the German and Czechoslovakian plants have a long-standing reputation and the two countries practice dumping on a large scale);

4) to request the Ministry of Foreign Affairs and the State Export Institute to exert strenuous efforts to gain new foreign markets, with special attention to the Baltic countries.

Lastly, the conference passed a very important resolution with regard to unification of hop organisations, namely:

5) admitting that the formation of a solid front in the hop industry is pressing and indispensable, this Conference has decided to request the Union of Polish Agricultural Organisations to distribute the draft of the Statutes of the projected Union of Hop Associations among the different hop organisations for their approval; and to call in the near future a conference of the

representatives of the Polish hop organisations for the final acceptance of the draft of the Statutes and for the calling into being of the Union of Hop Associations.

DEVELOPMENT OF THE YEAST INDUSTRY. — The production of yeast in Polish factories, of which there are at present 19, one of which does not distil alcohol (since 1926), constantly increased from 1922 to 1926 in which year however there was a slight fall. The development of the industry during that period is illustrated by the following figures (in tons):

1922	5.127
1923	5.433
1924	6.863
1925	8.825
1926	8.505

In the year 1925/26 the production was 8.300 tons, while in 1926/27 it decreased to 7.996 tons.

The increase in the output of yeast with simultaneously a much slower rise in the production of alcohol as a by-product, is the result of the increased demand for yeast and the policy pursued by the State Spirits Monopoly.

During the first years after the War the industry produced much less yeast than at present, and more of the less valuable product—alcohol. Yeast factories then bore a close resemblance to spirit distilleries, and there were no yeast factories which did not produce alcohol (the first was established in 1926).

The ratio of yeast to alcohol produced and the percentage of yeast extracted from the raw materials used depends upon the type of apparatus employed and the policy followed by the factory. Since the war the Polish yeast factories have been gradually changing over from grains to molasses which yield more yeast and less alcohol (of poor quality), than grains. The factories are also installing newer apparatus, which extracts the maximum of yeast from the raw product.

Thus, there is at present seen a constant increase in the extracting efficiency and a fall in the ratio of alcohol to yeast. This development is tabulated in the following statement (data for the calendar years 1922—1926 and the campaign periods 1925/26 and 1926/27):

	Raw product used—tons					Per 1 kg. yeast—litres 100 ^l alcohol
	molasses	malt and malt flour	other raw products ¹⁾	Yeast produced from 1 kg. of the raw product kg.		
	in actual figures					
1922	11.813	1.302	1.197	0.36		0.34
1923	13.007	791	961	0.37		0.31
1924	16.307	962	826	0.38		0.30
1925	18.901	690	334	0.44		0.24
1927	17.368	408	227	0.47		0.19
1925/26	17.227	524	182	0.46		0.19
1926/27	16.803	357	256	0.45		0.21

	Index 1922 = 100			
	raw products in general:			
1922	100	100	100	100
1923	103	103	91	
1924	126	106	88	
1925	139	122	71	
1926	126	131	56	

The production of alcohol in relation to yeast is decreasing rapidly. In actual figures it shows a slight rise in the years 1922—1925, and only in 1926 a sharp fall, as below (in thousands of litres 100^l):

1922	1.737
1923	1.713
1924	2.026
1925	2.073
1926	1.577

As mentioned above, the rationalisation of the yeast industry is abetted by the policy of the State Spirits Monopoly. After the establishment of a Spirits

¹⁾ *Grains, lupine, potatoes.*

Monopoly, during the campaign year 1924/25, the production of alcohol in yeast factories was limited by distilling rights, under which 45 per cent of the production was purchased by the Spirits Monopoly. In practice, in order that the output of yeast should not be hindered, the distilling rights were not kept to, and the factories distilled large quantities of alcohol (at the cost of limiting the production of other industrial distilleries, using molasses and fruit) and sold them at good prices (only 20 per cent lower than agricultural alcohol) to the Spirits Monopoly and abroad.

In order to keep the yeast industry in its proper sphere and put an end to this abnormal state of affairs, the Spirits Monopoly established for the campaign of 1925/26 distilling rights which were dependent on the amount of yeast produced, i. e. every yeast factory could distil alcohol at the average rate per kg. of yeast produced in the last campaign, but the rate could not exceed 0.25 litres of alcohol per kg. of yeast (in factories making yeast from molasses, this ratio in practice was smaller). Simultaneously the distilling rights were made equal to the purchase contingent.

For the campaign of 1926/27 the Ministry of Finance could raise for different yeast factories the distilling rights from the distillation reserve, but this increase could not entail the augmentation of the purchase contingent of the Spirits Monopoly.

Beginning with the campaign of 1927/28, the distilling rights for yeast factories will be allotted, individually according to the average production of alcohol per kg. of yeast during the last three years period, and the production of yeast during the last campaign. In the event of a rise in the yeast output, the factory may obtain an additional permit; and in the case of a decrease, the distilling rights will be lessened.

MOVEMENT OF PRICES IN MARCH. — During this month trade, after three months of inaction, began to increase. Especially was this the case in those branches which produce holiday and spring goods. But this increased consumption demanded longer credit than usual and purchasers made payment in 4 to 6 month bills of exchange, and sometimes even 9 month; since such long term bills are discounted only by private institutions and a large demand causes an increase in discount rates, the private rate of discount departed widely from that of the Bank of Poland. This caused the Bank great difficulty as it is desirous

of bringing down the discount rates to normal.

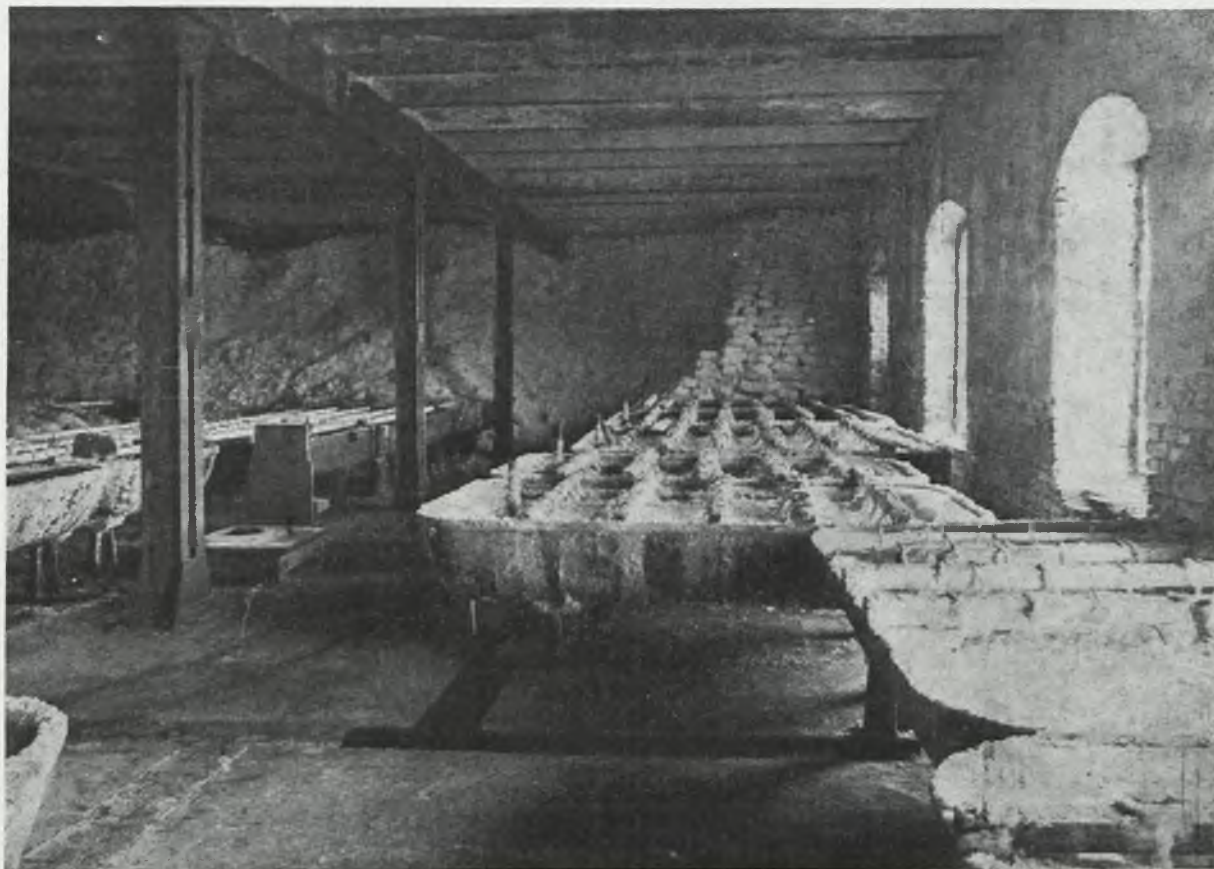
The level of prices in March indicated an upward tendency, as can be seen from the following table:

	Wholesale price index:	Retail price index:	Cost of living index:
January 1927	112.8	147.8	116.6
March "	115.8	147.1	116.0
April "	119.4	147.7	117.8
May "	120.5	150.0	118.8
June "	120.2	149.1	119.0
July "	120.9	147.2	115.3
August "	120.1	147.2	116.4
Sept. "	119.3	149.6	117.2
October "	119.6	150.0	119.0
November "	120.7	151.5	121.8
December "	120.0	151.2	121.0
Jan. 1928	118.6	151.5	120.3
February "	117.8	150.3	118.3
March "	121.2	151.9	119.3

In comparison with the preceding month the index of wholesale prices in March rose by 2.9 per cent, of retail prices by 1.1 per cent and of the cost of living by 0.9 per cent.

In spite of the simultaneous rise in both retail and wholesale price indexes, it cannot be affirmed that there was a general upward price tendency; on the contrary, the increase was limited to special goods, and was on account of special reasons.

Thus, the index of wholesale prices rose owing to the increase of foodstuffs prices by 7.0 per cent, while the industrial index showed no change whatsoever. In agriculture, only grain



A PLANT FOR THE CRYSTALLISATION OF SODA AT THE "SOLVAY" WORKS, NEAR KRAKÓW
(PHOT. S. PLATER)

had a strong upward tendency while articles of animal origin showed a slight downward movement. This applies especially to eggs, the demand for which increased, but to a smaller degree than the supply. Butter prices also had a downward trend; cattle and meat did not vary. With regard to agriculture, the movement of grain prices was similar to those on the international exchanges; yet home prices were influenced solely by local conditions, since the Polish market as the result of the export duty (rye) and import duty (wheat) is to some extent independent of foreign corn exchanges. This is corroborated by the fact that home wheat prices, of which commodity there is always a lack in Poland, were higher than in Liverpool and London, while home rye prices were lower than on the European exchanges. The reasons for the increase in Poland was the Easter demand and the accumulation of reserves on account of the uncertainty of the crops both in Poland and the other main corn producing countries.

In the group of industrial articles, there were only minor variations. Textile raw material prices went up

slightly, causing, though with difficulty, a sympathetic increase in the prices of the finished articles; the prices of timber and building material were without change in spite of the increased demand. Certain kinds of skins declined slightly in price.

On account of the wholesale price increase retail prices rose in agricultural products by 2·3 per cent, and in industrial products by 0·2 per cent; the rise in the latter group is undoubtedly the result of pre-holiday and spring purchases.

The increase in the index of the cost of living was caused by the rise in foodstuffs prices by 1·6 per cent and those of fuel by 1·4 per cent. The remaining indexes did not change.

