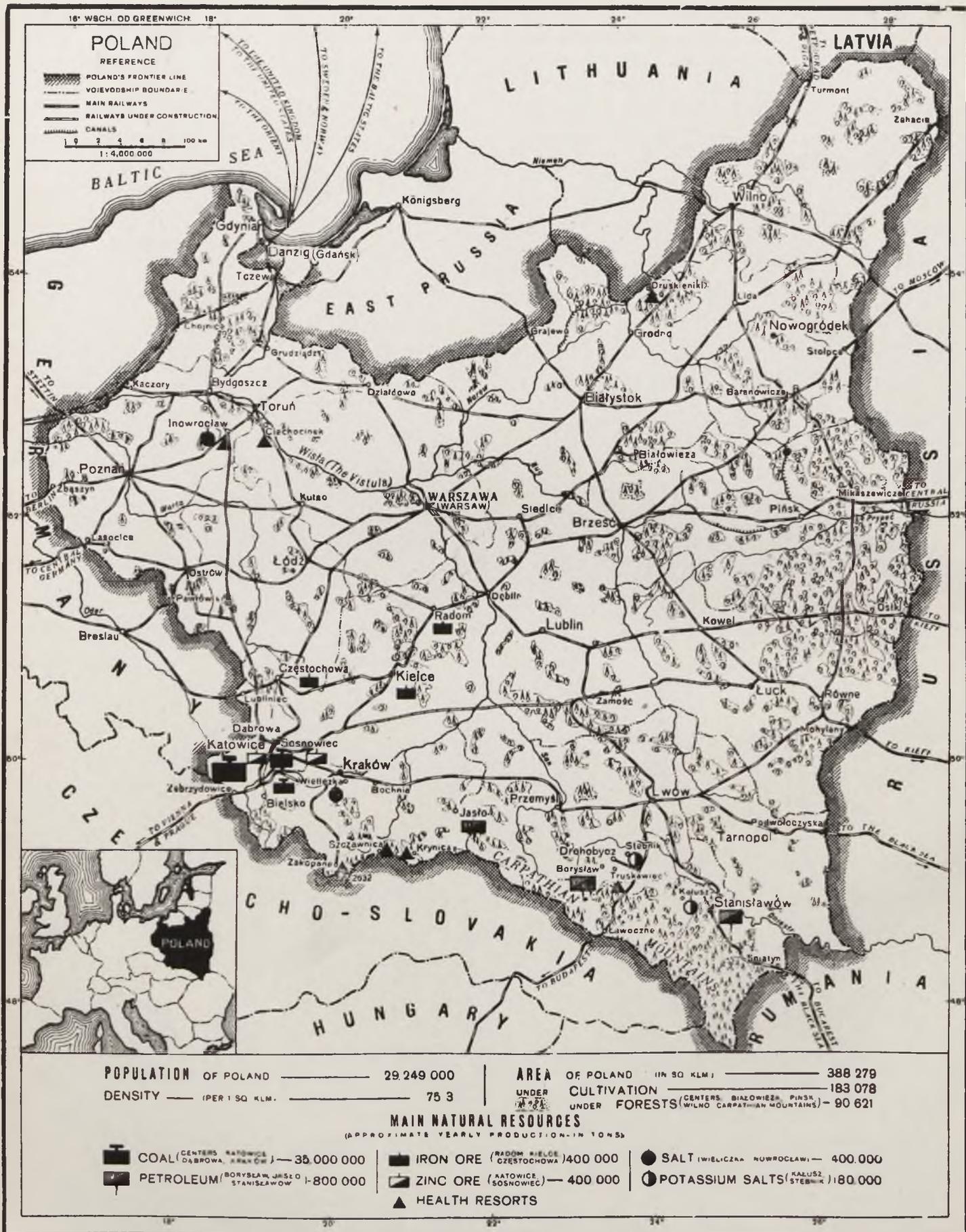


THE POLISH ECONOMIST



2000 egz

LOOK AT THIS MAP BEFORE GOING ANY FURTHER



MAY was characterised by brisk movement in industry and a slackening off in agriculture.

In agriculture, the prospects for the year's harvest, which usually takes place in July, are still uncertain; in some parts of the country where cultivation has not as yet reached a high standard and where, therefore, the agricultural production is greatly influenced by rain and cold which, as is well known, prevailed in Poland throughout the month, the crops have been damaged but not to such an extent as to eliminate improvement if the weather conditions change for the better in the following months; under these conditions the yields are anticipated to be slightly below those of last year.

In industry, there prevailed brisk activity. The number of unemployed declined considerably not only on account of the seasonal influences such as the growth of building operations, but also on account of increased production of coal, iron, textiles, &c.

In commerce, the volume of transactions on the local market was smaller than in the preceding month, which is usual at this time of the year (pre-harvest period). On the other hand, foreign trade showed a marked expansion (import of grain). The foreign trade balance continued to be adverse despite a steady rise in exports. Both railway and port traffic were large.

The financial situation at the Treasury leaves nothing to be desired. State revenue increased although the rates of taxes have not been augmented. This enabled the Government to increase disbursements for public purposes without endangering the equilibrium of the budget.

The money market, after some difficulties in April, showed signs of easiness at the beginning of May, but subsequently more stringent conditions set in owing to a considerable demand for credits on the part of agriculturists and an increased demand from industry for investment purposes.

Bank of Poland covered the exceptionally large demand for foreign currencies which has been evident during the past few months as a result of increased imports, without diminishing its foreign currency reserves to any large extent.



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	Lwów	219,388	Katowice	118,870	Sosnowiec	103,039
Łódź	580,000	Kraków	200,332	Lublin	114,042	Częstochowa	95,518
Poznań	236,265	Wilno	178,215	Bydgoszcz	111,197	Białystok	90,200

READ

THE POLISH ECONOMIST

A MONTHLY REVIEW OF TRADE, INDUSTRY AND ECONOMICS IN POLAND

THE CURRENT ISSUE, No. 7/1928, of "The Polish Economist" contains the following articles: Review of the economic situation in Poland in May; Reorganisation of Polish Banking Institutions; The Problem of Electrification in Poland; Agricultural Associations in Poland; Salt Industry in 1927; New Crisis in Russia. 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	MAY 1927	APRIL 1928	MAY 1928
TRANSPORTS:				
RAILWAY TRAFFIC	truck loaded	465.775	389.228	483.445
PORT TRAFFIC:	(15 tons)			
Danzig	reg. ton	330.103	318.524	361.204
Gdynia		35.554	70.701	63.668
BUDGET:				
RECEIPTS		210.0	222.5	244.0
including:				
taxes and public levies		121.5	124.1	151.9
monopolies		57.0	68.1	67.1
State undertakings	million £	11.5	6.7	6.2
EXPENDITURE		189.8	213.2	230.8
MONEY CIRCULATION:				
BANK OF POLAND NOTES	million £	705.2	1,126.0	1,183.0
COVER IN GOLD AND FOREIGN CURRENCIES	%	52.57*	67.76	64.70
TOKEN COINS	million £	399.1	266.1	252.8
CREDIT:				
(Bank of Poland)				
BILLS DISCOUNTED	million £	375.9	499.0	558.3
OFFICIAL DISCOUNT RATE	%	8.0	8.0	8.0
FOREIGN CURRENCIES:				
(Warsaw Stock Exchange — average rates)				
U. S. A. DOLLAR		8.93**	8.90	8.9*
POUND STERLING		43.45**	43.52	43.52
FRENCH FRANC	£	0.35**	0.35	0.35
SWISS FRANC		1.72**	1.72	1.72

SUMMARY OF LAWS, ACTS AND EXECUTIVE DECREES

published in the "Official Journal of Laws of the Republic of Poland"

("Dziennik Ustaw Rzeczypospolitej Polskiej")

during May 1928

Partial amendment of the executive decree relative to the combating potatoe cancer ("Dz. Ust. R. P." No. 51, item 491).

Partial amendment of the goods tariff on normal-gauge railways ("Dz. Ust. R. P." No. 51, item 494).

Partial amendment of the executive decree dealing with the despatch of radiograms to and from America and Poland via "Radio - Warszawa" ("Dz. Ust. R. P." No. 53, item 507).

The warehousing of mineral oils by industrial undertakings ("Dz. Ust. R. P." No. 53, item 508).

Alterations in passenger fares on normal-gauge railways ("Dz. Ust. R. P." No. 53, item 511).

Amendment of the narrow-gauge railway goods tariff ("Dz. Ust. R. P." No. 55, item 525).

Consular convention between Poland and France ("Dz. Ust. R. P." No. 56, items 528 and 529).

Amendment of the Statutes of the Bank Gospodarstwa Krajowego ("Dz. Ust. R. P." No. 56, item 532).

Port, cargo, demurrage and pilot charges ("Dz. Ust. R. P." No. 56, item 535).

Amendment of the railway rates in respect of the goods traffic between Poland and Germany ("Dz. Ust. R. P." No. 57, item 542 and No. 61, item 571).

*) In relation to bank notes in circulation, slight liabilities not included.

***) £ of 1924.

	UNIT	MAY 1927	APRIL 1928*	MAY 1928
STATE OF EMPLOYMENT:				
UNEMPLOYED		256,934**	153,016**	181,454**
PART-TIME WORKERS		35,024	54,385	27,461
PRODUCTION:				
COAL	thousand tons	2,731—	2,981—	3,057—
OIL		62.5	59.2	61.2
STEEL		96.5	108.2	111.8
IRON		48.0	54.9	54.8
ZINC		12.9	12.9	13.4
AGRICULTURAL INDEXES:				
(crop estimates)				
RYE	5 points	3.0	2.7	2.5
WHEAT		3.3	2.9	2.7
BARLEY		3.0	2.7	3.2
OATS		3.1	-	3.2
PRICES:				
WHOLESALE PRICE INDEX	1914=100	120.5	124.5	122.5
INDEX OF COST OF LIVING IN WARSAW		118.8	120.7	121.3
FOREIGN TRADE:				
IMPORTS:		282.2	265.6	296.5
including:		503.6	410.8	511.3
foodstuffs (edible fats, fish & herring, coffee, rice, wheat &c.)		98.8	58.0	98.2
animal products (tanned hides, dried skins &c.)		177.8	76.5	148.8
ores		17.5	19.1	20.6
chemicals (vegetable & animal fats, dyes, colours & varnishes, potassium salts &c.)		2.9	3.6	3.1
metals & metal products		8.9	6.2	7.2
machinery & apparatus		85.7	60.7	66.2
paper & paper wares		19.3	23.2	19.6
textiles & textile products		16.2	18.9	21.3
EXPORTS:		196.7	184.5	201.8
including:		1,608.9	1,480.2	1,558.4
foodstuffs (sugar, meat, eggs, forage, peas & beans, barley, hops &c.)	thousand	45.5	41.9	45.5
live animals — in thousands of heads	tons	17.1	15.3	20.4
timber and wood ware (planks, deals & battens, pulpwood, pit props, round wood & logs, veneers &c.)		102.7	127.1	184.3
plants & seeds		52.1	47.4	51.5
coal & coke		520.7	373.3	419.5
petroleum products		1.4	3.8	3.3
iron & iron products		3.7	5.8	4.7
zinc		29.7	23.5	26.8
textiles & textile products		6.5	5.3	8.1
EXCESS OF EXPORTS (+) OR IMPORTS (-)		1.8	2.4	2.1

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

THE POLISH ECONOMIST

A MONTHLY REVIEW OF TRADE, INDUSTRY AND ECONOMICS IN POLAND

WARSAW — LONDON — NEW YORK

DATE OF THIS ISSUE: JUNE 30, 1928

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* * *

MAY was characterised by brisk movement in industry and a slackening off in agriculture.

In agriculture, the prospects for this year's harvest, which usually takes place in July, are still uncertain; in some parts of the country where cultivation has not, as yet, reached a high standard and where, therefore, the agricultural production is greatly influenced by rain and cold which, as is well known, prevailed in Poland throughout the month, the crops have been damaged but not to such an extent as to eliminate any improvement if the weather conditions change for the better in the following months; under these conditions, the yields are anticipated to be slightly below those of last year.

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The financial situation at the Treasury leaves nothing to be desired. State revenue increased although the rates of taxes have not been augmented. This enabled the Government to increase disbursements for public purposes without endangering the equilibrium of the budget.

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large demand for foreign currencies which has been evident during the past few months as a result of increased imports, without diminishing its foreign currency reserves to any large extent.

REVIEW OF THE GENERAL ECONOMIC SITUATION IN POLAND

M A Y 1928

	UNIT	MAY 1927	APRIL 1928*)	MAY 1928
STATE OF EMPLOYMENT:				
UNEMPLOYED		256.934	153.016	131.454
PRODUCTION:				
COAL	thousand tons	2.731	2.981—	3.057—
OIL		62.5	59.2	61.2
IRON		48.0	54.9	54.8
AGRICULTURAL INDEXES:				
(CROP PROSPECTS)				
RYE	5 points system	3.0	2.7	2.5
WHEAT		3.3	2.9	2.7
BARLEY		3.0	2.7	3.2
OATS		3.1		3.2
PRICES:				
WHOLESALE PRICE INDEX	(1914 = 100)	120.5	124.5	122.5
INDEX OF COST OF LIVING IN WAR-SAW		118.8	120.7	121.3
FOREIGN TRADE:				
IMPORTS	million ₪	282.2	265.6	296.5
EXPORTS		196.7	184.5	201.8
EXCESS OF EXPORTS (+) OR IMPORTS (-)		— 85.5	— 81.1	— 94.7
TRANSPORTS:				
RAILWAY TRAFFIC	truck loaded (15 tons)	465.775	389.228	483.445
PORT TRAFFIC (DANZIG AND GDYNIA)	reg. ton	365.657	389.228	424.872
BUDGET:				
RECEIPTS	million ₪	210.0	222.5	244.0
EXPENDITURE		189.8	213.2	230.3
MONEY CIRCULATION:				
BANK OF POLAND NOTES	million ₪	705.2	1 126.0	1.133.0
COVER IN GOLD AND FOREIGN CURRENCIES	% %	52.57**	67.76	64.70
TOKEN COINS	million ₪	399.1	266.1	252.3
CREDIT:				
(BANK OF POLAND)				
BILLS DISCOUNTED	million ₪	375.9	499.0	558.3
OFFICIAL DISCOUNT RATE	% %	8.0	8.0	8.0
FOREIGN CURRENCIES:				
(WARSAW STOCK EXCHANGE-AVERAGE RATES)				
U. S. A. DOLLAR	₪	8.93***)	8.90	8.90
POUND STERLING		43.45***)	43.52	43.52

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

REORGANISATION OF POLISH BANKING INSTITUTIONS

THE YEAR 1927 was exceptionally favourable for Polish private banks especially when compared with the years which have elapsed since 1915. During the period of the war the banks, just as

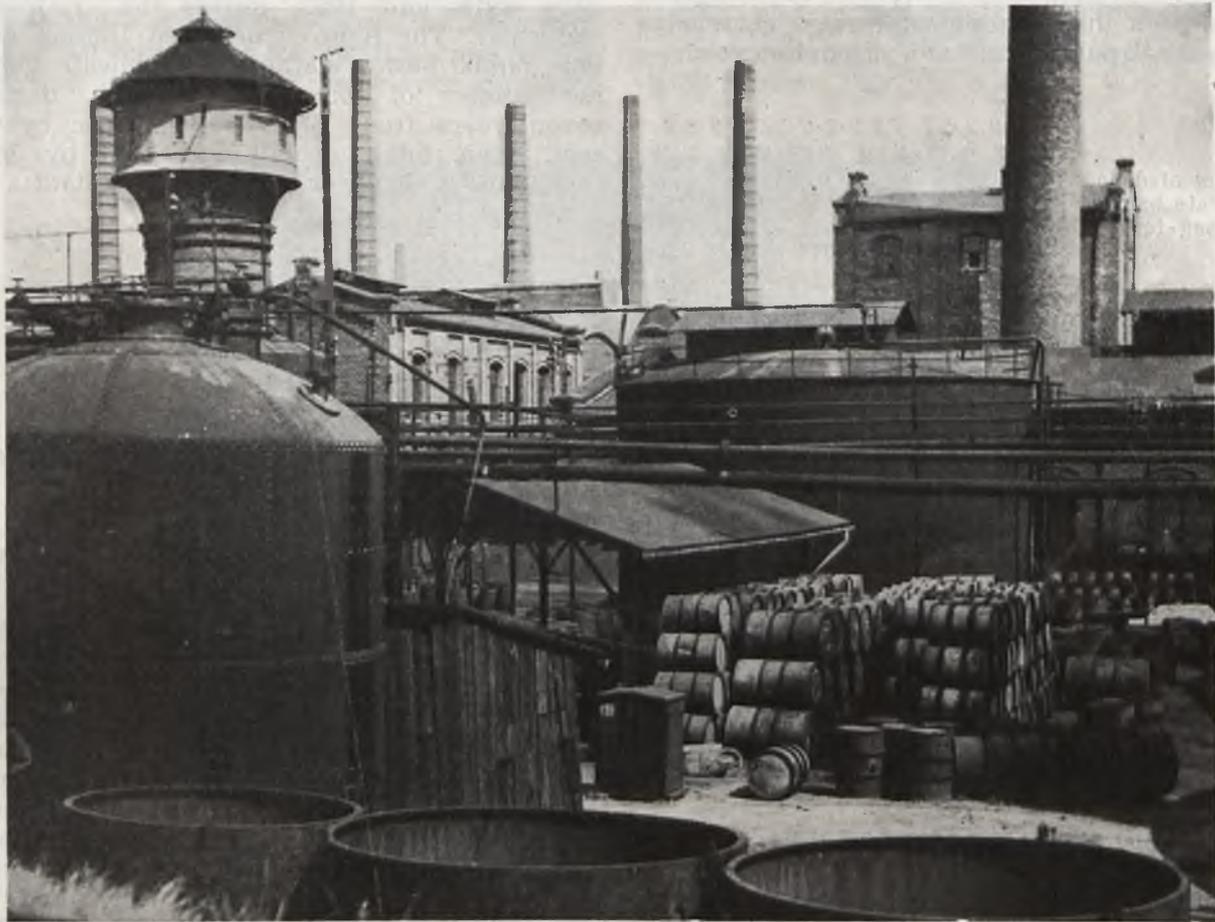
the whole economic life of the country, were confronted with a severe crisis which was all the more acute as most of the institutions have lost considerable funds on account of the political upheaval in Russia.

*) Corrected figures.
**) In relation to banknotes in circulation, slight liabilities not included.
***) ₪ of 1924

The post-war years up to and including the year 1923 were marked by inflation and constituted a period of fictitious prosperity for, as is well known, inflation with its consequences, resulted in an utter destruction of the working capital and caused the old rational methods of operation to be abandoned. The year 1924, as a transitory period, was featureless as far as banking was concerned. On the other hand the following year was nothing short of a catastrophe to all the Polish banks.

their methods of operation and replaced them by old and well-established principles of banking dating from pre-war days.

In 1926, the position of the majority of the Polish private banks was such that they could not even partially meet the requirements of the economic life of the country, although they were on a comparatively small scale. For this reason the State institution, the Bank Gospodarstwa Krajowego (The National Economic Bank) although



VIEW OF THE CHEMICAL FACTORY OF THE UNION OF COKE WORKS AT HAJDUKI
(PHOT. S. PLATER)

It is only thanks to considerable reserves accumulated before the war that, despite the severe blows, the Polish banks succeeded in keeping their heads above water. However, those institutions which had been established during the war and since its termination, frequently based on unsound foundations, had to close down. During the whole of the year 1926 all the banks which either by their own resources or thanks to Government assistance had succeeded in maintaining their positions, were subject to a thorough reorganisation; large amounts appearing as assets had to be written off as bad debts whilst others could only gradually be recovered. Far-reaching economies were made by the closing down of unprofitable branch offices and by the dismissal of inefficient and, not infrequently, inexperienced staff. In addition, nearly all the banks revised

it was not its direct aim, developed short-term loan business and as the only source of this credit, it became a strong competitor of private banks; this rôle was imposed on this Bank as the demand for short-term credits from industry, commerce and agriculture, had to be satisfied. Moreover, during the period in question, this was practically the only institution concentrating deposits; these deposits, however, did not originate in savings for they disappeared totally; they were, for the most part, the reserves of firms and private persons.

Since the beginning of 1927, steady development and progress in Polish private banking has been noticeable. This was due to the fact that the banks with insufficient working capital had either been closed down or were subject to compulsory liquidation during the year 1926. The remaining institutions were reorganised and began gradually

to regain their position and to inspire confidence. The Bank Gospodarstwa Krajowego thus gradually ceased to be the sole supplier of credit and a competitor to private banking institutions, diverting its attention to the development of its business along the lines defined in its statutes.

The statement below (in thousands of zł) indicates the growth of the deposits with private banks and in particular of long-term deposits which not only shows that the saving spirit in Poland has been revived but that at the same time the banks have regained the confidence of the public; these figures prove also that the hoarding of foreign currencies by the general public has been discontinued:

	1925		1926		1927	
	31/VII	31/XII	31/VII	31/XII	31/VII	31/XII
total amount of deposits with private banks	394	332	404	516	671	799
including long-term deposits	83	66	99	114	175	222

The rise in the amount of deposits was accompanied by a marked increase of credit facilities received by Polish banks from abroad. To begin with, these credits were small and rather expensive but gradually they increased in amount and became cheaper so that at the present time the position in this respect may be regarded as satisfactory.

With the growth of the banks' working capital also increased rapidly the amount of credit granted to their clients and with it the general development of banking business, as is illustrated by the table below (in thousands of zł):

	1925		1926		1927	
	31/V I	31/XII	31/VII	31/XII	31/VII	31/XII
bills discounted	323	214	261	314	472	613
long-term loans	76	74	76	75	130	97
current accounts	326	327	343	395	518	613
grand total of balance-sheets	1.125	1.024	1.082	1.237	1.598	2.048

Moreover, it should be stated that the amount of liquid capital at the banks rose considerably and that overhead charges declined materially.

The yearly balance-sheets which have been published recently for the year 1927 clearly show that that year was, to say the least, most satisfactory; nearly all the leading private undertakings were in a position to pay a dividend of from 6 to 14 per cent despite liberal allowances for doubtful debts and despite the transfer from the profits of comparatively large sums to reserve funds.

Simultaneously, with the internal reorganisation of individual banks, the Government supervision has become more efficient, while at the same time a new banking law has been put into force. The most important stipulations of the new law are the introduction of the minimum ratio of paid up capital to the amount of loans granted (1:10) and the prohibition to the banks to deal in goods and real property on their own account. These two stipulations have in view the provision of absolute security for the capital, both local and foreign, used by private banks.

THE PROBLEM OF ELECTRIFICATION IN POLAND

IT IS CERTAIN that the electrification of a country is a problem of paramount importance to the community, and for this reason the Polish Government attaches great value to the rational exploitation of the country's reserves of energy and endeavours to make use of them as far as conditions permit.

