

# THE POLISH ECONOMIST





LOOK AT THIS MAP BEFORE GOING ANY FURTHER



POPULATION OF POLAND	29,249,000	AREA OF POLAND (IN SQ. KLM.)	388,279
DENSITY (PER 1 SQ. KLM.)	75.3	UNDER CULTIVATION	183,078
		UNDER FORESTS (CENTERS: BIAŁOWIEŻA, PIŃSK, WILNO (CARPATHIAN MOUNTAINS))	90,621

**MAIN NATURAL RESOURCES**

(APPROXIMATE YEARLY PRODUCTION IN TONS)

- |  |   |  |
|--|---|--|
| <ul style="list-style-type: none"> <li>COAL (CENTERS: RĄTOWICE, DĄBRÓWA, KRAKÓW) — 35,000,000</li> <li>PETROLEUM (BORYSLAW, JASŁO, STANISŁAWÓW) — 800,000</li> </ul> | <ul style="list-style-type: none"> <li>IRON ORE (RADOM, KIELCE, CZĘSTOCHOWA) — 400,000</li> <li>ZINC ORE (NATOWICE, SOSNOWIEC) — 400,000</li> <li>HEALTH RESORTS</li> </ul> | <ul style="list-style-type: none"> <li>SALT (WIELICZA, NOWOCZESNY) — 400,000</li> <li>POTASSIUM SALTS (KALUSZ, STĘBNIK) — 180,000</li> </ul> |
|--|---|--|



OCTOBER was a prolongation of the period of reawakened but moderate activity. Production, especially as regards manufactured articles, was on the increase and in certain branches record achievements were accomplished; in others, however, a seasonal depression could be detected. The most unfavourable feature was the continued lack of floating capital.

In agriculture prices of farm products were not much more profitable as they showed practically no increase, also the market value of live stock, owing to the lack of fodder, did not rise as expected. The prices of animal products, however, were good.

In industry, there was greater activity, as shown by the drop in unemployment to the lowest point yet recorded.

In trade, the turnover did not develop as quickly as in the same period of the preceding year. The reason lies in the smaller purchases made by the agricultural population and in the unwillingness of the producer to sell against long-term bills of exchange.

Prices indicated only an insignificant net decline, and thus their stabilised nature was maintained.

In foreign trade improvement was clearly defined. The unfavourable balance diminished greatly, as export rose very considerably and imports only to a small extent.

As regards State Finance, both revenue and expenditure increased, and the budget surplus was greater than in the preceding month.

The bullion and foreign currency reserves of the Bank of Poland increased for the first time in several months.

The inflow of capital from abroad augmented, mainly owing to the Bank changing their previous very liberal policy. The stringency of money, caused partly by capital being locked up in agriculture and partly by the circulation of long-term bills of exchange, continued to be felt by the economic life of the country.



<b>POPULATION</b> of Poland . . . . .	29,249,000	<b>AREA OF POLAND</b> (in sq. km.) . . . . .	388,279
<b>DENSITY</b> (per 1 sq. km.) . . . . .	75.3	<b>area UNDER CULTIVATION</b> (in sq. km.) . . . . .	183,078
<b>OCCUPATION:</b>		<b>area UNDER FORESTS</b> (in sq. km.) . . . . .	90,621
agriculture . . . . .	65 p. c.		
industry . . . . .	14 p. c.		
commerce . . . . .	8 p. c.		
various . . . . .	13 p. c.		
<b>POLAND'S CHIEF TOWNS</b>			
Warszawa (Warsaw) . . . . .	1,015,420	Lwów . . . . .	219,388
Łódź . . . . .	580,000	Kraków . . . . .	200,332
Poznań . . . . .	236,265	Wilno . . . . .	178,215
		Katowice . . . . .	118,870
		Lublin . . . . .	114,042
		Bydgoszcz . . . . .	111,197
		Sosnowiec . . . . .	103,039
		Częstochowa . . . . .	95,518
		Białystok . . . . .	90,200

	UNIT	OCTOBER 1927	SEPT. 1928*)	OCTOBER 1928
<b>STATE OF EMPLOYMENT:</b>				
UNEMPLOYED . . . . .		117,021	82,642	81,195
PART-TIME WORKERS . . . . .		32,796	28,147	25,189
<b>PRODUCTION:</b>				
COAL . . . . .	thousand tons	3,417—	3,401—	3,848
OIL . . . . .		61.0	62.2	62.5
STEEL . . . . .		104.0	127.1	139.4
IRON . . . . .		62.6	56.4	62.9
ZINC . . . . .		13.2	13.2	18.8
<b>AGRICULTURAL INDEXES:</b>				
(crop estimates)				
RYE . . . . .	thousand tons	5,980	—	5,900**)
WHEAT . . . . .		1,480	—	1,480**)
BARLEY . . . . .		1,630	—	1,900**)
OATS . . . . .		3,420	—	3,650**)
<b>PRICES:</b>				
WHOLESALE PRICE INDEX . . . . .	1914=100	119.7	118.1	118.4
INDEX OF COST OF LIVING IN WARSAW . . . . .		119.0	122.1	123.2
<b>FOREIGN TRADE:</b>				
IMPORTS:		260.2	272.8	277.2
including:		383.4	473.0	419.5
foodstuffs (edible fats, fish & herring, coffee, rice, wheat &c.) . . . . .		44.5	50.4	47.5
animal products (tanned hides, dried skins &c.) . . . . .		40.7	64.7	45.6
ores . . . . .		20.5	23.6	26.5
chemicals (vegetable & animal fats, dyes, colours & varnishes, potassium salts &c.) . . . . .		3.1	2.9	3.7
metals & metal products . . . . .		9.0	7.3	8.0
machinery & apparatus . . . . .		87.7	79.7	78.6
paper & paper wares . . . . .		22.3	23.6	25.1
textiles & textile products . . . . .		30.3	34.5	49.3
EXPORTS:		16.6	18.9	21.8
including:		48.5	40.7	58.3
foodstuffs (sugar, meat, eggs, forage, peas & beans, barley, hops &c.) . . . . .		34.2	41.4	39.3
live animals — in thousands of heads . . . . .		9.6	8.7	7.5
timber and wood ware (planks, deals & battens, pulpwood, pit props, round wood & logs, veneers &c.) . . . . .		7.9	8.2	7.5
plants & seeds . . . . .		8.2	7.9	8.5
coal & coke . . . . .		74.5	60.1	7.2
petroleum products . . . . .		12.3	10.3	11.0
iron & iron products . . . . .		238.1	204.3	238.7
zinc . . . . .		1,989.9	1,759.9	1,899.2
textiles & textile products . . . . .		55.1	40.6	59.4
<b>EXCESS OF EXPORTS (+) OR IMPORTS (-)</b>		109.1	48.3	102.5
		438.9	464.3	498.9
		55.5	50.6	50.2
		513.8	391.9	377.1
		6.8	2.6	5.9
		8.5	2.8	8.0
		34.8	33.9	39.5
		1,199.6	1,194.9	1,365.1
		9.4	7.4	8.6
		25.3	23.1	27.2
		9.2	7.0	11.2
		17.9	12.9	22.6
		15.4	11.8	16.8
		13.2	10.9	15.8
		13.9	14.0	8.6
		2.7	2.9	2.2
		-22.1	-68.5	-38.5

\*) Corrected figures.  
\*\*) Provisional figures.  
\*\*\*) Change in tabulation: the new zł instead of gold Fr.

	UNIT	OCTOBER 1927	SEPT. 1928	OCTOBER 1928
<b>TRANSPORTS:</b>				
RAILWAY TRAFFIC . . . . .	truck loaded	585,931	550,020	655,216
PORT TRAFFIC:	(15 tons)			
Danzig . . . . .	reg. ton	313,779	342,584	259,214
Gdynia . . . . .		41,869	108,569	83,431
<b>BUDGET:</b>				
RECEIPTS . . . . .		233.1	238.4	267.4
including:				
taxes and public levies . . . . .	million zł	126.3	131.7	153.0
monopolies . . . . .		66.1	77.9	76.6
State undertakings . . . . .		20.2	13.6	15.8
EXPENDITURE . . . . .		209.6	228.1	256.4
<b>MONEY CIRCULATION:</b>				
BANK OF POLAND NOTES . . . . .	million zł	929.4	1,261.4	1,313.1
COVER IN GOLD AND FOREIGN CURRENCIES . . . . .	% %	80.07*	59.97	81.14
TOKEN COINS . . . . .	million zł	410.1	254.2	255.5
<b>CREDIT:</b>				
(Bank of Poland) . . . . .				
BILLS DISCOUNTED . . . . .	million zł	432.6	660.0	640.2
OFFICIAL DISCOUNT RATE . . . . .	% %	8.0	8.0	8.0
<b>FOREIGN CURRENCIES:</b>				
(Warsaw Stock Exchange average rates)				
U. S. A. DOLLAR . . . . .		8.91**)	8.90	8.0
POUND STERLING . . . . .	£	43.46**)	43.25	43.24
FRENCH FRANC . . . . .		0.35**)	0.35	0.35
SWISS FRANC . . . . .		1.72**)	1.72	1.72

\*) In relation to bank notes in circulation, sight liabilities not included.  
\*\*) zł of 1924.

## SUMMARY OF LAWS, ACTS AND EXECUTIVE DECREES

published in the "Official Journal of Laws of the Republic of Poland" ("Dziennik Ustaw Rzeczypospolitej Polskiej") during October 1928

- Rebate to salt dealers ("Dz. Ust. R. P." No. 87, item 766).
- Export duty on oats ("Dz. Ust. R. P." No. 87, item 768).
- Extension of the Polish-British Commercial Treaty concerning Rhodesia ("Dz. Ust. R. P." No. 87, item 773).
- Procedure to be followed in drawing up labour regulations in mining works, excepting foundries ("Dz. Ust. R. P." No. 88, item 781).
- Change in the division of the territory of the Republic of Poland into Labour Inspection districts and areas ("Dz. Ust. R. P." No. 89, item 782).
- Transport regulations on the Polish State Railways ("Dz. Ust. R. P." No. 89, item 783).
- Export duty on oil-cakes\* ("Dz. Ust. R. P." No. 89 item 784).
- Partial change in the Decree dated December 12, 1920 concerning customs procedure ("Dz. Ust. R. P." No. 90, item 789).
- Prohibition on barley groats import ("Dz. Ust. R. P." No. 91, item 797).
- Duty refund on potassium chloride ("Dz. Ust. R. P." No. 91, item 799).
- Customs facilities for a series of articles imported for home manufacture ("Dz. Ust. R. P." No. 91, item 800).
- Export duty on rye ("Dz. Ust. R. P." No. 91, item 801).
- Changes in the tariff regulations in connection with the International Convention of October 1, 1928 regarding railway transports ("Dz. Ust. R. P." No. 91, item 802).

\*) See page 491

## READ

### THE POLISH ECONOMIST

A MONTHLY REVIEW OF TRADE, INDUSTRY AND ECONOMICS IN POLAND

THE CURRENT ISSUE, No. 12/1928, of "The Polish Economist" contains the following articles: The Progress of Land Reform in Poland; The Problem of Levelling of Customs Tariffs; The Plated Ware Industry in Poland; A Century of Hop Growing in Poland. 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, aerial traffic, State budget, Stock Exchange, Bank of Poland, &c.

ANNUAL SUBSCRIPTION: 15/-, \$ 3.00 OR zł 30.—  
WARSAW, 2, ELEKTORALNA





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WARSAW — LONDON — NEW YORK

DATE OF THIS ISSUE: NOVEMBER 30, 1928

HEAD OFFICE: WARSAW, 2, ELEKTORALNA. TELEPHONE: 412-66, 412-73  
BRANCHES: LONDON, 47-A, PORTLAND PLACE, W. 1, NEW YORK, 953, 3rd AVENUE

ANNUAL SUBSCRIPTION: 15/-, \$ 3.00, OR £ 30—(IN POLAND) INCLUDING POSTAGE. REMITTANCES IN CURRENCY NOTES OR CHEQUES TO BE ADDRESSED TO THE EDITOR: WARSAW, POLAND, 2, ELEKTORALNA

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(PHOT. S. PLATER)

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REVIEW OF THE GENERAL ECONOMIC SITUATION IN POLAND  
OCTOBER 1928

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EXCESS OF EXPORTS (+) OR IM- PORTS (-) . . . . .		- 22.1	- 68.5	- 38.5
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OFFICIAL DISCOUNT RATE . . . . .	% %	8.0	8.0	8.0
<b>FOREIGN CURRENCIES:</b> (WARSAW STOCK EXCHANGE-AVERAGE RATES)				
U. S. A. DOLLAR . . . . .	} zł	8.91***)	8.90	8.90
POUND STERLING . . . . .		43.46***)	43.25	43.24

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

## THE PROGRESS OF LAND REFORM IN POLAND

THE RECONSTRUCTION work which has been carried out in agriculture since the restoration of Poland has brought about important changes in

the structure of its industry. On the one hand, owing to the parcellation and liquidation of servitudes, the areas of large landed estates have shrunk, while on the other, small holdings have undergone profound modifications due to the removal of "chessboards" and land unification, which has changed the working conditions of the peasants

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



and transformed the farms into more productive units. With the steady increase in educational facilities and agricultural training, further progress in this respect appears to be certain.