FOREIGN TRADE

— In publishing a Presidential decree dated February 13, 1928 regarding the adjustment of the customs tariff, the Polish Government was aware that during the period separating the announcement of the decree and its coming into effect (February 14 and March 14, respectively)

there would be a sudden increase of imports, especially of the goods, the rates of which were increased in the ratio of 1:1·72 or 1:1·30. It was clear that for technical reasons, the increased orders for goods would not arrive in February, but would all come crowding in during the first half of March. The events foreseen took place, and the imports in March rose to $\text{₹} 372,140,000$, or by $\text{₹} 101,762,000$ in comparison with February, during which month the imports remained on the same level as in January. Since, at the same time export, which had no special incentive, rose only by $\text{₹} 10,491,000$ to $\text{₹} 208,314,000$, the trade balance became very much more unfavourable: in February, it was $\text{₹} 72,555,000$ while in March it rose to $\text{₹} 163,826,000$. This however, cannot disturb the rate of the Złoty, in view of the state of the reserves of the Bank of Poland. The most unsatisfactory part of the import increase is that chiefly those goods were brought in, the customs rates on which were recalculated at the ratio of 1:1·72, and these goods are of an unproductive character which economically is least desired. But when it is considered that the higher rates on these

IMPORTS

EXPORTS

GOODS	March 1928	Jan.-March		March 1928	Jan.-March		GOODS	March 1928	Jan.-March		March 1928	Jan.-March	
	Volume — in tons	1928	1927	Value — in thousands of %	1928	1927		Volume — in tons	1928	1927	Value — in thousands of %	1928	1927
		TOTAL:			TOTAL:				TOTAL:			TOTAL:	
Foodstuffs	431.905	1.165.619	1.105.675	372.133	913.981	601.336	Foodstuffs	1.539.421	4.884.785	5.189.841	208.314	624.551	628.696
including:	48.538	132.448	199.061	52.605	134.81	140.905	including:	59.345	204.370	298.517	46.031	139.563	173.048
wheat	2.174	8.216	37.147	1.158	4.295	19.249	barley	10.991	27.622	25.234	4.772	11.877	10.261
rye	1.438	2.857	37.147	665	1.268	14.045	peas and beans	3.118	12.558	5.363	1.722	7.190	2.781
maize	5.351	13.694	10.270	1.716	4.311	3.058	potatoes	1.009	2.594	33.398	90	216	4.117
rice	5.858	12.884	10.374	3.951	8.641	7.709	potato flour and starch	1.144	4.171	1.031	755	2.826	591
plums	2.358	5.485	3.796	3.077	6.752	4.143	sugar	9.004	60.902	96.707	5.078	35.109	65.770
lemons and oranges	3.054	7.197	7.175	2.670	6.165	5.140	meat	3.368	8.607	9.248	7.794	20.385	21.352
nuts, almonds and spices	1.047	1.737	1.121	3.487	6.156	3.944	butter	698	2.023	1.002	4.423	12.159	4.955
tea	218	660	603	1.828	2.802	5.367	eggs	5.092	8.799	11.134	13.835	25.452	28.910
cocoa	711	1.674	1.193	5.208	5.339	3.806	forage	16.714	56.169	96.968	3.625	12.591	21.572
coffee	647	1.802	1.605	3.042	8.239	7.311	Live animals (head)	164.053	438.290	260.100	20.433	60.842	28.104
fish and herring	11.252	29.603	33.123	7.795	20.613	18.840	including:						
edible fats of animal origin	1.945	5.581	4.119	4.889	14.311	11.365	pigs	122.386	338.411	124.504	18.603	56.751	23.641
edible fats of vegetable origin	1.480	3.607	2.911	2.882	8.108	6.083	Animal products (head)	1.646	5.337	4.235	5.253	17.948	11.275
mine	998	1.751	986	1.885	3.396	1.727	including:						
tobacco	656	1.979	3.994	2.354	5.902	9.017	dried skins	584	2.388	1.039	1.928	7.339	2.144
Live animals (head)	1.014	17.191	22.672	90	522	400	furs raw	40	161	295	1.290	3.674	4.026
Animal products	4.048	11.115	9.662	31.604	78.988	40.805	Timber and wood ware	449.946	1.295.482	1,573.898	51.440	146.940	187.278
including:							including:						
dried skins	2.033	6.085	5.056	6.810	20.128	13.266	pulpwood	71.368	293.842	308.849	4.408	18.617	15.397
furs raw	256	986	515	3.138	8.729	3.261	pit props	57.557	173.981	278.788	2.964	8.812	11.847
tanned hides	546	1.273	1.408	12.979	29.227	17.640	round wood and logs	148.353	352.192	426.202	14.212	34.049	35.806
furs, prepared	33	55	34	3.765	6.010	1.706	planks, deals, battens	124.379	356.697	436.566	22.060	64.692	57.468
shoes	62	96	37	2.654	4.168	1.343	railway sleepers	17.207	35.995	36.834	2.570	5.342	3.459
Timber and wood ware	2.949	8.698	5.091	2.068	5.044	2.749	furniture	680	1.892	1.266	1.173	3.461	2.373
Plants and seeds	3.835	9.609	8.998	4.011	9.942	8.823	veneers	2.065	6.150	5.002	1.484	4.448	3.423
Building materials, minerals, ceramic products; glass	113.117	304.365	258.081	7.061	17.192	10.602	Plants and seeds	9.758	28.731	28.900	7.788	28.171	22.937
Fuel and petroleum products	34.158	76.979	41.722	2.543	5.209	3.150	including:						
Rubber and rubber products	631	1.375	658	7.828	14.725	6.982	grasses and pasture plants seeds	6.395	18.437	19.610	5.587	19.985	17.118
including:							su ar beets seeds	405	2.214	2.610	652	3.805	3.406
tyres and inner tubes	198	364	251	2.445	4.229	2.626	oil seeds	1.746	4.145	1.856	1.205	3.031	1.313
rubber footwear	193	274	73	3.542	5.683	1.769	Building materials, minerals, ceramic prod.; glass	59.771	159.185	146.883	1.521	8.946	4.576
Chemicals	80.062	216.434	195.676	40.249	104.404	72.126	Coal, coke, briquettes	878.755	2,958.610	2,890.559	23.946	81.868	94.804
including:							Petroleum products	16.669	54.083	86.790	6.290	20.289	28.429
potassa, salts	13.825	43.668	46.342	2.008	6.886	5.936	including:						
Chilian saltpetre	11.912	52.231	26.180	5.597	24.112	13.242	motor and lubricating oils	5.509	19.690	32.404	1.082	4.059	6.541
Thomas slag	21.349	47.027	32.760	1.993	4.376	3.626	benzine	4.203	11.076	20.988	1.912	5.206	9.549
vegetable fats	2.195	6.091	5.894	3.673	10.253	10.441	paraffine wax	3.517	10.417	5.220	2.616	8.221	6.091
animal fats	1.601	3.859	3.402	2.447	5.897	5.778	Chemicals	18.459	50.184	35.934	4.898	12.100	11.222
tanners	2.386	4.645	3.472	2.606	5.051	3.010	including:						
dyestuffs (synthetic)	318	539	234	6.255	10.008	3.665	artificial fertilizers	10.520	26.993	15.258	1.610	3.565	2.602
Ores, metals and metal products	104.712	303.367	326.054	33.178	80.154	57.851	Ores, metals and metal products	41.515	111.132	106.028	23.672	63.896	70.971
including:							including:						
iron ores	27.388	113.998	141.720	1.142	5.299	4.047	iron and steel rails	3.430	12.098	15.068	1.031	3.819	4.319
zinc "	15.798	46.146	44.005	3.649	7.255	11.647	iron and steel sheets	4.776	10.093	13.811	2.709	5.876	7.352
scrap iron	40.676	97.227	98.960	5.563	13.330	9.545	pipes	2.961	10.511	9.617	1.870	6.539	5.821
iron and steel sheets	2.897	5.731	2.921	2.176	4.410	2.487	lead	904	2.536	4.129	877	2.485	5.020
copper and copper prod.	1.628	3.385	1.817	4.864	10.214	5.324	zinc	12.457	31.659	27.959	13.760	35.609	37.462
Machinery, electrical wares, means of communication	13.652	30.128	11.746	62.761	143.165	59.840	.. sheets	872	2.754	3.224	1.227	3.912	5.371
including:							Machinery, electrical wares, means of communication	280	1.307	2.189	787	2.624	3.239
motors	589	1.977	487	2.135	6.477	1.626	Paper, books and pictures	1.487	3.623	4.334	1.062	2.516	2.814
electrical machinery	533	1.131	415	3.717	8.414	4.356	Textiles and textile products	3.772	12.635	11.477	14.358	40.028	33.048
wood and metal working machinery	997	2.124	736	2.854	7.264	3.882	including:						
textile machinery	1.186	3.089	916	5.514	14.356	5.644	flax and hemp	2.300	8.804	7.992	2.432	9.394	6.031
agricultural machinery	2.539	4.630	1.290	6.731	11.892	4.631	cotton fabrics	289	849	1.301	3.214	9.207	11.848
boilers and heating apar.	520	1.525	656	2.578	7.091	2.866	wool	274	639	276	1.543	3.698	1.251
electrical appliances	2.224	4.406	2.806	11.178	25.649	15.513	wool yarns	160	351	331	3.305	7.677	6.202
cycles	431	765	217	2.637	4.732	1.303	wool fabrics	70	178	106	1.324	3.720	2.625
motor cars	1.602	2.941	856	10.723	20.476	6.410	Clothing and fancy wares	25	108	60	613	2.059	1.501
Paper, books, and pictures	10.910	29.652	16.158	11.197	29.541	18.086	Various	10	38	30	262	761	450
including:													
waste and rags	3.338	10.219	7.766	2.874	9.010	7.456							
paper and paper ware	6.051	14.321	5.304	6.417	14.408	6.472							
Textiles and textile products	14.696	40.523	32.188	104.479	265.957	162.542							
including:													
jute	2.584	6.830	6.093	3.505	9.372	8.369							
cotton	7.314	21.578	17.679	31.383	91.828	61.016							
cotton yarns	485	1.014	696	8.067	17.028	8.618							
.. fabrics	307	659	290	7.937	16.497	7.033							
wool (combed incl.)	2.440	6.841	5.404	25.113	69.554	46.301							
.. yarns	362	915	478	8.746	22.375	10.858							
.. fabrics	95	203	117	2.964	5.957	2.829							
silk fabrics	41	81	50	6.975	14.160	8.993							

products will check their import in the following months, to the extent to which home manufacture can replace them, it is seen that these months will soon balance the excess of imports in March.

Of the 29 groups into which Polish statistics tabulate all goods, only those for live animals and chemicals decreased, by zł 40,000 and zł 8,795,000 respectively, and the latter was owing to the closing of the spring import season for artificial fertilizers, especially Chilean saltpetre, which fell by zł 9,276,000. All the remaining import groups show greater or smaller rises.

In March, foodstuffs were imported to an amount of zł 52,605,000, or zł 13,137,000 more than in February; but for the most important items of this group (coffee, tea, cocoa, herring etc.) the customs rates have not been changed; the largest rise was in nuts, almonds and roots by zł 2,181,000, wine by zł 1,035,000, prunes by zł 1,548,000 and rice by zł 1,176,000.

The import of animal products rose by zł 10,252,000 to zł 31,604,000; customs rates for the most of the items of this group were recalculated at the ratio of 1:1.30 and some even at 1:1.72; for this reason the import of tanned hides rose by 4,598,000, furs by zł 2,639,000 and footwear by zł 1,690,000.

Passing over the groups which are of no importance from the point of view of import, such as timber, fuels, building material, ceramical products and glass, we come to the group of rubber and products thereof: all the duties on these goods have been revised at the ratio of 1:1.30, and therefore, their import increased in March by zł 5,461,000, to zł 7,828,000; the largest rise was in rubber and gutta-percha footwear by zł 3,128,000.

The group of chemicals, excepting the above-mentioned inorganic, show a considerable rise: organic chemicals by 5,873,000, colours, dyes and varnishes by zł 5,211,000 and various chemicals by zł 1,047,000. There was a special rise in the import of synthetic dyes (the duty on which has been revalued at the ratio of 1:1.72), by zł 4,592,000.

The import of metals and metal products rose by zł 9,539,000 to zł 27,287,000 (without ores); the greater part of this group has been revalued at 1:1.30, yet the import of scrap iron and ores also rose, and the duty on these is either unchanged or they are free from duty.

The group which embraces machinery and apparatus, electric materials

and means of communication, increased in March to zł 62,769,000, or by zł 24,277,000. The largest rise, naturally, was in motor cars — by zł 5,737,000 — since the customs rates therefor have been revalued at 1:1.72; yet the rise in machinery, especially agricultural (by zł 4,070,000), textile (by zł 2,493,000) and electrical ware (by zł 4,268,000), was also large.

A similar increase is also seen in the textile group; the total value of textile products brought in was zł 104,479,000, or zł 24,057,000 more than in February. In this case recalculation alone was not responsible for the whole of the increase, as cotton and jute which are free from duty, rose by zł 3,269,000 and zł 422,000 respectively. The third most important textile product — wool, though free from duty (undyed wool), showed a rise of zł 2,277,000, while simultaneously the import of combed wool, although the duty has been revalued at 1:1.30, decreased by zł 613,000.

Lastly, the import of silk fabrics, which were revised at 1:1.72, rose by zł 3,336,000. We will conclude the review of imports by pointing out once more, that besides goods subject to the revised customs tariff, the increased import of which is temporary, there were goods the import of which rose though the duties thereon will not be changed. This is an indication that economic development has brought about increases in such branches of import, as ores, scrap iron and textile raw materials.

Export in March increased by zł 10,491,000, but did not reach the export level of January 1928, December, November and October 1927.

Let us examine in detail the changes in the March and February statistics.

The group of foodstuffs shows a rise by zł 1,020,000 to zł 46,031,000. The various items, however, showed larger fluctuations; thus, there was a decline in sugar by zł 6,615,000; there were smaller decreases in beans, hops and others. Then, as could be foreseen at this season, the export of eggs rose by zł 4,885,000, and that of meat by zł 1,871,000, also oats, barley, butter, etc.

There was a more serious rise in the group of live animals, chiefly owing to the increase in the principal item, i. e. swine.

But the deciding factor for the total of exports was the increase in timber and products by zł 7,554,000. Besides the rise in round timber by zł 3,644,000, there was an increase in sawn timber

by zł 3,231,000 and in railway sleepers by zł 1,025,000.

There was also a considerable rise in the group of metals and metal products (without ores) by zł 2,821,000, of which iron and steel sheets increased by zł 1,004,000 and zinc by zł 2,020,000. On the other hand, the export of pipes and other iron products declined.

Lastly, the export of textile material and manufactures increased by a total of zł 1,434,000. In this group there is found a considerable decrease in flax and hemp by zł 1,363,000, which is balanced by the rise in woolen yarn by zł 1,555,000 and smaller rises in wool, woolen and jute fabrics and cotton yarn.

Of the groups which showed more serious decreases, we should mention coal, coke and briquettes, the export of which fell by zł 2,773,000¹⁾. This, however, is a passing phase.