The following table gives the figures for the years 1914, 1918 and 1925, proves the truth of this statement. The figures contained therein embrace only public power stations and indicate that while the number of the power stations, during the seven years from 1918 to 1925, rose by 9.4 per cent, their total capacity increased by 36.3 per cent, and by 34.6 per cent per inhabitant:

Year	1914		1918		1925		Increase from 1918 to 1925
	number	per cent	number	per cent	number	per cent	
Number of electrical power stations . . .	113	100.0	254	124.8	278	146.0	9.4
Capacity of electrical power stations (in KW)	172.600	100.0	202.950	17.5	276.632	60.2	36.3
Amount of watts installed per inhabitant . .	6	100.0	7.5	25.0	10.1	68.3	34.6

The degree of electrification of a country may be gauged by the production of energy in both public and private plants per capita of population. Thus, according to the statistical returns for 1925, the annual production of electrical energy amounted to 1.800 million KWh or 66 KWh per inhabitant; on the other hand, assuming that all the existing industrial undertakings were electrified, quite independently of whether they generate their own power or not, the amount of energy required would amount to 5.200 million KWh or 191 KWh per inhabitant.

For the whole of Poland, the ratio of electrical energy required to that already employed is 3:1; in some parts of the country and particularly in the Eastern Voievodships the ratio is still more unfavourable. This is to be regarded as a direct consequence of the policy pursued by the Russian pre-war government, the object of which was to weaken Poland economically; the present state of affairs in this industry shows the vast possibilities for electrical companies in Poland, especially when it is borne in mind that the energy generated by public utility plants amount only to 22 KWh per inhabitant, which is a small figure when compared with other countries where the production of such plants reaches up to 700 KWh per inhabitant (Switzerland).

As for reserves of energy, these are both varied and plentiful. The ascertained coal deposits, to

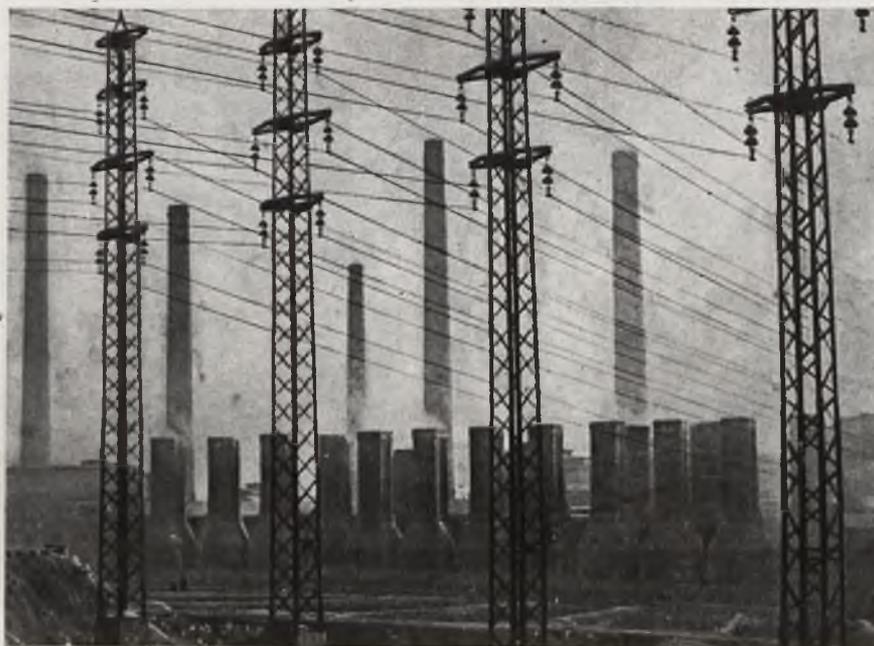
a depth of 1.000 m., come to 62 milliard tons. Water power resources in the lower Carpathian and the Pomeranian areas may be placed at c-a 1,000.000 KWh. Finally crude oil, natural gas, brown coal, peat and wood, are also available*).

The most important source of energy is coal. In this respect Poland takes third place in Europe, which speaks for itself as regards the amount of this raw material. The coal deposits are concentrated in a comparatively small area, in the South-Western part of the country.

As regards water power resources, although not as large as those of coal, they have the advantage of being practically inexhaustible; they are, for the most part, distributed along the whole Southern

public utility and private power stations, descriptions of the sources of energy and finally, maps and diagrams illustrating the respective figures.

The above account may be regarded as a general outline of the programme of electrification of Poland, viewed from the economic and technical standpoints. As the realisation of the electrification programme necessitated the regulation in a legal manner of a number of problems, which crop up as soon as the plans elaborated theoretically are translated into practice, the Polish Government drew up a law, which dealt with the generation, transformation, transmission and distribution of electrical energy. This law was passed through Parliament on May 21, 1922.



AN ELECTRICAL POWER STATION IN UPPER SILESIA
(PHOT. S. PLATER)

region from East to West, the remainder being situated in the Pomeranian district.

Of course, the geographical situation of natural resources of energy, determines in advance the general programme of the building of power stations as well as the direction of the distribution lines.

The details of the programme and in particular its realisation, depend on the situation of the consuming centres and the amount of the energy required by them. The investigation into these problems, and the elaboration of a general programme of electrification are now in progress. The work is being carried out by the Ministry of Public Works, and in a special publication entitled: "The electrification of Poland", three numbers of which have already been issued, the Ministry has given statistical data concerning the power plants, the amount of current required, statistical returns of

Without touching upon the acquired rights of the existing power supply undertakings, the law requires new undertakings designed to supply electrical energy, to secure the necessary concession. Further, all electrical power stations are legally obliged to maintain their plants and to perform their functions in accordance with technical regulations and to supply surplus energy to public utility power stations when necessary.

The concessions which are granted by the Minister of Public Works give the exclusive right to supply energy within a certain defined area and contain the maximum rates to be charged, as well as impose the obligation to supply current to all the categories of consumers enumerated therein. The concessions confer on the undertakings the right to use free of charge: roads, streets and public open places and, against compensation, private property for the erection of cables, transformers &c. The State reserves to itself the right to acquire the plants on conditions enumerated in the concession after or before the expiration thereof.

* Details regarding this subject will be found in the paper read by the delegate of the Polish Power Committee at the World Power Conference held in London in 1924.

On the strength of the above mentioned law the Ministry of Public Works has issued several executive regulations which simplify the procedure for obtaining concession; they contain also technical prescriptions concerning the construction of electrical power stations and standardise the voltages and frequency of current.

The realisation of the programme of electrification involves a large outlay of capital; the Polish Government has made all the necessary arrangements with a view not only to supply information to capitalists intending to take an active interest in this industry but also to facilitate the investment of capital. In this connection should be mentioned the Presidential decree dated March 22, 1928, on the strength of which special assistance is given to public utility electrical works constructed or to be constructed on the territory of Central voievodships. Hydroelectrical power stations and distribution lines also enjoy far-reaching support. In addition to a whole range of privileges in connection with the acquisition of sites, these undertakings may be entirely freed from taxes, both Governmental and those levied by local self-governing bodies, for a period of 15 years.

The law dated July 15, 1920, which has a transitory character, provides for the amendment of tariffs for the supply of electrical energy; the object of this law was to amend the rates stipulated in the concessions granted before the war on the condition, however, that these rates had become unprofitable either owing to an inadequate rate of conversion into the new monetary unit or owing to the change in economic conditions.

All matters connected with the electrification are dealt with by the Ministry of Public Works, which, as already mentioned, is empowered to grant concessions for the supply of electrical energy.

This Ministry also takes an active part in the work of two social organisations, namely: the Electrotechnical Committee and the Power Committee, the aims of which are directly bound up with the activities of the Ministry. The Polish Electrical Committee elaborates the plans of electrotechnical regulations and of standardisation, and is called upon to collaborate with and to act as the representative body of the Polish electrotechnics at international conferences &c.

As regards the Polish Power Committee, it should be stated that in it is concentrated the work of various organisations investigating the problems of power in the country, and drawing up inventories of the reserves of energy; this Committee also collaborates with similar foreign organisations.

Among the institutions engaged in the defence and promotion of the electrification and the electrical industry should be mentioned the Union of Polish Electrical Power Stations and the Union of Electrotechnical Undertakings, with headquarters in Warsaw. There is also the Association of Polish Electrical Engineers which has an essentially scientific character; its headquarters is also in Warsaw.

AGRICULTURAL ASSOCIATIONS IN POLAND

AGRICULTURAL associations in Poland may be divided into the following groups: economic, social and those which embrace both these aims.

The first group includes associations, the object of which is to ensure economic advantages to its members, either *a*) directly, in the form of profits on the capital invested in the enterprises and advantages accruing to members' estates from the organisation of agricultural syndicates, land credit associations, land banks and various agricultural financial and commercial institutions, or *b*) indirectly, by the defence of the interests of the agricultural community, of certain of its classes, for instance, unions of land owners, trade unions of agricultural labourers, planters' associations, &c.

The second group embraces associations formed for the purpose of the advancement of agricultural education and welfare among the farming communities, for instance unions of young farmers, clubs of social workers, &c.

The third group includes associations of a mixed, social and economic character. Associations of this type are most numerous and play an increasingly important rôle in the development of agriculture as they include co-operative societies, and unions of farmers.

The development of agricultural co-operative societies has been in evidence in Poland since the second half of the nineteenth century and even before the war it was quite strong, but progress was hampered by the alien authorities, in particular in the Russian section.

During the period of the Great War and the first few years after its conclusion, the co-operative movement showed a certain slackening off, due to war damages and the depreciation of the currency. However, since the introduction of the gold currency, i. e., since the year 1924, a period marked by rapid, all round progress has set in.

Credit co-operative societies are of great assistance to the agricultural community. In small villages they are organised on Raiffeisen lines and are known as *Stefczyk* Societies after the name of their founder; there are also district credit institutions, of the *Schulze* type, the scope of activity of which is much larger. Apart from the above credit institutions, there are in Poland consumers' co-operative societies which specialise in making purchases on a large scale of various agricultural products for distribution among their members. However, the most numerous and at the same time the most prosperous are the associations of producers of horned cattle, pigs, eggs, butter, &c., who market their produce through a common sales institution; in the more progressive villages foodstuffs and articles of first necessity are supplied by shops run on co-operative lines. Of frequent occurrence are the associations of producers of raw materials, which are worked up in a common workshop; to this category belong co-operative dairies, factories working

up flax, fruit, oil-bearing seeds, as well as co-operative distilleries, &c.

Agricultural co-operative societies as a rule form unions among themselves, with Boards of Control; these possess executive head offices which are entrusted with the conduct of the business of the societies which are members. The Boards of Control are associated in two central bodies, namely — the Zjednoczenie Związków Spółdzielni Rolniczych (Central Union of Agricultural Co-operative Societies) which embraces the unions of co-operatives of the Raiffeisen type, and the Union of Co-operative Unions. The latter union embraces the co-operatives of the Schulze type.

co-operatives of breeders of horned cattle, pigs and poultry, who found it more profitable to effect their sales in common; district and village credit institutions as well as shops selling articles of first necessity were extensively run on co-operative lines.

In former Russian Poland several attempts to establish farmers' associations were already made in the nineteenth century, and although good results were obtained, they had to be liquidated owing to the difficulties made by the Russian Government. The associations were simply regarded as political organisations aiming at the overthrow of then prevailing régime. Only in 1907 was some measure



RYE FIELD AT A MODERN FARM

Agricultural associations and unions of farmers were necessarily organised separately in the former Russian, German and Austrian sections and their development depended largely upon the economic, social and political conditions prevailing in the three provinces.

In the German section, despite the hostile attitude of the Government to the Polish population, the agricultural community succeeded in calling into being extensive organisations of the Schulze type, which were responsible for the creation of the well known banking institution, the Bank Związku Spółek Zarobkowych.

In the Austrian section, similarly as in the German, agricultural associations reached a high standard of development and played an important rôle in the economic life of the country. Here special stress was laid on the education of agriculturists. It is worthy of note that the associations of farmers were responsible for the creation of the Academy of Agriculture at Dublany and the High School of Agriculture at Czernichów, near Kraków. There were also a large number of

of freedom given in this respect, which enabled the formation of a number of agricultural associations. This movement was headed by the Centralne Towarzystwo Rolnicze (Central Agricultural Society) which looked after the interests of both large landed estates and small holdings.

The structure of agricultural associations and unions of farmers' clubs is at present as follows. To begin with, there are the farmers' clubs which are members of district unions of farmers' clubs; the latter in turn belong to central bodies covering, in most cases, the three former sections of Poland. The activity of the associations and clubs is a manifold one and includes agricultural education, experimental work, the fostering of breeding, dairying, fruit growing, agricultural book-keeping, the foundation of co-operative societies, &c. Apart from the above mentioned there are in Poland gardeners', fishermen's and other similar associations.

All these associations are private institutions.

There are still many farmers, particularly the small holders, who are outside these

organisations and for this reason and in order to enable them to take advantage of the facilities accorded by the agricultural associations, the President of the Republic has issued a decree whereby Chambers of Agriculture, which it will be obligatory to join, will be introduced throughout Poland as a component part of the self-governing economic units. It was felt that neither the territorial self-governing units, nor the free organisations could efficiently deal with all the problems arising in connection with the development of agricultural production. Moreover, the free associations could hardly be regarded as a medium for shaping the Government's policy, and it is therefore intended to create a uniform representative body of the agricultural interests and in this way to ensure for the agricultural self-governing bodies a rational plan of development.

Chambers of Agriculture are already well known in the former German section of Poland. In accordance with the Prussian laws, a Chamber of Agriculture was established in Poznań in the year 1894; as, prior to the restoration of Poland, the Pomeranian district was covered by the Danzig Chamber of Agriculture, a new chamber was founded in Toruń in the year 1919; for the Upper Silesian area a Chamber of Agriculture was established in Katowice in 1926.

The scope of the activity of these chambers is very wide as it covers practically all branches of the economic life of the Polish countryside. The Presidential decree issued in 1928 concerning Chambers of Agriculture provided for the following: *a*) the creation of representative bodies of agriculturists, *b*) the promotion of the development of agriculture by means of education, experimental work &c. and *c*) the performance of functions at the request of the State administration.

Every voievodship will possess a chamber, at the head of which will be councillors delegated by the district self-governing administrative units, agricultural associations and by the Government; it is seen that the agricultural community will not have a decisive influence on the management of the chambers. The necessary funds for the chambers will be derived from special taxes to be imposed on the agricultural interests. The organisation and the activity of the chambers will in each case be drafted separately.

The calling into being of the Chambers of Agriculture throughout Poland marks a big step forward in the development of agricultural production.

SALT INDUSTRY IN 1927

THE GENERAL progress observed in the economic life of Poland during the last two years and in particular in 1927 which may be regarded as a year of stabilisation and consolidation, has also had a beneficial effect on the Polish salt industry. Salt-producing establishments worked throughout the year under normal conditions, employing about 3,610 workmen and 188 officials including 20 engineers. The development of salt production

in Poland during the period under review as compared with the years 1913, 1925 and 1926 is illustrated in the following table (in tons):

	1913	1925	1926	1927
State Salt undertakings operated by the Ministry of Industry and Commerce (10 establishments)	163.016 (90.5%)	227.130 (53.5%)	248.089 (54.2%)	279.324 (51.8%)
State salt undertakings leased (3 establishments)	17.096 (9.5%)	18.488 (4.3%)	19.330 (4.2%)	16.169 (3.0%)
Private undertakings (3 establishments)	— ¹⁾ (—)	179.115 (42.2%)	190.367 (41.6%)	243.717 (45.2%)
Total:	180.112 (100%)	424.733 (100%)	457.786 (100%)	539.210 (100%)
Percentage of output in relation to 1913 including:	100	236	254	299
Rock salt	102.520 (57%)	220.288 (51.8%)	218.917 (47.8%)	243.482 (45.1%)
Evaporated salt ²⁾	77.592 (43%)	109.821 (25.9%)	120.500 (26.3%)	131.600 (24.4%)
Brine salt	— ³⁾ (—)	94.704 (22.3%)	118.369 (25.9%)	164.128 (30.5%)
including:				
Edible salt	109.328 (60.7%)	303.590 (71.5%)	306.513 (67.0%)	331.825 (61.5%)
Industrial salt	44.936 (25.0%)	115.022 (27.0%)	142.906 (31.2%)	193.505 (35.9%)
Cattle salt	25.264 (14.0%)	4.016 (1.0%)	6.990 (1.5%)	12.412 (2.3%)
Other varieties	584 (0.3%)	2.105 (0.5%)	1.377 (0.3%)	1.468 (0.3%)

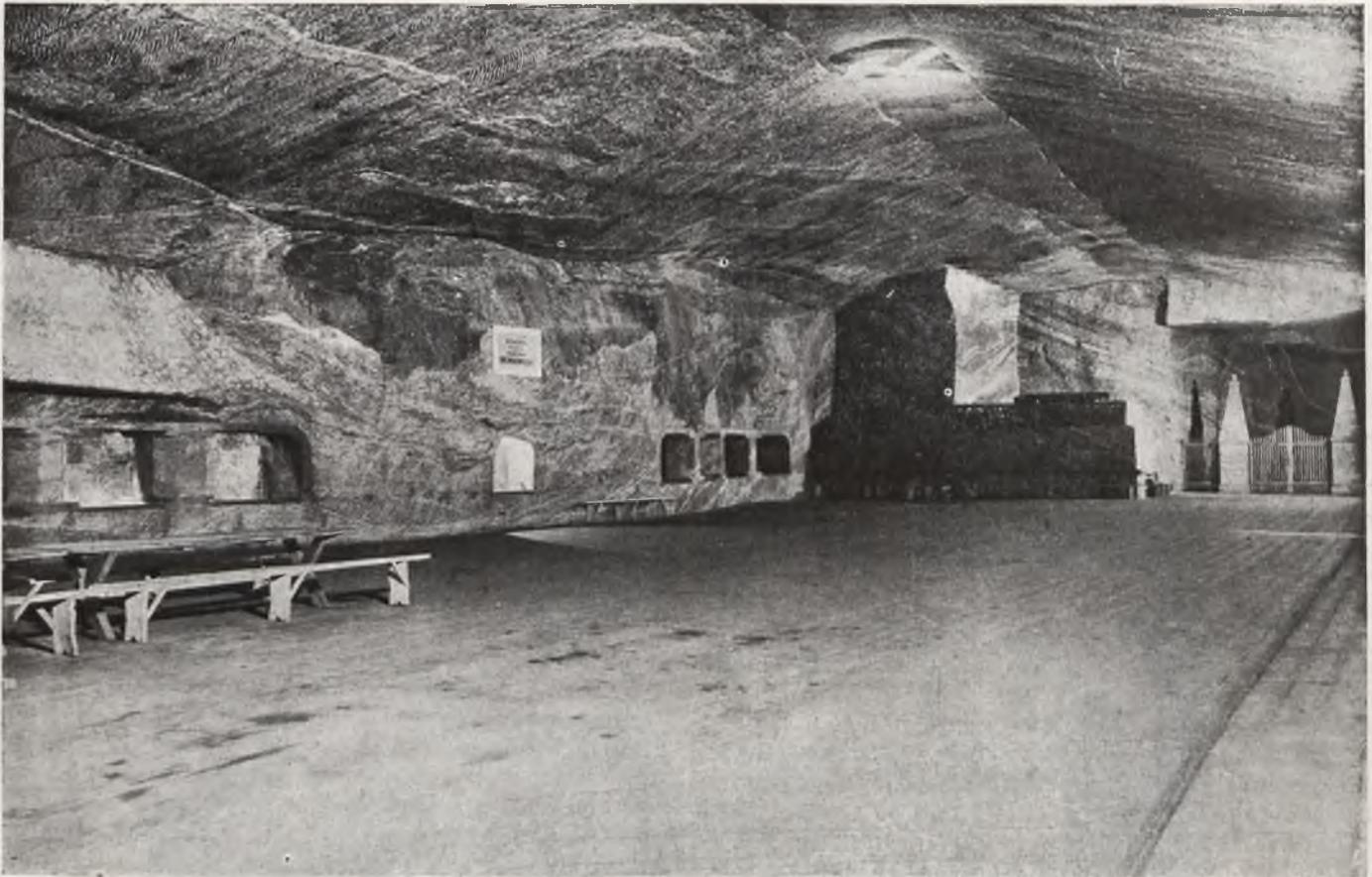
Passing to an analysis of the above mentioned data, comparison will be made with figures for the year 1925, as the year 1926 may be considered as a transitory period. The years 1925 and 1927 were characterised by different currency, economic and even political conditions, and for this reason they may be advantageously used for the purpose of illustrating the development of this branch of production.

The total production of salt in Poland amounted to 539,210 tons in 1927 as compared with 424,733 tons in 1925, an increase of 27 per cent. Thanks to a considerable increase in the output of salt in the year 1927, the productive capacity of all the salt-producing establishments in Poland rose from 60 per cent in 1925 to 75 per cent in 1927. As regards the output of the different establishments, it is gratifying to note that in nearly all of them it was increased and adapted without any special effort to the augmented demand on the part of the Salt Sales Office. As regards the different varieties of salt, nearly all of them showed increases in the year 1927 as compared with 1925. Thus, the output of rock salt rose by 23,274 tons (10.5 per cent), evaporated salt by 21,579 tons (20 per cent) and salt brine by 69,424 tons (74 per cent). The comparatively large increase in the production of evaporated salt as compared with rock salt indicates a demand for a higher quality on the part of the consumers which is to be attributed to the steadily

¹⁾ Did not exist.

²⁾ After conversion into salt counting 30 kg. salt equal 1 hectol. re of brine.

³⁾ The establishments at Barycz and Solno did not exist then.



H. SIENKIEWICZ GROTTO AT THE WIELICZKA SALT MINE

growing prosperity of the population; evaporated salt is much dearer than rock salt which is inferior as regards purity and appearance.

The considerable rise in the output of salt in the form of brine is caused by the increased demand on the part of soda works as well as for transformation into evaporated salt by the vacuum process. Nearly all the different qualities showed considerable increases in 1927 as compared with 1925. Thus, the output of edible salt rose by 28.235 tons (9.3 per cent), industrial salt by 78.483 tons (68.3 per cent) and cattle salt by 8.396 tons (210 per cent). It is significant that the rate of increase in the output of cattle salt is much larger than in the case of the other varieties. Still, as regards the quantity produced, the figure is far from what it should be under normal and rational methods of breeding as it ought to amount to at least 100.000 tons per annum. As one of the obstacles to the development of the consumption of cattle salt, i. e., the complicated formalities in connection with the purchase, was removed by the Ministry of Finance in the year 1927, it is to be hoped that with the general improvement in the financial situation of the agricultural community the consumption will further increase thus contributing to the prosperity of the Polish salt industry. As the production of salt in Poland is adapting itself to the demand, the respective figures show practically the same increases. The sales of salt are given below (in tons):

	1925	1926	1927
Local sales	415.084	440.137	512.821
Foreign sales	13.951	21.002	25.413
Total:	429.035	461.139	538.234

The above figures indicate that both local consumption and export has increased considerably during the past few years. This increase as compared with the year 1925 was, in the case of internal consumption, 97.737 tons or 23.5 per cent, and in the case of export 11.462 tons or 82.5 per cent.