Small holdings are playing an increasingly important rôle in agricultural production and in the economic life of the country as a whole, which is reflected principally in Polish foreign trade, the characteristic feature of which is a steady increase in the exports of animal products, and a decline in those of vegetable products and manufactured articles of vegetable origin. Unfortunately, the trade in these articles is so far very small when

for land purchase, then parcellation will be carried out at a rapid pace, and as the last few years have shown, will exceed the legally prescribed area of 200.000 ha.

It may be of interest to deal with this problem at some length. An examination of the large landed estates shows that they fall into two separate classes, i. e., there are the estates which are simply a source of income to their owners, and the estates which are not only revenue producers but, being efficiently managed by their owners, form valuable units from the economic and social points of view. Before the war the policy of the three partitioning



THE HARVEST (PHOT. S. PLATER)

compared with the possibilities, and its development constitutes an attractive task in the work of improving Polish foreign trade. In addition, the consumption capacity of the local market depends to a large extent on the financial situation of small holders.

I referred above to the shrinkage in the large landed estates owing to free, i. e., non-compulsory parcellation. I emphasise free for large estates are being parcelled out not so much as a result of the Land Reform Law, but rather on account of the economic conditions which tend to force this process. In Poland, at the present time, the problem of parcellation is not so much the supply but rather the lack of means to purchase the land. When this difficulty is overcome, either by the increase in the purchasing capacity of the agricultural population, or by the provision of credits

powers, Russia, Germany and Austria, was to maintain these large landed estates, for their owners formed a distinct social class closely allied to the dynasties from which were drawn the senior civil servants, the diplomatic corps, and naval and military officers. It is true, that on Polish territory the conditions in this respect were somewhat different, still the alien Governments favoured the passage of the large landed estates from Polish into German and Russian hands, rather than see them divided among Polish small holders. For this reason both the general policy and that practiced in connection with credit allocation taxes and administration were formulated with a view to promoting the interests of the owners of large landed estates. This was practically so in the German section and to a slightly lesser extent in the Russian and Austrian sections.



The Great War radically changed this situation. Dynasties fell and with them the motives for the maintenance of large landed estates, while economic considerations took precedence. Also the taxation and credit systems as well as the agrarian and social policies had to be adapted to meet the new, post-war conditions. In these circumstances land ceased to be a source of steady income, whereas the sale of land provided its owner with liquid capital; hence the stimulus to parcellation. On the other hand, the prospective small holder was prepared to pay a higher price for land for the simple reason that he did not consider it as a source of income but, as it were, a workshop which provided work for himself and his family; this was an important consideration in view of the difficulty to find employment elsewhere under the new post-war conditions. Land acquisition to an agricultural labourer was, in a way, an insurance against the menace of unemployment, and it must be remembered that it is the work that is put into the land that is the chief source of the income. Hence, the labourer's desire to acquire land and this being in harmony with the views of the owners of the large landed estates, the process of free parcellation was greatly favoured.

Speaking of the parcellation movement attention should be paid to the prices of land for they are of paramount importance to the economic life of the country in general. It would appear at first glance that low prices, though unfavourable to the seller, are advantageous to the buyer; this opinion is ill-founded, first of all because extensively low prices impede a free parcellation, while a compulsory purchase of land by the Government for parcellation purposes would exceed the financial possibilities of the State. Further a considerable fall in the prices of land would decrease its value in general, which in turn would adversely affect credit for it is certain that credit facilities grow as the value of the guarantee — the land — increases, and large masses of the farming community are interested in the development of agricultural credits, while parcellation only affects a comparatively small percentage of the rural population. This does not imply that it is desirable to maintain the prices of land at the highest possible level.

On the contrary, extensive rises should be checked, otherwise the small holder will buy land over-burdened with debt and may face ruin; the consequence may be serious social and political developments. Excessive debts are also dangerous to the development of agricultural credit which in turn adversely affects agricultural conditions the development of which is of prime importance to the rural community. Therefore, the question arises at what level the prices of land should be maintained and the response should be that it ought to correspond to the revenue, for it is only in this way that the small holder after covering his needs and those of his family, will be in a position to pay the interest and amortise his debt. It may even be stated that the price of land may be slightly higher than the value

of its earning capacity, but the earnings of the farmer must be sufficient to meet such disbursements as interest, the redemption of the original loan, taxes and the cost of maintenance of himself and his family. At the present time the income of the small holder is moderate, and for this reason the Government should exercise an influence on land prices by means of credit restrictions.

When dealing with the parcellation of large landed estates, I have intentionally refrained from referring to the second class, that is to estates worked by ambitious, progressive men who do not consider them simply as a source of revenue; the owners of this category do not break up their estates and are not likely to do so in the future; it is true that here and there parcellation is undertaken with the view to getting rid of less valuable land or in order to improve adjoining peasant areas. In the latter case this is regarded as an unavoidable sacrifice which, all things considered, is just as profitable as land improvements, draining, well sinking & c. Apart from the above mentioned cases this class of land owners does not, as already stated, cut up its estates of its own accord, nor is it deemed expedient that they should be parcelled, for their existence furthers not only the interests of the State but also those of their owners and the farm hands.

The preservation intact of these estates is quite possible as there are no legal obstacles. Article 4 of the Law of December 28, 1925, enables owners to exclude from the operation of the Land Reform Law areas of 180 ha throughout most of the territory of the Republic, 300 ha in the eastern part and areas of 60 ha situated in suburban and industrial localities. In addition to the above, an area of 550,000 ha is eliminated from the provisions of the Land Reform Law in favour of farms which are managed economically and which have reached a high standard of development. These 550,000 ha properly distributed among the different districts will enable the Land Reform scheme to be carried out without economic hardships and thus help to reduce the costs of production. The above mentioned remarks concern practically all large landed estates.

Nevertheless, certain reservations must be made in regard to the Western part of the Republic where this problem is somewhat complicated owing to the prevalence of special political and social conditions. A large percentage of the large landed estates, especially in the Pomeranian area, is in the hands of Germans, who had settled there prior to the war with a view to strengthening the German element. A process of splitting up the large estates is also taking place both in East Prussia and German Pomerania, where, as is well known, internal colonisation is greatly assisted by the State. But this is not the case in Poland and therefore not in Pomerania, for in this district the parcelled land would pass into the hands of the local population, which is Polish, and in this way the German land-owners would not be able



to play their rôle as defenders of German ideals within Poland's frontiers. They have adopted a hostile attitude towards the Land Reform Scheme, all the more so as they are assisted and encouraged from the outside. The attitude on the part of the German land-owners in the Poznań and especially in the Pomeranian area is strikingly exemplified by the non-fulfilment of the parcellation plan for the years from 1926 to 1928 as foreseen by the Law, so that the authorities will have to make use of their privileges and proceed to compulsory purchase of the estates appearing on the list of lands to be parcelled out; action to this end has already been begun. The land bought by the Government will be cut up without delay, and

conditions are well regulated and on the whole they are worked on rational lines. It may be recalled that they were protected by the inheritance law as well as by custom from excessive splitting up on the death of the owner. This cannot be said of the peasant farms situated in former Russian Poland and especially of those located in former Austrian Poland. In the last mentioned areas, after land was allocated to the peasants, the holdings in most cases presented a "chessboard" appearance, that is they were composed of small plots separated from each other by those of their neighbours. The relations between the peasants and the owners of large estates were most complicated owing to the existence of servitudes, and,



A SMALL-HOLDER'S HOME

small and medium sized peasant holdings for stock-breeding on rational lines will be founded. This is of paramount importance owing to the nearness of Danzig and Gdynia and their development since the war, as also on account of the favourable climatic and economic conditions of Pomerania which are more suited to stock-breeding than to general farming.

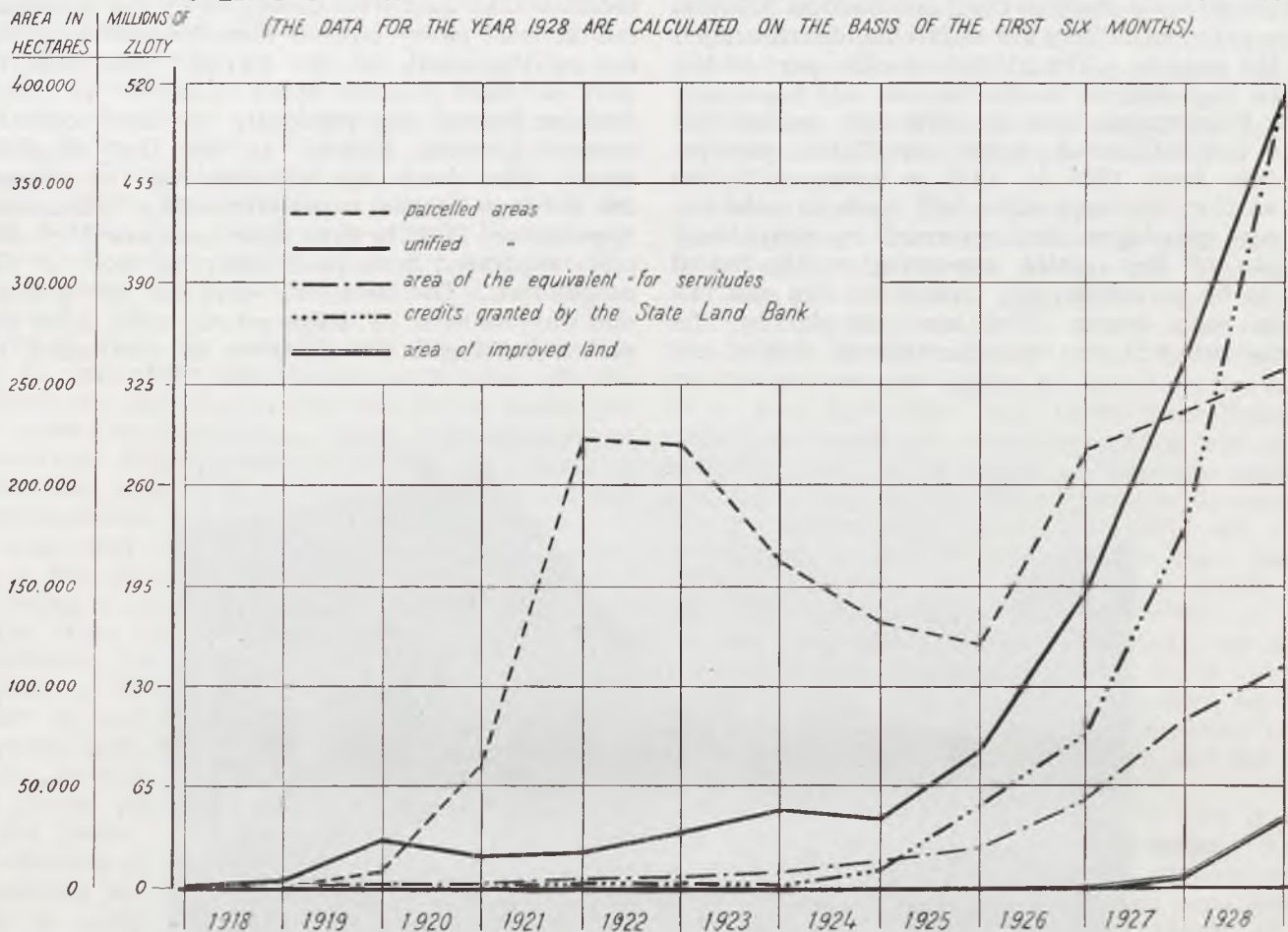
There remains to be dealt with the reform of the working conditions on small holdings the number and area of which are growing from year to year. On the prosperity of this class depends not only the consumption capacity of the internal market and the paying ability of the bulk of the tax payers, but also to a certain extent the development of Polish foreign trade. The structure of the small holdings in the three sections of Poland differs considerably. In the former German section, the small holdings are compact and their working

in addition, the small holdings were continually split up for there were no laws designed to arrest or check this process. The greater portion of the peasant farms in the two sections referred to above cannot be regarded as working under favourable conditions, and for this reason they are frequently unable either to provide the necessary means of livelihood to the owners and their families, or to give employment to all of the hands, who, as a consequence, must seek work elsewhere within the country or emigrate.