The export of animal products declined by zł 1,172,000, chiefly owing to the fall in raw hides. A greater decrease is found in the export of plants and seeds, where the most important item, that of the seeds of fodder plants and grasses fell by zł 1,665,000.

The other export groups showed only small variations from the February level, so that they are hardly worth discussion. We will therefore conclude with a few remarks of a general nature.

Certain goods on which the duty was revised in the ratio of 1:1.72 were imported during March in quantities two and three times greater than in the preceding month. There can be no doubt, therefore, that since, on the one hand, the market will be saturated and, on the other hand, the higher duties will act as a check, the import of these goods in the months following will be smaller than before conversion. The same applies in a lesser degree to the goods, the duties of which have been recalculated at the ratio of 1:1.30. Therefore, during the next few months a serious improvement in the balance of trade is expected.

EGYPTIAN-POLISH CHAMBER OF COMMERCE IN CAIRO. — Several months ago there was established a Polish-Egyptian section in the Near East Chamber of Commerce in Warsaw. As a necessary supplement there has now been formed an Egyptian-Polish Chamber of Commerce in Cairo.

At the organisation meeting the following were elected: H. Garbour — President, W. Steinauer (a Polish civil

¹⁾ These figures should not be confused with the statistics given on the page 198 under the separate heading of "Coal", since different bases are taken in their calculation.

engineer working in Egypt) — vice-president, Artin Etmekdjian — treasurer, Minas Stephan — Secretary, J. Bey Saleh — legal adviser, Isi S. Treves, and W. Sokolski.

Mr. Garbour is an Egyptian industrialist well acquainted with commercial relations between the two countries. At the meeting he gave an exhaustive review of the economic conditions in Poland and encouraged the Egyptians to replace the imports of mining, timber and industrial products from other countries by imports from Poland.

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. 136: Polish cable and copper wire factory seeks foreign buyers.

Ref. No. 137: A Polish timber exporting firm wishes to enter into trade relations with a firm abroad.

Ref. No. 138: Polish chemical works offers for export aniline, naphthalene and sulphur dyes and is desirous of appointing a foreign representative.

Ref. No. 139: Polish enterprise, manufacturing pharmaceutical, medical-cosmetic and disinfecting products, seeks purchasers abroad.

protection was imposed for the benefit of the Polish ply-wood industry.

The new decree in no way hurts this industry, since the raw material necessary therefor is clearly enough specified. Timber of lesser dimensions enjoys, by the new decree, free import.

CHANGE IN THE STATUTES REGARDING DUTY REFUND.

In connection with the Presidential decree dated February 13, 1928, concerning the recalculation of customs tariff rates according to the new monetary unit, there arose the necessity of also revising the duty refunds on the export of goods for which the duty on the materials imported for their manufacture have been recalculated at the ratio of 1 to 1'30 or 1 to 1'72

The new duty refund will be at the following rates:

per 100 kg. cotton fabrics, white finished	2—
" " " " coloured	43—
" " " " " " " "	82'50
" " " " " " " "	63—
" " " " " " " "	2—
" " " " " " " "	43—
" " " " " " " "	82'50
" " " " " " " "	63—
" " " " " " " "	62—
" " " " " " " "	60—
" " " " " " " "	82'50
" " " " " " " "	130—
" " " " " " " "	17'80
" " " " " " " "	12'50
" " " " " " " "	24—
" " " " " " " "	2'10
" " " " " " " "	26—

Independently of the change of the duty refunds on the export of the above mentioned goods, certain changes will be made in the regulations hitherto in force. These changes will concern:

- 1) a modification of the regulations regarding duty refund on the export of yarn, namely: duty refund not only for yarn above No. 20 (English scale), but for all coloured woolen yarns and woolen yarns with a mixture of cotton coloured yarns;
- 2) prolongation of the term of validity of the decrees regarding duty refunds on the export

of lathes, dyes, ferrocyanides, blues and lye, as follows:

- a) for lathes prolonged from April 28 to December 31, 1928, inclusive;
- b) for dyes, prolonged from April 28 to December 31, 1928, inclusive;
- c) for ferrocyanides, blues and lye, prolonged from March 31. to December 31, 1928, inclusive.

TRANSPORTS

RAILWAY TRAFFIC IN MARCH.

During this month the transports on the Polish State Railways increased on all lines, and therefore the total traffic rose from a daily average of 16.178 15-ton goods wagons in February to 17.569, or by 8'6 per cent. In comparison with March, 1927, the total traffic was greater by 1.922, or 12'3 per cent.

There can be no doubt that this large increase in traffic intensity was closely allied to seasonal activity. Thus, the strongest influence on home traffic was made by the increased loadings of building materials, and the larger transports of sowing grain, artificial fertilisers, machinery and agricultural implements which resulted from the beginning of the spring work on the land. Nevertheless, the generally favourable conditions also played an important part, because in the spring of 1927, the transports began to decline (15.647 in March as against 15.878 in February).

Simultaneously the demand abroad — principally German — increased for building timber, and therefore transports

CUSTOMS DUTIES AND FOREIGN TRADE REGULATIONS

EXPORT DUTY ON ALDER WOOD.

A decree of February 28, 1928 ("Dz. Ust. R. P." No. 41, item 40), concerning export duty on alder wood, changed a decree of the Ministers of Finance, Industry and Commerce, and Agriculture dated December 22, 1927 ("Dz. Ust. R. P." No. 118, item 1.018). By the new decree pt. 3 of item 228 of the customs tariff will be understood as follows:

Denomination	Duty per 100 kg. %
3) alder, diameter 20 cm. and more (without the bark), when not shorter than 1'20 m.	1'50

Hitherto alder of any dimensions was subject to duty, and the customs



STONE QUARRY, LIBIAZ



ONE OF THE MILLS OF THE TOMASZOW
ARTIFICIAL SILK FACTORY (PHOT. S. PLATER)

abroad rose. Moreover, since the new customs rates came into effect in the second half of March, there was seen an increase in the first half of the month of transports received from abroad, and large numbers of goods-wagons began to accumulate in freight yards, awaiting customs procedure.

The average daily supplies of 15-ton wagons are given below:

	March 1928	February 1928	March 1927
loaded on the Polish State Railways:	12,273 ¹⁾	11,197 ¹⁾	10,325 ¹⁾
destined for local stations			
destined for abroad	3,233	3,120	3,349
Total:	15,506	14,317	13,674

	712	629	740
received from abroad			
transit via Poland	1,351	1,232	1,223
Total:	17,569	16,178	15,647

In comparison with the preceding month, the loadings at Polish stations greatly increased by an average daily of 1.189; those destined for home stations rose by a daily average of 1.076 wagons, and for foreign stations by 113. At the same time, and for the reason given above, the transports received from abroad rose by a daily average of 83 goods-wagons, and those in transit by 119.

The following statement illustrates the daily car-loadings of the different

groups of merchandise despatched to local stations (in 15-ton wagons):

	March 1928	February 1928	March 1927
coal, coke and briquettes	3,607	3,669	2,605
crude oil and petroleum products	179	180	169
timber	1,310	1,148	1,152
agricultural products	1,013	860	945
raw materials and industrial products	2,302	1,985	2,123
various	3,862 ¹⁾	3,325 ¹⁾	3,331 ¹⁾
Total:	12,273	11,197	10,325

In comparison with February, the home consignments of coal in March slightly declined, while large rises are shown in timber, agricultural products, raw materials and industrial goods, as well as in the "various" transports.

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

	March 1928	February 1928	March 1927
coal, coke and briquettes	2,066	2,009	1,672
crude oil and petroleum products	42	43	60
timber	898	785	1,262
agricultural products	59	60	21
various	228	223	334
Total:	3,233	3,120	3,349

In comparison with the preceding month, the loadings of timber to foreign countries increased, while the remaining groups showed no important changes.

POLISH STATE RAILWAY TARIFFS AS COMPARED WITH THE COSTS OF EXPLOITATION.—The following table illustrates the relation between the revenue of the railways in passenger and freight traffic and their cost of exploitation:

SPECIFICATION	1924			1925			1926			1927/28 (budgetary year)			1928/29 (budgetary year)		
	Passenger traffic	Freight traffic	Total	Passenger traffic	Freight traffic	Total	Passenger traffic	Freight traffic	Total	Passenger traffic	Freight traffic	Total	Passenger traffic	Freight traffic	Total
Revenue from transport — million £	241.0	454.6	685.6	285.3	510.7	796.1	295.4	687.6	983.0	32.0	686.0	1,006.0	318.0	874.6	1,192.6
Revenue from other sources — million £	11.2	20.8	32.0	14.4	25.7	40.1	11.3	26.3	37.6	8.3	17.6	25.9	3.1	8.3	11.3
Total revenue — million £	25.2	475.3	727.6	299.8	536.4	836.1	306.6	713.9	1,020.6	328.3	703.6	1,031.9	321.1	882.9	1,203.9
Cost of exploitation ¹⁾ — million £	264.6	391.7	656.2	314.4	519.9	834.3	298.4	546.3	844.7	354.5	609.2	963.7	381.6	747.5	1,129.1
Surplus — million £	—	83.7	71.4	—	16.5	1.9	8.2	167.7	175.9	—	94.4	68.2	—	135.4	74.8
Deficit — million £	12.3	—	—	14.7	—	—	—	—	—	26.2	—	—	60.6	—	—
Per cent of surplus	35%	65%	100%	36%	64%	100%	30%	70%	100%	32%	68%	100%	27%	73%	100%
„ „ „ deficit	40%	60%	100%	38%	62%	100%	35%	65%	100%	37%	63%	100%	34%	66%	100%

¹⁾ Together with loadings effected in Danzig.

²⁾ In calculating the costs of exploitation in the years 1927/28 and 1928/29 the expenditure

foreseen in the budget for 1927/28 was increased by £ 46,000,000 and for 1928/29 by £ 83,000,000 to cover additional expenses for personnel.

¹⁾ Together with loadings effected in Danzig.

It is seen from the above that the proceeds from the passenger traffic do not cover the costs of operation, and

that the surplus from freight traffic pays for the deficit.

The following statement shows the

quantitative evolution of transports and the revenue and expenditure per unit of transport (passenger-km. or ton-km.):

SPECIFICATION	1924	1925	1926	1927/28 (budgetary year)	1928/29 (budgetary year)
	Passenger traffic ¹⁾				
Number of passengers carried — thous.	178.811	164.024	148.710	163.400	148.750
Number passenger-km — thous.	7,128.808	6,598.938	6,389.012	6,430.000	6,389.400
Average passenger transport—km.	39.9	40.2	43.0	39.4	43.0
„ revenue per pass.-km.—grosz	3.54	4.55	4.80	5.11	5.02
„ pass.-km. cost of exploitation—grosz	3.71	4.76	4.67	5.51	5.97
„ surplus per pass.-km. — grosz	—	—	0.13	—	—
„ deficit „ „ „ „	0.17	0.21	—	0.40	0.95
Freight traffic					
Quantity of goods carried — thous. tons	53.719	52.468	58.798	60.000	68.664
Number of ton-km.	10,262.209	10,983.194	15,255.870	15,600.000	18,373.440
Average run per ton of goods—km.	191.0	209.3	260.0	260.0	267.6
„ revenue per ton-km. — grosz	4.63	4.88	4.68	4.51	4.81
„ cost of exploitation per ton.-km. — grosz	3.82	4.73	3.58	3.91	4.07
„ surplus per ton-km. — grosz	0.81	0.15	1.10	0.60	0.74

The above statement indicates clearly that the tendency of passenger traffic is to diminish in numbers, and at the same time revenue and expenditure per pass.-km. is rising, but with a constant inclination towards greater loss. Freight traffic, on the contrary, is seen to be gaining year by year, and the relation of revenue to expenditure changes very little.

In order to form an opinion of the railways compared with their state before the War, the following statement is given (in Grosz):

On railways:	Passenger traffic: revenue self-cost (per pass.-km.)	Freight traffic: revenue self-cost (per ton-km.)	Passenger traffic: revenue self-cost (per pass.-km.)	Freight traffic: revenue self-cost (per ton-km.)
Russian	3.76	3.07	5.82	3.45
German	4.96	4.43	7.61	3.94
Austrian	5.83	5.64	9.05	5.91

From this it is seen that the cost of the passenger service was covered wholly by the revenue therefrom, and that the surplus from the freight traffic was considerable and made the surplus from the railway administration an important item in the State Revenue of the three former occupying countries.

The percentage of costs of exploitation to gross receipts is the so-called co-efficient of exploitation, and before the war was as follows:

On railways:	Passenger traffic	Freight traffic	Total
Russian	82	59	64
German	90	52	68
Austrian	96	67	78
average	89	59	69

On the Polish Railways this co-efficient has passed through the following changes:

	In passenger traffic	In freight traffic	Total
1924	105	83	90
1925	105	99	100
1926	96	77	83
1927/8 (budgetary)	108	87	93
1928/9	119	85	94

It is to be desired, therefore, that the co-efficient of exploitation should regain its pre-war level, i. e. 90 for passenger traffic and 60 for freight service, and to do this the revenue fore-

seen in the budget for 1928/29 from the passenger traffic would have to be multiplied by 119/90 or 1.32, and from the freight traffic by 85/60 or 1.41; in order that these revenues might be obtained, the average passenger tariff must be raised by 32 per cent, and the freight tariff by 41 per cent.