As regards the export, it should be stated that apart from the increase, it has gained in point of continuity. In the year 1925 the export trade was very erratic whereas in 1927 regular export was carried on by those undertakings which are geographically well situated. The undertakings which exported on a fairly large scale were the Inowrocław Evaporating Works, the Wapno Salt Mine (both of which are not far from Danzig and Gdynia), and the salt undertakings located near Wieliczka, which are conveniently placed for the export to the Southern countries. Exports of edible salt in 1927 amounted to 21.789 tons (85.7 per cent) and of industrial salt, in a natural state, to 3.624 tons (14.3 per cent). Edible salt was chiefly exported to the Baltic countries, the principal consumers being Denmark, Latvia and Lithuania, whereas the bulk of the industrial salt was absorbed by Czecho-

slovakia. The last named country possessing only one salt mine and two evaporating works imports over 100,000 tons of salt, chiefly for industrial purposes. The requirements used to be almost totally covered by imports from Germany but for the last two years the Czechoslovakian market has made large purchases of Polish salt from the Wieliczka area. It is interesting to know that the above mentioned increase in the output was obtained not by the employment of a larger number of workmen which even declined as compared with 1925, but solely by improved organisation and increased productivity. Thus, while in 1925 the average daily output per man was 400 kg., the figure for 1927 was 515 kg., that is, an increase of 28.5 per cent.

The introduction of better methods of exploitation as well as increased productivity contributed materially to the improvement of the financial results which is reflected in the cost of production. Thus, the average cost of production at the undertakings operated by the Ministry of Industry and Commerce was, in 1925, gold zł 38.55 per ton, zł 30.94 per ton in the case of rock salt and zł 51.40 in the case of evaporated salt, the corresponding figures for the year 1927 being zł 26.31, 23.52 and 30.48. The decline in the cost of production expressed in percentages is thus 32.2, 24.7 and 41 respectively.

Thanks to the increase in output and the successful operations of the undertakings, the Polish State Salt Monopoly made much larger profits in 1927 than in 1925, the corresponding figures being zł 40,908.767.32 and zł 32,105.258.95 respectively, an increase of zł 8,803.508.37, or 27.5 per cent. It should be stated that the prices in 1927 were the same as in 1925 (zł 275.40 per ton for edible evaporated salt and white rock salt, zł 184.80 per ton for edible grey rock salt, carriage paid to the delivery station; the price of industrial and cattle salt is zł 40 ex works).

Considerable progress was achieved during the period under review in the matter of sales organisation, so much so that the year may be regarded as a turning point in the development of the industry. As the result of the Salt Inquiry, all the difficulties which hampered the sale were, as already mentioned, removed, while at the same time bonded warehouses were established which will ensure rational distribution of the commodity.

In addition, the sale of industrial salt is carried out on rational lines, the costs of distribution were cut down and the prices in the retail trade were stabilised at a uniform level throughout the country.

In summing up, it may be stated that considerable progress has been achieved within the last few years and as the industry is based on sound foundations further development is assured.

NEW CRISIS IN RUSSIA

THERE IS NO doubt that Poland's Eastern neighbour, Soviet Russia, is now passing through the most severe crisis which has been witnessed

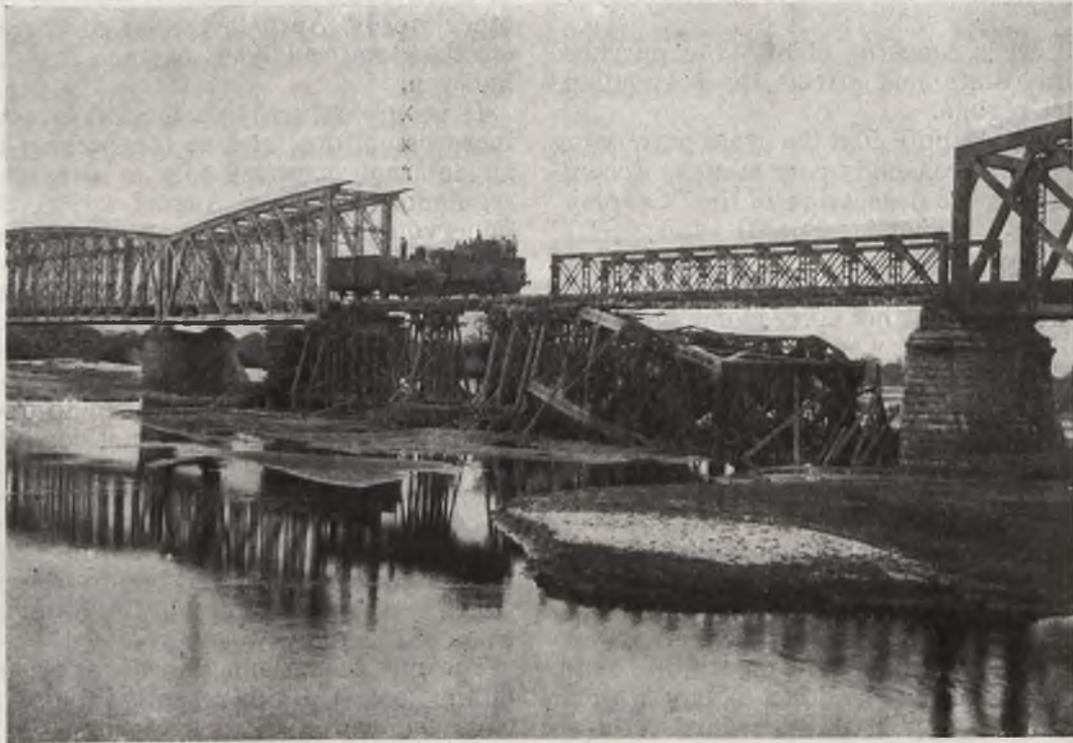
in that country since the introduction of "bolshevism". The crisis, however, only partly resembles what is generally understood by this word, for under the so-called socialist régime prevailing in Russia even a crisis assumes a different form. For this reason, before dealing with the conditions obtaining in Russia as shown by the official figures drawn up there, it is necessary to examine, if only briefly, the basic problems of Russian economics which despite strenuous efforts on the part of the Government cannot be solved and which at the present moment seriously occupy the minds of those responsible for the conduct of economic affairs in that country.

What is the basic feature of the economic structure of Soviet Russia as compared with other countries? In the first place, all branches of activity are controlled and regulated by the Government. No doubt, there is practically no country now which could exist with an absolutely free trade policy, but in Soviet Russia there is an "Economic Plan" whereby certain industries are destined to be developed and other curtailed, and the Government considers these aims as the foundation of its economic policy. However, since the introduction of the "NEP" in 1921, or the abandonment of the pure communism which was practised for a few years after the revolution, and the recognition of non-socialised business activities as component parts of the economic life, these latter have begun to play an increasingly important rôle. There is a conflict between the "Economic Plan" and the non-socialised elements, a fight which, in accordance with the bolshevist economic theories, should terminate with the overthrow of the free element by the Government's policy, and it is exactly these efforts to control the non-socialised element by a predetermined policy, which are the most characteristic features of the Soviet economic régime as compared with the rest of the world.

As is well known, after the revolution, the industrial, banking and transport establishments were nationalised. These are the three branches of activity to which the "Economic Plan" may be applied with some measure of success, but in agriculture the situation is totally different. During the first few years after the revolution, after the nationalisation of the land and the parcellation of large estates, the Government made an attempt to subject the agricultural community to the same State control as is practiced in regard to industry, banking and transport; by the requisition of the bulk of the agricultural production and by leaving to the peasant only a fraction of the produce just sufficient to cover his needs, the Government endeavoured to solve the problem of the socialisation of the agricultural community. This scheme proved a failure because the liquidation of the large landed estates did not lead in any way to the nationalisation of the land but, on the contrary, it created a strong and numerous class of fairly prosperous small holdings which now represent over 56 per cent of the total number of farms. Paying due attention to the new economic

factor—the non-socialised agricultural community—Lenin prepared a new scheme, namely—the "NEP", whereby the peasant masses were to be won over to the communist cause not in the compulsory manner which was applied to industrial and banking and transport institutions, but in a round-about way, that is, by means of various economic regulations. This scheme was accepted at the 10th Conference of the Communist Party held in March 1921, and the compulsory requisition of grain was replaced by a tax on foodstuffs. The balance of grain left to the peasant after the covering of his needs and the tax, is allowed to be sold in the open market. The result is that the principle of free trade has been officially recognised.

had never been on a large scale and which, since the revolution, have been in a pitiable condition. Therefore, the question arose as to where the necessary capital was to be found, and herein lies the greatest problem in Russian economics, that is, the export of grain. The foundations of the "Economic Plan" adopted by the Russian Government can be summarised as follows: in order to develop the country, industry must increase its output so as to cover the requirements of the agricultural community (84 per cent of the population); the manufactured articles are to be paid for with money obtained from the sale of grain; the export of grain, similarly as all other products, is to be carried out by the State Monopoly. This implies



A BRIDGE SITUATED ON THE POLISH-RUSSIAN FRONTIER, DESTROYED DURING THE WAR

Similarly, owing to the disorganisation which was evident in the nationalised industries, private initiative in this respect, particularly as regards small establishments, has also been given an opportunity. In addition, no efforts have been spared in the development of industry in general. The question of the industrialisation of Russia was one of the chief points in the programme of the bolshevist economists.

The object of industrialisation was to make Soviet Russia economically independent of foreign countries. As all attempts to provoke revolution in Western Europe remained fruitless, a movement was set on foot in Moscow whereby the socialist régime was to be maintained in Russia at all costs despite the existence of the capitalistic régime in the rest of the world.

To achieve this end it was found necessary to develop industries which, even before the war,

that the Government must buy up the grain from the peasants, distribute it between the towns and the army and export the remainder. Owing to the difference between the purchasing price and that ruling abroad, the Government would realise large profits, which would enable it to extend industry and by this means reduce the prices of manufactured products. In the end the Government would be able to throw a still larger amount of industrial products on the market, and as the needs are very large, the peasants in trying to satisfy them would be compelled to sell grain in increasingly large quantities which in turn would augment the amount of grain available for export and thus ensure a large revenue to the State.

It was hoped in Russia that the realisation of this scheme would lead to the development of industry without foreign credits; if these credits were forthcoming it would, of course, help consi-

derably to put this plan into practice, for the realisation of the scheme would not be so closely connected with the export of grain; the capital invested would by itself ensure the progress. This explains the origin of the foreign policy of Russia aiming at obtaining credits in various countries.

An outline of this plan was necessary in order to give an idea of the chief causes and of the significance of the crisis with which Russia is now confronted. Owing to the fact that Russia has not obtained any investment loans abroad, the realisation of the scheme depends solely on the successful working of the grain plan which also constitutes a guarantee for a favourable trade balance. It was also calculated to increase the interest of the Russian peasants in the problems connected with the expansion of the socialistic economy in Russia.

The present crisis concerns chiefly the purchase of grain by the State and affects the foundations of the socialist régime.

It is of interest to note that the grain purchasing campaign returns increasingly poor results. According to the figures in the possession of the "Gosplan" (the Government Economic Board) and "STO" (Council of Labour and Defence), the total purchase in April amounted to 217.3 thousand tons as against 403.1 thousand tons in the corresponding period of 1927. In May, there was an increase to 270 thousand tons which in view of the scope of the scheme is absolutely inadequate. The question arises why the peasants do not sell their grain to the State. The answer is this: the Government pay a fixed price amounting to about 29 per cent of that ruling on the world markets. This, however, is not the crux of the affair because if the peasants were compelled to raise money for some definite purpose, they would accept even the price paid by the State, but the main thing is that the peasants possess ample reserves of money, on the one hand, while on the other, there is nothing to buy with it. The amassing of money in the peasants' cottages is accounted for by the fact that a large number of peasants were engaged in the erection of industrial plants in various parts of the country as unqualified workmen, while the rural taxes were up till quite recently rather small and did not deplete the savings to any extent; the most important fact, however, is that industry could not keep pace with the demand from the rural population. Under these conditions, the peasant, being unable to employ his money, does not need it, and it is certain that he will not sell his produce to the State when he can obtain from 70 to 90 per cent more on the private clandestine market. The official price for rye was the same as last year — Roubles 4.41 per q., while the price for wheat was increased this year (from Roubles 6.07 to 6.28), but despite this the purchases of wheat showed the largest decline (April 1927 — 219.2 thousand tons, April 1928 — 95.4 thousand tons). The peasant, however, is prepared to sell anything to the Government for which the prices are remunerative; thus, for instance, while the purchases of grain fell — those of animal products rose

several times and in April 1928 they amounted to 582.2 per cent of those effected a year earlier. Broadly speaking, the purchases of foodstuffs made by the Government are subject to considerable fluctuations which fill the official economic circles of the country with great anxiety.

Smaller purchases of grain resulted in a considerable decline in export; according to the official figures for 1928, the foreign trade of Soviet Russia effected on the European frontier was as follows: exports — Roubles 45.4 million (converted into Soviet Tchervonetz), and imports — Roubles 67.2 million. Thus, the adverse balance amounted to Roubles 21.8 million. It should also be stated that the adverse balance for the first half of the economic year 1927/1928, that is, from October 1927 to April 1928, amounted to Roubles 51.9 million. In other words, April last showed about 40 per cent of the total adverse balance for the preceding half-year.

It is only natural that the Tchervonetz fell under these conditions, and at the present time it is only an internal currency for, in accordance with the regulation issued on August 1, 1926, the transfer of Tchervonetz to foreign countries and even the reverse is prohibited. In Moscow, of course, the rate of exchange is artificially maintained at an official level, £ = Roubles 9.44, but the official quotations recorded in Berlin were Roubles 15 to the Pound Sterling, while at the present moment the rate of exchange has risen to over Roubles 20 to the Pound Sterling; internal conditions in Russia are not very much affected by the fall in the rate of exchange for the simple reason that the country is cut off from the rest of the world. Nevertheless, it is worthy of note that at the present time the Tchervonetz has lost the feature of sound currency which was the actual aim of the Russian Government when this money was introduced.

The industrial production also shows a considerable falling off. Up till recently the official returns have shown marked progress. As a result of considerable outlay, the Russian industry has extended, and in some branches (coal, petroleum) even rose as compared with pre-war days. The total output figure for April, however, declined by 12.5 per cent as compared with March, while the output of coal declined by 23 per cent, of flax by 28 per cent and of textile products by 21 per cent. What are the causes of this decline?

In the first place there is a marked fall in the productivity of labour which dropped by about 12 per cent as compared with March, and in the second place there is bad condition of the plants, which in some cases caused suspension of operations for several weeks.

The central authorities are very much concerned about these developments. The demand on the part of the consumers has not lost its intensity but the commercial organisation of the country is defective and cannot deal efficiently with the distribution of the goods. After the shortage there was a new influx of manufactured goods with which the official monopoly and the semi-private interests could not cope, and as the stocks have not, as yet,

been absorbed by the market, there is no need for new manufactures and consequently industrial plants are being closed down.

The present crisis in Soviet Russia may be characterised as follows:

1.— The breakdown of the economic plan was caused by the impossibility to satisfy the requirements of the rural population for manufactured products at the proper time, which brought about: a) the decline in the purchases of grain by the Government owing to the reluctance of the peasants to sell their products (conflicts between the grain organisations and the peasants, clandestine sales and the increase of prices), b) decrease in exports, adverse foreign trade balance and the breakdown of the currency.

2.— The serious falling off in industrial production, the shutting down of plants or operating them for part-time only owing to the defective distribution of the goods, which in the future will necessarily cause a shortage and new difficulties. The next few months will see new developments

and that is why we refrain from drawing far-reaching conclusions. It should, however, be stated that the bolshevist methods practised during the first few years after the revolution proved a complete failure and resulted in the organisation of the so-called New Economic Policy ("NEP"). It has given some practical results during the past six years but the main problem, that is, the conflict between the "Economic Plan" and the free trading organisations, has not been solved. It is quite clear that the private trading organisations or what may be termed as the open market, is stronger than the "Economic Plan" as it is, shaping conditions much against the rules of the Soviet economists. Similarly as in the years from 1917 to 1921, the Government may suppress private trading but this course presents too many dangers; once private trading, although to a small extent, is recognised, it is evident that it will become stronger than the "Economic Plan".

And here the Russian crisis indicates the bankruptcy of the communist economic theory when it is faced with every-day problems.

SUMMARY OF LAWS, ACTS AND EXECUTIVE DECREES

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

Amendment of the narrow-gauge railway goods tariff ("Dz. Ust. R. P." No. 55, items 525).

Consular convention between Poland and France ("Dz. Ust. R. P." No. 56, items 528 and 529).

Amendment of the Statutes of the Bank Gospodarstwa Krajowego ("Dz. Ust. R. P." No. 56, item 532).

Port, cargo, demurrage and pilot charges ("Dz. Ust. R. P." No. 56, item 535).

Amendment of the railway rates in respect of the goods traffic between Poland and Germany ("Dz. Ust. R. P." No. 57, item 542 and No. 61, item 571).

Regulations for direct goods traffic between Czechoslovakia and Soviet Russia via Poland ("Dz. Ust. R. P." No. 59, item 555).

Executive decree to the Presidential ordinance concerning the State Spirits Monopoly ("Dz. Ust. R. P." No. 60, items 556).

Polish-Austrian Convention abolishing the double levying of the inheritance tax ("Dz. Ust. R. P." No. 61, items 557 and 558).

Executive decree to the Presidential ordinance dealing with the tax on sugar ("Dz. Ust. R. P." No. 61, item 564).

State guarantee for the redemption of capital and payment of interest on the land improvement bonds issued by the State Land Bank ("Dz. Ust. R. P." No. 61, item 565).

Partial amendment of the decree relating to the issue of the first series of the 5 per cent Land Bonds ("Dz. Ust. R. P." No. 61, item 566).

Charges on ships and rafts and for services rendered on public internal waterways ("Dz. Ust. R. P." No. 61, item 567).

Amendment of the regulations regarding transportation on the Polish State Railways ("Dz. Ust. R. P." No. 61, item 572).

PRODUCTION AND TRADE

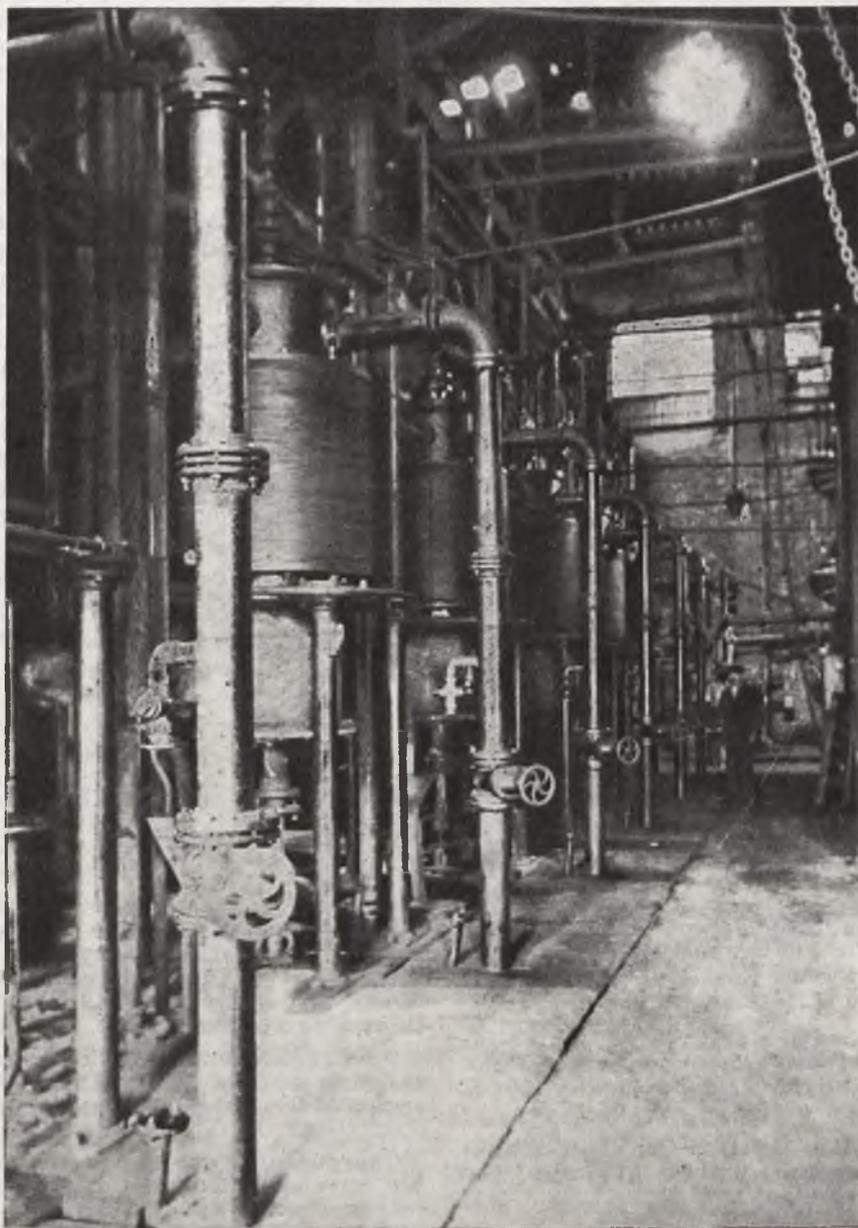
STATE OF EMPLOYMENT. —

There was a distinct improvement in the state of employment in May as in connection with increased operations in industry and agriculture the number of unemployed and part-time workers decreased considerably as compared with the preceding month. At the same time there was an upward tendency in wages. The number of registered unemployed at the State Labour Exchanges declined from 153,016 at the beginning of May to 131,454 at the

beginning of June, a decrease of 14.1 per cent. On the whole, the unemployment figures this year are much lower than in the corresponding period of the past few years, which is illustrated by the following statement (at the beginning of the monthly periods):

	1926	1927	1928
January	251,326	190,140	165,228
February	301,457	208,536	179,602
March	302,179	213,592	178,403
April	295,529	205,770	167,022
May	272,414	190,578	153,016
June	256,934	174,349	131,454

These figures indicate that during the first five months of this year the situation has been similar to that in the corresponding periods of 1926 and 1927. After reaching the maximum towards the end of the winter season the number of unemployed decreases at a rapid pace. This is a seasonal movement which is accompanied by more or less wide fluctuations. Nevertheless, it is worthy of note that there is a steady tendency towards a lessening of the number of unemployed which



PROFESSOR J. MOŚCICKI APPARATUS AT THE "AZOT" WORKS,
NEAR KRAKÓW (PHOT. S. PLATER)

indicates that the general situation on the Polish labour market is growing better and better from year to year especially when it is considered that the emigration movement absorbs only a portion of the natural increases in population.