I need not say that the comparatively high degree of efficiency of the farm of the former German section is largely due to the economic development of Germany and notably of new manufacturing industries which absorbed the surplus of farm hands and also provided a ready market for products of both vegetable and animal origin. Of course, the policy of the German Govern-



LAND UNIFICATION, PARCELLATION, REPEAL OF SERVITUDES, IMPROVED AREAS AND CREDITS GRANTED BY THE STATE LAND BANK DURING THE PERIOD FROM 1918 TO 1928  
(THE DATA FOR THE YEAR 1928 ARE CALCULATED ON THE BASIS OF THE FIRST SIX MONTHS).



ment to foster agricultural production and to make it payable to both worker and the capitalist, was not without influence in this respect. On the other hand, the downfall of the small farms in the former Russian section was mainly due to the neglect by the Government of the interests of this class of the population, and in the case of the Austrian section—to the lack of industry, which resulted in the overpopulation of the countryside. On investigation it will be found that while the farms in the Western and, to a smaller extent, the central regions West of the Vistula have been fairly well organised and for the most part produced a surplus of products for sale and at the same time were large consumers of manufactured goods—the farms in the Eastern and Southern parts were just the reverse, i. e., they only catered for themselves, lead a miserable existence and counted practically for nothing as consumers of manufactured articles and suppliers of agricultural products.

The primitive methods of cultivation combined with the "chessboard" system formed a serious impediment to progress. The methods of operation had neither been adapted to the climatic conditions, nor to the nature of the soil. The desire to satisfy his own needs prompted, for example, the peasant in the hilly Carpathian area to plant potatoes,

whereas his attention should have been directed to stock-breeding. The Great War which devastated the Eastern areas made this difference still more apparent, for owing to the war, small holdings were more than ever compelled to cover their own needs.

This brief picture of the characteristic features of Polish small farms before and shortly after the war, is sufficient to indicate the direction which the proposed Land Reform had to follow.

In the first place, it was necessary to make good the neglect of the former alien Governments, beginning with land unification and the regulation of the various servitudes, and to grant additional plots of land to those farms for the unification of which this course was absolutely necessary. Therefore land parcellation had to be effected and credit created, for those who most need land do not possess the means for the purchase thereof and can only do so with Government assistance.

The unification work already commenced proved that it is difficult to carry it out without effecting various supplementary improvements. Further attention should be paid to the farm hand engaged on large estates which, owing to parcellation, lost their employment. It was also necessary to consider the fact that some of the farmers found it expedient



to buy farms for their sons in order not to split their property and thus be able to pass it on to their eldest sons intact.

It is seen that various problems arose (parcellation of large landed estates; unification of peasant holdings; regulation of servitudes and various improvements), and the object of the Government was to settle these in the best possible way for the small holders. The farms had to be re-organised and property equipped and as a rule the farmer under the new conditions was not in a position to do it from his own resources and while seeking new ways did not always choose the right one. It was felt that assistance should be given if the reforms were to give satisfactory results. The newly established farms had to be protected against excessive division, which in itself is a most complicated problem and which, nevertheless, had to be solved.

But the most important task requiring prompt and careful attention was the increase in the productivity of the small farms, and this could be performed without a radical transformation, i. e., from primitive into modern farms producing a surplus for sale. To achieve this the farmers had to be given loans. Thus, there arose the vast problem of agricultural credits and national distribution of liquid capital. In order that the problem could be solved in a satisfactory manner, a special institution, namely—the State Land Bank, was founded and its rapid development proves conclusively that the adoption of the policy was a great necessity.

The work done during the first ten years in the matter of Land Reform is illustrated by the following graphs:

(see page 466)

It is seen that the reconstruction of the agricultural structure in Poland is going ahead at an increasingly rapid pace without any economic hardships. The work inspires confidence which is largely due to the excellent progress made in the granting of credit facilities to the farming community.

## THE PROBLEM OF CUSTOMS TARIFFS LEVELLING

THE INTERNATIONAL Economic Conference expressed the opinion that the time has come when the continual rise in customs duties must stop, and efforts be made to decrease them. The economic department established by the League of Nations to carry out the decisions of the International Economic Conference, in May 1928 made the following statement: "The Department realises the difficulties which stand in the way of carrying out the decisions of the Conference with regard to a collective agreement for lowering tariffs; yet it is of the opinion that in view of the low level of international trade, constant efforts should be made to surmount the obstacles and arrive at a general

agreement. The Department agrees with the Economic Committee that attempts should be made in the first place to effect agreements with regard to special groups of goods and thereby to treat the problem in a practical way and gain the necessary experience for dealing with the matter as a whole".

It must be admitted that the way in which the question is treated by the Economic Department is more sound and closer to reality than the Austrian proposals, which suggest the uniform lowering of the existing rates to be repeated at intervals until their level descends to a plane in conformity with the export (and national) policy of the Powers. Starting in a small way by dealing with separate groups of goods, in spite of the difficulties, gives us hope that some sort of understanding will be reached as in the case of bones and hides, for which trade regulations and export duties have been arranged. The existence of cartels for certain classes of goods strengthens this hope.

The choice of the goods for which research should be instituted first, has been left to the Economic Committee of the League of Nations, and those articles which are of the greatest economic importance and are most adaptable to collective agreements will be dealt with at the beginning.

It is evident that no tariff reductions can be carried out until the levels of various customs tariffs have been compared and decided upon. This is the first and the main difficulty. The League of Nations has already attempted a comparison, but the method of index calculations used therefor has been severely criticised, especially by Dr. Trendelenburg, the German Delegate. Lately the "*Deutsche Wirtschaftszeitung*" has taken up the question and has commenced to publish the calculations of various groups of goods, beginning with machinery. Unfortunately, neither the method of calculating the "value" of articles nor the basic figures for computing the tariff have been disclosed; therefore a fair criticism is impossible.

In this connection the professional German press has interested itself in a study of the possibilities of a comparison of customs tariffs without taking into consideration the difficulties engendered either by insufficient statistics or value gauging.

The subject may be treated either from the point of view of the actual height of the duties or from that of the degree of protectionism for the different countries. The first method is favoured by exporting countries, that is strong countries which must find an outlet for their goods, and the League of Nations has a tendency to carry on investigations from this standpoint. The other method is favoured by weaker nations which strive to foster infant industries by protectionism.

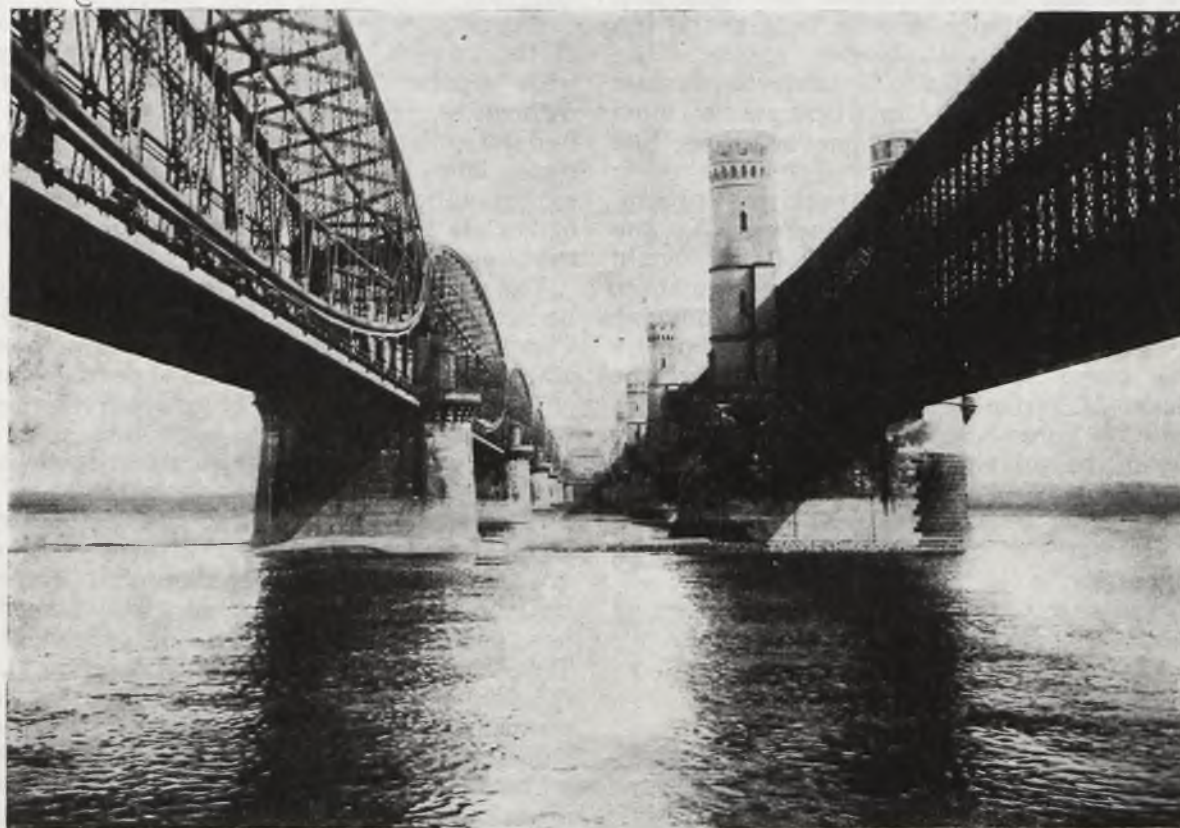
Thus, the German policy has been to discuss the problem from the first of the two angles mentioned and it has been the method put forward by Dr. Posse, a Director of the Reichswirtschaftsministerium in Berlin. In these pages, however, we will concern ourselves with a comparison of the degree of protectionism, and the plan of Dr. Lutz.



The American Delegate to the International Economic Conference created astonishment when he proved from official statistics that 66 per cent of the goods actually imported into the United States were free of duty and this percentage had been steadily rising during the past thirty years. The statement was so obviously paradoxical that it clearly indicated an incorrect point of view, since it is well known that beginning with the Mc Kinley bill of 1892, the customs wall of the United States

imports. Exception must be taken to certain aspects of these methods.

In order to understand clearly the effect of a prospective tariff on the economics of a country (and only in such a way can a comparison of any worth be made) economic duties must be separated from fiscal duties, otherwise false conclusions would be reached. For instance, it might be stated that the protectionism of England (income from duties in 1925 = 9.60 per cent of the imports) is greater



BRIDGES AT TCZEW, NEAR THE GERMAN FRONTIER

has been steadily rising. The figures, however, are correct, and the explanation of the paradox is simple. The higher the duty on goods, the less profitable is their import, and should the duties become prohibitive then the goods would not be imported at all and 100 per cent of the imports would be of goods free of duty. Naturally therefore, the import of goods free of duty during the period when a liberal policy was in force in the United States (1898—1909) was only 45.2 per cent, and that under the Emergency Bill (1914—1922) rose to 66.1 per cent. Lutz has said that an increase of duty acts upon the ratio of duty-free imports in the same way as the total freeing of duties. Conversely, a lowering of duties affects the said ratio as the establishment of new duties.

Attempts have been made to compare customs tariffs by calculating the ratio of the income from duties to: a) the total imports and b) the dutiable

than of Italy (8.28 per cent) or Germany (4.78 per cent). A certain difficulty is created by the fact that cases occur where the two types of duty cannot be distinguished. Evidently questions of internal duty cannot be taken into account, since they would cause a further and irrelevant complication. But there exist duties upon articles not manufactured within the country, borne by the community sometimes for several years, until a trade agreement is entered into. Such types of customs duty, though apparently protective, are actually fiscal.

The same criticism may be applied to the method of comparison by the ratio of income from duties to imports, as in the case of the valuation of the degree of protection according to the ratio of duty free imports to imports as a whole. Again a classical example is afforded by the United States when in 1923-1926, during a highly protective policy period,



the income from duties was 14.16 per cent of the value of the imports, while under the liberal Wilson bill of 1897 it was 27 per cent. Therefore, it proved that a rise in duties does not necessarily bring with it greater Treasury returns. In fact there exists a definite limit, above which the returns decrease progressively, since the import of the goods subject to the duty is no longer a paying proposition. The above statements are not true in respect of articles indispensable to the importing country, which cannot replace them by home products. It may happen, likewise, that a foreign country must export a given article, and will therefore pay the duty increase itself. Then the duty temporarily loses its protective significance, since the price of the product on the internal market will not rise, and the transaction becomes merely

several conditions, such as lack of credit to purchase it. Furthermore, certain parts of the customs territory may have excess of exports over imports, other parts the reverse. Lastly, a low level of prices may not permit the customs duty to be of influence, that is to protect home industry, and allow it to work at capacity because the demand for the home product may be small due to a strong preference for the foreign article, brought about by the difference in quality, style or credit facilities.