So large an increase in the tariff would cause a shock to the economic structure of the country and it was therefore considered sufficient that the passenger expenses should be met by the revenue therefrom, which would entail a rise of 19 per cent. To assure this balance, the Rate Office has planned the new railway passenger tariff with an increase of about 20 per cent.

As regards the freight tariff, the same reasons account for the impossibility of immediately increasing the rates to a point which would insure the surplus made before the War. The freight tariffs must be raised, however, to permit the final reconstruction of war damages, and the extension of the lines to form a net-work capable of efficiently serving the country's economic needs. And since a general increase of the tariff would hurt certain goods more than others, and impede the tariff policy, therefore the different kinds of goods must be treated individually, according to the rates they can bear.

RAILWAY PASSENGER SERVICE BETWEEN POLAND, HOLLAND AND ENGLAND. — With a view to extending international railway communication, the Polish State Railways — after reaching an understanding with foreign railways — put into effect on March 1, 1928 a special passenger tariff for service between Poland, Holland and England via Holland.

By means of this tariff, passengers may be booked with luggage directly to and from London (via Berlin-Hook of Holland or Vlissingen), and to and from the Dutch stations: Amsterdam, the Hague and Rotterdam (via Berlin-Bentheim).

It must be mentioned that from January 1, 1928 direct bookings have been established for passengers and luggage between the larger Polish stations and London (via Berlin — Cologne — Ostend, and Berlin — Cologne — Calais or Boulogne).

PLAN FOR A RAILWAY CONVENTION WITH LITHUANIA. — For the negotiations with Lithuania which were begun on March 30 in Königsberg, a plan for an international Railway Convention was drawn up by Poland which would serve as the legal basis for Polish-Lithuanian railway communication; for the time being 4 frontier crossings are planned. Provisions for technical frontier agreements, and the regulation of passenger and freight service as well as the exchange of wagons were included. Rulings for dealing with railway accounts are also being prepared.

EXPRESS PARCEL SERVICE WITH ABROAD. — The more active relations with abroad necessitated the more rapid transport of small parcels, and two conferences recently were devoted to this end.

At the Polish-German-Russian conference in Leningrad held from March 13 to 26, the question of tariff organisation for an express parcels service in transit from Germany to Russia was discussed. The draft of the transport regulations, which is to be the first part of the tariff for the above special transports, has been passed in its final form. A characteristic innovation will be the transporting of large consignments and whole wagon loads by express passenger trains.

The second conference, between Poland, Germany and Czechoslovakia, which took place in Kraków on March 30 and 31, prepared the necessary material for the introduction, in July, of a new

¹⁾ The figures of passengers and passenger-km. include Luggage one ton of which was taken for 10 passengers.

passenger, freight and express parcels service tariff in direct communication between Poland and Czechoslovakia, and a servide between the same countries via Germany. The new tariff will supersede the tariff of June 1, 1925, and will introduce an express parcel service required in the trade with Czechoslovakia as well as the transport of luggage without the necessity of simultaneous railway travel by the passenger, who may proceed to his destination by motor car or aeroplane.

PORT TRAFFIC IN MARCH.—March, although in Poland far from being a spring month, indicated a break in the winter shipping standstill in the Polish ports and the steamer traffic at Danzig and Gdynia showed signs of improvement.

Shipping in Danzig in March improved considerably in comparison with February. 534 ships entered the port with an aggregate of 311,281 net reg. tons (in February 265,818 net reg. tons), and 522 ships departed with an aggregate net reg. tonnage of 320,244 (in February 279,955). The cargo efficiency was an average of 20 per cent in ships arriving and 80 per cent in ships departing. In comparison with the first quarter of 1927, port traffic changed only slightly: thus, during the first quarter of 1927 the arrivals were 1,494 ships with an aggregate of 887,868 net reg. tons, and the departures 1,490 with an aggregate net reg. tonnage of 909,527, while during the first quarter of 1928 there entered 1,392 ships with 900,186 net reg. tons, and departed 1,370 ships with an aggregate net reg. tonnage of 894,452. The fewer number of ships in the present year was, however, compensated for by their larger tonnage; but in comparison with the last quarter of 1927, shipping has diminished, as during that period the tonnage of arriving vessels was 1,006,196, and of vessels departing 1,004,273 net reg. tons.

Ships calling at Danzig were of the following nationalities:

	Arrivals:		Departures:	
	ships	net reg. tons	ships	net reg. tons
Poland & Danzig	17	9,949	17	17,096
Germany	199	91,323	192	83,433
Finland	5	6,899	6	8,787
Estonia	1	563	1	563
Latvia	16	12,942	22	19,241
Lithuania	4	1,748	4	1,748
Sweden	120	52,563	107	49,935
Norway	28	23,894	24	18,697
Denmark	97	64,742	88	64,278
England	23	30,860	25	33,142
Holland	10	4,126	10	2,649
Belgium	3	10	3	10
France	6	6,538	8	8,602
Italy	1	1,948	2	1,948
Yugoslavia	—	—	1	5,207
Greece	1	2,746	1	2,094
Turkey	—	—	1	24
Austria	3	530	4	790
Total:	534	311,281	522	320,244

During 1928, German shipping in Danzig continued to increase, while that of Sweden decreased. The shipping from Denmark, England, Norway and Latvia is developing normally.

The freight traffic in the Port of Danzig (according to provisional figures) in March as compared with February is illustrated by the following statement (in tons):

	Imports:		Exports:	
	February	March	February	March
grain	2,160	4,951	5,217	10,822
sugar	—	—	10,797	9,765
herring	2,201	7,654	—	—
groceries and foodstuffs	2,390	4,585	2,926	3,535
artificial fertilizers and chemicals	32,905	38,831	4,570	7,250
timber	—	—	78,659	97,724
cement	—	—	8,630	9,815
building materials	—	1,900	—	—
coal	80	4,950	390,929	338,070
ores	26,060	7,600	—	—
scrap iron	29,874	39,881	—	—
iron	724	4,767	—	—
various	2,374	4,005	6,860	8,723
Total:	98,768	119,124	508,588	485,704

It can be seen from the above table that import in March rose by 20,000 tons in comparison with February, while export fell by about the same figure. This reduction in exports, when the total number of tons exported is taken into account, is negligible. As usual, coal holds first place, though its export decreased by 50,000 tons. It may be that this is a temporary fall, since shipments often show great variance from one month to the next (for instance, the difference in shipments between July and August was 90,000 tons). The geographical distribution of coal cargoes was as follows (in tons):

Sweden	103,391
Denmark	88,319
Norway	48,685
France	26,941
Latvia	22,209
Italy	22,176
Germany	6,358
Finland	6,300
Gibraltar	5,435
Lithuania	4,400
Total:	334,214

The second place is held by timber, of which 20,000 tons more were exported than in February. This commodity is shaping less favourably than in 1927, for the monthly export in 1928 has not reached 100,000 tons, while during the worst month of 1927 the shipments were 114,000 tons and in the best month of that year 179,000 tons. Whether the slower rate of timber shipments through Polish ports is temporary, or whether it will continue to decrease, will be seen in the near future.

Grain takes third place, and its export is improving. Cement, sugar and other articles of export kept to their February level.

In imports the first place was taken by scrap iron, of which 39,881 tons were brought in, or 10,000 tons more than in February. Immediately after scrap iron comes the group of artificial fertilisers and chemicals with 38,831 tons. The third place is occupied by ores, but their import fell sharply from 26,060 tons in February to 7,600 tons in March. The import of herring increased considerably, as expected, to 7,654 tons. Other products do not show important changes.

The passenger traffic through Danzig in March was as follows:

	Arrivals	Departures
Libau	96	73
Stockholm	4	—
Copenhagen	38	344
Hull	56	1,974
London	35	717
New York	115	914
Hamburg	2	—
Helsingfors	1	—
Total:	356	4,022

In Gdynia in March, 73 ships with an aggregate of 61,801 net reg. tons entered the port (in February 63 with an aggregate of 55,971) and 74 with an aggregate of 63,668 net reg. tons left (in February 63 with an aggregate of 55,265). Thus, the increase in shipping at this port was considerable.

Export from Gdynia consisted almost exclusively of coal, of which a record amount was shipped, i. e. 118,209 tons, including bunker coal (in February 106,774 and in January 103,562 tons).

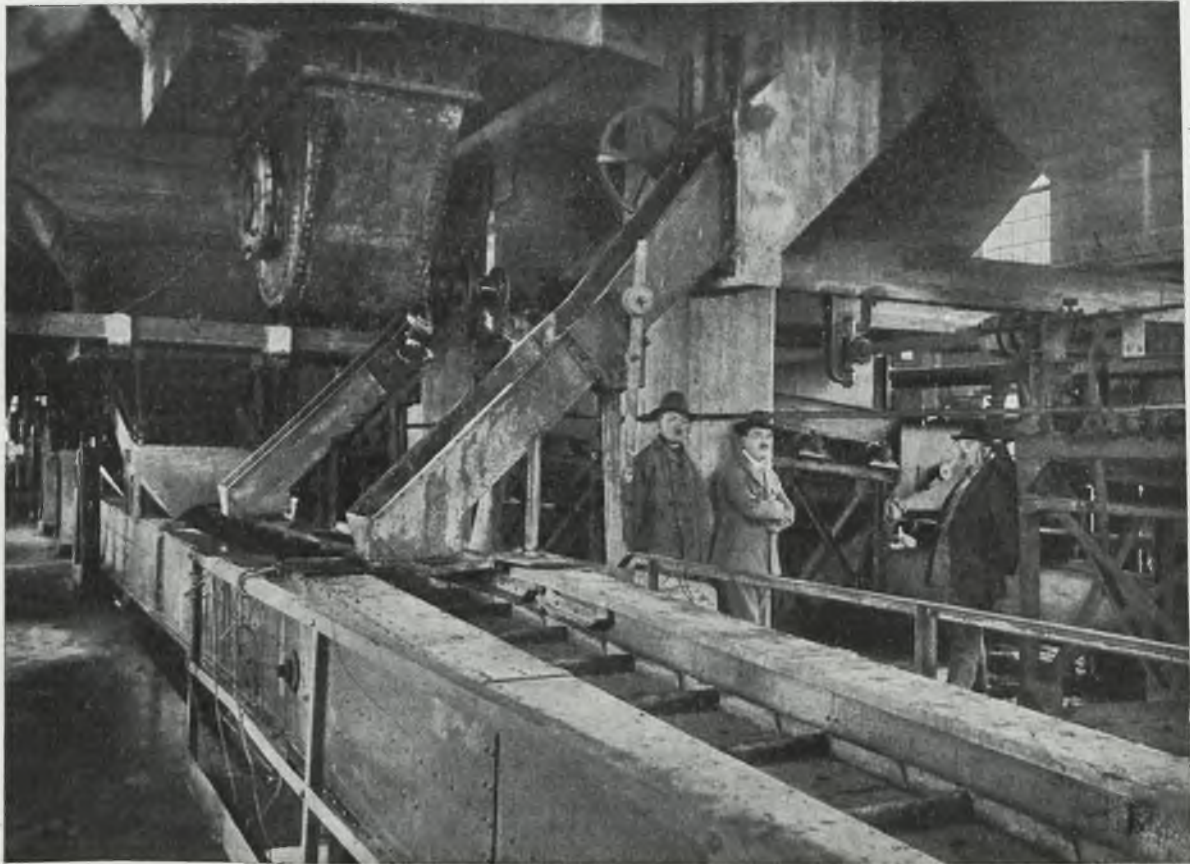
The imports were 5,108 tons, consisting of: 4,626 tons of artificial fertilisers, 513 tons of rice and 69 tons of general cargo.

The nationalities of the ships calling at Gdynia were as follows:

	Arrivals:		Departures:	
	February	March	February	March
Poland	7	5	7	6
Danzig	—	2	—	2
Germany	8	19	7	19
Sweden	25	22	28	22
Norway	5	6	5	5
Denmark	7	3	7	3
Finland	—	—	—	—
Latvia	7	9	5	11
France	3	5	3	5
England	1	1	1	—

CHANGES IN THE PORT CHARGES OF GDYNIA*.—In the "Dz. Ust. R. P." No 28, item 264, there was announced a decree of the Minister of Industry

* For the rates hitherto in force, see "The Polish Economist" No. 2/1928 page 79.



COAL WASHING PLANT AT THE "HOYM" MINE, UPP. SILESIA

and Commerce dated February 29, 1928, concerning the establishment of new port charges.

This decree changes the rates which were fixed during the period of the goldvalue of the currency and the beginnings of port construction. The port rates were meant to be kept at about half the Danzig charges. At present the Złoty has a different and lower value, and the conveniences at the Port of Gdynia have greatly improved. Therefore the port charges have been increased, but even so they do not, in general, exceed half the corresponding Danzig charges, and Gdynia remains the cheapest port on the Baltic.