Apart from the seasonal influences and increased operations, the comparatively large decline in the unemployment figures during May is due to the following two causes: *a)* the coal mines have not only refrained from reducing the number of workers as was generally anticipated in connection with the decline for the demand for house coal but they have even increased, *b)* at the same time, owing to the commencement of operations for the autumn and winter seasons,

the textile industry has increased the number of operatives and in particular put workers on to full time with the result that the number of partially employed which has shown a marked increase in the past few months declined considerably, which is corroborated by the table below (at the beginning of the monthly periods):

January	33,190
February	31,465
March	25,565
April	48,878
May	54,385
June	27,461

Of the total number of 27,461 part-time workers, 70 persons worked 1 day per week, 410 — 2 days, 1,857 — 3 days, 10,073 — 4 days and 15,051 — 5 days per week. Thus the average time worked

was 4.9 days as against 4.6 in the preceding month. The following statement gives the number of unemployed according to trades (at the beginning of the months):

	May	June	+ Increase - decrease
mining	18,601	17,807	— 794
foundries	2,376	2,195	— 181
metal	10,821	9,550	— 1,263
textile	16,544	16,205	— 339
building	14,137	9,028	— 5,109
clerical	16,962	15,915	— 1,047

In the coal mining industry the situation was, on the whole, satisfactory. There was a falling off in demand on the local market, but this was compensated for by the increased exports with the result that the output was raised. The number of miners employed augmented from 111,363 to 112,027.

In the petroleum industry the situation remained unchanged. The output of crude oil decreased; prices continued to fall which had a damaging effect on the drilling and prospecting work. The state of employment in this industry did not show any changes worthy of note.

In iron ore mining, operations were slightly curtailed due to a falling off in the demand.

In the zinc and lead mines operations were carried on under practically the same conditions as a month earlier.

The number of unemployed in the mining industries declined by 794 and represented 2 per cent of those at work.

In the iron and steel industry the situation was much the same as in April. It is gratifying to be able to state that there is a steady increase in iron and steel consumption on the local market. The amount of orders received by the foundries was much larger than a year earlier. It should be remarked, however, that the increase is not spread evenly over the different sections; thus, the output of rolled products and certain classes of steel rose considerably, whereas that of pig iron and pipes declined. The foundries are engaged in modernising their plants so as to decrease the cost of production. The number of employed foundry workers rose from 48,731 to 49,532.

The output of zinc and lead smelters also showed an increase as compared with April, and the number of workmen employed rose from 12,741 to 12,910. Unemployed foundry workers represented 4 per cent of those employed.

In the metal and engineering trades there were signs of a slight weakening; this remark applies in particular to the agricultural machinery and implements sections for owing to the fact that the

prospects for this year's crops are not altogether good, the agriculturists and dealers in machinery are rather cautious in placing orders. Having regard to the fact that the building movement has not reached the anticipated proportions, the sales of wire, nails, &c. were comparatively on a small scale. Manufacturers of vehicles and means of communications worked under normal conditions, and the position in the electrotechnical industry was similar. In the bridge and iron construction departments the situation was unsatisfactory owing to the lack of important orders from the Government and municipalities. On the other hand, makers of sewage appliances were very busy. The maintenance of existing conditions, however, is largely dependent on building operations in the current season. In the Bielsk machinery industry operations are carried on with great intensity owing to the increased demand for textile machinery on the part of foreign buyers. The state of employment in the engineering trades showed a slight improvement, the unemployed representing 11 per cent of those at work.

The textile industry began to work for the winter season; in this connection the state of employment of the Łódź cotton industry improved considerably. It is true, however, that the number of operatives rose only slightly, from 66,175 to 66,204, yet the number of hours worked per week was raised. Thus, in April the average number of hours was 39.49 whereas in May it rose to 41.68 hours; sales are limited and stocks are being accumulated. The prospects in the Łódź woolen industry are generally considered as promising. The state of employment in this branch of production did not show any considerable change. The number of employed in the large concerns declined from 19,857 in April to 19,004 in May. However, as already mentioned, the number of hours worked per week was increased.

The situation in the Bielsk woolen industry was similar to that in the preceding month. There was a slight decline in the demand on the local market, but the export trade was maintained at last month's level. The inflow of foreign orders was satisfactory.

It is reported that the prospects for the Białystok woolen industry are nothing short of being bright.

In the knitted and hosiery trade there was the seasonal standstill.

Hat makers enjoyed good trade, for they have not only to supply the local

market but also export the surplus production.

The demand for hemp and jute products was good so that the works were operated at full capacity.

On the whole, the state of employment in the textile industry showed a slight improvement, the unemployed representing 9 per cent those at work.

Building operations did not assume the generally anticipated proportions especially as regards the construction of new buildings, most of the work in hand being renovations, repairs, &c.

The number of unemployed workers in the building trade declined considerably.

In other sections of industry nothing worthy of note took place, but it should be stated that considerable investments continue to be made by agriculturists (land improvement) and municipalities so that the number of unemployed unskilled workers has been declining at a rapid pace.

The taking up of various schemes both by private interests and municipalities also contributed towards the decline in the number of unemployed clerical workers.

The improvement in the labour market is reflected by the upward tendency of wages and salaries; thus, in the Łódź area, the wages of textile workers were increased by 6 per cent and those in the ceramic industry by 18 per cent. In the petroleum industry workers obtained an increase of 5.5 per cent and at the ozokerite mines from 8 to 12 per cent. Clerical workers in Upper Silesia obtained an increase of 10 per cent. In addition, negotiations for wage increases are in progress between employers and employees in several branches of production.

GRAIN

— Although the last two days of May saw a certain improvement in the weather, yet the amount of heat and sunshine was inadequate. The amount of moisture in the soil was, on the whole, sufficient and in some parts even excessive. The state of the sowings which deteriorated slightly in April showed a marked improvement at the beginning of May particularly in the central and Western regions of the country. Spring sowings are doing better than winter. In accordance with the 5 point system adopted by the Chief Statistical Office, the agricultural indices are as follows:

	end of April	end of May	on June 5th
wheat (winter)	2.9	2.7	2.9
rye	2.7	2.5	2.7
barley	2.7	2.7	2.6
wheat (spring)	—	3.0	3.2
barley	—	3.2	3.2
oats	—	3.2	3.3

After a fall at the beginning of May, prices of grain showed only slight fluctuations in the following few weeks. During the second half of June as compared with the beginning of May, prices of wheat declined by 2.1 per cent, rye by 4.9 per cent, brewing barley by 1.3 per cent and feeding barley by 1.4 per cent. Oats showed a slight increase (3.5 per cent) due to a shortage of supplies on the market.

The movement of prices during the period under review is illustrated by the table below:

(Table see next page)

The trade balance of the four chief varieties of grain was unfavourable which is accounted for by a large increase in the imports of wheat as a result of the repeal of the import prohibition as from May 1, as well as by a rise in the imports of rye and a general decline in the exports of all the varieties. The adverse balance for May amounted to zł 57,697,000 of which zł 37,500,000 represented the imports of wheat. The movement of grain effected in May as compared with the preceding month and May 1927 is given below (in tons):

	Imports:		
	April 1928	May 1928	May 1927
wheat	12,795	67,276	64,424
rye	28,156	36,262	31,298
barley	235	552	570
oats	2,152	1,457	15,913

	Exports:		
	April 1928	May 1928	May 1927
wheat	135	51	284
rye	807	154	448
barley	7,627	420	2,543
oats	1,517	632	426

The chief sources of wheat supplies were Germany (29.3 per cent), Sweden (15.6 per cent), the United States of America (14.3 per cent), Hungary (11 per cent) and the Argentine (10.2 per cent). Rye was imported from Germany (74.2 per cent), Hungary (9.9 per cent) and Sweden (4.1 per cent). Barley was almost exclusively supplied by Rumania (85.2 per cent) and smaller quantities came from Germany (9.3 per cent) and Czechoslovakia (5.5 per cent). Oats were received from Czechoslovakia (56.4 per cent), Germany (42.5 per cent) and Austria. Wheat and rye were exported to Germany, barley to Latvia

(60.9 per cent), Belgium (24.7 per cent), Estonia (11.9 per cent) and Germany (50.2 per cent), Holland (31.6 per cent) and Latvia (18.2 per cent). The principal buyers of oats were

total quantity. Smaller quantities were placed on the Austrian, Czechoslovakian, Danish and Italian markets.

		HOME EXCHANGES								Berlin	Chicago
		Warsaw		Poznań		Lwów		Av. of 3 exch.			
		₤	\$	₤	\$	₤	\$	₤	\$		
W H E A T											
May	1—7	60.25	6.76	52.75	5.92	57.50 ¹	6.46	5.83	6.38	6.38	not q.
"	8—15	59.55	6.69	52.00	5.84	57.50 ¹	6.46	5.63	6.33	6.37	5.92
"	16—22	59.25	6.65	52.00	5.84	58.25	6.54	5.60	6.34	6.31	not q.
"	23—31	59.25 ¹	6.65	52.00 ¹	5.84	57.25 ¹	6.43	5.61	6.31	6.26	5.14
June	1—7	59.50 ¹	6.68	52.35	5.88	56.50	6.34	5.61	6.30	6.29	5.03
"	8—15	58.50 ¹	6.57	51.97 ¹	5.83	56.50	6.34	5.63	6.25	6.19	5.29
R Y E											
May	1—7	52.50 ¹	5.89	52.87	5.94	49.69	5.58	5.69	5.80	6.75	5.27
"	8—15	52.25	5.87	51.58	5.79	50.75	5.70	5.53	5.78	6.80	5.12
"	16—22	53.--	5.95	51.25	5.75	50.50	5.67	5.58	5.79	6.84	5.00
"	23—31	53.25	5.98	50.75	5.70	50.50	5.67	5.50	5.78	6.76	—
June	1—7	53.25 ¹	5.98	51.05 ¹	5.73	47.91	5.38	5.73	5.70	6.66	—
"	8—15	51.55 ¹	5.79	48.91 ¹	5.49	47.--	5.28	49.15	5.52	6.58	—
B A R L E Y (brewing)											
May	1—7	53.20	5.97	50.00	5.61	45.75 ¹	5.14	49.65	5.58	6.90	—
"	8—15	53.50	6.01	50.00	5.61	45.75 ¹	5.14	49.75	5.58	6.37	—
"	16—22	52.50	5.89	49.90	5.60	45.75 ¹	5.14	49.38	5.54	6.49	—
"	23—31	52.50 ¹	5.89	49.50	5.56	44.--	4.94	48.66	5.46	6.46	—
June	1—7	52.50 ¹	5.89	—	—	—	—	—	—	6.34	—
"	8—15	52.50	5.89	—	—	—	—	—	—	6.20	—
B A R L E Y (feeding)											
May	1—7	49.--	5.50	not quoted	42.08 ¹	4.72	—	—	—	—	4.50
"	8—15	48.66	5.46	not quoted	41.50 ¹	4.66	—	—	—	—	4.55
"	16—22	49.25 ¹	5.53	not quoted	41.50	4.66	—	—	—	—	4.30
"	23—31	49.05 ¹	5.51	48.50	5.44	39.50 ¹	4.43	45.68	5.13	—	4.27
June	1—7	48.75	5.47	48.25	5.42	40.50	4.55	45.83	5.14	—	4.30
"	8—15	48.45 ¹	5.44	46.66	5.24	41.50	4.66	45.53	5.11	—	4.28
O A T S											
May	1—7	50.--	5.61	43.56	4.89	42.37	4.76	45.31	5.09	6.32	4.98
"	8—15	49.--	5.50	43.50	4.88	42.75	4.80	45.08	5.06	6.38	4.97
"	16—22	48.50	5.44	43.50	4.88	42.25	4.74	44.75	5.02	6.38	4.91
"	23—31	49.-- ¹	5.50	44.--	4.94	42.75	4.80	45.25	5.08	6.38	5.06
June	1—7	49.-- ¹	5.50	44.66 ¹	5.01	44.25	4.97	45.97	5.16	6.32	4.95
"	8—15	50.46 ¹	5.56	45.--	5.05	45.25	5.08	46.90	5.26	6.27	5.--

BUTTER

— May and June is the period of large milk production, and in consequence a large decline in the prices of butter is usually observed during these two months. In the current year, owing to the cold and rainy weather and the shortage of fodder, the rate of increase in the production of milk was comparatively slow so that the seasonal decline in the prices of butter was delayed and set in only at the beginning of June and was even then rather irregular and varied in the different parts of the country.

Prices of butter in the first half of June as compared with the second half of May were as follows (in ₤ per kg.):

	May 16th-31st	June 1st-15th	Percentages of difference
Bydgoszcz	6.75	6.00	- 11.1
Katowice	6.80	6.30	- 7.3
Lublin	6.90	5.35	- 22.4
Lwów	6.90	5.50	- 20.3
Poznań	6.65	5.80	- 12.8
Sosnowiec	6.95	6.30	- 9.3
Warsaw	6.55	5.45	- 16.8
Wilno	6.80	5.10	- 25.0

Export continued to increase in May and amounted to 735 tons, valued at ₤ 4,333,000.

The bulk of the exports, as usual, were absorbed by Germany, which took 676 tons or about 92 per cent of the

EGGS

— During the period under review the egg market was inactive, prices fluctuating within narrow limits. In many localities stocks were accumulated for the purpose of preserving while at the same time the supplies were, on the whole, more than adequate. Wholesale prices were as follows (in ₤ per case of 1.440 eggs):

	May 16th-31st	June 1st-15th
Bochnia	200 — 205	195 — 190
Kraków	210	210
Katowice	195 — 200	185 — 195
Lwów	195 — 213	189
Tarnopol	175 — 180	175 — 180
Warsaw	190 — 200	175 — 180

In May the exports of this commodity rose considerably compared with the preceding month and amounted to 10,337 tons valued at ₤ 24,377,000 (in April last — 5,231 tons). Over a half of the exports were placed on the German market, 18.3 per cent went to England, 15.7 per cent to Austria, 7.2 per cent to Czechoslovakia, and smaller quantities to Italy, Holland, Switzerland, Latvia, France and Belgium.

TIMBER

— The prices on the timber market in May were maintained at their previous stabilised level although a slight downward tendency was now and then in evidence. In the Western part of the country a small decline in quotations for pit props was recorded although the figures for this material were maintained at a high level despite a decline in other varieties.

The prices obtained in May by the different Forest Directorates loco truck, loading stations, were as follows (in ₤ per cub. m.):

	April	May
Pine logs for saw mills (per cubic m.)		
Warsaw	75.—	75.—
Radom	68.—	68.—
Siedlce	54.40	50.75
Wilno	50.—	45.—
Białowieża	55.—	55.—
Poznań	65.50	52.50
Bydgoszcz	63.—	60.—
Toruń	75.—	75.—
Pine logs for building purposes (per. cub. m.)		
Siedlce	50.45	46.75
Białowieża	45.—	45.—
Wilno	38.—	33.—
pine pit props (per cubic m.)		
Warsaw	39.—	39.—
Radom	37.—	37.—
Siedlce	29.50	29.50
Poznań	31.60	24.—
Bydgoszcz	32.—	28.—
Toruń	31.—	30.—

¹⁾ Market prices.



IN AN OLD SPRUCE FOREST NEAR WILNO (PHOT. J. BUŁHAK)

spruce logs for saw mills (per cub. m.)	Siedlce ¹⁾	40—	40—
	Lwów	44—	43.50
oak logs for joinery (per cub. m.)	Białowieża	110—	110—
" " "	Luck	155—	155—
pulpwood (per stacked cub. m.)	Siedlce	30—	30—
" " "	Wilno	26.20	25.20
" " "	Białowieża	29.50	28—
pine fire wood (per stacked cub. m.)	Warsaw	16—	16—
" " "	Radom	16—	16—
" " "	Siedlce	13—	13—
" " "	Wilno	8—	7.50
" " "	Białowieża	16—	16.60
" " "	Poznań	11.50	7.60
" " "	Bydgoszcz	14.50	15—
" " "	Toruń	16—	16—
spruce fire wood (per stacked cub. m.)	Lwów	11—	11—
beech fire wood (per stacked cub. m.)	Lwów	13—	15—

After the usual decline in unworked timber in April, a marked increase in the volume of exports took place in May. During the same period the exports of sawn timber also increased.

Exports of timber in May last as compared with the preceding month were as follows (in tons):

	April	May
fire wood	16,086	20,082
pulpwood	44,683	56,952
pit props	51,877	67,390
telegraph poles	3,009	3,836
logs, beams	107,893	111,651
deals, boards, battens	135,488	136,600
railway sleepers	8,579	13,181

COAL

— Considering the time of the year, the situation in the Polish coal industry in May may be regarded as satisfactory. Compared with the preceding month, the output rose slightly but the total sales remained at about the same level as in April. Exports of coal to the Northern European countries rose whereas sales

on the local market showed a falling off. This was largely due, apart from the summer season, to the large stocks which were accumulated by the wholesale dealers before the increase in prices. As regards the demand for the different varieties of coal on the local market, it should be stated that there was a falling off for house coal owing to the mild weather, while that for industrial coal increased. Exports effected by the sea route increased owing, as already mentioned, to the execution of large orders received from the Northern European countries. The volume of export consignments despatched by land routes showed only a small increase. The situation in the industry in May is illustrated by the following table (in tons):

Coal mining districts	Extraction	Home consumption	Exports	Stocks at pit-heads ¹⁾
Upper Silesia	2,314,000	1,213,000	914,000	866,000
Dąbrowa	565,000	333,000	159,000	385,000
Kraków	178,000	151,000	1,000	74,000
Total:	3,057,000	1,697,000	1,074,000	1,325,000
April ²⁾ :	2,981,000	1,797,000	957,000	1,332,000
+ in relation to March	+ 76,000	- 100,000	+ 117,000	- 7,000

The above figures indicate that the output of coal in May rose to 3,057,000 tons, an increase of 76,000 tons, or 2.55 per cent as compared with the preceding month. Total sales effected in May also increased though to a lesser degree than the output and amounted to 2,771,000

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

²⁾ Corrected figures.

tons, i. e., a rise of 17,000 tons or 0.62 per cent when compared with the April figure. Of the above amount 1,697,000 tons were disposed of locally, i. e., a decrease of 100,000 tons, or 5.56 per cent as compared with a month earlier. During the same period exports rose by 117,000 tons or 12.23 per cent, to 1,074,000 tons.

Comparing, however, the figures with those for May of 1927, it is seen that the industry has made considerable progress as the output has risen by 12 per cent, local sales by 10 per cent and exports by nearly 27 per cent, whereas the stocks at pit heads have declined by 18 per cent. The distribution of coal exports made during May is given in the following table (in thousands of tons):

Destination	1925		1926		1927		1928	
	first semester ¹⁾ (monthly averages)				April ²⁾	May		
Austria	194	214	192	188	188	191		
Hungary	36	42	48	26	34	34		
Sweden	—	144	202	238	263	263		
Denmark	2	72	97	105	106	106		
Czechoslovakia	47	41	47	75	77	77		
Latvia	1	18	29	37	38	38		
Yugoslavia	8	14	22	19	26	26		
Switzerland	2	10	19	11	12	12		
Italy	1	49	126	38	39	39		
Rumania	6	8	10	10	11	11		
Lithuania	1	3	6	2	9	9		
Memel	1	3	2	3	6	6		
Holland	—	1	—	—	7	7		
Finland	—	9	9	39	67	67		
France	—	23	16	25	36	36		
Norway	—	7	15	69	66	66		
England	—	37	—	—	—	—		
Germany	451	1	1	1	—	—		
Belgium	—	—	12	9	5	5		
Russia	—	—	6	—	5	5		
Other countries	—	1	6	9	10	10		
Total:	750	697	865	904	1,008	1,008		
Danzig	26	37	27	17	22	22		
Bunker coal	—	38	15	36	44	44		
Total:	776	772	907	957	1,074	1,074		
Export, Germany not included	325	771	906	956	1,074	1,074		
Shipped through:								
Danzig	29	225	314	401	487	487		
Gdynia	—	30	54	136	161	161		
Tczew	—	5 ³⁾	11	—	5	5		

It is seen from the above table that the Scandinavian and the Baltic countries took 566,000 tons or 52.70 per cent of the total exports. Compared with April, exports to these countries rose by 73,000 tons or 14.81 per cent, the largest increases being to Finland (by 28,000

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.

tons) and to Sweden (by 25,000 tons).

Exports to the Austria's Succession States (Austria, Hungary and Czechoslovakia) amounted to 302,000 tons or 28.12 per cent of the total exports, the increase as compared with April amounting to 13,000 tons or 4.5 per cent. The quantities despatched to other countries in May remained practically unchanged.

The average daily despatch of coal to foreign countries during the same number of working days as in April (24) rose to 44,750 tons or by 12.23 per cent. In connection with the above mentioned increased exports to the Scandinavian and Baltic countries the amount of coal directed through the Polish ports rose to 653,000 tons, an increase of 116,000 tons or 21.60 per cent.

When compared with April, consignments directed through Danzig rose by 86,000 tons to 487,000 tons and through Gdynia by 25,000 tons to 161,000 tons. The port of Tczew, which was recently opened to navigation, also took a share of the exports (5,000 tons). The total amount of coal despatched through these ports represented 60.8 per cent of the total quantity sent abroad, the corresponding figure for April being 56.11 per cent. In connection with the increased output, the state of employment in the coal mining industry in May showed a slight improvement as compared with the preceding month. The number of workmen engaged rose during the period under review by 664 tons to 112,027 tons. On June 2, there were 17,807 unemployed as against 18,601 on April 28.

The production figure per day per miner was for the whole of Poland 1.247 kg., an increase of 12 kg. as compared with April; workmen's wages remained unchanged. The negotiations with the miners in the Dąbrowa and Kraków basins were concluded and the contracts signed will remain in force up to April 30, 1929.

According to provisional returns, the average daily earnings together with the supplements and payments in kind were in the Upper Silesian basin in April zł 8.80 (in March zł 8.81).

Prices on the local market as those for consignments to Austria, Hungary and Czechoslovakia remained unchanged; those in respect of consignments destined for the Northern European markets fluctuated between 11/6 and 11/9 f. o. b. Danzig for Upper Silesian coal, and between 10/9 and 11/— for Dąbrowa coal. The "Progress" Co. secured a contract for the delivery of 7,000 tons to the Swedish railways.

Shipping rates in May rose on an average by 1/6 per ton, but fell slightly at the beginning of June.