A detailed investigation of each special case cannot be undertaken for this would mean failure at the outset; we must take instead for each product a certain period of time and an average price and a certain excess of import, disregarding internal changes. Evidently strict accuracy can never thus



SHIPS OF THE "ZEGLUGA POLSKA" LINE

a payment from the exporter directly to the Treasury of the importing country.

At this point we touch upon one of the most important questions, i. e., should not, in a comparison of customs duties, the degree to which a given duty is borne by the importing country as reflected in the prices of home-made goods, be taken into account.

It is a very intricate problem. Even during short periods of time, prices and cost of production in both the importing and exporting countries change greatly and act and react on each other in every way: the price of a given article is influenced by changes in that of others. Certain goods are simultaneously produced and imported in a given country, and the balance of the turnover varies from month to month. It is possible that even in the case of an article, the home production of which does not cover the demand, the customs duty cannot increase the output, owing to any of

be obtained, but a basis approximating truth may be arrived at by which we can judge which duties are discernible in the price of the imported goods and which therefore have a certain significance for the importing country.

If such differentiation cannot be made, then we are forced to agree to value the customs protection of our country from the point of view of England or Germany — exporting countries which for the purpose of their commercial expansion compare their unnecessary (Germany) or even non-existent (England) customs duties to the duties on goods exported to Poland, where these are desirable and in certain cases absolutely necessary.

A few words should be said regarding the two methods *A* and *B* of the above mentioned memorial of the League of Nations. Method *A* takes the duty on 78 of the most important goods and calculates the arithmetic mean. This method does away with some of the above mentioned mistakes,



but does not differentiate between the duties which affect prices and those which do not. This disregard of a factor which is of capital importance to the importing country is accentuated by the fact that by this method the respective goods when imported are not weighed.

Method *B* takes 14 exporting countries and for each one of them about 20 typical export articles; the mean export price is then calculated and the duty imposed on them in all the countries the level of whose customs tariff it is desired to investigate. Having calculated all the costs incurred in the given importing country and divided by 14, an arithmetic mean is obtained which is supposed to show the height of the protective tariff of the said country. The proceeding is characteristic of the League of Nations' method of lowering the customs barriers inasmuch as it stands exclusively for the benefit of the exporting country. The method does not admit that it is the extent of the customs duty of the importing country which influences the dimensions of the export from the exporting country and that therefore it is the customs rate which decides whether a given article is represented among the exports. The degree to which the duty affects the price is likewise not taken into account.

The following conclusions drawn by Lutz may be admitted as being theoretically sound: 1) duties of the fiscal type should be disregarded, 2) duties which do not affect prices should be tabulated and compared separately. A criterion of the existence of such an influence is the following:

I.—If for a given article there exists an excess of export, and the respective industry is not in a cartel, then the duty on the said article cannot be added to the home prices as these are dictated by the world market; should an attempt be made to raise home prices by the extent of the duty, the various exporters would put their goods on the home market, and the intensified competition would bring the prices back to the level of world prices.

II.—If there is an excess of export and the respective industry is in a cartel, then the duty can be added to the home prices.

III.—If there is excess of import, the duty affects the prices even if there be no cartel, granted that the home demand is sufficiently elastic.

But to properly gauge the "influence", the share of import in the total consumption must be arrived at, i. e., production plus import minus export. The examining of each separate article in the total imports is fallacious, since it is the customs duty which decides the magnitude of the import of that particular article. The method here employed will be similar to that of the Chief Statistical Office in Warsaw used in the compilation of consumption, with, however, the important difference that errors in the calculation of production will have a much greater influence, especially when the import is relatively small.

In view of these inevitable inaccuracies, the simplified system of Lutz seems the most practical: "In the countries under comparison those goods

must be selected, for which in both countries the duty is paid by a rise in home prices. In the same fashion the groups of goods, the duty on which is not added to the price, must be tabulated. Of these goods those must be selected for which there are proper statistics of production, and then from the relation the goods bear to national production in the countries compared it may be established which goods, by virtue of the duty charged, are adaptable to comparison. In addition those articles may be compared for which there are no grounds to suppose that the rôle they play differs in the countries compared".

In view of the fact that we may expect the League of Nations to press for the revision of certain customs tariff groups, the questions of a valuation of their significance to Polish production and a comparison with other countries is called for.

## THE PLATED WARE INDUSTRY IN POLAND

THE CENTRES of the plated ware industry before the Great War were Warsaw and Kraków. Warsaw, the chief centre, was then in the area under Russia, or in Congress Poland, while Kraków was under Austria, or in Galicia.

In 1824 the energetic efforts of Minister Mostowski with the aid of the Treasury of Congress Poland established the first plated ware factory, which was organised by a French artist named Joseph Fraget, brought over from Paris for this purpose. During the next thirty years other concerns were established such as Norblin, who already in 1809 manufactured buttons for the uniform of the army of the Regency of Warsaw, the Buch Brothers & Werner and Henneberg Brothers; all these factories carried out their operations by hand. In 1850, the customs barrier between Russia and its Polish dependency was abolished, which greatly stimulated export, and until the war the greater part of the plated ware manufactured in Warsaw was sent into Russia. In spite of the fact that the raw materials such as copper, zinc, nickel and silver had to be imported, the Polish manufacturers captured the Russian market because of the fine workmanship put into the goods. Especially was this the case with the steel engravers, who although few were very proficient. These men engrave the moulds for the casting of spoons, forks and knife handles.

These moulds are the real wealth of the factory, because every model requires 26 double moulds and every mould takes several months to engrave. Therefore years pass before the necessary tools are assembled, and this is the reason why the establishment of a plated ware works is a difficult and lengthy process and why the firms once founded continue indefinitely.

At the beginning of the present century several new factories began operations, among them being Neumark and Shiffers. The total production in Congress Poland just before the war was valued



at about gold Roubles 1'5 million. In addition, numerous galvanising works were producing, as the Russian customs legislature of that period allowed the import of non-silvered metal at the very low duty of Roubles 6 per 16 kg., which made the business a lucrative one.

About one million Roubles' worth of Polish plated ware and an equal amount of silver galvanized products went to Russia, which country had no plating factories of its own, and imported either from Poland or Germany. The German firm of Krupp Berndorf, however, opened a large galvanising works in Moscow.

In Kraków the plated ware industry was represented by K. Jarra, who for the most part

mainly German Marks and Russian Roubles, of which a large amount was smuggled into the country.

The year 1920, however, brought with it the war between Poland and the Bolsheviki and production was again checked. But the following years were very favourable as the rapid depreciation of the currency caused a large demand for plated ware, the value of which would remain stable. During this period the home prices for copper and brass were below the world market prices, and the ever growing demand for investment purposes caused new factories to spring up, while K. Jarra resumed manufacture in Kraków. The 1923 production reached the pre-war level and



A DEPARTMENT STORE IN WARSAW

used the semi-finished Viennese products and only manufactured completely light, cheap church articles, for which there was a ready sale in Rumanai.

The World War ruined the Polish plated ware industry as the stocks which were not exported to Russia, were appropriated by the invaders while the stores and shops of the Warsaw firms in Russia were subsequently nationalised; in all, the losses amounted to about gold Roubles 3 million, of which very little were returned by reason of the Treaty of Riga.

But the moulds and other appliances for manufacture were saved and therefore, immediately the war ended, the Polish works again started operations. The first work was to replace the articles robbed from the churches. The necessary copper and brass were taken from the stocks which the Germans had commandeered, but had not had the time to ship out of the country. The silver was obtained by melting down silver coin,

thus in three years the industry was able to rebuild itself completely. The large demand continued during the first four months of 1924, the sales in March of that year constituting a record, for the monetary reform of January 1924 had given to the working classes in February wages twice as great as in the preceding month. Hence the unusual demand and sales during March. However, with the beginning of May 1924, the demand began to fall away and a crisis was reached during the summer months of 1925. Stabilisation of the currency did away with the need to invest in silver plate and at the same time quantities of the ware bought for speculation during the preceding period began to make their appearance on the home market.

The plated ware factories commenced to go down and they were forced to manufacture articles for the needs of the Mint, and to produce cheap, non-silvered goods after the fashion of German alpaca.



The factories tried to avert the crisis by increasing export which had already been commenced during the period of inflation. The beginning, however, was difficult as foreign markets fought shy of the Polish product which was larger and heavier than they were accustomed to, since the moulds had been made to suit Russian tastes.

The manner of collecting customs duties in the importing countries played a large part in deciding the direction of exports. In countries where *ad valorem* duties were established, such as Turkey, Persia and Egypt the solid and carefully manufactured Polish article could compete. But where duties were calculated by weight, competition with the light and cheaper articles of German and Austrian manufacture was difficult.

Therefore new models had to be produced and for this purpose new moulds which take so much time to make were manufactured.

Difficulties of an identical nature were encountered in the Polish provinces of Poznań, Pomerania and Galicia, which before the War were administered by Germany and Austria, as the people were used to and demanded the sizes formerly furnished by German or Austrian factories.

For these reasons the year 1926 is considered as a turning point in the Polish plated ware industry.

The factories made a further change, i. e., the base metal was changed and plating began to be carried out on white metal only instead of yellow. The quality was thus improved by the greater proportion of nickel utilised.

There is no denying the fact that the late customs war with Germany supplied the needed impulse to the Polish industry. It assured the plating works the time necessary for the reorganisation to suit the new requirements, and the chance of placing their wares in the provinces which did not know them. The year 1927 was the first since the crisis, in which both export and home consumption showed improvement; but even then the demand was not steady and the business done did not allow of a fair return on the money invested.

The production of the three largest enterprises (Fraget, Norblin, Buch Brothers & Werner and Henneberg Brothers) during that year was at  $\text{zł}$  5.5 million.

The present year, however, has brought with it real improvement and production has been kept up evenly throughout the working week and will show an increase for the year by 30 per cent. Export has also increased, due to the good quality of the ware.

Messrs. Fraget are gradually strengthening their exports to Greece, Egypt and the Northern countries Latvia and Estonia; the firm is also making trial shipments to South America. Norblin exports mainly to Persia and Rumania, while Henneberg Brothers are specialising in the production of non-silvered articles for which there is a considerable demand in former Austrian and German Poland.

The medium through which every corner of Poland has become acquainted with Polish plate

is the Fairs held annually at Poznań and Lwów. Foreign countries have likewise had the opportunity of seeing the products of this industry at exhibitions, where they have been awarded high honours.

The Polish plated ware industry has not formed a syndicate, because of the differences in production and models and the fact that articles of an artistic nature cannot be standardised.

Relatively the prices of plated ware in Poland are lower than in every other branch of industry, in spite of the increased costs of production and higher wages.

The low prices, the maximum being  $\text{zł}$  4.35 for every pre-war gold Rouble, are the result of the introduction of scientific labour organisation and the investment of capital in machinery and tools.

## A CENTURY OF HOP GROWING IN POLAND

WE MUST GO back to long-forgotten times to find the beginnings of hop growing in Poland. It is a form of higher agricultural cultivation and partakes of the nature of orchard growing. In the middle ages it enjoyed royal privileges, such as were granted to monasteries and cities.

Hops gives taste and fragrance to beer and therefore the fortunes of this plant have always been tied to those of the brewer. Frequent wars have directly or indirectly ruined the hop plantations and their costly and painstaking rebuilding has been undertaken sometimes by experts but more often by men who knew too little of this difficult operation. So although the soil and climate of Poland are excellent for hops, yet cultivation, up to the time of the partition of the country, never reached that practised in Germany and Czechoslovakia.

Rational and large production was begun in Poland at the beginning of the XIX century on large estates in Galicia (that part formerly under Austria), and by German colonists in the vicinity of Nowy Tomyśl. Land-owners in Congress Poland and Czech colonists in the districts of Dubno, Równe and Łuck, began hop growing on a fairly large scale in the middle of the century.

The Polish plantations became well known, and then war destroyed those in Galicia completely and those in the Wołyń area partially. In the Lublin area the crisis in the brewing industry crippled the growers badly.