The new decree determines the entrance and exit fees at $\text{Zł} 0.02$ per ton for ships in balast, and $\text{Zł} 0.04$ for ships carrying cargo. Hitherto the cargo charge for all cargoes was $\text{Zł} 0.15$ per ton: at present this charge depends on the class of goods and is as follows: 1) coal and ores pay $\text{Zł} 0.15$ per ton; 2) timber, cement, artificial fertilizers, iron, zinc, cotton, rice, grains and flour are charged $\text{Zł} 0.40$ per ton; and 3) the remaining goods pay $\text{Zł} 0.75$ per ton. The mooring charge has been raised to $\text{Zł} 0.02$

A different system of pilot charges is also introduced; under the new system the pilot charges for arriving and departing ships are $\text{Zł} 20$ for ships up to 1,000 tons, $\text{Zł} 40$ for ships from 1,000 to 2,000 tons; and for ships above

2,000 tons, $\text{Zł} 40$ for the first 2,000 tons and $\text{Zł} 10$ for each succeeding 500 tons.

Tugs are paid $\text{Zł} 60$ per hour. A new resolution states that where a tug is ordered and not used on time, $\text{Zł} 5$ shall be paid for every half hour it is kept waiting.

AERIAL COMMUNICATION IN MARCH.

— The first month of the spring — March, had its effect on the air service, and there was an increase in the intensity of traffic in every item.

The number of flights (scheduled and extra) rose considerably, from 227 in February, to 331 in March and the distance flown was 109,460 km. against 76,675 km. in the preceding month. The average daily distance was 331 km. The number of passengers was 538, which is much more than 286 in February.

The transport of mail increased from 1,110 kg. to 2,202 kg. and that of freight from 16,952 kg. to 30,468 kg.

AERIAL SERVICE IN POLAND.

— All matters which concern aeroplane communication in Poland, such as the construction and management of aerodromes, aid to the aeroplane industry and aeroplane service lines, and all

legal matters, are centralised and under the control of the Ministry of Communications.

Understanding well the duties devolving upon her as a member of the International Flying Convention, Poland has begun work on the Polish sections of the international air map, on which will be marked out the different air lines and a description of the aerodromes open to civilian flying.

Conventions and flying agreements have been concluded between Poland and England, Austria, Denmark, Sweden, Holland and Czechoslovakia. The draft of a convention with Rumania has been made, and preparations begun for a convention with France.

The existing air lines in Poland, the aggregate length of which is 2,313 km., are exploited by 3 companies: 1) the "Aerolot" Co. on the routes: Warsaw — Danzig (302 km.), Warsaw — Kraków (250 km.), Warsaw — Lwów (300 km.), total 1,073 km.; 2) the "Aero" Co. on the route Warsaw — Poznań (280 km.); and 3) the C. I. D. N. A. (International Air Navigation Company), on the route Warsaw — Prague (330 km.).

Polish commercial air transport dates from September 1922, i. e., from the establishment of the "Aerolot" Polish Air Lines Co. During the five years of activity of this concern, not a single fatal or even serious injury to a passenger has occurred. This record is all the more striking when we consider that the planes of the "Aerolot" Co. have

covered 3,347,042 km. during this period, conveyed 25,797 passengers and transported 558,550 kg. of goods and 16,618 kg. of mail, with an average regularity of service of from 80 to 98 per cent. In view of the above facts, it must be admitted that the "Aerolot" Co. has amply fulfilled the duty which devolved upon it as the pioneer of Polish aerial communication, of popularising air transport by proving in practice that the aeroplane is in every way as safe and as reliable a means of passenger, goods and mail transport as any other modern mechanical form of locomotion. Special emphasis must be given to the elasticity of the organisation and to the high professional standard of the technical personnel, both pilots and aerodrome staff, as well as of the administration staff.

The chief technical centre of the "Aerolot" Co. is in Warsaw and comprises storehouses and aeronautical workshops, fitted with the most modern technical equipment for metal-working, by means of which almost all spare parts needed are manufactured on the spot.

The growth of air communication during the years 1921-27 is illustrated by the following figures:

	Number of flights	Km. covered	Pass. carried
1921	245	61,250	195
1922	642	180,960	613
1923	810	347,635	1,883
1924	1,479	451,545	2,332
1925	2,790	921,517	5,522
1926	3,011	959,806	6,581
1927	3,903	1,194,599	7,764

	Pass.-km.	Baggage and goods transported	Air mail carried
1921	48,750	7,696	937
1922	197,081	18,374	1,377
1923	609,902	28,192	1,280
1924	737,051	62,536	1,328
1925	1,827,299	99,012	2,366
1926	2,123,385	175,092	1,494
1927	2,376,341	226,733	13,808

It may be remarked that the fact that Polish flying was begun in earnest several years later than in Western countries, has one advantage, namely that Poland may reap the benefit of experience of other countries, in its selection of planes, factory and aerodrome organisation.

The influence exerted by a country on the development of flying within its own borders is based primarily on subsidies and concessions.

In all the countries where flying is advancing rapidly, there exists the system of granting concessions for exploitation of air lines to companies and individuals. The Ministry of Communications has acknowledged that this system is good and applies it within the territory of Poland. In view of the fact that air service is necessarily an enterprise subject to constant loss, all countries grant air companies greater or lesser subsidies. The Polish Ministry of Communications takes a similar attitude with regard to the companies established in Poland.

The different companies which maintain regular service in Poland receive a subsidy in the form of a premium for flights made in accordance with schedules approved by the Ministry of Communications, or special flights made at its request. The companies, in addition to this subsidy, are granted the privilege of utilising aerodromes together with the hangars and shops, and enjoy the service of the meteorological stations.

The Ministry of Communications has for one of its aims the creation of its own type of plane, so that planes may be constructed in Poland independently of foreign help. To this end a competition was announced for home aeroplane works for a design of a passenger plane, and simultaneously the Podlaska Aeroplane Works were given an existing design to work out under the control of experts.

POST, TELEGRAPH AND TELEPHONE IN 1927. — By a Presidential decree of January 19, 1927, the Office of Minister of Posts and Telegraphs was established. Thus, the past year was the first year of existence of this new Ministry, and the results achieved during that year appear, in comparison with the results in 1926, as follows:

The Post Office. — At the end of 1926 there were 3,997 post offices (branches and agencies) which figure, by the end of 1927, had risen to 4,165, or by 168.

The favourable development of economic life in 1927 led to a considerably greater use of the postal service, and this is shown by the following figures:

	1926	1927
Correspondence, home	606,876.814	879,278.834
Correspondence, foreign	129,246.137	155,410.014
Insured mail, home	1,791.447	1,822.227
Insured mail, foreign	1,456.226	1,886.024
Parcels, home	10,419.123	12,082.125
" foreign	894.670	1,403.696
Money orders received, home (number of)	14,027.889	14,960.540
Money orders received, foreign	2,009	2,668
Money orders paid, foreign	322.615	387.766
Postal orders (number of)	2,759.418	4,011.177
Newsprint (copies)	184,817.052	166,678.404

The Telegraph Department. — The aggregate length of telegraph lines in 1926 was 87,633 km. and in 1927 this was increased to 87,718 km. There were 3,252 telegraph stations in 1926, and 3,283 in 1927.

In 1926, 5,591,665 telegrams were sent within the country, while in 1927 the figure rose to 6,563,134. There was no great increase in the telegram traffic, which is explained by the fact that business men were inclined to

In 1927 there is seen a considerable growth in mail transport. This testifies to the growing understanding by business men of the advantage of quick mail service, and was helped by the efforts of the Ministry of Communications and the Ministry of Posts and Telegraphs, by an increase in the number of air mail pillar-boxes and the suitable arrangement of flight schedules.

Besides the existing lines, the following new routes are planned as being of first importance from an international commercial point of view: Warsaw — Katowice, Poznań — Danzig, Poznań — Katowice, Katowice — Łódź — Danzig, Warsaw — Wilno, Warsaw — Równe.

An organisation for controlling plans and trial flights of new models has been worked out. An agreement has been made with the Polish branch of the "Veritas" Bureau, whereby control over accepted types of planes, and periodical inspection of motors and planes in use will be made.

A net of meteorological stations and observatories has been organised. At present there are 24 in operation, which send out telegraphic reports every 2 hours to the different aerodromes.



BRIDGE ACROSS THE ODER RIVER, NATURAL BOUNDARY OF POLAND

communicate by telephone. Therefore the Minister of Posts and Telegraphs gave special attention to the development of the telephone system.

The Telephone Department. — The aggregate length of inter-urban telephone lines in 1926 was 229.112 km., and in 1927 this was increased to 233.208 km.

In 1926 there were 2.006 telephone exchanges and 102.127 subscribers; in 1927 the number of exchanges was 2.047 and 108.200 subscribers.

During the past year special attention was paid to the extension of inter-

urban telephone stations according to modern requirements. Stations were built at Kraków, Bielsk, Lwów, Lublin and Wilno and in the near future new exchanges will be constructed in Sosnowiec, Łódź, Katowice and Warsaw. The Ministry of Posts and Telegraphs is counting on an increase in the business service which will be too great to be handled by the existing overhead wires. Therefore, independently of the extension of overhead lines, the Ministry is planning the laying of a net-work of underground cables. The execution of the programme will be

completed in from 8 to 10 years at a cost of about zł 150 million.

The new Ministry built, in 1927, six new postal buildings, including a Post Office for Danzig and Gdynia. The construction of about 40 new buildings is planned for 1928.

The detailed balance of revenue and expenditure for the budgetary year 1927/28 has not yet been drawn up. At present it can only be affirmed, on the basis of the monthly balances, that the surplus estimated in the budget will be attained.

FINANCE AND BANKING

STATE REVENUE AND EXPENDITURE IN MARCH according

to provisional data, were as follows (in millions of zł):

	Revenue		Expenditure	
	actual	estimated for 1927/8	actual	estimated for 1927/8
A) Civil service	205.6	1.204.8	281.6	1.986.4
Central Authorities and Ministries	203.7	1.208.0	250.2	1.647.9
Pensions	1.9	26.8	6.7	82.0
Grants to invalids	—	—	7.9	101.5
State Liabilities	—	—	16.8	145.1
B) State enterprises... ..	23.6	107.8	30.9	14.9
including:				
State Railways	3.0	36.5	—	—
State forests	20.0	56.0	—	—
C) Monopolies:	77.3	650.9	—	—
Total: A + B + C:	306.2	1.990.5	286.8	1.991.3

March closed with a budgetary surplus of zł 19.4 million in spite of the fact that it was the last month of the year and consequently expenditure grew to a level unprecedented in any other month of that year. The disbursements were chiefly on account of material, in preparation for the building season.

For the whole fiscal year, the expenditure was zł 2,503.8 million as against zł 1,991.3 planned in the Budget; in other words it was 125.7 per cent. This increase in expenditure was made possible by the increase in revenue and allowed the very modest Budget to be extended.

This increase was divided nearly equally among all the Ministries. Expenditure for State enterprises also

rose and amounted during the year to zł 30.9 million as against the zł 14.8 million estimated.

The State was helped by a considerable inflow from public levies, which brought in zł 166.2 million. Together with various items from administrative services, the returns from the civil service were zł 205.6 million.

State enterprises brought in the large sum of zł 23.6 million. It was composed of zł 0.6 million from mining and foundry enterprises, only zł 3 million from the State Railways (owing to preparation for a series of new lines to be constructed in the current year), and the relatively large sum zł 20 million from State forests.

In general the State enterprises

during the whole fiscal year brought in zł 200 million, as against zł 107.8 million estimated in the Budget. This is a very favourable symptom, especially when it is considered that these enterprises were only recently showing a deficit. Of the different enterprises, the forests returned zł 119 million, the railways zł 51 million, the Posts and Telegraphs zł 20.2 million, and mining and foundry enterprises zł 8.4 million. The State monopolies are treated in detail under the heading of "Taxes". The monopolies during the year returned zł 796.8 million, or 122.4 per cent of the Budget estimate. The total Treasury receipts thus were zł 2,768.8 million, or 138.9 per cent of those foreseen in the Budget.

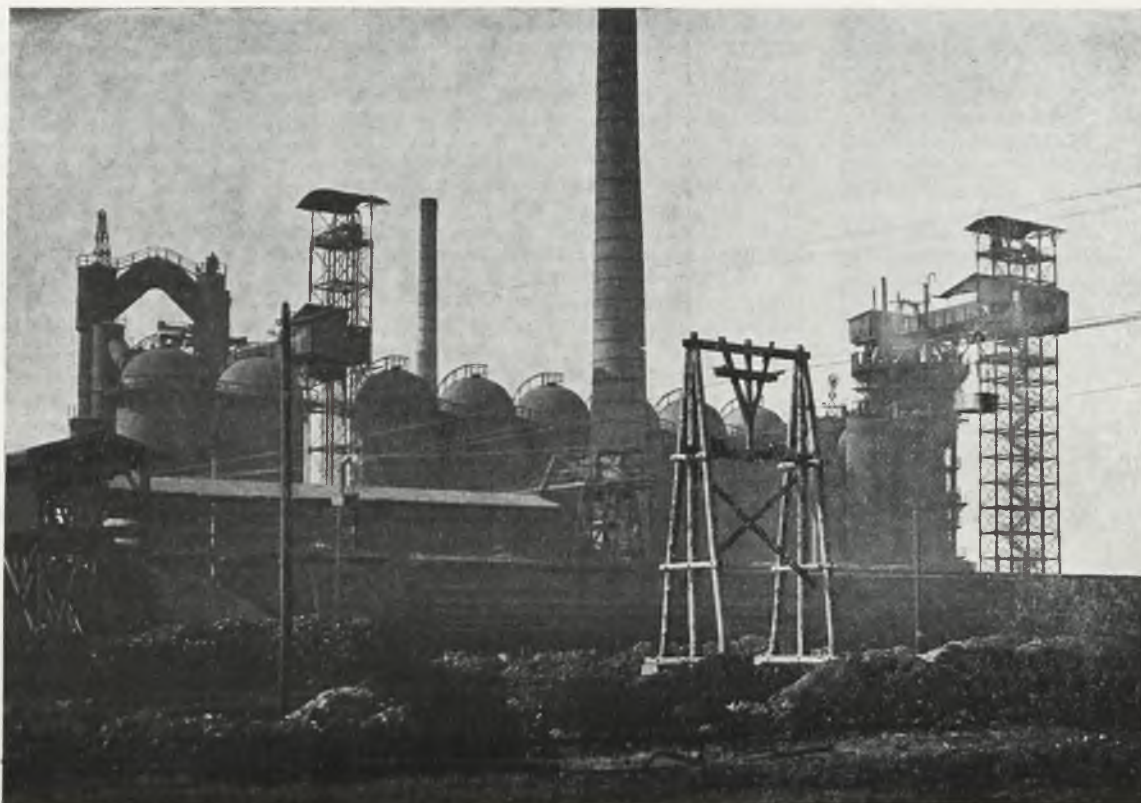
The following statement gives the State revenue and expenditure for the last two years (in millions of zł):

	1926/7	1927/8
Revenue	2.133.0	2.768.8
Expenditure	1.983.0	2.503.8
Surplus	150.0	265.8

The Polish Budget has had a favourable balance only since July, 1926. During this period the deficit of the first three months of the 1926/27 fiscal year has been covered, and a surplus of zł 415 million, or over \$ 46 million, gained.