Railway rates were maintained at their previous levels with the exception of a 10 per cent rebate for Polish coal transport to Czechoslovakia from Piotrowice to Bratislava as well as those from Zwardoń to Komarno, to be in force from April 25, 1928, to April 24, 1929. At the same time the rates in Rumania were reduced from the 3rd to the 4th category which represents 45 per cent of the tariff hitherto in force.

The output of coke amounted to 137,432 tons and was practically the same as in April (138,000 tons).

Sales fell by 7,000 tons to 119,902 tons. Local sales decreased by about 10,000 tons whereas exports rose by 3,000 tons. Stocks at the works rose during May by 17,000 tons to 36,000 tons.

The number of workmen employed at the coking plants in May was 2,737.

PETROLEUM

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

Drohobycz district	51,600
Jasło	6,200
Stanisławów "	3,420
Total:	61,220

At Borysław, Tustanowice and Mraźnica, the most important oil fields, the extraction of crude oil amounted to about 45,000 tons or 1,450 tons per day (in April 1,430 tons, in March 1,465 tons). The above figures indicate that the production in the three centres has become stabilised in the course of the past few months.

Wages were increased to zł 8.57 per day for skilled workers, to zł 6.79 for second grade workers, to zł 4.66 for unskilled workers and to zł 2.73 for juvenile workers and women engaged in the refineries. In addition, the workmen receive monthly bonuses and various supplements, although the latter are granted only to certain classes of the workers.

The relations between the employers and employees were normal, apart from a short strike at the ozokerite mines at Borysław where the miners asked for an increase of wages. This strike came to an end on May 31.

Prices of crude oil and petroleum products remained unchanged. Crude

oil prices fluctuated between \$ 195 and \$ 192 per 10 ton tank in the Borysław area.

The situation in the petroleum industry in April was characterised by a certain, though small, decline in production of crude oil in the Borysław area and by a slight falling off in prices.

The refineries worked in April under somewhat less favourable conditions due mainly to the seasonal decline in demand for petroleum in the spring season; exports, on the other hand, exceeded normal proportions (20,000 tons).

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

Drohobycz district	49,708
Jasło	6,134
Stanisławów "	3,405
Total:	59,247

In the Drohobycz area the extraction of crude oil was as follows (in tons):

Borysław Standard crude	43,045
Special brands	6,663

Compared with March, the output of crude oil in the Borysław area declined by 2,390 tons, and the average daily output by 35 tons, to 1,430 tons.

The number of workmen engaged in the raising of crude oil in April was as follows:

Drohobycz district	8,040
Jasło	2,250
Stanisławów "	1,170
Total:	11,460

The drilling activity and prospecting work in the Western and Southern parts of the Mraźnica district which, as is well known, has a great future before it, continue to be very active. The operations are largely due to the fact that the output of the "Joffre" and "Standard Nobel" mines at Mraźnica is maintained at the comparatively high levels of 50 and 100 tons per day which are large figures in Poland.

The stocks of crude oil at the mines and with storage companies were as follows on May 1 (in tons):

Drohobycz district	37,800
Jasło	5,718
Stanisławów "	3,278
Total:	46,796

The above figure is larger by 4,000 tons than that for the 1st of April. Stocks of the Borysław standard crude held by the storage companies on the same date amounted to 25,351 tons, an increase over the preceding month of 3,700 tons. This increase was caused by a decline in the demand for crude oil on the part of the refineries.

The natural gas industry made further progress in May. The situation in this branch of production is illustrated by the following table:

throughput of gas (in thous. of cub. m.)	20.780
output of gasoline (in tons)	2.470
home consumption "	2.394
exports "	24
number of workmen employed	170

There were 18 gasoline works in operation, i. e., 14 at Borysław, two at Bitków, one at Drohobycz and one at Schodnica.

The output of ozokerite was 39 tons as against 69 in March, due mainly to the strike in the Borysław mines.

Exports of ozokerite amounted to 45 tons which were divided in about equal quantities between Germany, Austria and France. This industry employed 418 workers during the period under review.

The situation in the refining industry is illustrated by the following statement (in tons):

throughput of crude oil	53.086
output of petroleum products	49.440
home consumption	23.547
exports	21.735
stocks on April 1	200.489
stocks of crude oil in refineries	38.621
number of workmen employed	4.674

The throughput of crude oil declined in April as compared with March (58.283 tons); sales, too, showed a falling off due to the seasonal decline in demand.

The local consumption of petroleum products was as follows (in tons):

benzine	5.150
kerosene	8.092
lubricating oil	6.305
paraffine wax	243

The exports of petroleum products were as follows (in tons):

benzine	5.089
kerosene	2.498
lubricating oil	10.077
paraffine wax	2.020
other products	2.051
Total:	21.735

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

Czechoslovakia	7.266
Austria	3.439
Germany	1.438
Switzerland	1.232
Other countries	2.548
Danzig	5.812
Total:	21.735

The neighbouring Czechoslovakian and Austrian markets are of greatest value to Poland: the former absorbed in April 3.834 tons of benzine, 2.060 tons of petroleum, 1.189 tons of gas oils and 60 tons of paraffine wax; the latter

1.625 tons of gas oil, 434 tons of lubricating oil and 305 tons of paraffine wax.

Germany takes almost exclusively paraffine wax, asphalt and coke.

IRON

— In May the output of the iron foundries was maintained at approximately the same level as in the past few months, but it was realised during the month that the comparatively large demand which was expected during the summer months would not materialise. The building trade, on which the foundries based their good prospects, was not as brisk as had been anticipated and for this

reason the output of the foundries has not only not increased but even, in some sections, as for instance, in the blast furnaces department, it has shown a slight decline. It is significant that the decrease in the output of pig iron unfavourably affected the output of ore.

The extraction, import and export of iron ores was as follows (in tons):

	Extraction	Imports	Exports
Monthly av. for 1927	44.947	59.129	7.538
Monthly av. for 1 quarter of 1928	63.353	37.999	9.631
April " "	50.285 ¹⁾	42.059	8.429
May " "	42.468 ²⁾	38.802	—
" 1927	41.883	58.113	6.848

¹⁾ Corrected figure.

²⁾ Provisional figure.



PIPE LINE "SANTOS", BRASIL, LAID BY MESSRS. "FERRUM", POLAND

It is seen from the above figures that the output as compared with the preceding month fell by 7.817 tons or 15.5 per cent, and when it is taken into account that there was one working day more in May than in April then the percentage is increased to 19. Compared with March, when the output of iron ore reached the highest level ever known in Poland, the decrease amounts to 40.2 per cent. One of the chief causes for the falling off was a ten day strike which embraced all the largest mines. There were 32 mines in operation of which 29 were productive; two mines suspended work and one new was opened. The closing down of the two mines was caused by the exhaustion of the richer deposits.

The total number of workmen employed at the iron mines was in May 6.412 as against 6.707 in April, a decline of 4.4 per cent. The work was pursued under normal conditions with the exception in the Częstochowa area where, in consequence of a strike, the wages had to be increased.

Prices of ores on the local market fluctuated between $\text{₹} 0.77$ and $\text{₹} 0.80$ per one per cent of metal content per ton for enriched ore with a content of over 40 per cent of metal. The price for untreated ore containing 28 per cent and over was $\text{₹} 0.60$ per one per cent per ton.

Iron foundries worked under similar conditions as in the preceding month; in the section catering for the building trade and the railways there was some disappointment as the preparations which had been made to meet the expected demand proved fruitless owing to the inadequate inflow of orders, and certain rolling mills had to curtail their operations. Nevertheless, the prospects are improving owing to a steady increase in local consumption. A further rise in local sales may be regarded as certain and the foundries will be in a position to meet the increased requirements and to reduce their working costs. Considerable investments have been made in the thin sheets and seamless pipes departments.

According to the provisional returns of the Polish iron foundries (pig iron, pipes and the so-called own consumption not included), total orders received in May amounted to 64.227 tons as against 57.500 tons in April. Government orders amounted to 13.597 tons (in April 6.225 tons), and those placed by private interests to 50.630 tons (in April 51.275 tons). Orders received on the part of

industry were 19.688 tons (in April 23.630 tons), and those on the part of the trade 30.942 tons (in April 27.645 tons). It is seen that the total volume of orders rose by 11.7 per cent, due mainly to the increase in the Government orders (118 per cent). Private orders fell by 1.25 per cent, industrial by 16.6 per cent but those placed by the wholesale trade increased by 11.4 per cent.

The output of iron foundries is illustrated below (in tons):

	Pig iron	Steel Ingots	Rolled products	Pipes	Number of workmen employed
Monthly av. for 1927	51,515	103,684	76,765	7,712	43,971
Monthly av. for 1 quarter					
1928	57,201	108,288	84,068	8,257	47,215
April	54,943 ¹⁾	108,167 ¹⁾	76,894 ¹⁾	8,852 ¹⁾	48,731 ¹⁾
May	54,818 ²⁾	111,844 ²⁾	81,959 ²⁾	8,113 ²⁾	49,532 ²⁾
May 1927	47,995	96,514	64,764	7,773	43,483

The above figures show that there was an increase in the pig iron and pipe sections and a slight increase in the steel and rolling mills departments. The output of pig iron declined by 125 tons or 0.23 per cent as compared with the preceding month. The output of the steel works rose by 3,677 tons or 3.4 per cent and that of rolling mills by 5,065 tons or 6.6 per cent. Finally, in the pipe section the production declined by 739 tons or 8.3 per cent. Compared with the figures for May of last year, the output of pig iron rose by 14.2 per cent, steel by 15.9 per cent and rolled products by 26.5 per cent.

Imports and exports of foundry products are given below (in tons):

	Exports:			Imports:		
	April 1928	May 1928	May 1927	April 1928	May 1928	May 1927
pig iron	760	1,060	2,145	557	339	1,214
rails, iron and steel articles	3,812	3,464	3,696	1,182	1,457	1,568
iron and steel sheets	3,985	2,733	3,583	1,593	968	687
pipes	4,098	4,360	2,587	116	—	233

Exports in May amounted to 11,617 tons as compared with 12,665 tons in April, a decrease of 1,048 tons, or 8.3 per cent. The value of exports was $\text{₹} 6,361$, a decrease of 5.5 per cent as compared with April.

ZINC AND LEAD

— May did not see any considerable changes in the zinc and lead industry; the same remark applies to the situation on the world zinc market although, it is true, prices moved up slightly. The output was also maintained at about the same level as in April.

The extraction of ore rose only slightly so that there was a big difference as compared with the March figures which were the largest in the current year. The extraction of zinc and lead ore as well as the enriched material together with the imports of zinc ore are given in the following statement (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
Monthly av. for the 1 quarter 1928					
April 1928	94,206	32,500	15,382	1,352	
May 1928	82,656 ¹⁾	28,500 ¹⁾	14,903	1,296	
May 1927	84,826 ²⁾	29,300 ²⁾	17,924	1,463	
..	74,553	25,800	21,581	1,327	

The above figures indicate that there was an increase of 2,170 tons, or 2.6 per cent as compared with April, and an increase of 13.8 per cent as compared with May, 1927.

Imports of foreign ores increased by 16.8 per cent; the ratio of locally extracted and enriched ore to the imported ore was in March 1.77 and in April 1.77. It is seen, therefore, that although the changes are small, there is a certain falling off in the supply of local ores.

The number of mines in operation was 10 as against 12 in April; of the former number, 9 were producing and 1 was engaged in preparation work.

The number of workmen employed at the zinc and lead mines was 7,161 as against 7,130 in April. The average output per workman per month was 12.1 tons as compared with 14.2 tons in March and 11.8 in April.

The enrichment of ores by its transformation into zinc oxide was carried on on a much larger scale than in April, the corresponding figures being for May 800 tons and for April 672 tons. The "Giesche" concern are completing an extensive installation for the transformation of ore into zinc oxide and it is anticipated that the new plant will begin operations in the near future.

The zinc and lead smelting plants worked under normal conditions and

¹⁾ Corrected figures.
²⁾ Provisional figures.

¹⁾ Corrected figures.
²⁾ Provisional figures.

operated on a larger scale than in April. There were 13 zinc smelting works in operation which were supported by 9 roasting plants; there were also 4 zinc rolling mills in operation.

As in the past few months, of the 3 existing lead smelting plants only 2 were in motion.

The output of zinc, lead and sulphuric acid was as follows (in tons):

	Production:				
	sulphuric acid 50%Be	raw zinc	zinc sheets	raw lead	Number of workmen
Monthly av. of 1927	22.246	12.532	1.924	2.405	12.727
Monthly av. for the I quarter 1928	24.421	13.014	1.328	2.253	12.855
April 1928	25.021 ¹⁾	12.887 ¹⁾	1.068 ¹⁾	2.080 ¹⁾	12.741 ¹⁾
May 1928	25.121 ²⁾	13.448 ²⁾	1.333 ²⁾	3.233 ²⁾	12.910 ²⁾
" 1927	22.810	12.858	1.494	2.516	12.762

These figures indicate that as compared with April the output rose considerably in all sections; thus, the production of raw zinc increased by 561 tons, or 4.3 per cent (average daily by 1 per cent), zinc sheets — by 270 tons (average daily by 20 per cent) or 25.3 per cent, and raw lead — by 1.153 tons or 55.5 per cent (average daily by 50.7 per cent).

Exports of zinc, lead and zinc sheets are given below (in tons):

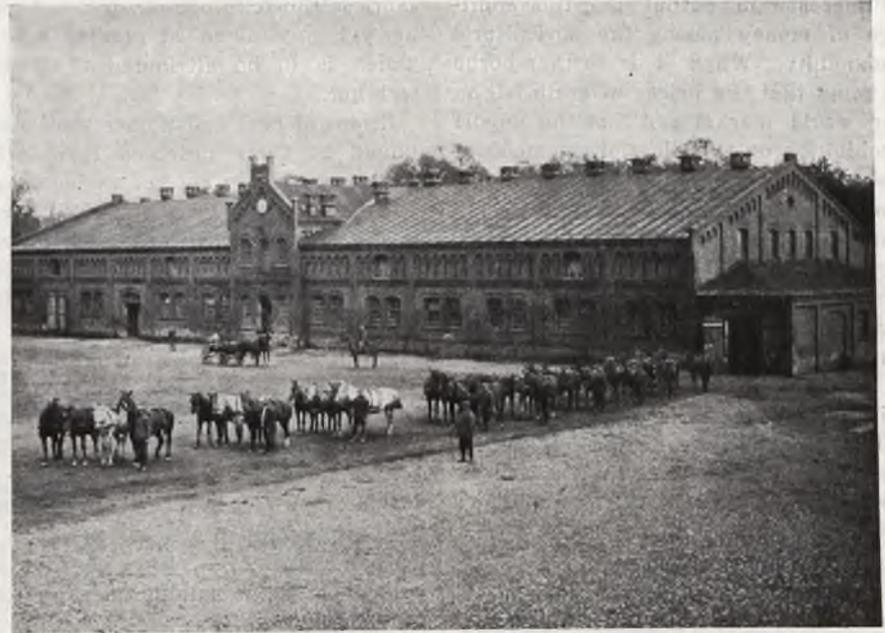
	Raw zinc dust incl.	Zinc sheets	Refined lead	Value of exports (in thous. of £)
January 1928	8.861	991	748	12.303
February "	10.341	891	884	13.839
March "	12.457	872	904	16.200
April "	10.087	1.137	945	13.537
May "	10.763	1.014	992	14.182
" 1927	10.715	973	2.305	18.079

VARIOUS

SUBSIDIES FOR THE INCREASING AGRICULTURAL PRODUCTION.

Subsidies granted by the Ministry of Agriculture which aim at the development of agricultural production may be divided as follows: a) these which are permanent and embrace grants and certain general expenses, those incurred in connection

¹⁾ Corrected figures.
²⁾ Provisional figures.



STUD FARM ON THE GÓRA ESTATE IN POMERANIA

with periodical publications, &c. and b) individual grants such as those for carrying out special investigations leading directly or indirectly to the development of agriculture. The Ministry endeavours to limit the grants contained in the first category and to increase as far as possible those in the second.

In the budgetary years 1925/26/27/28 the subsidies amounted to £ 3,500,000 in each year, whereas for the year 1928/29 the amount has been increased to £ 4,680,000. The subsidies given in the year 1927/28 were for the following purposes (in £):

Experimental work on vegetable production and forestry	725.487
Agricultural education and lectures	761.761
Magazines and scientific papers	209.780
Economic and social work as well as for fostering book-keeping among small holders and co-operatives	267.328
General overhead charges of agricultural organisations and travelling expenses	1,138.018
Co-operative societies	157.700
Agricultural libraries	56.670
Scholarships	62.000
Excursions	34.846
Exhibitions and shows	10.300
Land improvement	73.100
Veterinary services	3.010
Total:	3,500,000

COMBATING POTATO CANCER.— The regulations of the Ministry of Agriculture concerning the combating

potato cancer, dated February 9th, 1928, together with the supplement issued on May 14th, 1928, were put into force with the object of discovering the cancer as early as possible and of preventing the spreading of this disease. This regulation makes it obligatory to inform the relevant authorities through the intermediary of the communes. The consumption and transport of potatoes and other products which might lead to the spreading of the disease is forbidden. According to the regulations, the infected soil as well as the adjoining areas are subject to restrictions as regards cultivation. Similarly as in other countries, no potatoes can be despatched beyond a radius of 20 km. from the place of the disease. In each case the infected area is delimited by the voievodship authorities. In cases where there is a danger that the diseased potatoes may spread the cancer, the district authorities are empowered to destroy the crop.

More important regulations in this matter will be issued on the advice of the State Scientific Institute of Agriculture at Pufawy and the special investigation stations. The administrative authorities and the representatives of establishments for the protection of vegetable production are empowered to examine the cultivated areas as well as the stocks of potatoes—

MOVEMENT OF PRICES. — In May business showed a certain falling off due to the seasonal influences usually evident in Poland during the months immediately preceding the harvest when the cash reserves of the agricultural community get low and their purchasing

power is reduced to a minimum. This fact also had an indirect effect on the financial market in that it brought about a big demand for credits and made money tight. The demand for ready cash was all the more intense as a number of taxes fell due during this period.

The shortage of money was badly felt throughout the country which had a bad effect on demand in general. On the other hand, there is, during this period, an increase in the supply of a whole range of agricultural products especially those of animal origin due to the season

al increase in output and the shortage of money among the agricultural community. When it is further borne in mind that the prices of grain fell on the world market and that the import prohibition on this class of commodities has been repealed, the downward tendency in wholesale prices which has been in evidence in May, is fully justified. On the other hand, retail prices showed a slight upward trend which was reflected in a rise in the cost of living. The reason for the different tendencies is to be found in the fact that the retail prices are less susceptible to changes.

The movement of price indices is illustrated in the following statement (1914=100):

	Wholesale price index:	Retail price index:	Cost of living index:
January 1927	112.8	147.8	116.6
May	120.5	150.0	118.8
June	120.9	149.1	119.0
July	120.2	147.2	115.3
August	120.1	147.2	116.4
September	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
January 1928	118.6	151.5	120.3
February	117.8	150.3	118.3
March	121.2	151.9	119.3
April	124.5	153.0	120.7
May	122.5	153.7	121.3

It is seen from the above figures that the index of the wholesale prices declined by 1.2 per cent, whereas that of retail prices and of cost of living rose by 0.5 per cent each. The decline in the index wholesale prices is accounted for by of a fall in the index of prices of agricultural products by 1.9 per cent, of manufactures by 0.7 per cent and of foodstuffs by 1.5 per cent.

As regards the decline in prices of agricultural products, it should be mentioned that it represents a turning point for this class of goods which has shown a steady increase in prices for some months. In May, however, as the result of large quantities of imported grain, prices of this commodity moved downwards. At the same time the prices for potatoes also fell as soon as it was found that the supplies available after covering the needs for planting, were still ample. For this reason the index of vegetable products declined by 2.9 per cent; at the same time, owing to large supplies, prices for farm products, and above all for eggs and butter, fell considerably with the result that the index of prices of foodstuffs of animal origin declined by 0.5 per cent. In the group of manufactured products prices of textiles registered a decline of 1.1 per cent due to the fall in the prices of wool and to the smaller demand for finished

fabrics. The textile trade does not show as yet any signs of greater activity which is to be attributed to the cold weather.

Prices of coal and timber were maintained at their previous levels. The metal group index showed an increase of 0.1 per cent owing to a slight increase in the prices of zinc and lead. Finally, the "various" group showed a decline of 1.9 per cent mainly due to the drop in value of raw and tanned leather.

The rise in the index of retail prices was caused by an increase in the prices of agricultural products by 0.9 per cent and manufactures by 0.3 per cent. The cost of living index in Warsaw rose by 0.5 per cent which is to be attributed to the increased prices of foodstuffs by 0.5 per cent, fuel — 3.4 per cent, as the prices of the remaining articles were unchanged.

FAIRS AND EXHIBITIONS

THE NORTHERN FAIR AND AGRICULTURAL AND INDUSTRIAL EXHIBITION AT WILNO. — During the period from August 18 to September 9, the first Northern Fair and Agricultural and Industrial Exhibition, initiated by the Polish Economic League will be held at Wilno. The object of the fair is to increase the consumption capacity in the Eastern part of Poland. In addition, the Fair will facilitate the establishment of closer contact between the Polish producers and the Baltic markets. The area of the Exhibition will be about 20 ha. The following buildings are under construction: main hall with a floor surface of 2,033 sq. m., special forestry hall, a separate building for agricultural exhibits, and a special building with a surface area of 500 sq. m. for the exhibits of the State Monopolies and State Undertakings.

The exhibition will cover agricultural production, agricultural machinery and implements and those sections of industrial products which may be of interest to the population of that part of Poland and to the Baltic markets.

FOREIGN TRADE

— According to the provisional returns of the Chief Statistical Office, imports in May were larger by ₺ 30,814,000 than in April and amounted to ₺ 296,440,000. At the same time exports rose by ₺ 17,255.00 to ₺ 201,776,000. It will be

seen from the following lines that the increase in exports affects several groups of articles whereas that in imports concerns almost entirely the group of foodstuffs as the remaining items on the import side show, on the whole, slight declines.

The import of foodstuffs effected in May rose by ₺ 40,210,000 when compared with April. Here also the same sign is observed as the bulk of the increase was brought about by grain and rice. Imports of wheat rose by ₺ 30,712,000, those of rye by ₺ 5,956,000 and those of maize and rice by ₺ 1,205,000 and ₺ 4,452,000 respectively. Increases in the import of grain (together with rice) have also been recorded in the past few months and as this tendency has been in evidence for some time, an analysis of comparative statements of the movement of grain may lead to interesting conclusions. Therefore, attention will be given to the more important varieties such as wheat, rye, barley, oats, maize and rice; the import of the last named commodity always increases in the months of increased grain imports.