The hop is a plant indigenous to the temperate zone and requires fertile yet not too rich a soil. It is, however, very sensitive to climate and therefore it has come about that besides classification according to kind, hops are tabulated as to origin and not only as regards country but with regard to each district within that country. Thus, in Czechoslovakia hops from Zateck have the best reputation; in France none are so good as those of Alsace, while in Poland the territory around Lublin is known far and wide for producing the



best hops that soil and climate can grow. Poland is among the few countries that can grow hops of pleasing aroma and a high percentage of lupulin in the cones. The only other countries where the better quality plant can be raised are Czechoslovakia, France (Alsace), Germany and certain parts of Jugoslavia; nowhere else are good results obtained.

In order to form a clear impression of the changes in Polish hop cultivation during the ten years of

In 1906/07 a bad crop somewhat alleviated a situation which was rapidly becoming intolerable, but in 1907/08 the excess rose to 5 million kg., and in 1908/09 it was 13 million kg. or one quarter of the present world production. The result was low prices followed by a decrease of the area under cultivation. The total dropped from 115,000 ha in 1908 to 93,800 ha in 1911, but in 1912 the acreage again began to increase—up to 101,000 ha in 1913,



HOP CULTIVATION (PHOT. S. PLATER)

the independence of the country it is best to study it in conjunction with that of other countries.

Repeating the statement that the war caused greater devastation in the hop plantations in Poland than in any other country, we will go back to the years before the war.

The first decade of the XX century already witnessed worldwide over-production of hops. In 1904/05 the surplus was estimated at 15 million kg., and in 1905/06 it amounted to 35 million kg.

when the production of beer was 300 million hectolitres.

This was the situation when war was declared. The acreage, under its devastating influence, dwindled. In 1915 it was 78,490 ha, in 1916—66,400 ha, in 1917—46,500 ha, and in 1918—40,250 ha. Thus the area under hop cultivation diminished during the war by 60 per cent. The direct cause was the fall in the consumption, from 300 million hectolitres in 1913, to 102 million hectolitres in 1917/18.



Beginning with 1918, the consumption of beer rose, and in 1923 it was 132 million hectolitres. The area under hop cultivation simultaneously grew from 40,000 to 48,000 ha. Thus the relation of acreage under cultivation to consumption remained approximately the same as before the war.

In 1924, however, the relation changed as the consumption jumped to 160 million hectolitres (+17 per cent) while the acreage was 50,000 ha (+5 per cent). The ratio was further changed by a plague in the form of *pseudo-peronospora humuli* which broke out in Germany and Jugoslavia. Consequently, in the years following 1924 supplies were short, which sent prices up to \$ 80—100 per 50 kg. and over. The new situation naturally attracted capital into this most paying of all agricultural propositions, and new plantations were established. In Jugoslavia the acreage was increased to absurd dimensions. In 1927 the area under cultivation grew to 75,000 ha and the consumption of beer was 170 million hectolitres. Therefore the ratio was again disturbed, only this time it went the other way, leading to a considerable over-production of hops. In the years before the war within the territory which is now Poland, the area under hops was 7,500 ha, which gave an average yield of 5.5 million kg. valued at \$ 4,000,000. During the war this area decreased to 20 per cent, and it is only since 1923 that it began again to rise, until to-day it is 3,500 ha.

Thus the area at present is only 50 per cent of that formerly cultivated. This condition, however, is healthy and in 1927 it averted the crisis which was occasioned by worldwide over-production. Over-production will be the cause of another crisis unless a catastrophe occurs — which is not unusual in the hop industry — or new markets are opened up.

There are at present no absolutely accurate data concerning the area under hops in Poland; below are given the calculations of the Chief Statistical Office for the years 1922—1928; note should be made of the fact that export values during the years of highest prices (\$ 80—100) should be greater by 20—30 per cent:

	Plantation area in ha	Yield in ctn. à 50 kg.	Export in ctn. à 50 kg.	Export value—in £
1922	1,950	32,200	10,296	1,579,789
1923	1,981	25,916	10,040	3,489,286
1924	2,029	29,422	5,662	3,379,000
1925	1,150	28,700	15,070	7,589,000
1926	2,569	27,000	16,786	10,087,000
1927	3,200	52,000	28,916	15,789,000
1928	3,600	40,000	—	—

The Polish brewing industry, which before the war produced 8,500,000 hectolitres of beer and utilised therefor about 2.5 million kg. of hops, was almost totally ruined during the war. The consumption of beer although slowly increasing reached in 1927 only 25 per cent of pre-war sales.

Taking 300 gr. of hops to be necessary for the production of one hectolitre of beer, the hops necessary for a consumption of 2,000,000 hectolitres would be 600,000 kg.

This figure is curtailed every year by the import of Czechoslovakian hops, which form nearly 50

per cent of the total used. Several large Polish breweries are still importers of foreign hops but the breweries in Western Poland are producing from Polish hops. As the quality is equal, and this has been ascertained to be true, there is no real reason why hops should be imported.

Russia, formerly a large consumer of Polish hops, now brews her own. England, owing to own over-production and decreased beer consumption has introduced a prohibitive duty of £ 4 per 50 kg. Germany during the years since the war and till quite recently was the most important market for Polish hops. Her yearly requirements were 12.5 million kg., while the yearly production was: in 1926 — 2,700,000 kg., in 1927 — 10,250,000 kg. and in 1928 — 8,250,000 kg. She therefore had to import large quantities of hops not only for home consumption but also for the trade which is extensively carried on by Nuremberg firms. Energetic and well-organised action against the parasite *pseudo-peronospora humuli* has raised the German production during the last two years. The many planters' and brewers' unions are working towards complete self-sufficiency in this respect.

France, having regained Alsace-Lorraine, is interested in hop imports only in years of poor harvest. The United States have ceased to buy European hops since prohibition was introduced.

Czechoslovakia, backed by the traditional excellence of her products, has gained control of most of the foreign markets. Producing in 1927 11 million kg. and in 1928 8.5 million kg. of hops, and only requiring at home about 2,750,000 kg. yearly, she has become the greatest hop exporter in Europe.

Jugoslavia has an area under hop cultivation of 10,800 ha (reduced this year by 2,000 ha), and greatly depreciates market values with her yield of 6,250,000 kg. and home consumption of only 250,000 kg. In Belgium, which produces an average of 2,500,000 kg. of poor and cheap hops, the home consumption amounts to 3,750,000 kg. and the poorer grades of Polish hops would have an excellent outlet, were it not for the competition of the very cheap Jugoslavian hops.

The countries most interesting to Polish exporters are the ones which do not themselves grow hops. They are the Scandinavian countries, the Baltic States, Holland, Switzerland, Austria, Italy, Spain, the Balkan countries and Turkey. There are also possibilities in Canada, the Far East, Mexico and South America. In all these countries the brewing industry is developing favourably. Strong competition is, however, met by the Polish exporter from the wealthy German and Czechoslovakian exporters.

The Central Europe Hop Planting Bureau in Munich is supported by the planters' organisations in Germany, Czechoslovakia, Poland, Jugoslavia and Alsace. Every year the Bureau calls together International Hop Congresses. Such a meeting on September 8, 1927, cautioned growers against the establishment of new plantations in large numbers and recommended that those countries which have over-developed the industry should reduce the area under cultivation. This year's Congress in



Nowy Sad (Jugoslavia), on August 15, reminded the assembled planters that hops are a staple of international trade, the existence of which depends on: 1) world production and consumption, 2) the quality of the product of the different countries, 3) the expert knowledge of the different planters.

For a year the motto of the hop planters has been "no increase", and where possible decrease, of the area under cultivation. Strenuous measures are being taken to combat the varied and very harmful hop pests.

In 1928 there was established at Łuck, in Poland, a school for hop growers; and the young Polish hop growers' organisations are striving to aid

Polish trade on international markets by raising the quality of the plant.

One of the pioneers of the Polish hop industry, John Kleniewski, though he had no example to follow either in Poland or Europe, organised rational and model selling methods for hops, and thus laid the foundation for the only institution of its kind in Europe, a Syndicate of Hop Planters, which has introduced on the world markets the hitherto unknown Polish brand. In spite of many difficulties the Syndicate has already given good results, while expert preparation and packing have established the confidence of home and foreign breweries in the Polish product.

## SUMMARY OF LAWS, ACTS AND EXECUTIVE DECREES

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

**Procedure to be followed in drawing up labour regulations in mining works, excepting foundries** ("Dz. Ust. R. P." No. 88, item 781).

**Change in the division of the territory of the Republic of Poland into Labour Inspection districts and areas** ("Dz. Ust. R. P." No. 89, item 782).

**Transport regulations on the Polish State Railways** ("Dz. Ust. R. P." No. 89, item 783).

**Export duty on oil-cakes<sup>1)</sup>** ("Dz. Ust. R. P." No. 89, item 784).

**Partial change in the Decree dated December 13, 1920 concerning customs procedure** ("Dz. Ust. R. P." No. 90, item 789).

**Prohibition on barley groats import** ("Dz. Ust. R. P." No. 90, item 797).

**Duty refund on potassium chloride** ("Dz. Ust. R. P." No. 91, item 799).

**Customs facilities for a series of articles imported for home manufacture** ("Dz. Ust. R. P." No. 91, item 800).

**Export duty on rye** ("Dz. Ust. R. P." No. 91, item 801).

**Changes in the tariff regulations in connection with the International Convention of October 1, 1928 regarding railway transports** ("Dz. Ust. R. P." No. 91, item 802).

**Export duty on bran** ("Dz. Ust. R. P." No. 92, item 812).

**Further suspension of the export duty on glycerine lye** ("Dz. Ust. R. P." No. 92, item 813).

**Convention with Sweden with regard to mutual acceptance of tonnage certificates of ships** ("Dz. Ust. R. P." No. 93, item 824).

**Scope of activity of industrial corporation instructors** ("Dz. Ust. R. P." No. 93, item 826).

**Organisation of sale of special tobacco products and the products of the Danzig Tobacco Monopoly** ("Dz. Ust. R. P." No. 93, item 827).

**Permission to use for bread baking wheat flour of a grade higher than 65 per cent** ("Dz. Ust. R. P." No. 93, item 829).

**Uniform text of the decree of June 10, 1921 regarding the establishment of the State Land Bank** ("Dz. Ust. R. P." No. 93, item 830).

<sup>1)</sup> See page 491.

## PRODUCTION AND TRADE

**STATE OF EMPLOYMENT.** — In October conditions continued to improve, though the difference was not so great as in the previous months: still the number of unemployed and part-time workers decreased and wages had a tendency to rise. Nevertheless, a change in the situation is to be expected and already in October a number of establishments reduced the number of their workmen, since production in some branches has to be shrunk owing to the falling off in the demand. In the first place, all seasonal industries such as the building trade and agricultural are stopping work. Moreover, seasonal emigrants are now returning and the supply of workmen in the cities is becoming larger.

On the other hand, the increased demand for coal caused a reduction in the ranks of the unemployed miners; this fact together with the increased production in some of the other industries, resulted in a small net decrease of unemployment during October. The unemployed registered at the State Labour Exchanges decreased from 82,642 at the beginning of October to 81,195 at the beginning of November, or by 1.8 per cent. These are the lowest figures recorded in Poland, excluding the period of currency inflation.