The large Treasury reserves permitted the Government to put before the Sejm a plan for larger investment work, indispensable from an economic point of view.

TAXES IN MARCH. — Public levies and monopolies returned in March the largest amount for the 1927/28 fiscal year, i. e. zł 243.5 million. The monthly returns for the last half-year are given in the following table:



IRON FOUNDRY "CZĘSTOCHOWA" (PHOT. S. PLATER)

April — September 1927	982.9
October	192.4
November	234.4
December	224.5
January 1928	219.0
February	195.0
March	234.5

This record figure is partly explained by the rise in customs returns, which were $\text{₹} 56.5$ million. This was owing to the adjustment of the customs tariff and the increased import while the old rates were still in force. Only in April will we be able to judge the full effect on foreign trade of the customs adjustment.

Just as the increased revenue from customs is an unfavourable sign, so the rise in the other tax groups testifies to the greater payment capacity of the population.

Direct taxes in March brought in $\text{₹} 62.1$ million. This is slightly less than in November ($\text{₹} 73.9$ million) and in December ($\text{₹} 71.9$ million), which months were the best from the standpoint of taxes of the whole fiscal year, but it is better than in any of the remaining months.

Of the various taxes, the Land Tax gave $\text{₹} 16.5$ million, while the tax on city and some country real estate brought in $\text{₹} 5.9$ million. The Income Tax returned $\text{₹} 13.2$ million, the In-

dustrial Tax $\text{₹} 21.3$ million, and the capital and rent tax $\text{₹} 1$ million.

Indirect taxes brought in the relatively large sum of $\text{₹} 15.2$ million. The Sugar Tax gave $\text{₹} 9.3$ million, the tax on shale oil $\text{₹} 3.4$ million, and on beer $\text{₹} 0.8$ million.

In March 1927, indirect taxes brought in only $\text{₹} 12.4$ million.

Stamp fees in March 1928 returned $\text{₹} 18.2$ million, which is considerably more than in any other month. In the same period of 1927, the returns were $\text{₹} 16.0$ million.

In connection with the revenue from indirect taxes, the 10 per cent extraordinary tax gave the large sum of $\text{₹} 9.3$ million.

The Property Tax brought in the small sum of $\text{₹} 4.8$ million, and is the only tax which has returned less during the fiscal year than was estimated in the Budget.

The State monopolies gave $\text{₹} 77.3$ million, or much more than in the preceding months; thus, $\text{₹} 33$ million came from the tobacco monopoly, $\text{₹} 37.3$ million from the spirits monopoly and $\text{₹} 5.5$ million from the salt monopoly.

The table below shows the revenue from taxes and monopolies in March (in millions of ₹):

	Actual revenue: ^{1/12th} of the yearly budget for			
	March 1927	Febr. 1928	1928	1927/8
Direct taxes	59.2	62.1	45.5	36.5
Indirect taxes	12.4	15.2	14.4	10.9
Customs duties	27.0	56.5	37.5	15.2
Stamp fees	16.0	18.2	16.3	9.3
	114.6	152.0	110.7	71.9
Total of the ordinary public levies:				
Property tax	4.6	4.8	5.7	7.0
10 per cent extraordinary tax	8.5	9.3	7.2	5.2
Monopolies	54.7	77.3	71.4	54.0
Total of public levies and monopolies:	182.4	243.4	195.0	139.0

The public levies for the fiscal year 1927/28 (which ended on March 31) gave an actual total of $\text{₹} 2.291.8$ million, as against $\text{₹} 1.671.1$ million estimated in the Budget. In this way the Treasury was not obliged to increase taxes to cover the extra $\text{₹} 300$ million revenue foreseen in the Stabilisation Plan.

This revenue from taxes increased evenly from the smaller returns in the first half of the fiscal year to the larger figures in the second half, as is illustrated in the following statement (in millions of ₹):

April — June 1927 493—
 July — September 1927 490·1
 October — December 1927 651·2
 January — March 1928 657·5

In view of the steady monthly rise in the Treasury returns, it may be expected that the new fiscal year will bring with it further increase.

STOCK EXCHANGE

FOREIGN CURRENCIES

During the period under review, March 1928, in connection with quot-

ations on the main currency exchanges, the rates for foreign drafts on the Warsaw Exchange showed slight fluctuations in comparison with the preceding month. There was a rise in English, Belgian, Swiss, Dutch and Swedish currencies, and a fall in French and Austrian. Drafts on New York and Prague, which have been stabilised for a long time, remained without change.

The Złoty quotations on foreign exchanges at the end of March showed little variations compared with those at the end of February, as can be seen from the appended table.

The turnover in foreign currencies increased in March as compared with February by zł 11·5 million. The most

business was in drafts on New York and London, and drafts on Prague were also in demand.

During the period under review there was a large demand on the Warsaw Exchange for United States banknotes; the turnover in these increased tenfold in comparison with February. This is easily understood in view of the Easter holidays, when a large number of Dollar cheques come in from Polish emigrants in America to their relations in Poland. For this reason banks had to be prepared to pay out in the aggregate large sums in Dollars, and this caused a slight rise in the quotations of the Dollar, both on the Exchange and outside. These Dollars,

		29.2	1—10.3	12—17.3	19—24.3	26—30.3	31.3	par value
Warsaw Exchange								
London	£ 1	43·49 $\frac{1}{4}$	43·48 $\frac{3}{4}$	43·49	43·51 $\frac{1}{2}$	43·51 $\frac{1}{2}$	43·51	43·38
New York	\$ 1	8·90	8·90	8·90	8·90	8·90	8·90	8·90
Paris	Fr. Fr. 100	35·09	35·08	35·09	35·11	35·10 $\frac{1}{2}$	35·08 $\frac{1}{2}$	172·00
Brussels	Belg. 100	—	124·22	124·31	124·27	124·41	124·43	123·95
Zurich	Sw. Fr. 100	171·67	171·64	171·65	171·75	171·78	171·72	172·00
Milan	Lir. 100	47·22	47·18	47·13	47·13	47·12 $\frac{1}{2}$	—	172·00
Amsterdam	Fl. 100	358·80	358·73	358·78	358·98	359·12	359·10	358·31
Vienna	Sh. 100	125·60	125·62	125·50	125·42	125·45	125·45	125·43
Prague	Kcz. 100	—	26·41 $\frac{1}{2}$	26·41 $\frac{1}{2}$	26·41 $\frac{1}{2}$	26·41 $\frac{1}{2}$	26·41 $\frac{1}{2}$	180·62
Stockholm	Kr. 100	—	239·35	239·25	239·38	—	239·39	238·89
Foreign Exchanges								
London	£ 1	43·45	43·45 $\frac{1}{2}$	43·47	43·47 $\frac{1}{2}$	43·47	43·47	43·38
New York	zł 100	11·35	11·35	11·25	11·35	11·25	11·25	11·22
Zurich	zł 100	58·25	58·21	58·20	58·24	58·25	58·25	58·14
Vienna	zł 100	—	—	—	—	—	—	79·72
Prague	zł 100	—	377·96	377·68	377·58 $\frac{1}{2}$	378·62 $\frac{1}{2}$	377·62 $\frac{1}{2}$	55·36
Berlin	zł 100	47·—	46·96	46·93	46·89	46·86 $\frac{1}{2}$	46·92 $\frac{1}{2}$	47·09
Danzig	zł 100	57·48	57·51	57·51	57·48	57·46	57·46	57·63

however, are now being converted into Złoty and so the rate of the Dollar is regaining its former level.

SHARES

March was less favourable than February as regards share operations. With few exceptions, shares had a downward tendency. As usual during the pre-holiday period, there were few orders, and a large amount of selling. The weak tendency on the share market is thereby explained. The losses, however, even for the shares

which showed the largest fall, were not great and seldom exceeded 5 per cent. The "Siła i Światło" shares were an exception, because formerly they reached an abnormally high rate owing to large purchases for abroad. The shares for Norblin, Buch & Werner as well as Chodorów also showed larger decreases. These shares, the price of which is considerably higher than par, since they are not easy to obtain for speculation cannot avoid a drop in price when being sold.

But in spite of the general downward

tendency, the Bank of Poland shares not only did not decline, but even showed a slight rise. A larger demand was also shown for the shares of the Warsaw Discount Bank, which appear on the market only in small quantities, and which rose by zł 2·50 per share. Lastly, the Ostrowiec shares must be mentioned, as they were bought up in considerable numbers by Belgian capitalists and rose by 15 $\frac{1}{2}$ per cent.

Other shares which increased, though slowly, were Cegielski and Modrzewów.

Minister of Finance, or authorities appointed by him, may free any of the above forms of gold for export, or the prohibition may be entirely lifted for a definite period of time (Art. 3). Moreover, the export of any of the above prohibited forms is permitted to any exporter who proves that he brought into the country the equivalent value in gold in any form whatsoever. As proof of this the certificate of the customs authority through which the gold passed or of the frontier Treasury Control Station, will serve (Art. 2).

It can be seen from the above summary of the new decree, that the regulation of the gold movement between Poland and abroad has been greatly modified, especially as the export of silver whether in bars, coin or any other form, is absolutely free. The rights which are granted by Art. 3 give the Ministry of Finance a very free hand, and the decree great elasticity. The strict regulations hitherto in force were dictated by fear of currency depression. To-day this danger has passed, and it may be expected that the rights granted by the new decree will be used rather for the gradual freeing from limitations than for restriction.

The penalties for violation of the regulations have also been lessened by the above decree. Henceforward the penalties for such violations will be such as applied by the Treasury Penal Code of August 2, 1926 ("Dz. Ust. R. P." No 105, item 609) for the violation of customs duty and foreign goods trade regulations. Thus, the penalties may be fines (in some cases imprisonment) and confiscation of the article in question; imprisonment may be the penalty only in cases of repetition or professional violation.

It is well to mention that, owing to the annulment of a decree of the Minister of Finance dated September 17, 1924 ("Dz. Ust. R. P." No 83, item 797), the authorities detailed therein (Treasury Chambers and Treasury Department of the Silesian Voievodship) are no longer competent to grant gold export permits, and application must now be made directly to the Treasury.

LIQUIDATION OF PROPERTIES BELONGING TO EX - RUSSIAN LEGAL BODIES. — In the "Dz. Ust. R. P." No 38, item 377, there appeared a decree concerning the liquidation of the estates of ex-Russian legal bodies. This decree aroused much interest in legal and economic circles, for it solved the legal questions which arose in connection with the abolition of private property in Soviet Russia.

By the decrees of the U. S. S. R. Government, regarding the nationalisation of the possessions of legal bodies and the annulment of the rights enjoyed by the individual associates, these bodies ceased to exist. Therefore loss of legal entity in the home country, i. e. the legal domicile of the company or association, entail the same result abroad, and the assets of these companies and associations which are outside the present territory of Russia, become ownerless. "Nationalisation", of course, could not apply to such assets.

In Poland there are quite a number of such assets. In the first place there are the long-term credit and insurance companies. In industry, however, the number of such cases is smaller, because industrial companies in Poland with Russian capital generally were legally domiciled here, and thus enjoy the legal protection of the Republic.

On the other hand, the financial interest of many Polish citizens in these ex-Russian enterprises is considerable: some as creditors, shareholders, policy holders etc., and some as debtors. Hence the interest which the settling of this question naturally awakens.

Article 1 of the above decree establishes the case in which the property becomes liable to liquidation, i. e., property which is on the territory of the Polish Republic belonging to legal bodies which on November 1, 1917 were officially domiciled within the present territory of the U. S. S. R.