Imports of the more important varieties of grain as compared with general imports covering the period from January to May, are given below (in millions of ₺):

	Total of imports	Imports of the chief varieties of grain	Total imports, grain not included
January 1928	271.2	5.9	265.3
February	270.4	6.4	265.3
March	372.2	8.3	363.9
April	265.6	28.4	237.2
May	296.5	70.6	225.9

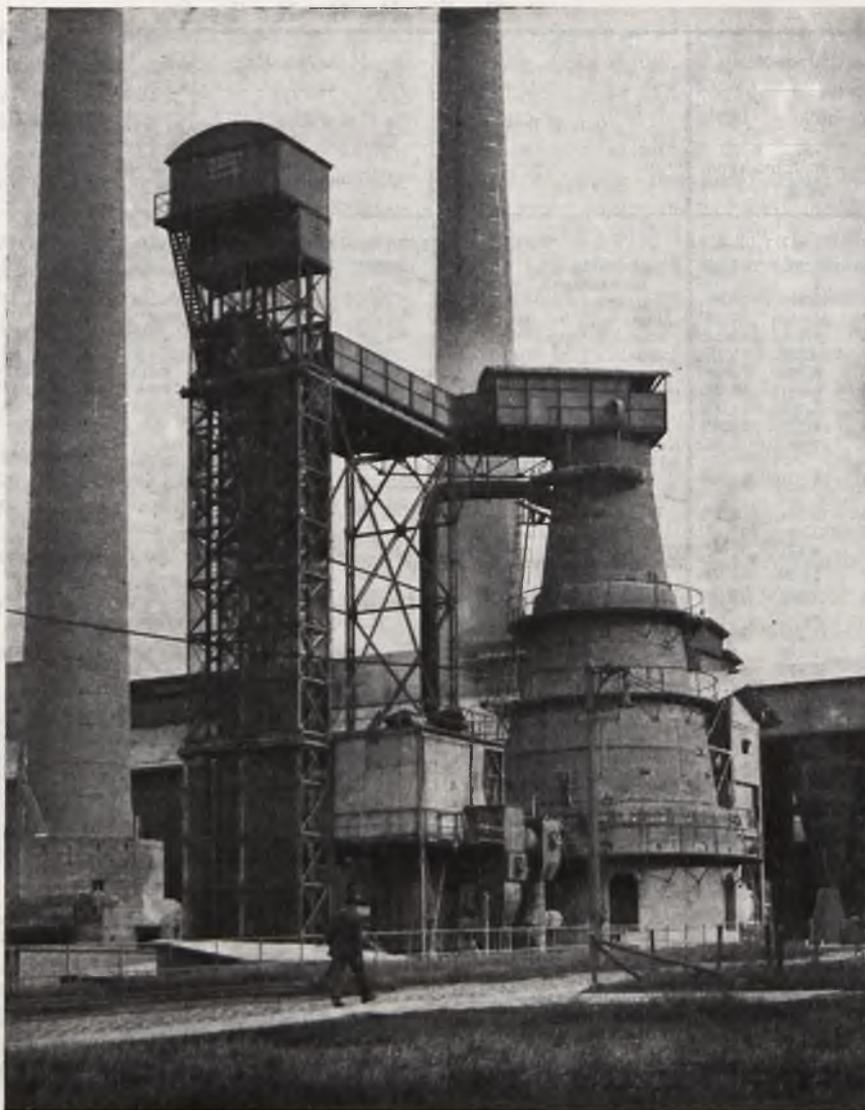
The above figures reveal two tendencies, namely: a steady increase in the import of grain on the one hand, and on the other, a decrease in the total imports, without grain, in April and May to much below the January and February levels, that is below the two months preceding the period of heavy imports which took place in March in connection with the readjustment of the customs tariff to the new monetary unit. The decline in the imports of articles other than grain is accounted for by the accumulation of stocks in the month of March, whereas the increase in the grain imports is a much more complicated a problem.

As is well known, Poland is a country producing just enough grain to cover her requirements; it is also interesting to note that even in years of bad crops she can export barley and only in years of good harvests can she do without importing wheat. The yields of crops in the years 1926 and 1927 were slightly

I M P O R T S

E X P O R T S

G O O D S	May 1928	Jan.-May		May 1928	Jan.-May		G O O D S	May 1928	Jan.-May		May 1928	Jan.-May	
		1928	1927		1928	1927			1928	1927			
	Volume — in tons			Value — in thousands of ₯				Volume — in tons			Value — in thousands of ₯		
TOTAL:	511.145	2,087.588	2,048.189	296.440	1,375.847	1,138.579	TOTAL:	1,558.368	7,873.672	8,315.400	201.776	1,010.849	1,026.279
Foodstuffs	146.836	355.817	483.678	98.241	291.260	304.789	Foodstuffs	49.983	319.267	433.708	45.533	226.984	267.005
including:							including:						
wheat	67.276	88.287	146.641	37.616	48.815	76.888	barley	420	35.663	32.895	214	15.487	13.547
rye	36.262	67.275	73.869	19.799	34.910	30.242	peas and beans	1.610	16.042	6.914	1.035	9.393	3.582
maize	7.513	26.019	62.697	2.931	8.968	18.225	sugar	4.179	72.742	112.254	2.621	42.418	76.702
rice	14.495	34.964	21.656	9.319	22.827	15.152	meat	2.318	13.009	14.681	5.036	30.115	34.552
lemons and oranges	1.429	10.165	11.357	1.130	8.340	8.481	butter	735	3.440	1.686	4.333	20.656	8.339
tea	194	1.009	896	1.697	8.871	8.085	eggs	10.337	24.367	30.057	24.377	63.546	70.049
cocoa	469	2.638	1.964	1.463	8.365	6.267	forage	17.628	89.934	148.857	3.998	20.527	34.295
coffee	614	3.046	2.755	2.969	14.127	12.771	Live animals (head)	184.288	749.639	476.625	20.407	99.597	58.696
fish and herring	2.934	37.807	39.982	2.371	27.480	24.535	including:						
edible fats of animal origin	1.883	9.886	6.436	4.359	24.598	17.402	pigs	123.538	555.015	249.856	19.059	89.760	51.190
edible fats of vegetable origin	787	5.216	4.693	1.805	12.024	9.976	Animal products (head)	1.588	8.392	6.106	4.836	27.263	17.403
tobacco	1.404	4.294	7.906	4.548	13.194	17.407	including:						
forage	3.034	21.941	25.437	1.115	6.431	6.904	dried skins	661	3.715	1.568	2.327	11.809	3.641
Live animals (head)	89.250	155.054	118.201	497	1.320	1.098	Timber and wood ware	419.531	2,088.298	2,617.100	51.487	245.837	242.769
Animal products	2.925	17.607	16.375	20.558	113.612	78.268	including:						
including:							pulpwood	56.952	395.447	416.374	3.585	24.985	20.934
dried skins	2.057	9.531	9.282	6.621	31.236	24.817	pit props	67.390	293.248	443.044	3.472	15.071	19.141
furs raw	94	1.191	629	1.462	11.474	4.672	round wood and logs	111.651	571.686	766.920	11.733	56.893	66.697
tanned hides	232	1.738	2.352	7.455	43.967	34.871	planks, deals, battens	136.600	626.877	763.653	24.960	113.821	105.295
furs, finished	16	91	64	1.719	9.708	4.143	railway sleepers	13.181	57.755	73.932	2.039	8.646	7.489
Timber and wood ware	4.057	15.869	10.024	1.850	8.811	5.900	furniture	608	3.107	2.090	1.123	5.724	3.873
Plants and seeds	1.770	20.062	16.911	4.002	17.984	15.854	veneers	2.984	11.520	8.367	1.745	8.059	5.852
including:							Plants and seeds	4.728	39.209	38.224	3.318	35.935	27.949
oil seeds	4.097	14.780	12.388	3.094	10.018	7.854	including:						
Building materials, minerals, ceramic products; glass	127.466	534.878	427.688	5.741	28.167	20.203	grasses and pasture	3.660	26.468	25.973	2.659	25.679	20.916
Fuel and petroleum products	19.266	116.148	79.692	1.137	7.567	5.354	plant seeds						
Rubber and rubber products	457	2.447	1.187	3.832	23.619	12.168	Building materials, minerals, ceramic prod.; glass	51.851	271.422	270.988	1.190	6.658	8.459
including:							Coal, coke, briquettes	956.605	4,466.707	4,551.692	26.764	132.187	148.517
tyres and inner tubes	141	805	493	1.527	9.036	5.421	Petroleum products	22.532	93.797	133.435	8.113	33.789	43.265
rubber	277	1.195	505	1.037	5.693	2.727	including:						
Chemicals	50.447	326.884	289.856	19.583	147.237	112.132	motor and lubricating oils	9.599	35.085	55.060	1.940	7.110	11.749
including:							benzine	5.119	21.090	30.807	2.418	9.775	14.078
Chilian saltpetre	4.518	66.580	32.110	2.072	30.832	16.289	paraffine wax	3.937	15.579	7.136	3.051	12.297	8.140
vegetable fats	1.501	9.581	9.689	2.505	15.924	16.813	Chemicals	10.203	77.047	56.069	3.936	21.422	18.112
animal fats	911	6.190	6.577	1.480	9.607	10.923	Ores, metals and metal products	137.237	182.995	180.985	22.152	107.756	121.912
tanners	1.476	7.462	6.687	1.580	8.025	5.981	including:						
dyestuffs (synthetic)	49	649	369	920	11.986	6.155	iron and steel rails	3.464	19.374	24.316	1.077	6.080	7.762
Ores, metals and metal products	131.790	550.019	621.797	28.539	133.878	108.464	iron and steel sheets	2.733	16.817	22.388	2.021	10.403	12.344
including:							pipes	4.360	18.969	14.566	2.629	11.762	8.821
iron ores	38.802	194.859	257.933	1.794	9.050	7.684	lead	992	4.473	8.109	966	4.368	9.706
zinc ores	17.924	78.973	81.948	4.261	14.987	21.805	zinc	10.763	52.509	49.263	11.793	58.462	65.312
scrap iron	59.715	204.913	213.419	8.431	28.414	21.665	zinc sheets	1.014	4.905	5.041	1.423	6.895	8.171
iron and steel sheets	2.425	15.856	11.542	1.597	10.389	7.996	Machinery, electrical wares, means of communication	290	1.877	3.068	695	3.832	4.695
copper and copper prod.	971	5.098	3.213	2.791	15.372	9.326	Paper, books and pictures	1.703	7.348	7.347	877	4.691	5.063
Machinery, electrical wares, means of communication	5.629	42.433	23.559	30.060	208.621	120.526	Textiles and textile products	2.090	17.094	16.494	11.721	64.205	58.170
including:							including:						
motors	257	2.505	944	1.064	9.053	3.517	flax and hemp	816	10.621	10.256	907	11.366	8.169
electrical machinery	134	1.483	612	1.525	12.238	5.995	cotton fabrics	270	1.371	2.368	2.773	14.602	21.712
wood and metal working machinery	294	2.959	1.340	1.193	10.199	6.903	wool	148	1.052	500	938	6.075	2.526
textile machinery	595	4.535	2.313	3.565	23.776	14.561	wool yarns	155	673	574	3.527	14.742	11.096
agricultural machinery	737	6.430	3.076	2.349	17.381	10.355	wool fabrics	72	331	244	1.172	6.358	5.231
boilers and heating apparatus	350	3.326	1.197	1.637	10.535	5.609	Clothing and fancy wares	13	158	127	452	3.116	2.445
electrical appliances	1.013	6.308	4.905	4.778	34.892	28.038	Various	14	31	56	255	1.195	919
cycles	204	1.157	560	1.429	7.340	3.487							
motor cars	821	4.38	2.312	5.925	31.761	16.628							
Paper, books, and pictures	6.314	40.078	29.033	7.171	42.191	32.112							
including:													
waste and rags	3.286	15.792	13.617	3.212	14.460	12.700							
paper and paper ware	1.386	16.687	9.756	2.169	18.214	11.928							
Textiles and textile products	10.957	63.900	56.399	68.549	406.161	292.801							
including:													
jute	1.444	10.861	9.809	1.917	15.032	13.627							
cotton	6.790	34.743	31.607	29.909	148.720	106.832							
cotton yarns	188	1.445	1.369	3.232	24.186	17.580							
cotton fabrics	195	1.021	635	5.660	26.631	14.867							
wool	1.428	9.551	8.722	12.656	88.057	74.549							
combed wool	96	922	714	1.951	16.368	10.818							
wool yarns	153	1.194	819	3.825	29.349	18.638							
wool fabrics	37	285	214	1.451	8.989	5.389							
silk fabrics	22	118	87	4.172	21.115	15.350							
Clothing and fancy wares	58	447	353	2.391	16.964	12.918							
Various	173	1.000	637	4.819	28.685	15.792							



A PORTION OF THE ARTIFICIAL FERTILIZER WORKS AT CHORZÓW
(PHOT. S. PLATER)

below medium; it was therefore anticipated that, similarly as in 1927, Poland would be compelled to import grain in the current year. In order to keep down imports, exports of rye and wheat were prohibited but this measure proved inadequate, especially as the harvest prospects for the current year are rather discouraging, which tends to diminish supplies of grain to the local market. For this reason, in April and particularly in May, imports of grain assumed large proportions, exercising thereby a decisive influence on the foreign trade balance. As already mentioned, the other items in the foodstuff group declined; thus, the imports of fish and herrings decreased by ₺ 2,125,000, edible fats of animal origin by ₺ 1,569,000, &c.; on the other hand, imports of tobacco augmented by ₺ 1,804,000.

The group of animal products is among the few import groups which do not

show marked increases (₺ 1,500,000) as compared with April; this increase was caused by a rise in the imports of raw hides by ₺ 2,134,000 and a simultaneous decrease in the imports of leather footwear and furs and may thus be regarded as a favourable sign.

In the group of chemical products there was a further decline in the imports of artificial fertilizers which is usual at this time of the year. There were also comparatively large decreases in the imports of practically all the more important organic chemicals with the exception of tanners, dyes, colours and varnishes; most of these articles were imported in March in quantities considerably exceeding the usual figures. The total decline in the imports of chemicals amounted to ₺ 3,666,000.

Imports of metals and metal products (ores not included) rose by ₺ 2,363,000, due mainly to the increase in scrap

iron by ₺ 1,778,000 as the changes in regard to other articles are very small. A small increase was also recorded in lead and manganese ores; a comparatively large decrease, by ₺ 6,217,000, took place in the imports of machinery, the largest decline being in the case of textile machinery which showed a drop of ₺ 2,290,000. On the other hand, electrical machinery and wares as well as motor cars showed increases despite the fact that the customs duties on these articles were subject to readjustment to the new monetary unit.

Imports of rubber and rubber wares declined by ₺ 2,230,000, the chief items affected being tyres and inner tubes. Imports of paper and products thereof increased by ₺ 1,736,000, the major portion of which represented increases in the import of raw materials, that is, rags and waste paper.

Interesting movements are to be found in one of the largest groups on the import side, the textile group, the total sum of which declined by ₺ 3,106,000 that is, to a small extent. The chief reason for this were the decreases in wool (combed not included) by ₺ 5,735,000 and jute by ₺ 1,846,000 and at the same time a rise in cotton by ₺ 2,926,000 and in woolen yarns. Although the imports of wool fell considerably, yet all these fluctuations do not exceed the normal monthly variations. Some surprise is caused by the increase in the imports of cotton and silk fabrics which rose by ₺ 1,185,000 and 1,389,000 respectively; although these sums are not large, yet these items, being strongly affected by the recalculation of the customs duties, were expected to show a decrease. It is apparent that this was caused by the increased demand for light fabrics and that the imports of these articles will decline in the months following.

The increase on the export side, as already mentioned, is distributed among the more important groups. Thus, the group of foodstuffs showed an increase of ₺ 3,645,000, due mainly to the increase in eggs by ₺ 10,660,000, the other items exhibiting small changes. It should be mentioned that agricultural products fell considerably: barley by ₺ 3,182,000 and sugar by ₺ 2,067,000. Exports of potatoes and potato products also registered considerable declines. Exports of live animals increased by ₺ 5,059,000; there were the usual fluctuations and it is worthy of note that the value of pig exports rose by ₺ 5,109,000 as compared with April. Exports of the products of animal origin remained practically unchanged.

The group embracing timber exports registered an increase of $\text{z} 4,077,000$ which was spread more or less evenly over unworked and worked wood. Exports of coal rose by $\text{z} 3,067,000$ as compared with the preceding month; as regards petroleum products, all items showed more or less large increases, the largest being recorded in paraffine wax which rose by $\text{z} 2,026,000$.

The changes in all the other export groups were insignificant. Thus, exports of metal and metal products rose slightly, the total increase amounting to $\text{z} 733,000$. Textile products registered a fall of $\text{z} 735,000$; exports of cotton fabrics rose by $\text{z} 151,000$ while slight decreases were returned by flax, cotton and wool yarns and woolen fabrics. Slight drops were also showed by the following articles: plants, seeds, inorganic chemicals and paper, while organic chemicals and products of animal origin were somewhat larger than in April.

The total value of exports for the first 5 months of 1928 is smaller than for the corresponding period of 1927, but the exports of foodstuffs were maintained at practically the same level. The group of live animals exhibited a considerable increase due mainly to the rise in pigs.

Exports of timber and products thereof is slightly larger as regards value but there is a decline in quantity. It should be stated that the largest decline is in round wood while that in sawn wood is much smaller. Exports of furniture and veneers rose markedly. It is worthy of special mention that coal exports rose from 4,515,187 tons in the period January—May 1927 to 4,718,234 tons in the same period of this year. On the other hand, the volume of exports of petroleum and petroleum products was lower than in the corresponding period of last year.

Exports of metal and metal products declined slightly but those of pipes rose by 30 per cent.

In the textile group, the total value of exports for the first 5 months is larger than for the corresponding period of last year. The largest increases were recorded in respect of sacking, woolen fabrics and yarns, whereas the exports of cotton fabrics showed a certain falling off. Apart from the important groups which have already been discussed, there were increases in the exports of various smaller items, which points to the diversification of the foreign trade. In any case, comparison of this year's returns with those for the 5 months period of 1927 although it does not

reveal any considerable progress does not show any falling off and as exports become more and more diversified, they gain new markets and have good prospects for future development. Unfortunately, a comparison on the import side for the 5 months period of this year with the corresponding 5 months of 1927 does not appear to be advisable for, owing to the readjustment of the customs tariff, the picture would be distorted. For some considerable time the imports bore an essentially productive character but those effected in May were mostly composed of consumption articles and the increased imports of grain altered the former character. After these dislocations are straightened out, it will be possible to compare this year's imports with those of last year.

OPENINGS FOR TRADE AND BUSINESS WITH POLAND

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

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

Ref. No. 144: A firm of timber exporters seeks new buyers abroad.

Ref. No. 145: Manufacturer of pipes for central heating is desirous of entering into direct relations with foreign importers.

Ref. No. 146: Polish manufacturer of cast iron enamelled hollow ware is desirous to appoint agencies in foreign countries.

Ref. No. 147: Manufacturers of furniture wish to get into touch with importers.

Ref. No. 148: Manufacturers of pharmaceutical chemicals desire to appoint agencies abroad.

Ref. No. 149: Manufacturers of artificial silk yarns seek foreign buyers and wish to appoint foreign agents.

Ref. No. 150: Manufacturers of porcelain are desirous of getting into touch with foreign buyers.

CUSTOMS DUTIES AND FOREIGN TRADE REGULATIONS

CUSTOMS DUTY REFUND WHEN EXPORTING EXPLOSIVES. — In connection with the Presidential decree dated February 13, 1928, customs duties on the more important raw materials

utilised in the manufacture of explosives were readjusted to the new monetary unit. Consequently, there arose the necessity of amending the regulation of the Ministers of Finance, Industry and Commerce and Agriculture, dated February 29, 1928, concerning the reimbursement of customs duty when exporting explosives, in order to adapt the rates of the refund to the changes which have taken place in the respective customs duties on the raw materials used in the manufacture of these articles. The project of the regulations to be issued provides for the following rates (in z per 100 klg.):

Denomination	Customs duty refund in force	projected
Blast powder	7—	9—
Saltpetre, lignose, &c.	20—	26—
Lunts	35—	45.50
Detonators	80—	104—
Dynamite	22—	28.50
Nitro-glycerine	32—	41.50
Trinitroalcol	25—	32.50
Smokeless powder	200—	260—

TRANSPORTS

RAILWAY TRAFFIC. — In May the traffic on the Polish State Railways increased despite the fact that this period may be regarded as a very slack one as far as agriculture is concerned. The average daily movement of goods waggons rose from 14,599 in April to 15,595 in May or by 6.8 per cent. Compared with May of last year (15,025) the average daily movement rose by 3.8 per cent. This increase is all the more significant as the number of truck consignments to local stations declined considerably, due to the falling off in the demand for house coal. The increased traffic is accounted for by the improvement in industrial conditions and by the beginning of the building season. The average daily supplies of 15 ton goods waggons is given below:

	May 1928	April 1928	May 1927
loaded on the Polish State Railways: destined for local stations	10,760 ¹⁾	10,238	10,067
destined for abroad	3,116	2,766	3,040
Total:	13,876	13,004	13,107
received from abroad	638	574	855
transit via Poland	1,081	1,021	1,063
Total:	15,595	14,599	15,025

The above statement indicates that the average daily movement of waggons rose by 996 as compared with April. This increase was caused in the first place by the rise in the number of car loadings in Poland by 872, the despatch to local stations rising by 522 and to foreign stations by 350. The average number of cars received from abroad was 64 and of those passing through

¹⁾ Together with loadings effected in Danzig.

Poland 60. The following statement gives the average daily number of car loadings of the different groups of merchandise despatched to local stations (in 15 ton waggons):

	May 1928	April 1928	May 1927
coal, coke and briquettes	2.839	3.166	2.463
crude oil and petroleum products	160	145	153
timber	1.093	905	930
agricultural products	792	772	792
raw materials and industrial products	2.172	1.899	1.855 ¹⁾
various	3.704 ¹⁾	3.351 ¹⁾	3.097 ¹⁾
Total:	10.760	10.238	9.290²⁾

Thus, compared with April, the average daily number of coal transports declined by 327. This decline was compensated for by the increase in the transports of raw materials and manufactured goods (by 273) and timber (by 188).

The following statement gives the average daily number of 15 ton waggons despatched to foreign stations:

	May 1928	April 1928	May 1927
coal, coke and briquettes	2.172	1.909	1.721
crude oil and petroleum products	45	45	52
timber	639	560	982
agricultural products	46	39	37
various	214	213	248
Total:	3.116	2.766	3.040

Compared with the preceding month the average daily number of coal consignments rose by 263 and of timber by 79. The remaining articles showed slight fluctuations. Compared with last year the exports of coal show a considerable increase and those of timber a marked decline.