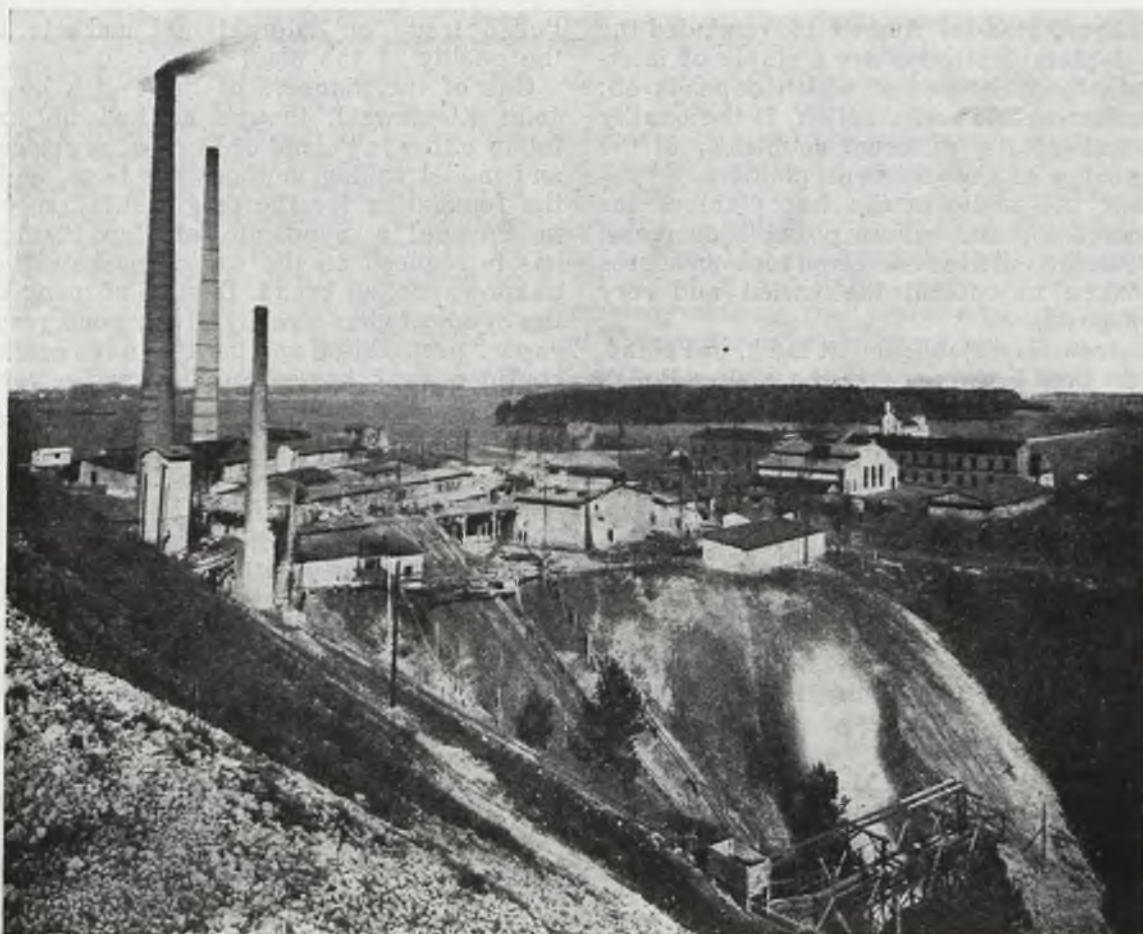
The number of unemployed during the period January to November in each of the three past years is shown in the following table (at the beginning of the months):

	1926	1927	1928
January	251,326	190,140	165,268
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	154,656
June	256,934	174,349	132,453
July	243,302	159,365	116,719
August	223,474	147,713	97,976
September	205,393	132,952	88,493
October	285,207	116,843	82,642
November	167,826	115,732	81,195

The following statement gives the number of part-time workers (at the beginning of each month):

January	33,190
February	31,465
March	25,565
April	48,878
May	54,385
June	27,461
July	28,728
August	32,996
September	25,911
October	28,147
November	25,189





LIME WORKS OF MESSRS. M. LEVY NEAR POZNAŃ

Of the total number of 25,189 part-time workers, 842 worked one day per week, 2,792 two days, 2,482 three days, 4,010 four days and 15,063 five days per week. On an average, therefore, the part-time worker was employed 4.2 days per week, as against 4.5 in September.

The following statement shows the number of unemployed according to trades (at the beginning of the months):

	October	November	+ Increase - decrease
mining	13,352	12,077	- 1,275
foundries	1,146	1,075	- 71
metal	5,719	5,598	- 121
textile	9,449	9,382	- 67
building	3,253	3,972	+ 719
clerical	12,137	12,046	- 91

In the coal mining industry there was brisk activity caused by the demand for household fuel. It was especially strong at home though export also grew. The output grew to an extent which overshadowed even the boom during the English coal strike. As a consequence the number of coal miners at work increased from 112,047 to 114,174. In the petroleum mining industry a certain improvement was evident; undoubtedly it is connected with the sales regulation conducted by the Petroleum Syndicate.

In iron ore mining conditions were unchanged but there was a shortage of labour due to the men leaving for other occupations and the number of employed fell to 6,006 in October as against 6,077 in September. In zinc and lead ore mining the number of workmen rose from 7,160 to 7,231. The unemployed miners were about 8 per cent of those at work.

In iron founding the situation was favourable: orders were more plentiful, owing to larger Government requirements.

The number of employed in this industry rose from 52,322 to 53,988. No change of importance occurred in the zinc and lead foundries, where the number of workmen was 13,076 in September and 13,136 in October. The total number of unemployed foundry workers was about 2 per cent of the employed.

In the metal industry, the seasonal branches curtailed production considerably. This is especially true of the factories manufacturing nails, screws, &c. for the building trade. Producing in excess during the season, these factories have accumulated stocks which

necessitate a stoppage of further production, and therefore a smaller number of days worked per week. The orders received by the agricultural machinery works have declined and therefore they have begun producing for the spring season. The situation in the sugar machinery factories, on the other hand, improved and the Bielsko rolling mills are experiencing a boom. The unemployed metal workers were 6 per cent of those at work.

In the Łódź textile centre, no change was evident in the general situation. After the two weeks' strike no effort was made to increase production of cotton goods as only the stocks of yarns were exhausted. The woolen industry has been working on winter wear and increased sales indicate the probability of total realisation of stocks.

In the Bielsko woolen industry no supplementary orders were received, therefore preparations for the production of spring goods were begun. In the Białystok woolen industry the factories were fully employed completing the orders already received. In spite of the strong demand for Białystok ma-



nufactures, a number of the smaller works are preparing to reduce output in December, since lack of capital prevents them from manufacturing for the winter season during the whole year.

The Łódź clothing industry was kept busily employed executing additional orders. The hat industry is preparing to commence spring production. The jute and hemp industry worked under favourable conditions in spite of a fall in price.

Though atmospherical conditions were favourable yet the building industry, unlike last year, made no spurt in activity towards the end of the season. The deciding factor was tightness of money, which checked any plans for investment. No new buildings were commenced and only those in the later stages of construction were finished. The Government and Local Government work was carried on according to programme. The number of employed in the building industry fell considerably.

As regards wages, in a number of branches demands for increases were put forward with threats to strike in case they were not granted. The two weeks' strike in Łódź ended in the acceptance by the workmen of the decision of the Arbitration Commission, which granted them a 5 per cent increase. In the Upper Silesian coal fields wages were raised by 6.5 per cent. The same increase was given to the clerical workers in the Upper Silesian "heavy" industry. In the Dąbrowa coal region, a 6 per cent increase was granted. Warsaw metal works received an additional 5 per cent, while those in the Poznań area received 10 to 12 per cent and those of the Pomeranian districts 7 to 8 per cent. In Bielsko the metal workers were granted a 5 per cent increase, but further trouble is expected in that region. In the Bielsko textile industry, the workers on October 15 demanded a revision of the agreement and a 10 per cent increase; the employers, however, are proposing 3 per cent. The jute operatives at Częstochowa were granted an increase of 5 per cent. The bentwood furniture workers' strike which embraced the whole of the country, has been settled. In all factories except three work has been resumed.

**OVERSEAS EMIGRATION IN 1928.**—The emigration movement during the present year has been constantly checked by the same obstacles which have previously retarded it. Some countries prohibit immigration, in others

there is so large a supply of labour that no work can be found, and overseas transport is relatively so expensive for Poles that it alone is sufficient to check emigration.

The *Bulletin of the Polish Emigration Office* gives the following figures for the eight months of 1928 (in thousands):

	January to August:	
	1927	1928
Total emigrants	112	150
Overseas emigration	41	46
including:		
to Canada	19	25
"  Argentina	11	10
"  Brazil	2	3
"  United States	6	5
To European countries	71	104
including:		
to Germany	58	81
"  France	10	19

The differences which appear in the figures for the two years are mainly owing to incomplete data, and not to actual changes. In former years many emigrants went out of the country in an illegal manner, especially to Germany, and naturally it is impossible to keep an account of these. The present statistical records are, however, more complete. A real increase in emigration occurred only as regards France. The deflation period of 1927 caused a stoppage in production and lack of demand for labour but with the stabilisation of the Franc labour conditions have improved. Moreover, preference is given to the labourers of certain countries, with the consequence that immigration into France is composed of two large contingents, one from Poland and the other from Belgium, plus a certain number of seasonal workers from Spain. The number of Italians coming into France is smaller than the number leaving there.

Political motives direct, to a large extent the composition of immigration into America. The Polish agricultural element is, however, well received in Canada and increasing numbers of emigrants from Southern and Eastern Poland are entering, so that Canada is coming to the fore as an outlet for Polish emigration. Poles form a fair percentage of the immigrants into Canada, yet the Government of that State is bent on bringing in the largest possible number of British subjects. In 1926/27 the facilities granted to British subjects although very costly to Canada, succeeded in bringing over 50 thousand emigrants from England; simultaneously 73 thousand emigrants from European countries came over at their own expense, and 21 thousand entered from the United States. The total number of immigrants was thus 144 thousand.

The most import labour market is in Argentina. Italy has maintained good relations with that country, therefore 50 per cent of the emigrants are Italians. In 1927 the Argentine statistics show the arrival of 172 thousand European emigrants of which 70 thousand were Italians, 35 thousand Spaniards and 18 thousand Polish subjects. Of these latter about 4 thousand were Polish Jews, while the total number of Jewish emigrants was about 8 thousand. There

is no reason to suppose that the Argentine statistics regarding Jews are more accurate than those of other countries. The number of Jewish immigrants is in all probability larger, though it is doubtful whether the Argentine is the main goal of Jewish emigration. The emigration of Jews to Palestine is very small and of no importance, as more Jews are returning to Poland than leaving for that country.

Practically speaking, only the families of American subjects have access to the United States. The immigration quotas on the basis of a Statute of 1924 permit only large numbers from Germany, Great Britain and Ireland. For the year 1928/29 Poland is allotted 6 thousand, Germany 51 thousand, Great Britain 34 thousand and Ireland 26 thousand. In 1927, besides the quota number, 3,400 Polish emigrants were admitted.

In spite of limitations and difficulties, Polish emigration occupies an important place in the movement from Europe to America. In other countries emigration is dwindling, and only Italy is striving to keep it on a high level. Polish emigration brings large steamships to Gdynia and Danzig, and is responsible for the existence of regular passenger lines to the Polish ports. Therefore emigration is also important, to the maritime policy of the country.

**DEVELOPMENT OF PUBLIC COMPANIES IN POLAND.**—From the moment of gaining independence Poland has seen the rapid augmentation of public companies; the level reached was especially high during the period of currency inflation, when a great number of companies were formed. Besides solid concerns, established with sufficient capital and answering real economic needs, there were short-lived concerns of an unhealthy character which had no real reason for existence. Especially was this so in the case of trading concerns. After the first currency reform of 1924, the development of public companies was somewhat curtailed. During the economic crisis of 1925, the number of new companies shrank sharply, and only after the stabilisation of conditions in 1926 did they begin to develop normally and approach a figure in keeping with the economic and financial need of the country.

The following statement gives the position for the four years 1924—1928:

	Number of public companies at the beginning of the year	Number of public companies established during the year
1924	1)	211
1925	1,904	22
1926	1,842	25
1927	1,761	40
1928	1,692	—

More remarkable than the rise in the number of establishments since 1926, is the increasing number of new capital issues by the existing public companies, and this really shows the

<sup>1)</sup> Calculations for January 1, 1924 were not made. The number on January 1, 1923 was 1,255.



economic improvement which has taken place. This is further illustrated by the following statement:

	Number of issues	Capital in $\text{zł}$
1925	70	90,806,000
1926	76	61,415,000
1927	201	193,642,000

It is necessary to mention, with regard to the above figures, that in 1925 there was one new issue amounting to  $\text{zł}$  25,000,000, the shares for which were given in lieu of the payment of a debt, and in 1926 an issue of  $\text{zł}$  28,620,000 represents a fusion of interests.

The basic reason for the new issues made in 1925 and 1926 was quite different to that which caused them to be made in 1927, because during the former years they were practically all made under compulsion, i. e., to raise the capital to the legal minimum before January 1, 1927.

It is evident that not all the increase

was effected by fresh capital or in kind. In 1927, 43 companies enlarged their capital to a total of  $\text{zł}$  37,857,000 (19.5 per cent of the whole capital increase) by means of transfers from reserves, special funds, re-valuation of property or accrued profits.

During 1927, a decrease of capital was effected in 13 instances, the amount totalling  $\text{zł}$  11,786,000.

After the first monetary reform, and especially during the financial crisis of 1925, a quick liquidation of the artificial concerns was begun: i. e., those which owed their origin solely to the previous currency inflation. The process was continued even in 1927, when 109 enterprises were liquidated, of which 37 were banks and 26 commercial houses. On January 1, 1928, of the total number of 1,692 public companies, 118 were in process of liquidation, 59 in the hands of the Receiver, and 43 at a standstill.