Thus, two basic principles are evolved: 1) only property on the territory of Poland is subject to liquidation; 2) the right to liquidation is settled by the domicile of the legal body on November 1, 1917. Therefore, if on that date the domicile of the Company or Association was on the present territory of any sovereign country (for instance Rumania, Finland, Latvia, etc.), the assets of such companies are not subject to liquidation. On the other hand, those companies which may at present have their domicile within the territory of a sovereign country, but on November 7, 1917 were on Russian territory, are subject to liquidation. These prescriptions do not apply, of course, to those companies which have transferred their domicile to Poland in accordance with the requirements of the Polish law. The rights of foreign citizens, guaranteed by international agreements, will not be touched (Art. 20).

Art. 1, however, does not indicate what period of time is to be taken when assessing the degree of ownership of the company at the time of liquidation. The question arises whether transactions executed after November 7, 1917, such as the sale of part of the property, are valid. In this respect there is found only a provision (Art. 7, pt. 3) that the liquidation Committee, if it "deems it advisable, may authorise the liquidator to demand through a court of law the annulment" of such transactions. This precept is not sufficiently clear, and only the purpose is well defined, i. e. the protection of creditors from unscrupulous shareholders.

To carry out the work, a special liquidation Committee was called into being composed of a chairman, nominated by the Minister of Finance, and delegates from the Treasury and the Ministries of Foreign Affairs, Industry and Commerce, and the Interior. The committee has its offices at Warsaw.

Liquidation may be executed in one of two ways:

- 1) the property may be taken over by the Treasury as it stands, or
- 2) it may be sold by private treaty or by auction (in the latter case the preference will be given to Polish legal bodies made up of former shareholders). The Liabilities of property taken over

by the Treasury, will be honoured, but only to an amount not exceeding the value of the property. In the event of sale, the proceeds from the sale of the assets will be used for the satisfaction of the liabilities in the order defined in the above mentioned decree.

Liabilities to Polish citizens will be honoured, and those to foreign citizens only to the extent to which they were incurred on Polish territory, or were contracted by agreement on the part of the given legal body on the territory of Poland. This limitation does not apply to shareholders, and cannot violate rights granted by means of international agreements. All decisions of the Liquidation Committee can be appealed against before the Supreme Administrative Tribunal.

The principles of the decree discussed above make it possible to estimate the consequences which the liquidation of ex-Russian companies and the realisation of the assets on behalf of the creditors will have upon Polish economic life. Without any precepts to regulate the legal standing of ex-Russian legal bodies and their property in Poland, the realisation of debts was impossible, and on this account large amounts of capital were tied up for a number of years. The satisfaction of these liabilities, which will undoubtedly represent a large sum, will increase the turnover and invigorate economic life with liquid capital, the lack of which is badly felt.

BANK OF POLAND

— March, just as the preceding month, brought with it an increase in the bullion and foreign currency reserves of the Bank of Poland, which indicates that the balance of payments was favourable in spite of the fact that the trade balance, which in the economic structure of Poland is the deciding factor, has for long been unfavourable. This time the foreign payments for the imports of goods and service of the loans were covered by the proceeds from a long-term loan contracted by the City of Warsaw. In general, there can be discerned a well defined displacement of the centre of gravity of foreign capital supply from short-term to longer term or long-term credits; and this is in every way a favourable tendency.

The purchase of foreign currencies by the Bank of Poland in March was zł 151.1 million (in February zł 91.1 million), of which sum about zł 70 million represented the City of Warsaw loan. A part of these currencies (zł 3 million) was employed for the purchase of gold, the total purchase of which amounted to zł 26.7 million, and the reserves of gold abroad were

increased by this amount since none was brought into Poland in March. The sale of foreign currencies increased to zł 112.6 million (in February zł 76.6 million), mainly owing to the demand on the part of Government Offices in connection with loan service. The Bank sold to these Offices currencies worth zł 54.6 million (in February zł 27.1 million), and on the Stock Exchange to an amount corresponding to zł 54.2 million (in February zł 46.8 million).

The bullion reserves of the Bank of Poland increased, as mentioned above, by the purchase of gold to the value of zł 26.7 million; moreover, small purchases of gold in the country by the branches of the Bank raised the gold reserves by an additional zł 0.16 million, and the silver reserves (on a gold-value basis) by zł 0.15 million. In general, the bullion reserves of the Bank rose from zł 529.4 to zł 556.3 million.

Foreign currency reserves, included in the cover for the note issue and

sight liabilities, decreased in March from zł 645 to zł 632.1 million; while the gross reserves of foreign currencies (together with foreign assets) not included in the cover increased from zł 205.7 million to zł 211.3 million.

Modifications in the different items of the bullion and foreign currency reserves are given in the following statement (in millions of zł):

	January 1st	March 1st	March 31st
gold	517.3	526.6	553.4
silver	2.6	2.8	3.0
foreign currencies, drafts and liabilities	687.5	645.9	632.1
Total:	1,207.4	1,175.2	1,188.5

In relation to the bank notes in circulation and sight liabilities of the Bank, the bullion and foreign currency cover was, on January 1—72.61 per cent, on March 1—69.87 per cent, and on March 31—68.44 per cent (the minimum according to the Statutes = 30 per cent). The decrease in the percentage cover, in spite of the

increase in the amount of cover, was caused by a rise in the bank notes in circulation together with sight obligations, from zł 1,681.9 million to zł 1,736.4 million. This rise applies only to bank notes, which reached the record circulation figure of zł 1,127.6 million (in February zł 1,047.7 million); the sight obligations not only did not increase, but showed a decrease from zł 634.2 million to zł 608.8 million.

Although the balances on private current accounts rose during March from zł 129.4 million to zł 175.5 million (mainly in connection with the realisation of the City of Warsaw loan), other current accounts decreased markedly—namely, those of State Institutions which were reduced from zł 299.3 million to zł 238.3 million and the State Credit Fund (a part of the Stabilisation Loan destined for investment in State enterprises and agriculture) from which was drawn zł 5.9 million whereby the Fund declined from zł 141 million to zł 94.6 million.

	FEBRUARY 28th		MARCH 10th		MARCH 20th		MARCH 31st	
Assets:								
Bullion:								
gold in vaults - - - -	353,164,877.78		353,209,096.13		353,054,343.49		353,319,642.76	
„ abroad - - - - -	173,387,809.70		179,983,304.10		200,242,115.21		200,042,115.21	
silver (gold value) - - -	2,814,144.35		2,880,478.98		2,904,141.27		2,961,652.68	
	529,366,831.83		536,072,879.21		556,200,599.97		556,323,410.65	
Foreign currency, drafts and assets - - - - -	645,852,580.11	1,175,219,411.94	627,157,314.61		634,946,846.52	1,191,147,446.49	632,099,198.61	1,188,422,609.26
Foreign currency, drafts and assets not included in the cover - - - - -		205,708,448.23		1,163,230,193.82		223,648,136.28		211,339,074.43
Silver and token coins - -		9,117,903.75		9,972,589.31		10,477,343.06		861,027.21
Bills of exchange - - - -		469,215,580.89		476,259,278.46		475,562,817.76		495,791,257.26
Loans against securities -		46,000,332.31		47,981,395.5		48,081,204.11		48,681,575.07
Own interest-bearing se- curities - - - - -		5,879,490.57		5,669,526.90		6,041,990.59		6,143,282.40
Reserve funds invested in the securities - - - -		55,172,873.58		55,934,078.67		55,934,078.67		55,934,078.67
Loans to Government - - -		25,000,000.—		25,000,000.—		25,000,000.—		25,000,000.—
Property and fittings - - -		20,000,000.—		20,000,000.—		20,000,000.—		20,000,000.—
Other assets - - - - -		33,676,357.98		31,417,487.16		55,453,011.03		55,329,920.05
		2,044,990,399.25		2,048,026,102.42		2,111,346,027.99		2,108,502,824.35
Liabilities:								
Capital - - - - -		150,000,000.—		150,000,000.—		150,000,000.—		150,000,000.—
Reserve fund - - - - -		94,434,640.—		94,434,640.—		94,434,640.—		94,434,640.—
Sight liabilities:								
current accounts of State institutions - - -	299,338,293.14		248,012,278.05		276,546,564.21		238,305,991.70	
outstanding current ac- counts - - - - -	129,421,484.74		186,573,192.28		250,452,176.47		175,463,443.30	
silver purchases a/c - - -	90,000,000.—		90,000,000.—		90,000,000.—		90,000,000.—	
State credit fund a/c - - -	100,476,403.88		96,171,652.72		95,363,913.43		94,589,276.21	
various accounts - - - -	14,956,877.54		13,246,421.92		11,544,018.95		10,451,791.63	
	634,192,059.30		634,003,544.97		723,906,673.06		608,810,502.84	
Notes in circulation - - -	1,047,715,770.—	1,681,907,829.30	1,044,850,390.—	1,678,853,934.97	1,018,505,190.—	1,742,411,863.06	1,127,593,380.—	1,736,403,882.84
Special account of the Treasury - - - - -		75,000,000.—		75,000,000.—		75,000,000.—		75,000,000.—
Other liabilities - - - - -		43,647,929.95		49,737,527.45		49,499,524.93		52,664,301.51
		2,044,990,399.25		2,048,026,102.42		2,111,346,027.99		2,108,502,824.35

The very serious rise in the notes circulation -- by zł 79.9 million or nearly 8 per cent -- is accounted for partially by the rise in the bullion and foreign currency reserves as well as in other "assets", partially by the decrease in sight obligations, and partially by the augmented credit activity of the Bank.

Treating the commercial demand for short-term credit as liberally as possible, the Bank of Poland increased the sum of discount credits granted from zł 723 million to zł 760 million, while at the same time the sum of discount credits employed rose from zł 469.2 million to zł 495.8 million. Thus, the ratio of credits employed to those granted rose from about 65 per cent to about 65.5 per cent.

The sum of loans against securities rose in March from zł 46.0 million to zł 48.7 million.

The remaining items of the bank cover for the note issue did not show important changes, and only the silver and token coin reserves decreased from zł 9.1 million to zł 0.9 million.

The bank cover for the notes in circulation was as follows (in millions of zł):

	January 1st	March 1st	March 31st
bills	456.0	469.2	495.8
Polish silver coins and token money	9.8	9.1	0.9
loans against se- curities	40.9	46.0	48.7
own interest-bear- ing securities	4.8	5.9	6.1
liability of the Treasury	25.0	25.0	25.0
Total:	536.5	555.2	576.5



INTERIOR OF ONE OF THE WORKSHOPS, THE STATE CHEMICAL FACTORY, CHORZÓW (PHOT. S. PLATER)

THE DANZIG BANK OF ISSUE IN 1927. — The yearly report of the Danzig Bank of Issue (Bank von Danzig) for 1927 states that the net income was Gld. 1,688,566.78 (in 1926 Gld. 1,661,554.57). This sum is divided as follows:

Various allocations	303,500.50
Reserve fund	844,116.35
Dividends	525,000.00
Carried over to 1928	15,949.93
	1,688,566.78

Therefore the reserve at present amounts to Gld. 3,693,659.02, which is 49.25 per cent of the share capital. The dividend is 7 per cent.

The rate of the Gulden, which is closely connected with the rate of the Pound Sterling (£ 1 = Gld. 25), kept at par throughout the year.

The circulation of banknotes in 1927 was as follows: maximum on September 2 — Gld. 38,335,745, and minimum on February 2 — Gld. 30,526,225, and the average circulation was Gld. 33,919,857.

The currency cover for this circulation was, in the strict sense of the word, 44.77 per cent.

The inflow of foreign currencies was due mainly to foreign loans, which comprised a 6.5 per cent loan against the tobacco monopoly to an amount of £ 1.9 million, and a 6.5 per cent loan amounting to \$ 4.5 million to the Port Council, the whole of which was placed in the Bank von Danzig.

Owing to the small field of operations, a considerable number of the bills of exchange in the possession of the Bank are made out in foreign currencies. Thus, on December 31, 1927 the Bank had in portfolio the following bills of exchange: 1.086 totalling Rmk. 7,184,154.82 and 252 aggregating zł 216,985.17. The low number of zł bills of exchange is explained by the fact that as soon as the zł began to fall, the Bank von Danzig no longer accepted bills of exchange made out

in this currency, and only recently — after the legal stabilisation of the zł — recommenced discount of these bills. Calculating in Gulden, the total sum of the bills of exchange in foreign currencies was, on December 31, 1927, Gld. 9,426,509.98. On the same day the bills of exchange made out in Gulden totalled Gld. 12,471,628.92.

Thus, if the foreign currency bills of exchange are added to the cover, the following percentage of cover to the banknotes in circulation is obtained: on December 31, 1926 — 108.5 per cent; on June 30, 1927 — 77.3 per cent; on December 31, 1927 — 94.4 per cent.