¹⁾ together with loadings effected in Danzig.

POLISH-RUSSIAN RAILWAY CONFERENCE.— The Fifth Conference of the Polish and Russian Railways was held in Kraków from the 15th to 26th May. The Conference agreed upon the details necessary for the speedy introduction of through rates on the Polish and Russian railways for the ordinary transport of goods as well as for express consignments. The rates will be calculated on the basis of the United States Dollar. The goods tariff will contain transport charges for the shortest route. The station charges in respect of these transports will be reduced by 50 per cent in Poland and by 25 per cent in Russia. The problem of the mutual utilisation of the Western European type of truck in direct Polish-Russian traffic, was also dealt with.

The agreement reached in this matter is to be made effective as from November 1, 1928, while at the same time the scope of the agreement which has been in force up to the present in direct communication between the two countries, in regard to goods waggons of the Russian types, still used by the railway systems of the two countries, has been enlarged.

In order to expedite the transport of perishable goods, chiefly fish and fruit, the Conference drafted special regulations, and henceforward they will be transported in isothermic cars with or without unloading. In case of unloading the transport will be effected either in private waggons or in Government-owned refrigerator cars.

NEGOTIATIONS BETWEEN POLAND AND LITHUANIA REGARDING RAILWAY COMMUNICATION.— A number of conferences on the subject of railway communication between Lithuania and Poland were held in Warsaw at the end of May. The chief object of the conferences was to fix the points of connection between the two countries. The Polish delegation proposed four

frontier points, namely—the stations Trakiszki, Orany, Zawiasy and Nowo-święciany. The Lithuanian delegation considered it sufficient to introduce indirect communication via Latvia and East Prussia. The proposal put forward by the Polish delegation is in accordance with the International Railway Convention and moreover would ensure economic advantages to the citizens of both countries. The negotiations did not lead to a satisfactory result but they were not broken off and will be resumed on June 28 when the Lithuanian delegates will submit counterproposals.

THROUGH RATES TO THE PORTS ON THE ADRIATIC.— A direct convention tariff for goods traffic between the stations on the Polish State Railways and the ports of Trieste, Rovigno d'Istria, Pola and Fiume will be introduced on June 15th. The tariff contains through rates for 33 groups of export and 24 groups of import goods into Poland. For transport to Pola and Rovigno d'Istria special supplementary charges are foreseen in a separate table.

THROUGH PASSENGER TICKETS TO THE EAST.— As from May 15th last, the Polish State Railways have introduced through rates for the traffic between Northern and Central Europe and the East: a) passenger and luggage rates for direct communication between railway stations on the Swedish, German, Polish, Czechoslovakian and Austrian systems on the one hand, and Bulgaria, Greece, Turkey and the ports served by the Rumanian shipping companies via Constantza, on the other hand, b) rates for the carriage of express consignments between the above mentioned Northern and Central European countries and the Bulgarian, Greek, Oriental and Anatolian railways.

The introduction of the new tariffs will greatly facilitate passenger traffic for it will be possible to obtain through tickets and despatch luggage to Athens, Salonika, Sophia and Stamboul, by land via Zebrzydowice, Bohumin, Ziline, Chelmba, Szob, Budapest, Kelebian, Subotica, Belgrad, Caribrod and by combined land and sea route to Stamboul, Alexandria (Egypt), Piraeus, Haifa, or Jaffa via Sniatyn, Załucze and Constantza. The rates for the whole distance are expressed in United States Dollars.



PACKING CIGARETTES AT THE STATE FACTORY OF TOBACCO PRODUCTS AT POZNAŃ (PHOT. M. FUCIŃSKI)

PORT TRAFFIC IN MAY.— At the two ports of Poland Danzig and Gdynia, the movement of ships and merchandise in May was large and rose as compared with April; in relation to their handling capacity, the two ports are fully employed while at the same time increasingly large investments are being made in order to adapt the port equipment to the growing needs of Poland's seaborne trade.

In Danzig, the movement of ships was larger than in April although

the number of incoming ships was slightly smaller. Arrivals numbered 557 with 332.284 net reg. tons (in April 348.404), departures — 606 with 361.204 net reg. tons (in April 318.524). It is seen that the aggregate tonnage of incoming and outgoing ships amounted to 693.488 net reg. tons, an increase of 30.000 net reg. tons over the preceding month.

The nationality of incoming and outgoing ships was as follows:

	Arrivals:		Departures:	
	ships	net reg. tons	ships	net reg. ton
Poland & Danzig	16	11,844	23	13,501
Germany	192	95,395	212	100,260
Finland	6	7,394	7	9,998
Estonia	2	354	3	616
Latvia	18	15,892	18	16,336
Lithuania	3	588	3	588
Switzerland	140	54,661	160	66,436
Norway	28	22,951	29	24,581
Denmark	87	55,493	87	59,118
England	24	37,636	23	36,441
Holland	13	7,796	18	8,379
Belgium	—	—	1	1,785
France	7	6,054	9	8,152
Italy	—	—	1	2,378
Greece	8	12,121	6	8,638
Turkey	3	40	1	24
United States	1	3,054	1	3,054
Rumania	—	—	1	151
Austria	2	360	1	260
Czechoslovakia	2	631	2	508
Total:	557	332,284	606	361,204

Of the 21 flags which were represented during the month, Poland occupied the 9th place; the German flag occupied the 1st place, followed by the Swedish, Danish, English, Norwegian, &c. According to provisional returns the movement of goods in May, as compared with April, was as follows (in tons):

	Imports:		Exports:	
	May	April	May	April
grain	42,973	21,231	610	3,087
sugar	—	—	2,141	6,160
herring	1,220	1,200	—	—
groceries and foodstuffs	4,131	3,252	3,245	2,562
artificial fertilizers and chemicals	24,098	21,893	1,520	2,360
timber	—	—	77,106	100,537
cement	—	—	9,120	7,210
building materials	3,210	585	—	—
coal	—	140	417,354	393,600
mineral oils	1,170	1,771	2,855	2,306
ores	32,540	7,430	—	—
scrap iron	47,699	52,061	—	—
iron	1,162	2,565	—	—
various	2,125	1,967	9,810	5,196
Total:	160,328	114,095	523,761	523,018

The above figures indicate that exports were maintained at about the same level as in April, whereas imports increased by about 50.000 tons. On the export side, coal rose by 25.000 tons and timber declined by 23.000 tons. The quantity of cement shipped in May was 2.000 tons larger than a month earlier; export of this product has been maintained at about the same level for some time past, although there appears to be every reason, given efficient organisation

for the trade in this line to make substantial progress.

Similarly as in the previous month, scrap iron occupies the first place among the imports.

Of late, however, there is some competition on the part of Stettin which is endeavouring to attract consignments of this article destined for Poland. The second place was occupied by grain, the imports of which similarly as in last year, play an important rôle in the Danzig port traffic. Imports of iron ore, which rose from 7.000 tons in April to 32.000 tons in May, ranked third. The increase in the import of iron ores is largely due to the opening of navigation in the Northern part of the Baltic.

Exports of coal (bunker coal not included) according to their destination are given below (in tons):

Switzerland	164,955
Denmark	87,863
Norway	60,847
Finland	40,353
France	27,839
Latvia	14,261
Italy	9,354
Germany	8,428
Holland	7,701
Belgium	4,048
Lithuania	3,200
Africa	2,687
Island	1,613

Total: 433,148

The passenger movement through the Danzig port is shown in the following table:

	Arrivals	Departures
	persons	
Danzig	130	2,004
Libau	61	38
Stockholm	4	—
Copenhagen	141	450
London	226	2,751
Hull	43	721
New York	—	1,212
Riga	146	152
Tallin Rewal	—	37
Helsingfors	2	—
Total:	1,923	7,365

In Gdynia, the handling capacity is increasing from month to month, and in May the port traffic rose further as compared with last month. Arrivals were 108 with 92.738 net reg. tons and departures 103 with 86.442 net reg. tons; in April there were 77 arrivals with 73.539 net reg. tons and departures 73 with 63.668 net reg. tons.

Exports of coal amounted to 148.162 tons as against 129.923 tons in April. In addition, a small quantity of timber was also shipped through this port. Imports totalled 28.899 tons, including artificial fertilizers 11.700 tons, rice 12.174 tons and stones 4.899 tons.

There were 851 passengers landed and 1.172 left for overseas.

The nationality of the ships calling at Gdynia was as follows:

	Arrivals:		Departures:	
	April	May	April	May
Poland & Danzig	10	14	7	16
Germany	15	28	16	27
Holland	1	—	1	—
Sweden	22	36	21	34
Norway	5	4	5	5
Denmark	8	3	8	2
Latvia	6	11	5	10
Estonia	2	1	2	—
France	4	6	4	4
England	4	3	4	3
Finland	—	1	—	1
Lithuania	—	1	—	1
Total:	77	108	73	103

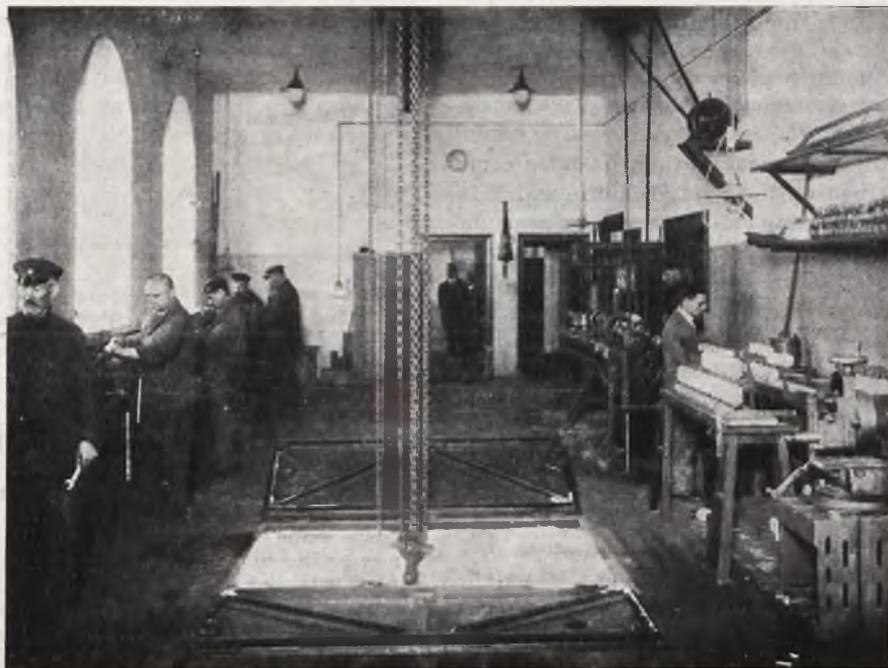
THE FIRST DIRECT SERVICE FROM POLAND TO SOUTH AMERICA. —

Up to the present, Poland's efforts have been directed towards the creation of a basis upon which could be built up a mercantile marine and shipping companies established. In this sphere considerable progress has already been made for the Polish, State undertaking, named "Żegluga Polska", now maintains services between Polish ports and overseas countries.

The object of the Polish policy is to establish the greatest possible number of convenient direct services for the purpose of opening and maintaining direct commercial relations with overseas countries.

As the financial resources of Poland are not large, only a small portion of the work can be carried out, but it is intended to realise the scheme with the assistance of foreign capital and experience. The problem of direct steamship service between Poland and Brazil and the Argentine has been solved in this way. The existence of a large Polish colony in the South American countries and the steady flow of Polish emigrants there, fully justified the interest taken by Poland in this matter. The possibility of the development of commercial relations and the gaining of outlets for Polish goods was another reason for the establishment of direct shipping lines.

The agreement recently entered into with the French shipping company contains the following stipulations: a) the "Chargeurs Reunis" Company, which has maintained direct services between the ports of Western Europe and South America for some 70 years has undertaken to organise a regular service every seven weeks to the Brazilian and Argentine ports, b) the steamers to be used for this service will be entirely reconstructed especially as regards the passenger accommodation. All first and the second class berths with the exception of ten cabins will be adapted for the transport of emigrants. In this way Polish emigrants will travel under much better conditions than has been the case up to the present, c) after 3 years the Polish Government will have the option of taking a share in the company either directly or through a Polish financial group and in this way transform it into a Polish undertaking. During the 3 years Poland will have an opportunity of establishing new connections and developing them while



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

the obligation on the part of the Company to employ Polish personnel on the ships will enable Poland, after the term of three years, to take not only a financial interest but actually to fill important administrative posts with Polish citizens. The only obligation on the part of the Polish Government is the guarantee that every ship will have a certain fixed quota of passengers, but bearing in mind the advantages accruing to the emigrants from the direct service, there is every reason to believe that this guarantee has rather a theoretical character and that the Polish Government will not have to pay any indemnity to the shipping line.

Looking at the agreement from the standpoint of the Polish marine policy, it should be stated that it represents a big step forward and should be regarded as the forerunner of a direct steamship service between Poland and the Far East. Both in South America

and the Far East, Polish merchants and industrialists will find valuable markets which are difficult to gain without the proper facilities.

GOODS TRAFFIC BETWEEN THE POLISH PORTS AND CZECHOSLOVAKIA.—The Polish ports and the State Railways have endeavoured for some considerable time to direct Czechoslovakian overseas exports as well as imports from overseas through the Polish ports. These efforts have been supported by the Czechoslovakian State Railways. Special through rates to and from Danzig have been drawn up, while at the same time, in order to reduce the cost of transport, the rates include transport over the German system when the distance can be reduced by forwarding the transports through German territory.

The adoption of these methods has already given good results. According

to the returns of the Council of the Port of Danzig, the movement of goods with Czechoslovakia was in the years 1926 and 1927 as follows (in tons):

	1926	1927
to Czechoslovakia	44,874	112,375
including:		
ores	44,496	97,300
iron and iron products	—	5,370
artificial manures	—	7,000
from Czechoslovakia	1,410	7,085
including:		
iron products	39	1,706
timber	—	1,804

The Council of the Port of Danzig submitted to the Ministry of Communications a petition in which it emphasised the necessity for a further reduction of the transit rates, in particular for the exports from Czechoslovakia. To deal with this matter, a special conference of the representatives of the Polish, Czechoslovakian and German railway systems was held in Danzig on May 4th and 5th.

The Czechoslovakian representatives declared themselves ready to reduce their rates from 5 to 15 per cent, according to the distance, in respect of goods to be exported via Danzig, while the Polish State Railways, the rates on which are lower than on the Czechoslovakian railway system, agreed to establish through rates in Czechoslovakian currency in order to facilitate the calculation of the cost of transport to the Czechoslovakian interests. The new tariff will be drawn up by a specially appointed mixed committee.

AERIAL COMMUNICATION.—In May aerial traffic, though it did not reach the last year's level, owing to adverse weather conditions, was considerably more intense than in April.

The number of flights (scheduled and extra) amounted to 385, as compared with 328 in the last month, and the distance flown to 127,170 km. as against 107,285 km. in April. The average distance was 330 km. The number of passengers rose from 624 in the preceding month to 680. The transport of post mail increased from 3,090 kg. in April to 3,786 kg. in May, and that of freight from 26,013 kg. to 27,275 kg.

FINANCE AND BANKING

STATE REVENUE AND EXPENDITURE IN MAY are given below (in millions of zł):

(Table see next page)

The revenue in May was larger by over zł 25 million than in April; it was also larger than in the corresponding period of last year when it amounted to zł 207.2 million. The largest returns were shown by the Ministry of Finance, the chief items being taxes which are dealt with separately.

The revenue from State Undertakings was almost entirely contributed by the State Forests which gave zł 12.5 million; small amounts were returned by the State mines and foundries (zł 254,000), "The Monitor Polski" and the State Printing Works. The Railways, and the Posts and Telegraphs did not transfer any sums to the Treasury as they are investing their surpluses in repairs, renewals and extensions.

The total State revenue was larger

than in April when it amounted to zł 222.5 million. During the first two months of the budget year the State revenue amounted to zł 466.5 million or 18.47 per cent of the sum estimated for the whole year.

The State expenditure also showed an increase as compared with April when it amounted to zł 213.2 million. The disbursements of the State Administration rose from zł 212.5 million to zł 225.8 million in May. This increase is

accounted for by the payment of a bonus to State employees as well as to increased disbursements in connection with the opening of the building season. The last named contingency also caused the large increase under the heading of State Undertakings which obtained from the Treasury various grants amounting to $\text{z} 693,000$. The total State disbursements effected during the first two months of the budgetary year amounted to $\text{z} 443.5$ million which compared with

the estimated sum for the whole year, represents only 17.89 per cent. The excess of revenue over expenditure amounted in May to $\text{z} 13.7$ million and for the two months, April and May—to $\text{z} 23$ million.

The increased budget for the current year was in every way justified while the continuous surplus of revenue which has been recorded since July 1926 proves conclusively that the budget equilibrium has a permanent character.

preceding month, namely—Income Tax— $\text{z} 24.5$ million, Land Tax— $\text{z} 3.4$ million, the Tax on Urban and Certain Rural Real Estates— $\text{z} 2.5$ million.

Indirect taxes amounted to $\text{z} 15.4$ million as compared with $\text{z} 12.1$ million in April. This group includes, *inter alia*, the Sugar Tax which gave $\text{z} 10.4$ million; Mineral Oil Tax $\text{z} 1.8$ million, Yeast Tax $\text{z} 0.8$ million, Wine and Beer Tax $\text{z} 1.2$ million. Revenue stamps gave $\text{z} 17.8$ million as against $\text{z} 15.3$ million in April. A considerable increase was shown by the customs duties which rose from $\text{z} 28$ million in April to $\text{z} 40.2$ million in May, the corresponding figure for May 1927 being $\text{z} 32.4$ million.

During the first two months of the budgetary year, ordinary State revenue, that is, taxes, totalled $\text{z} 251.1$ million which represents 22 per cent of the sum estimated for the whole year. Of the extraordinary revenue, the Property Tax continued to give small results z (2.4 million), whereas the 10 per cent Extraordinary Supplementary Tax, as a result of the increase in the revenue, showed a rise as compared with the preceding month and amounted to $\text{z} 10.4$ million.

The State Monopolies transferred to the Treasury less than in April. The total amount of revenue derived from this source is made up as follows: the State Tobacco Monopoly $\text{z} 32$ million, the State Spirits Monopoly $\text{z} 30.1$ million, the State Lottery and the State Match Monopolies $\text{z} 0.7$ million each. Taken together, the revenue from taxes and State Monopolies during the first two months of the year brought in $\text{z} 411.1$ million which represents 19.6 per cent of the estimated amount of $\text{z} 2,094.2$ million for the whole year. As the budget is now under consideration by the Parliament, the following table of revenue from taxes and monopolies contains the different items as they appeared in the Government's estimates (in thousands of z):

	Actual revenue:		^{1/12} th of the yearly budget for	
	April:	March:	1928/29	1928/29
Direct taxes	48.2	65.6	56.7	521.2
Indirect taxes	15.6	15.4	12.1	159.0
Customs duties	32.4	40.2	28.0	280.0
Stamp fees	14.4	17.8	15.3	165.1
Total of the ordinary public levies:	110.6	139.0	112.1	1,125.3
Property Tax	2.9	2.4	2.6	50.0
10 per cent Extraordinary Tax	8.0	10.4	9.4	82.0
Monopolies	57.0	67.1	68.1	836.9
Total of public levies and monopolies:	178.5	218.9	192.2	2,094.2

	Revenue		Expenditure	
	actual	estimated for 1928/9	actual	estimated for 1928/9
A) Civil service	170.8	1,512.2	225.8	2,458.5
The President of the Republic. . .	—	0.2	0.3	3.0
The Parliament	0.1	0.2	0.8	9.2
State Control	—	0.1	0.4	5.0
Council of Ministers	—	—	0.2	2.2
Ministry of Foreign Affairs	0.7	10.9	3.4	52.4
„ „ War.	0.8	3.8	61.5	745.0
„ „ the Interior	1.5	22.1	19.8	223.4
„ „ Finance	155.3	1,329.9	12.0	129.7
„ „ Justice	3.8	36.6	8.9	108.2
„ „ Industry and Commerce	0.7	9.7	5.8	46.4
„ „ Transport	—	0.6	0.3	4.0
„ „ Agriculture	1.1	11.5	3.2	46.8
„ „ Religious Cults and Education	0.9	6.5	39.2	373.0
„ „ Public Works	3.2	39.2	12.5	134.6
„ „ Labour and Social Protection	0.1	0.8	3.9	60.2
„ „ Land Reform	0.1	3.1	3.5	47.6
„ „ Posts and Telegraphs	—	0.4	0.1	2.8
Pensions	2.5	27.1	10.4	103.8
Grants to invalids	—	—	12.4	130.0
State liabilities	—	9.5	27.2	231.2
B) State enterprises	6.1	176.6	4.5	19.9
C) Monopolies	67.1	836.9	—	—
Total A + B + C:	244.1	2,525.7	230.3	2,478.4

TAXES IN MAY.—The revenue from taxes and State monopolies amounted in May to $\text{z} 219$ million which was less than in the preceding month—April and in the corresponding period of last year, as may be seen from the following table (in millions of z):

	1927	1928
April	162.6	192.2
May	178.5	219.0

The above figures show a steady increase in the State revenue despite a slight deterioration in the general trend of business and despite the pre-harvest season which in an agricultural

country like Poland is usually less favourable to the Treasury. The largest increase in revenue was shown in the public levies which gave $\text{z} 139.0$ million as against $\text{z} 122.1$ million in April and $\text{z} 110.6$ million in May, 1927. Direct taxes returned $\text{z} 65.6$ million during the month under review as compared with $\text{z} 56.7$ million a month earlier. This increase is solely due to the collection of the Turnover Tax which fell due during the month. The Industrial Tax gave $\text{z} 31.2$ million as against $\text{z} 17.6$ million in April. The remaining direct taxes returned less than in the



SUPERPHOSPHATE STORE AT THE CHEMICAL WORKS OF
MESSRS. KIJEWski & SCHOLTZE, WARSAW

STOCK EXCHANGE

FOREIGN CURRENCIES

During May quotations for foreign currencies on the Warsaw Stock Exchange showed a slight upward

tendency, but the differences were small and in most of the cases, reflected the variations which took place on the world stock exchanges. Drafts on London and Amsterdam showed a comparatively strong upward trend; the other cur-

rencies, with the exception of Austrian Shilling, the quotations of which were unchanged, moved within very narrow limits.