On January 1, 1928, the public companies were as follows:

	Total number of companies	Number with revalued capital	Total capital (thous. $\text{zł}$ )	%	Average per company (thous. $\text{zł}$ )
Total	1,692	1,376	2,166,461	100.0	494
Agriculture & breeding	15	15	7,405	0.3	6,430
Mining	70	61	392,218	18.0	855
Mineral industry	73	65	55,575	2.6	16,422
Foundry	20	17	276,171	12.9	914
Metal	75	58	52,985	2.4	1,092
Machine & electric industry	109	93	101,568	4.7	243
Precious metal working & instr. manufacturing industry	11	9	2,189	0.1	243
Chemical industry	143	110	109,739	5.0	998
Textile	138	115	325,907	15.0	2,834
Paper	29	28	46,424	2.1	1,658
Leather	21	21	7,726	0.4	368
Timber	121	84	28,978	1.3	345
Foodstuffs	216	190	234,086	10.8	1,232
Clothing	39	24	9,513	0.4	397
Polygraphic	47	40	12,588	0.6	315
Building	55	43	10,983	0.5	256
Gas, water & electr.	24	22	82,058	3.8	3,730
Transport trade	271	196	56,556	2.6	288
Money business (banks)	68	66	194,570	9.0	2,948
Insurance	22	20	13,224	0.6	661
Communications, posts, telegraphs, telephones	47	38	102,395	4.7	2,695
Various	78	61	40,599	1.9	—

The largest part of the total share capital is represented by the manufacturing industry (43.7 per cent); mining, foundry and mineral industries represent together 33.1 per cent; banks 9 per cent; communications 4.7 per cent; public utility enterprises 3.8 per cent; and trade 2.6 per cent. In the mining and foundry group above mentioned, mining has 18.1 per cent of the total share capital, and the foundry industry 12.9 per cent, while in the manufacturing industry group, textiles represent 15 per cent of the whole, foodstuffs 10.8 per cent and chemicals 5 per cent.

All the above data concerns exclusively home public companies, i. e., those enterprises whose head office is within the territory of Poland, regardless as to whether the capital is home or foreign.

Details regarding foreign public companies, i. e., those whose board of directors is domiciled on foreign

territory, is given in the following statement:

	Number of companies	Total capital in thous. of $\text{zł}$	Capital allocated for use in Poland
Total	58	1,646,290	138,187
Agriculture and breeding	1	596	105
Mining	9	44,048	27,416
Mineral industry	2	4,604	2,453
Foundry	1	88,262	50,000
Metal industry	3	38,537	3,528
Machine and electric industry	4	11,789	6,126
Chemical	4	4,637	3,944
Textile	6	67,474	19,708
Timber	3	228	228
Building	1	16,946	58
Gas, water and electricity	2	33,934	9,383
Trade	8	261,790	1,019
Money business	6	905,194	2,804
Insurance	6	131,471	8,816
Communications	1	8,250	50
Transport	1	28,530	2,549

The headquarters of the various foreign companies are as follows:

	Number of companies	Capital allocated for use in Poland (thous. of $\text{zł}$ )
Germany	11	62,527
France	14	49,575
Belgium	6	11,304
Austria	7	9,326
Italy	3	2,345
England	5	1,159
Danzig	3	805

The largest part of capital allocated for use in Poland belongs to German firms which, however, in number are second to French concerns. Of the German houses four are banks ( $\text{zł}$  690,000), one foundry ( $\text{zł}$  50,000,000), and one company in each of the following groups: mining ( $\text{zł}$  7,710,000), mineral, chemical, building and insurance. French concerns are engaged in mining (three, totalling  $\text{zł}$  17,489,000); textiles (three,  $\text{zł}$  12,480,000), chemical (two,  $\text{zł}$  1,360,000), machinery and electrotechnical goods (one,  $\text{zł}$  5,676,000), timber, public utility works, banks, communications and transport (one each). The majority of the Belgian capital is located in the textile industry (two companies); of the Austrian capital—in insurance (two), of the Italian—in insurance (two), of the English—in insurance (1) and transport (three companies).

## GRAIN

— The warm and sunny Autumn improved the state of sowings to above normal; according to provisional data from the Chief Statistical Office on the "5 pt." basis, the crops were as follows: wheat 3.4, rye — 3.3 and barley — 3.4. The final harvest figures have not yet been announced.

The improvement in the size of the seed is seen from the statistics in the grain standard for the present year, published, as usual, in October by the Polish corn exchanges. The standards indicate an increase in weight per volume as compared with 1927 as follows (in grammes per litre of the grain):

	Corn exchange			
	Lwow 1927	Warsaw 1927	Poznań 1927	Poznań 1928
Wheat	750	770	736	747
Rye	590	710	687	693½
Oats	450	450	426	442
Brewing barley	670	680	661	672
Milling	640	650	—	649
Feeding	600	610	—	620

The period under review witnessed a slight increase in prices for all grains which lasted until the beginning of November. Wheat gained 6.5 per cent, rye — 3.6 per cent, brewing barley 2.6 on the Warsaw and 1.4 per cent on the Poznań exchanges, ordinary barley — 5.7 per cent and oats — 3.9 per cent. In the first half of November, however, prices remained more or less unchanged. The changes which occurred during the period under review are illustrated in the following table:



		HOME EXCHANGES								Berlin	Chicago
		Warsaw		Poznań		Lwów		Av. of 3 exch.			
		zł	\$	zł	\$	zł	\$	zł	\$		
W H E A T											
Oct.	1-8	43.70	4.91	39.31	4.41	47.50	5.13	42.90	4.82	5.03	4.37
"	9-15	43.50	4.88	38.93	4.37	44.41	4.99	42.28	4.75	5.08	4.37
"	16-22	44.56	5.00	40.37	4.53	45.83	5.14	43.58	4.89	5.12	4.28
"	23-31	46.25	5.19	42.68	4.79	47.00	5.28	45.31	5.09	5.05	4.25
Nov.	1-8	47.50	5.33	42.56	4.78	47.00	5.28	45.69	5.13	5.05	4.31
"	9-15	47.25	5.31	41.81	4.70	47.00	5.28	45.35	5.10	5.03	4.52
R Y E											
Oct.	1-8	35.38	3.97	32.81	3.68	35.18	3.95	34.45	3.87	4.96	4.16
"	9-15	35.06	3.93	33.12	3.72	35.03	3.93	34.40	3.86	4.99	4.35
"	16-22	36.37	4.08	34.80	3.91	34.83	3.91	35.33	3.96	4.97	4.07
"	23-31	36.55	4.10	35.22	3.95	35.08	3.94	35.68	4.00	4.89	4.09
Nov.	1-8	36.69	4.12	34.57	3.88	35.50	3.98	35.58	3.99	4.84	4.14
"	9-15	36.75	4.13	33.24	3.73	35.50	3.99	35.16	3.95	4.82	4.22
B A R L E Y (brewing)											
Oct.	1-8	36.25	4.07	36.00	4.04	—	—	—	—	5.74	—
"	9-15	36.25	4.07	36.00	4.04	35.00	3.93	35.75	4.01	5.74	—
"	16-22	36.62	4.11	36.25	4.07	—	—	—	—	5.74	—
"	23-31	37.20	4.17	36.50	4.10	—	—	—	—	5.74	—
Nov.	1-8	36.81	4.13	36.50	4.10	—	—	—	—	5.70	—
"	9-15	36.94	4.15	36.50	4.10	—	—	—	—	5.65	—
B A R L E Y (feeding)											
Oct.	1-8	33.33	3.74	33.50	3.76	28.37	3.18	31.73	3.56	—	2.92
"	9-15	33.25	3.73	33.50	3.76	28.75	3.23	31.83	3.57	—	2.90
"	16-22	34.00	3.82	34.00	3.82	29.50	3.31	32.50	3.65	—	2.89
"	23-31	35.15	3.94	34.50	3.87	31.00	3.48	33.55	3.76	—	2.84
Nov.	1-8	35.25	3.96	34.37	3.86	—	—	—	—	—	2.76
"	9-15	35.25	3.95	34.00	3.82	29.00	3.26	32.75	3.68	4.91	2.73
O A T S											
Oct.	1-8	35.41	3.97	31.50	3.53	31.83	3.57	32.91	3.69	4.62	4.44
"	9-15	35.62	4.00	31.62	3.55	31.81	3.57	33.02	3.71	4.86	4.52
"	16-22	36.00	4.04	32.81	3.68	31.64	3.55	33.48	3.76	4.90	4.44
"	23-31	36.50	4.10	33.93	3.81	31.75	3.56	34.06	3.82	4.89	4.42
Nov.	1-8	36.75	4.12	34.00	3.82	31.87	3.58	34.20	3.84	4.85	4.49
"	9-15	36.75	4.13	33.00	3.71	32.00	3.60	33.92	3.81	4.82	4.69

	Exports:		
	September 1928	October 1928	October 1927
wheat	91	98	553
rye	70	1,034	857
barley	11,344	17,861	7,266
oats	114	191	519

The regulations applied to the import and export of corn have resulted in decrease of trade. Beside the import prohibition on wheat, wheat flour and the export duties on rye, wheat and rye flour, there have been added during the period under review an export duty on oats of zł 10 per 100 kg., to remain in force until the end of the agricultural year and an import duty on rye of zł 11 per 100 kg. Only barley is unfettered and it is therefore the main article of trade, and causes the balance, in spite of the deficit in the other three grains, to be favourable to an extent of zł 3,201,000.

Barley was exported to Belgium (45.7 per cent), Germany (22.1 per cent), Latvia (8.4 per cent), Holland (6.9 per cent) and in smaller quantities to Finland, Estonia, Czechoslovakia, Norway, Denmark, Austria, Morocco, Italy and Switzerland.

Wheat, rye and oats were exported in small quantities, mainly to Germany.

The chief sources of corn imports were: wheat — Hungary (35 per cent), Germany (36.6 per cent), the United States (9 per cent) and Canada (8.3 per cent). Rye — Germany (75.8 per cent), and Rumania (24.2 per cent). Oats — Germany (99.2 per cent) and Czechoslovakia (0.8 per cent). Barley came exclusively from Rumania.

The corn trade balance for the first quarter of the present agricultural year, i. e. from August 1st to October 30th, compared with the same period of 1927 was as follows (in tons):

	Imports:		Exports:	
	1928	1927	1928	1927
wheat	34,125	18,897	292	3,618
rye	14,965	11,650	1,106	2,231
barley	954	715	32,385	15,389
oats	8,219	1,814	575	2,223
Excess of imports (—) or exports (+):				
	1928		1927	
wheat	—	33,833	—	15,279
rye	—	13,859	—	9,419
barley	+	31,431	+	14,674
oats	—	7,644	+	409

Thus, there was during the first quarter of the agricultural year an unfavourable balance amounting to zł 12,801,000. During the corresponding period of 1927 it was unfavourable to the extent of zł 5,420,000.

### BUTTER

— In the second half of October the price of butter both abroad and at home went down. In Warsaw the Dairy

A characteristic of the period was lack of money. Therefore, in order to pay for artificial fertilizers, farmers have been forced to increase their corn sales, and thus prices have been kept down at a lower level than would have otherwise been the case.

The low level of wheat prices was further influenced by wheat being imported under special permits of the Ministry of Industry and Commerce.

Rye prices in Poland were below even those of Chicago, which is generally the cheapest rye exchange in the world. For instance, on October 7, the price of rye in Chicago was \$ 4.21, in Poznań \$ 3.71 and in Warsaw \$ 3.91 per 100 kg.

The Government purchases of rye for the corn reserves were not sufficient to arrest the tendency towards lower prices. Farmers are drawing attention

to the fact that present prices are such as not to warrant the intensification of farming, since costs of production are not returned.

Barley prices showed very little difference in comparison with the preceding period. The generally good harvest has made it difficult to maintain sales for even the better grades.

The price of oats is regulated by army purchases. The level of prices within the country, however, is not high, and in view of the increase in prices for condensed fodder, a rise in oats is to be expected.

Exports and imports are given in the following statement:

	Imports:		
	September 1928	October 1928	October 1927
wheat	14,283	5,348	12,086
rye	4,187	3,514	388
barley	460	320	305
oats	2,863	1,853	966





KRYNICA, A HEALTH RESORT

Commission officially lowered the price by  $\text{zł}$  0.25 per kg.; however, at the beginning of November the price again went up and it will probably stay up, owing to small supplies as a result of the scarcity of fodder.