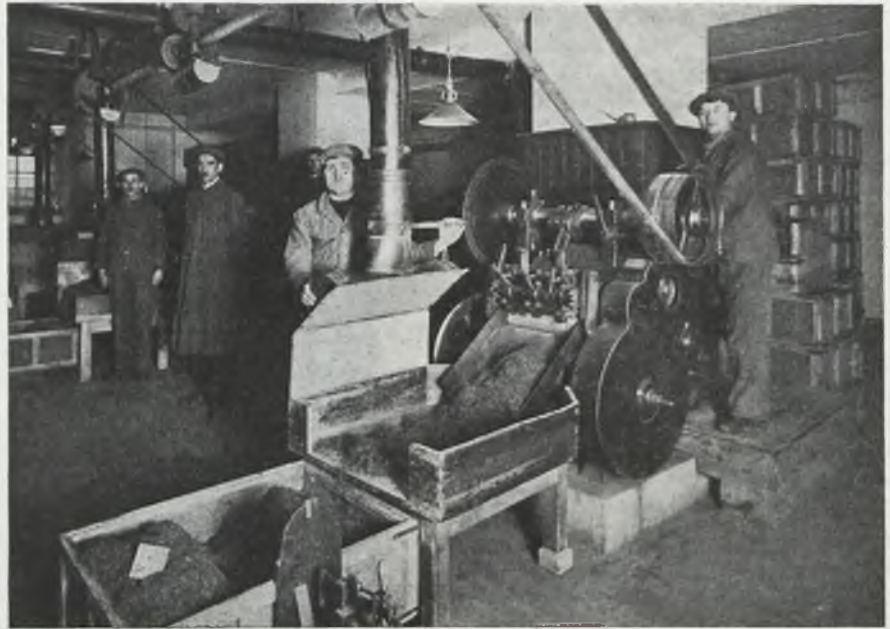
It would appear that, in amassing such a large sum of foreign drafts, the Danzig Bank is developing large credit activity. If, however, we examine more closely the bills of exchange discounted on the territory of the Free City, the following data are obtained (in million Gulden):

	July 30 1926	Decem- ber 31 1926	July 30 1927	Decem- ber 31 1927
Total discoun- ted	29.8	28.3	43.9	56.3
In Bank von Danzig	11.4	11.1	19.8	18.5
In German banks	17.7	16.1	21.9	34.5
In the remain- ing	0.7	1.1	2.2	3.3

It is seen from the above statement that the branches of the German banks are of more importance in the economic life of Danzig than the Bank von Danzig. Therefore it results that the discount policy of the latter is dependent on the policy of the Reichsbank, and for this reason the Bank von Danzig on July 17, 1927, following the lead of the Reichsbank, raised the rate of discount from 5.5 per cent to 6 per cent.

It is characteristic that in its yearly report, the Bank von Danzig, aware of the difficulties for Danzig economic life on account of the separate currency system sees relief in the fact that finally in Poland also prices will rise to the Danzig and German level. The solving of the problem by such a hypothesis does not seem an especially happy solution.

The report lays emphasis on the importance to Danzig of the improvement of economic and financial conditions in



CUTTING TOBACCO LEAVES AT THE STATE FACTORY, POZNAŃ

Poland, and expresses satisfaction that the latter can now look forward to further development on account of the favourable conditions in which she is.

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\$ 1 = zł	8.90	zł 8.90
£ 1 = „	43.52	„ 43.53

BANK OF POLAND:

ASSETS:	10.4.28	20.4.28
Gold and silver reserve . zł	556,424.431.46	zł 556,509.319.84
Foreign balances ... „	420,202.311.15	„ 594,467.425.19
" " (not included in the cover) „	215,009.441.84	„ 212,720.589.41
Bills of exchange ... „	482,427.166.21	„ 490,252.070.20
Loans against securities „	47,197.806.80	„ 46,782.131.79

LIABILITIES:

Notes in circulation ... „	1,065,273.980	— 1,036,561.460
Current accounts ... „	456,534.850.02	„ 447,404.878.87
Other sight liabilities ... „	192,691.328.08	„ 191,911.412.60

BANK NOTES COVER

(bullion & foreign currencies)	68.63%	68.68%
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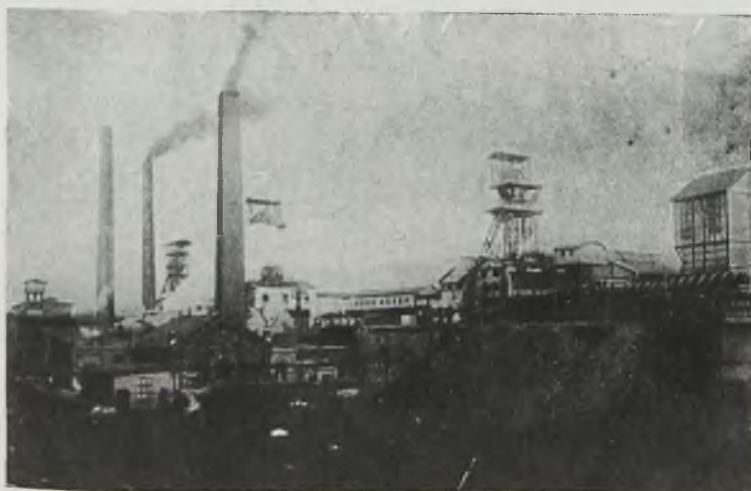
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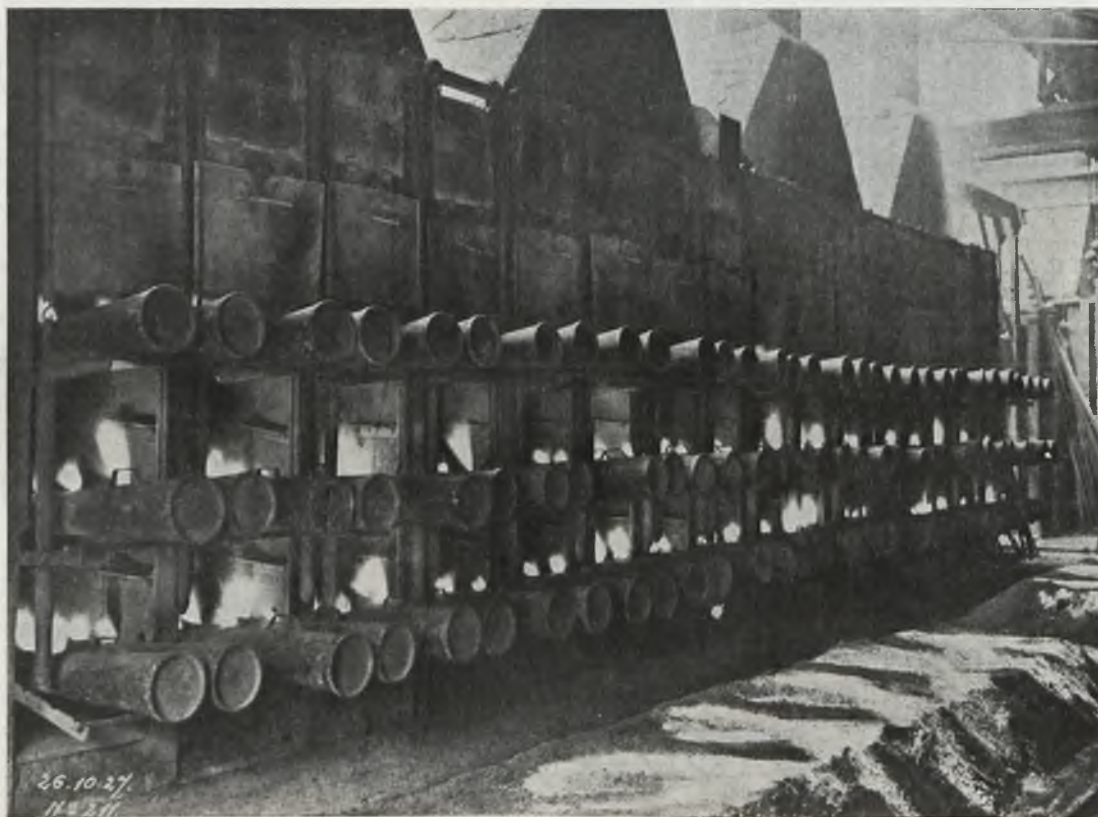
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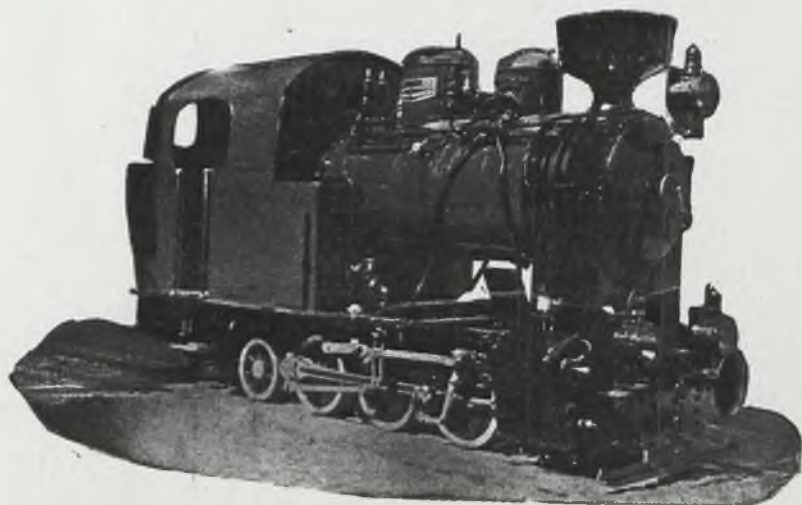
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Zinc (spelter) sheets	Zinc (spelter) "H. H. Krone"
Zinc (spelter) Hohen- lohe brand (refined and unrefined)	(double refi- ned)
	Zinc (spelter) dust

EXCLUSIVE SELLING AGENTS:

"FULMEN" — Górnośląski Handel Węgla
Sp. z ogr. odp.
KATOWICE, 3, 5 & 7. JULJUSZA LIGONIA
TELEPHONE: 497, 498, 807, 2271, 2272

DEPARTMENT III. — ACIDS

Sulphuric acid (60% commercially pure)	
Sulphuric acid from 92 — 100%	
Oleum 12%	Oleum 20%

AGRICULTURAL
TRADING COMPANY Ltd.

"KOOPROLNA"

HEAD OFFICE: WARSAW, 30, KOPERNIKA

EXPORT:

CORN, SUGAR BEET AND CLOVER SEEDS

IMPORT:

ARTIFICIAL MANURES, AGRICULTURAL
MACHINERY AND IMPLEMENTS

BRANCHES:

IN LONDON, DANZIG, POZNAŃ, KATOWICE
48 ASSOCIATED SYNDICATES

"STREM"

CHEMICAL WORKS Co. Ltd.

HEAD OFFICE: 7, MAZOWIECKA, WARSAW

Factories at: Strzemieszyce, Łódź, Tar-
chomin, Lwów and Winnica (in Poland)

OWN PRODUCTS:

Bone glue

stamped (padlock) and unstamped in small
oblong cakes and in large squares

Skin glue

neutral reaction guaranteed, produced by
own system:

- a) average glue for carpentry, book-
binding &c.
- b) special quality of a viscosity above
6 by 40° C in half-waggon loads;
to be supplied in whatever quanti-
ty required

Bone flours:

containing: 1/30, 4/15, 4, 5/22 and 4/20

Oleine, Stearine, Glycerine

GRODZIEC

COAL MINING
AND
INDUSTRIAL COMPANY

OFFERS
BEST QUALITY COAL

POSTAL
AND TELEGRAPHIC ADDRESS:

GRODZIEC
KOŁO BĘDZINA

TELEPHONE: B E D Z I N 19

THE
POLISH
TEXTILE
EXPORTING
ASSOCIATION
LTD.

Ł Ó D Ź
8, MONIUSZKI

THE STATE LAND BANK

HEAD OFFICE — 11, TRAUGUTTA, WARSAW

BRANCHES:

**IN GRUDZIĄDZ, KATOWICE, KRAKÓW, LWÓW, ŁUCK,
PIŃSK, POZNAŃ, WILNO, — AGENCY IN GDYNIA**

TELEGRAPHIC ADDRESS OF HEAD OFFICE: "CENTROPETROL"

TELEGRAPHIC ADDRESS OF BRANCHES: "PETROL"

CAPITAL: 100 MILLION ZŁOTY

THE STATE LAND BANK

**grants long-term redemption loans in 8 per cent mortgage
bonds for land purchase and agricultural investments;**

**supplies small and medium farms, through the intermediary
of cooperative societies, Local Governments and Savings banks,
with short-term credits, and artificial fertilizers on credit;**

**buys estates for parcellation, and executes parcellation on
commission;**

THE STATE LAND BANK

**acts as a medium for the purchase and disposal of mortgage
bonds.**

BANK CUKROWNICTWA

SP. AKC.

SUGAR INDUSTRY BANK LTD.

POZNAŃ (POLAND), 7, SEW. MIELŻYŃSKI

TELEGRAPHIC ADDRESS: "B A C U K R O"

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W A R S A W, 55, KRAKOWSKIE PRZEDMIEŚCIE,

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BANKING BUSINESS

OF EVERY DESCRIPTION TRANSACTED

HOME-DEPARTMENT:

**THE WHOLESALE OF ALL KINDS OF SUGAR PRODUCED
BY THE SUGAR FACTORIES BELONGING
TO THE SUGAR-CARTEL**

EXPORT-DEPARTMENT:

**THE SALE OF SUGAR, MOLASSES AND DRIED BEET PULP
FOR FOREIGN ACCOUNT**

PURCHASE-DEPARTMENT:

**THE FURNISHING OF ARTIFICIAL MANURES, COAL, COKE,
BAGS, LIME-STONE AND OTHER ARTICLES FOR
THE NEEDS OF THE SUGAR AND AGRICULTURAL
INDUSTRY AND FOR THE OPERATION
OF SUGAR FACTORIES**