Quotations for the Złoty on the world stock exchanges did not show any

		30.4	1—5.5	7—12.5	14—19.5	21—30.5	31.5	par value
Warsaw Exchange								
London	£ 1	43.50	43.49 ⁷ / ₈	43.51	43.52 ¹ / ₂	43.53	43.53 ¹ / ₄	43.38
New York	\$ 1	8.90	8.90	8.90	8.90	8.90	8.90	8.90
Paris	Fr. Fr. 100	35.10 ¹ / ₂	35.09	35.09	35.10	35.10 ¹ / ₂	35.11 ¹ / ₂	172.00
Brussels	Belg. 100	—	124.48	124.51 ¹ / ₂	124.48	124.43	124.50	123.95
Zurich	Sw. Fr. 100	171.80	171.78	171.81 ¹ / ₂	171.84 ¹ / ₂	171.83	171.84	172.00
Milan	Lir. 100	—	46.98 ¹ / ₂	46.98	46.99	46.99	47.—	172.00
Amsterdam	Fl. 100	359.48	359.55	359.67	359.75	359.78 ¹ / ₄	—	358.31
Vienna	Sh. 100	125.44	125.42 ¹ / ₂	125.43	125.42	125.41 ¹ / ₂	125.44	125.43
Prague	Kez. 100	26.41 ¹ / ₂	26.41 ¹ / ₂	26.41 ¹ / ₂	26.41 ¹ / ₂	26.41 ¹ / ₂	26.41 ³ / ₈	180.62
Stockholm	Kr. 100	239.20	239.20	239.20	239.20	239.25	—	238.89
Foreign Exchanges								
London	£ 1	43.50	43.50	43.50	43.50	43.51	43.51	43.38
New York	₤ 100	11.25	11.25	11.25	11.25	11.25	11.25	11.22
Zurich	₤ 100	58.20	58.20	58.15 ¹ / ₂	58.16	58.15	58.15	58.14
Vienna	₤ 100	79.66	—	79.54	79.68	79.67	79.63	79.72
Prague	₤ 100	—	—	377.50	377.50	377.50	377.50	55.36
Berlin	₤ 100	46.87 ¹ / ₂	46.85 ¹ / ₂	46.86	46.87	46.81	46.82 ¹ / ₂	47.09
Danzig	₤ 100	57.46	57.47	57.47	57.47	57.44	57.42 ¹ / ₂	57.63

important variations and the slight falling off in the Złoty rates on the

Berlin Stock Exchange was a passing phase.

Owing to the comparatively large number of holidays during the period

State, Municipal & Land Loans	30.4	1—5.5	7—12.5	14—19.5	21—30.5	31.5	Nominal
5% Conversion Loan	67—	67—	67—	67·10	67—	67—	₺ 100—
6% External Dollar Loan 1920	85·50	85·75	85·65	86—	86·10	86—	\$ 100—
5% Premium Dollar Loan (2nd series).	76·75	78·55	80·15	82·55	83·75	85·50	\$ 5—
10% Railway Loan (1st series)	104—	104—	104—	104—	104—	104—	gold Fr. 100—
8% Bank Gospodarstwa Krajowego Bonds ...	94—	94—	94—	94—	94—	94—	gold Fr. 100—
8% State Land Bank Bonds	94—	94—	94—	94—	94—	94—	gold Fr. 100—
8% Com. Oblig. of the Bank Gospodarstwa Kraj.	94—	94—	94—	94—	94—	94—	gold Fr. 100—
8% Land Credit Association Bonds... ..	83—	80·25	81·50	82·05	80·25	80—	₺ 100—
4% Land Credit Association Bonds... ..	—	—	—	51·75	50—	—	₺ 100—
4½% Land Credit Association Bonds... ..	55—	54·90	55·40	55·30	54·15	53·75	₺ 100—
8% Credit Soc. of the City of Warsaw Bonds ...	77·50	77·15	78·25	77·70	77·10	76—	₺ 100—
5% Credit Soc. of the City of Warsaw Bonds ...	60·25	59·95	60·25	60·25	59·45	—	₺ 100—
4½% Credit Soc. of the City of Warsaw Bonds ...	56·25	56—	56·65	—	55—	—	₺ 100—

LOAN TO THE SILESIA VOIEVODSHIP. — An agreement for the flotation of a loan, between the Silesian Voievodship and the American banks: Stone, Webster and Blodget and the First National Corporation, was signed on June 1, last.

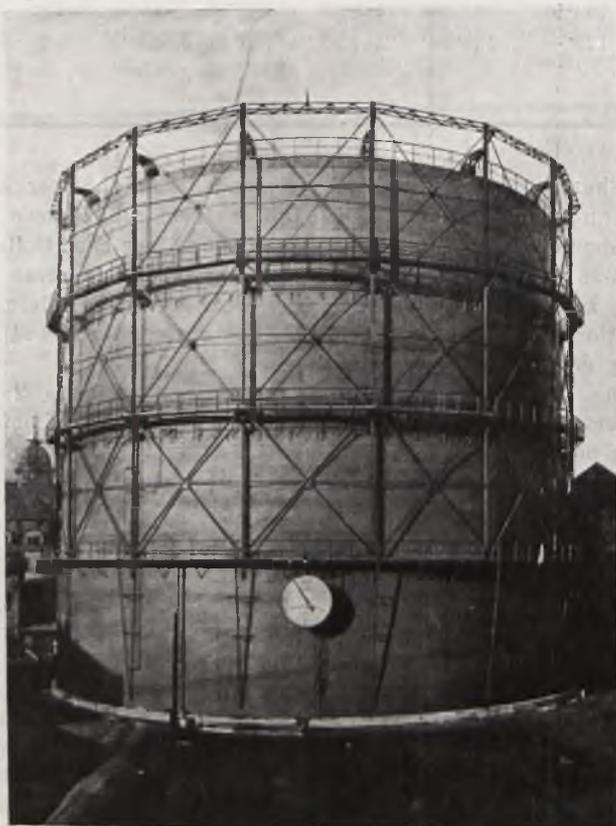
The loan amounting to \$ 11,200,000 is granted for a period of 13 years and bears interest at the rate of 7 per cent per annum, payable in half-yearly instalments. The annual instalment which will include amortisation of the loan is fixed at 8 per cent of the nominal value of the loan. The redemption will be effected by means of drawings at par or by means of purchases on the

market. The Voievodship authorities have the privilege of redeeming the loan or a portion of it before it is amortised at a rate varying from 104 to 101 according to the time of purchase.

The issue of this loan took place in June 5th last and was fully subscribed. The proceeds of the loan are to be devoted to a whole range of investments by the Silesian Voievodship and to the different local Government Boards which will receive a portion of it in the form of credits from the Voievodship. Among the more important investments to be made are water works, sewage systems, the construction of electrical power stations, gas works, abattoirs, bridges, &c.

BANK OF POLAND

— The decrease in foreign currencies and drafts at the Bank of Poland was, in May, much smaller than in the preceding month, when the demand on the part of private banks and the clients doubled as compared with March, due largely to increased imports in connection with the readjustment of the customs duties to the new legal monetary unit. Owing to this, despite the utilisation of certain reserves formed from the proceeds from the loan received by the City of Warsaw, the bullion and foreign currency reserves at the Bank of Poland declined in April by as much as ₺ 53·7 million. In May the demand for foreign currency on the part of the banks and clients decreased from ₺ 123·3 million to ₺ 94·8 million, which together with the slight decline (from ₺ 40 million to ₺ 36·9 million) in the demand on the part of Government Departments (service of foreign loans) caused a decline in the total disbursements of foreign currencies and drafts of the Bank from ₺ 163·8 million in April to ₺ 131·7 million in May. At the same time there was a considerable increase in the purchases of foreign currencies and drafts from ₺ 89·8 million to ₺ 107·7 million which indicates the inflow of new money from abroad. It should be stated that the increase in the flotations of new loans in foreign countries was not the only factor which contributed towards this end; thus while in April no important sums originating in foreign loans were received, in May, the first instalment amounting to ₺ 8·6 million of the Pomeranian loan came in. The increase in the total inflow of the foreign currencies amounted to ₺ 18 million,



GASOMETER AT THE MUNICIPAL GAS WORKS IN POZNAŃ CONSTRUCTED BY MESSRS H. CEGIELSKI, LTD

	APRIL 30th		MAY 10th		MAY 20th		MAY 31st	
Assets:								
Bullion:								
gold in vaults - - - - -	380,206.238·89		380,255.835·51		380,306.314·09		380,376.699·85	
" abroad - - - - -	182,021.005·64		185,010.404·58		185,010.404·58		186,499.227·29	
silver (gold value) - - -	3,083.931·67		3,105.337·48		3,199.630·15		3,237.172·61	
	£65,311.176·20		568,371.577·57		568,516.348·62		570,113.099·75	
Foreign currency, drafts and assets - - - - -	568,487.294·32	1,133,798.470·52	558,242.203·68	1,126,613.781·25	547,709.378·15	1,116,225.726·97	539,690.160·28	
Foreign currency, drafts and assets not included in the cover - - - - -		212,250.543·99		218,183.319·11		214,267.245·03		1,109,803.260·03
Silver and token coins - -	8,600.224·27		6,274.513·29		3,485.354·27		5,540.406·51	212,553.289·30
Bills of exchange - - - -	499,014.006·73		519,290.207·74		545,448.113·88		558,283.415·02	5,540.406·51
Loans against securities -	51,362.160·95		63,875.571·54		55,782.279·76		59,819.923·81	558,283.415·02
Own interest-bearing securities - - - - -	5,517.739·54		5,540.718·21		5,695.777·69		5,875.602·40	59,819.923·81
Reserve funds invested in the securities - - - -	55,959.826·38		55,950.035·38		55,950.035·38		55,945.700·38	5,875.602·40
Loans to Government - - -	25,000.000·—		25,000.000·—		25,000.000·—		25,000.000·—	55,945.700·38
Property - - - - -	20,000.000·—		20,000.000·—		20,000.000·—		20,000.000·—	25,000.000·—
Other assets - - - - -	40,162.342·92		39,670.497·96		41,841.920·53		46,198.760·76	20,000.000·—
	2,051,665.315·30		2,080,398.644·48		2,083,696.453·51		2,099,020.358·21	46,198.760·76
Liabilities:								
Capital - - - - -	150,000.000·—		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·—	94,434.640·—
Sight liabilities:								
current accounts of State institutions - - -	249,219.941·73		260,182.506·40		268,692.608·10		259,730.427·89	
outstanding current accounts - - - - -	104,665.215·71		151,369.611·92		124,409.543·14		162,752.099·83	
silver purchases a/c - - -	90,000.000·—		90,000.000·—		90,000.000·—		90,000.000·—	
State credit fund a/c - -	93,203.150·72		93,202.742·21		92,313.246·54		92,491.523·43	
various accounts - - - -	10,044.216·66		6,245.117·30		6,999.835·97		5,521.778·08	
	547,132.524·82		600,999.977·83		582,415.233·75		610,495.739·23	
Notes in circulation - - -	1,126,021.250·—	1,673,153.774·82	1,094,234.300·—	1,695,234.277·83	1,132,964.330·—	1,715,379.563·75	1,086,944.130·—	1,697,439.869·23
Special account of the Treasury - - - - -		75,000.000·—		75,000.000·—		75,000.000·—		75,000.000·—
Other liabilities - - - - -		59,076.900·48		65,729.726·65		64,206.154·46		66,821.944·28
	2,051,665.315·30		2,080,398.644·48		2,099,020.358·21		2,083,696.453·51	

Thanks to the increased purchases and the decline in sales of foreign currencies and drafts, the adverse balance diminished from £ 73·9 million to £ 24·0 million. The decline in the foreign currency reserve was somewhat larger than in the preceding month and amounted to £ 28·5 million due to the purchases of gold on foreign market for the sum of U. S. Dollar 500.000 (£ 4·5 million). This decrease in the amount of the foreign currencies is accounted for by the diminution of the net amount of foreign currencies and drafts representing the banknote cover, from £ 568·5 million to £ 539·7 million, and by an increase in the amount of foreign currencies and drafts not included in the cover, from £ 212·3 to £ 212·6 million.

Thanks to the above mentioned purchase of gold and to the purchases of small amounts of gold and silver by the branches of the Bank, the bullion reserves rose in May from £ 565·3 million to £ 570·1 million. The gold which was bought abroad remained

there thus increasing the amount of bullion held abroad to £ 186·5 million, while the value of the gold reserves kept in the vaults of the Bank rose by £ 0·2 million to £ 380·3 million. The value of the silver reserves calculated in gold rose by £ 0·1 million to £ 3·2 million. The total amount of bullion and foreign currencies decreased in May by £ 24 million.

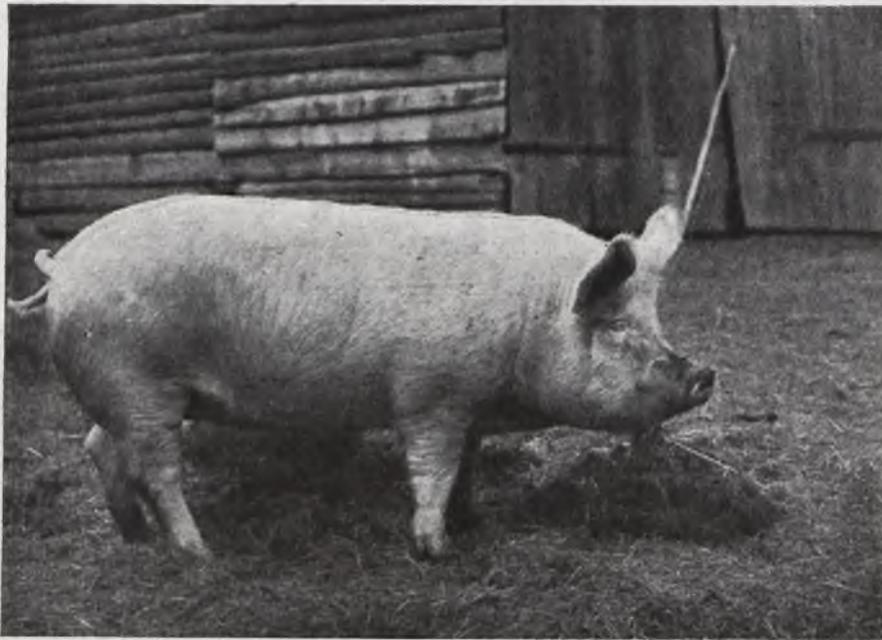
The changes in the amount of these reserves which took place in May and since the beginning of the year are illustrated in the following statement (in millions of £):

	January 1st	April 30th	May 31st
gold	517·3	562·2	566·9
silver	2·6	3·1	3·2
foreign currencies, and liabilities	687·5	568·5	539·7
Total:	1,207·4	1,133·8	1,109·8

In relation to the banknotes in circulation and the sight liabilities of the Bank, the bullion and foreign currency cover was on January 1, 72·61 per cent, on May 1, 67·76 per cent, and on May 31, 64·70 per cent. A comparatively larger

fall in the percentage of the cover than in the amount of the cover is explained by a simultaneous increase in the amount of the money in circulation and sight liabilities; the sight liabilities rose by £ 35·3 million and the amount of banknotes in circulation by £ 6·9 million to £ 1,133·0 million. Among the sight liabilities the balances of the current accounts of the Government Departments rose from £ 249·2 million to £ 268·7 million, whereas those of private interests rose from £ 104·7 million to £ 124·4 million. This is undoubtedly the result of the improvement which took place on the money market in May.

The fact that the increase in the balances of current accounts did not bring about a fall in the amount of banknotes in circulation which should also have shrunk as a result of the increased sale of foreign currency and drafts, is explained by a simultaneous increase in the credit facilities granted by the Bank. The amount of bills in portfolio rose in May from £ 499·0 million to £ 558·3 million, or by £ 59·3



A FINE SPECIMEN OF THE POMERANIAN BREED

million, and the amount of loans against securities augmented from $\text{Z} 51.4$ million to $\text{Z} 59.8$ million, or by $\text{Z} 8.4$ million.

Such a large increase in the volume of credit employed and simultaneous slight increase in the amount of credits granted, from $\text{Z} 767.0$ million

to $\text{Z} 775.0$ million, are responsible for a considerable rise in the ratio of credits employed to those granted, namely—from 65 to 72 per cent. As regards the other items of the Bank cover for the notes in circulation and sight liabilities, it should be mentioned

that the reserves of silver and token coins acquired by the Bank declined from $\text{Z} 8.6$ million to $\text{Z} 5.5$ million. The amount of interest-bearing securities held by the Bank as well as the debt of the Treasury were maintained throughout the month at the same level. The changes in the Bank cover which have taken place during April and since the beginning of the year are illustrated in the following table (in millions of Z):

	January 1st	April 30th	May 31st
bills	460.7	499.0	558.3
Polish silver coins and token money	17.0	8.6	5.5
loans against securities	41.5	51.4	59.8
own interest-bearing securities	5.8	5.5	5.9
liability of the Treasury	25.0	25.0	25.0
Total:	550.0	589.5	654.5

LIFE INSURANCE DEPARTMENT AT THE POSTAL SAVINGS BANK.—In accordance with the regulations issued by the Minister of Finance on March 9th, the Postal Savings Bank has opened a life insurance business. Policies will be issued without medical examination in accordance with the following two tariffs: a) mixed policies for a certain period and against death up to gold $\text{Z} 5,000$ and b) policies with fixed term of payment also up to gold $\text{Z} 5,000$. Payments of the premium are to be effected monthly, the minimum being $\text{Z} 5$ per month.

LATEST NEWS

WARSAW EXCHANGE:

	10.6.28	20.6.28
£ 1 = Z	8.90	8.90
£ 1 = „	43.52½	43.51

BANK OF POLAND:

ASSETS:	10.6.28	20.6.28
Gold and silver reserve. Z	570,177,708.34	Z 573,663,416.92
Foreign balances ... „	536,340,864.70	517,121,423.95
" " (not included in the cover) „	210,654,917.80	208,660,247.52
Bills of exchange ... „	567,804,216.74	564,772,898.18
Loans against securities „	57,433,761.12	57,102,062.52

LIABILITIES:

Notes in circulation ... „	1,116,448,720.—	1,070,822,280.—
Current accounts ... „	429,837,731.55	450,204,374.66
Other sight liabilities ... „	163,395,350.50	163,442,227.70

BANK NOTES COVER

(bullion & foreign currencies)	64.72%	64.76%
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THE FOURTH SUPPLEMENTARY PROTOCOL TO THE POLISH-CZECHOSLOVAKIAN COMMERCIAL TREATY concluded in 1925 was signed on June 26 last. It contains in a codified form mutual concessions embodied in the above mentioned original treaty, subsequent supplementary protocols as well as the new concessions agreed upon during the recent negotiations. The additional protocol embodies the final protocol and contains explanations concerning the customs tariff of the two countries. Further, the contracting parties exchanged notes whereby the conditions governing imports of Polish semi-finished petroleum products into Czechoslovakia, contained in the old agreements are prolonged to April 23, 1929.

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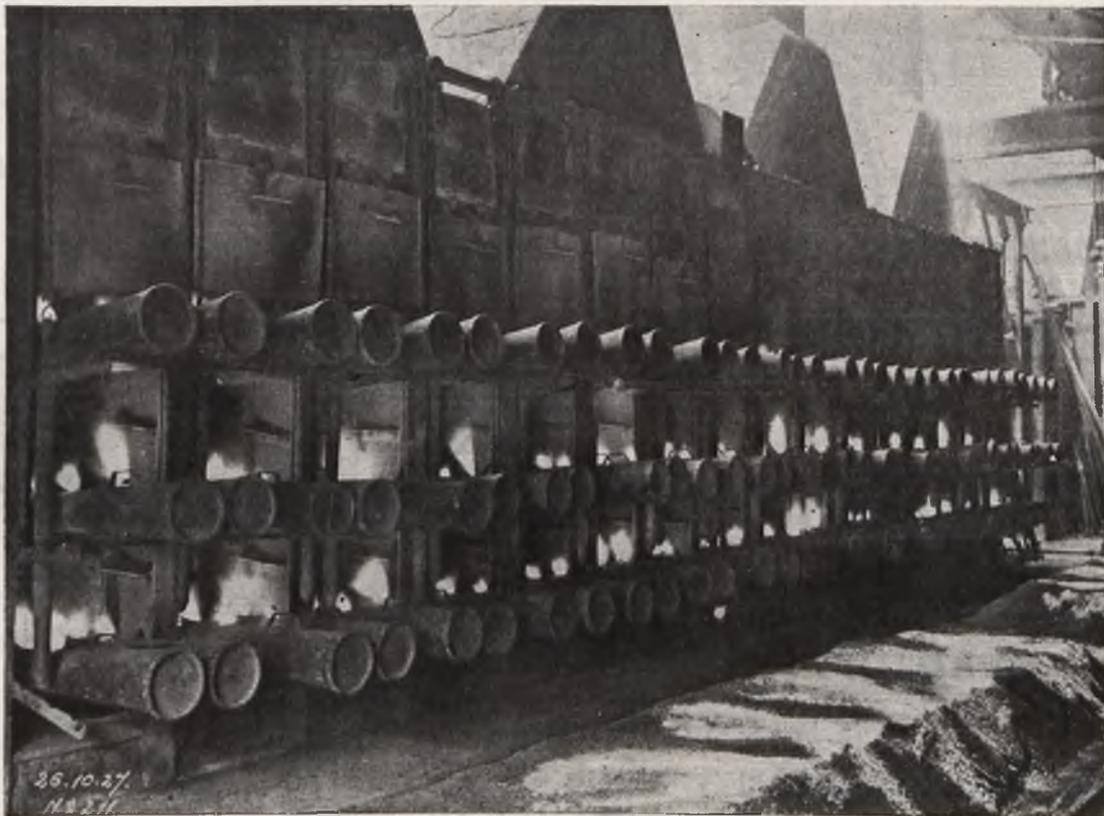
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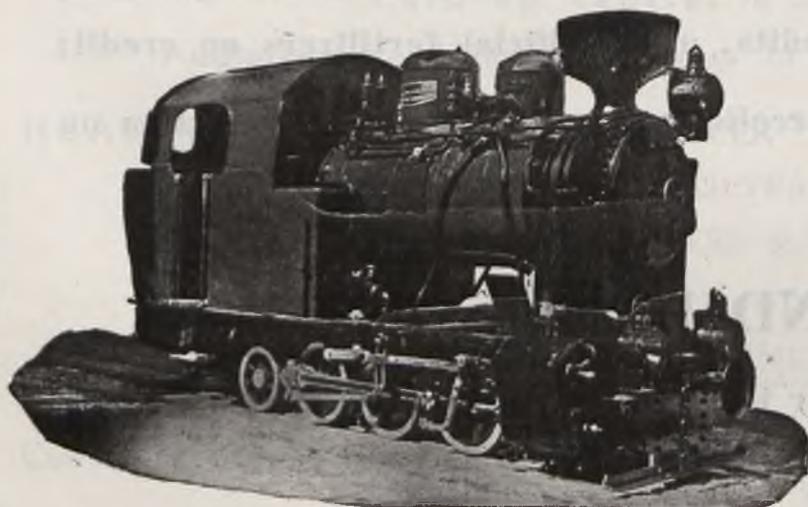
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