The Dairy Commission raised prices three times during the period from the 1st to the 15th of November. On November 13th the prices were as follows: grade I —  $\text{zł}$  8.75 per kg., grade II —  $\text{zł}$  7.80, salted —  $\text{zł}$  7.00 and cooking —  $\text{zł}$  6.50.

On the export markets the general tendency on the German was weak: the price per 50 kg. grade I butter was Rmk. 183.50 — 192.00 and the best grades were in demand.

On the English market, the situation improved during the first half of November. Grade I reached 185/- per barrel as against 162/- in the second half of October. The official quotations were 150/- to 154/- (October 146/- to 152/-).

The prices of butter in Poland were, during the period under review, as follows (in  $\text{zł}$  per kg. ex wholesale warehouses):

	October 15th-31st	November 1st-15th
Lwów	6.90-7.10	7.50-7.70
Poznań	6.40-7.40	8.00
Warsaw	grade I 7.50 grade II 6.75	grade I 8.75 grade II 7.80
Wilno	fresh 6.50-7.40	fresh 6.50-7.50

In October a total of 794.400 kg. of butter was exported, of which 731.200 kg.

went to Germany, 33.300 to England and the remainder mainly to Czechoslovakia.

## E G G S

— Prices on the home markets fluctuated both during the second half of October and the first half of November. The expected cold weather did not materialise and the increase in prices which had been made in anticipation turned out to be premature.

A firm tendency, however, is bound to continue.

The prices of eggs during the period under review were as follows (in  $\text{zł}$  per 60 egg box):

	October 15th-31th	November 1st-15th
Kraków (per case) <sup>1)</sup>	265 — 280	273 — 290
Bochnia	10.7 — 11.6	11.2 — 12
Chełm (per case) <sup>1)</sup>	270 — 275	280 — 295
Warsaw (per case) <sup>1)</sup>	285 — 315	280 — 315
Katowice	13.5 — 14.5	12.5 — 14

In October, 4,331.000 kg. of eggs were exported, of which 2,055.100 kg. went to Germany, 533.000 kg. to Italy, 502.600 to Austria and the remainder to Czechoslovakia and England.

## TIMBER

— The uncertainty regarding prolongation of the timber agreement with Germany continued to make the outlook uncertain. It is true that during October

large transactions of newly felled timber are seldom negotiated, yet in the preceding year at this time a tendency towards larger prices was already evident. This year, so far no such tendency is discernible, except in the Wilno region.

However, in connection with the close of the annual provisional timber agreement a strong rise in trading activity was evident, as the Polish firms were striving to place on the German market the largest possible quantities of timber in the shortest time; in some cases they were storing timber on the German side of the frontier. This applies both to round timber for which the German duty would rise from  $\text{zł}$  0.40 per cub. m. to  $\text{zł}$  1.50 in the event of the agreement not being prolonged after December 1, 1928, and to sawn wood, import of which would not be allowed from that date.

The timber traders of both countries are therefore feeling rather nervous, and unable longer to await Government initiative in this matter, they have come into direct contact with each other, to discuss the basis of future operations. The result has been an unanimous declaration in favour of absolutely unrestricted trade between the two countries both in round and sawn timber, keeping the same duties as at present. If this stand is accepted by the two Governments, the timber trade in the coming year will be carried on normally under very nearly the same conditions as before the customs war.

The wholesale prices obtained in the various Polish timber Directorates f. o. b. loading station were as follows (in  $\text{zł}$ ):

	Sept.	Oct.
pine logs for saw mills		
(per cubic m.) Warsaw	70.—	70.—
" " Radom	53.—	53.—
" " Siedlce	50.—	50.—
" " Wilno	45.—	50.—
" " Białowieża	46.—	46.—
" " Poznań	60.10	60.10
" " Bydgoszcz	48.50	52.—
" " Toruń	65.—	65.—
pine logs for building purposes		
(per cub. m.) Siedlce	46.—	46.—
" " Białowieża	38.—	38.—
" " Wilno	36.—	40.—
pine pit props		
(per cubic m.) Warsaw	37.—	37.—
" " Radom	37.—	37.—
" " Siedlce	29.50	29.50
" " Poznań	27.—	27.—
" " Bydgoszcz	29.20	32.50
" " Toruń	27.—	27.—
spruce logs for saw mills		
(per cub. m.) Siedlce	40.—	40.—
" " Lwów	43.—	43.—
oak logs for joinery		
(per cub. m.) Białowieża	90.—	90.—
" " Łuck	155.—	155.—

<sup>1)</sup> Case = 1.440 eggs.



pulpwood (per stacked cub. m.)	Siedlce	30'50	30'50
" " "	Wilno	27'50	27'50
" " "	Białowieża	28'—	30'—
pine fire wood (per stacked cub. m.)	Warsaw	16'—	16'—
" " "	Radom	16'—	16'—
" " "	Siedlce	13'—	13'—
" " "	Wilno	8'—	8'—
" " "	Białowieża	15'—	15'—
" " "	Poznań	13'80	14'—
" " "	Bydgoszcz	14'70	15'20
" " "	Toruń	16'—	16'—
spruce fire wood (per stacked cub. m.)	Lwów	11'50	11'50
beech fire wood (per stacked cub. m.)	Lwów	16'50	16'50

The export of timber was as follows:

	Sept.	October
pulpwood	112,900	100,818
pit props	48,734	41,613
logs, beams	54,661	66,929
telegraph poles	7,645	7,580
deals, boards, battens	131,186	125,486
railway sleepers	9,874	8,510
coopers' wares	2,071	1,866

The fall in pulpwood exports was compensated by the rise in log shipments which is usual during October. The decrease in sawnwood is to be attributed to smaller exports to overseas markets, since there is no reason to suppose that the German market consumed less than in September.

**THE POLISH-GERMAN TIMBER AGREEMENT.**—The home and export timber trade in Poland during 1927 was influenced by the temporary timber agreement with Germany. The basis of the Treaty was that Germany for a period of one year should lift the embargo on Polish sawn timber to the extent of 1,250,000 cubic metres, and for this amount should establish a customs duty of Rmk. 1 per 100 kg. Poland agreed that during the same period she would not raise the export duty on shipments of logs and stems to Germany.

At present the results of the agreement for the nine months from December 1927 to September 1928 are known. They are shown in the following statement, in comparison with the corresponding period of 1926/27 (in cubic metres):

	1926/27	1927/28
logs . . . . .	1,385,230	987,763
boards . . . . .	503,308	759,356
" calculated in raw material	754,962	1,139,044
total export, calculated in raw material	2,140,192	2,126,797
including:		
logs . . . . .	64.7%	46.4%
boards . . . . .	35.3%	53.6%

It follows that the total export of timber to Germany was practically the same in the two periods but that large changes, favourable to sawn timber, took place.

The period reviewed is not characteristic for the whole year, because during the first half-year, which is the felling season, the tendency is to export raw material, while during the second half-year more sawn timber is exported. Calculating on the ratio of the first 9 months of 1926/27 to the whole

year, the following forecast for the whole of the year 1927/28 is arrived at (in cub. m.):

	Logs	Sawn timber
Exports Dec. '26 — Nov. '27	1,691,993	734,651
" " " — Sept. '27	87%	66.7%
" " " — Nov. '28		
(calculated on the above ratio)	1,130,000	1,140,000
Contingent in agreement . . . . .	—	1,250,000

The above calculation shows that the contingent of sawn timber agreed upon does in reality answer the requirements and that the export of raw material does not exceed the export of sawn timber. This goes to prove that the most rational agreement would be one that did not limit the quantity allowed into Germany, and that the contingent limitations insisted upon by that country were simply a formality.

**COAL**

— In October the provisional statistics show a considerable increase of activity in the coal industry, caused in the main by the demand for household fuel and also by larger industrial requirements. Export also increased, but not to the same degree, the chief purchasers being the Succession States, and the northern markets.

The larger sales brought about increased production, so that the stocks at pit-heads remained about the same. The situation in the industry would have been even more favourable but for two obstacles, i. e. the lack of railway wagons which is usual at this time of the year, and the hold up at Gdynia on account of the dock workers' strike which lasted from the first to the sixth of October.

The coke and briquette industries also improved, though to a lesser degree.

A statistical review of the state of the coal industry in the different Polish coal fields is given in the following table (in tons):

Coal mining districts	Extraction	Home consumption	Exports	Stocks at pit-heads <sup>1)</sup>
Upper Silesia	2,880,000	1,537,000	1,099,000	804,000
Dąbrowa	717,000	426,000	213,000	424,000
Kraków	251,000	204,000	1,000	73,000
Total:	3,848,000	2,167,000	1,313,000	1,301,000
September <sup>2)</sup> :	3,401,000	1,905,000	1,245,000	1,292,000
+ in relation				
— to September	+447,000	+262,000	+68,000	+9,000

The figures show a total extraction of 3,848,000 tons. This is a record figure, unequalled even during the period of the English coal strike. In comparison with September the extraction increased by 13.14 per cent. The average daily production in October (27 working days) was 142,519 tons or

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

6,479 tons (4.76 per cent) more than that of September (25 working days).

The total sales of coal in October were 3,480,000 tons, i. e. 330,000 tons or 10.48 per cent greater than in September. The home sales were 2,167,000 tons or 13.75 per cent more than in the preceding month, and foreign sales were 1,313,000 tons or 5.47 per cent greater.

The stocks at pit-heads were, at the end of October, 1,301,000 tons or 9,000 tons more than in September.

The export of coal to the different countries is given in the statement below (in tons):

Countries	1925	1926	1927	1	9	3	8	Increase (+) or decrease (-) in relation to Sept.
	October							
	September <sup>1)</sup>							
	October <sup>2)</sup>							
<b>Northern European:</b>								
Switzerland	72	186	216	241	221	—	20	—20
Norway	—	16	15	44	39	—	5	—5
Denmark	53	85	129	120	172	—	52	+52
Finland	2	29	51	59	107	—	48	+48
Latvia	25	50	41	61	34	—	27	—27
Lithuania	3	6	6	17	8	—	9	—9
Estonia	1	—	—	—	2	—	1	+2
Memel	3	3	7	7	4	—	3	—3
Total:	159	375	465	549	587	—	38	+38
<b>Succession States:</b>								
Austria	274	183	300	260	323	—	63	+63
Hungary	103	39	74	74	86	—	12	+12
Czechoslovakia	52	41	20	81	73	—	8	+8
Total:	429	263	394	415	482	—	67	+67
<b>Other countries:</b>								
Germany	1	2	1	1	—	—	1	—1
Rumania	4	23	20	28	26	—	2	—2
Jugoslavia	14	20	71	35	32	—	3	—3
Switzerland	6	4	13	17	10	—	7	—7
Italy	6	93	45	53	43	—	10	—10
France	2	14	13	40	34	—	6	—6
Holland	2	3	—	2	15	—	13	+13
Belgium	—	—	—	8	8	—	—	—
Russia	—	102	—	5	2	—	3	—3
England	—	295	—	—	—	—	—	—
Tunis	—	—	—	1	4	—	3	+3
South America	—	—	—	—	1	—	1	+1
Total:	35	556	163	190	175	—	15	—15
Danzig Bunker coal	57	48	35	29	31	—	2	+2
Total:	680	1,270	1,077	1,245	1,313	—	68	+68
<b>Loaded at the ports:</b>								
Danzig	119	312	390	513	551	—	38	+38
Gdynia	3	36	92	192	156	—	36	—36
Other ports	—	53	16	—	—	—	—	—
Total:	122	401	498	705	707	—	2	+2

It is seen from the above that the markets chiefly responsible for the increase were the Succession States (export = 482,000 tons, increase = 16.14 per cent), and to a lesser degree the northern markets together with Danzig (export = 618,000 tons, increase = 6.92 per cent).

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





TEN METRE PILLAR IN THE "KRÓL" SHAFT,  
UPPER SILESIA

Export to other countries fell off, being 213,000 tons or 15.48 per cent less.

The percentage of coal exported is given in the following comparative statement:

	September	October
Northern European countries	46.43	47.07
Succession States	33.33	36.71
Other countries	20.24	16.22
Total:	100.00	100.00

The average daily shipment of coal abroad was 48,630 tons, or 2.35 per cent smaller. Of this daily average, Upper Silesia supplied 40,741 tons and Dąbrowa 7,899 tons.

Simultaneously with the increase in the total export of coal the quantity passing through Danzig rose to 551,000 tons or 38,000 tons more than in September. The quantity handled at Gdynia fell, owing to the above mentioned strike, to 156,000 tons or by 36,000 tons. Thus, the aggregate shipments through the Polish ports rose to 707,000 tons or by 2,000 tons.

The number of miners employed rose to 114,174 or by 2,127. They were divided as follows:

Coal mining district	Sept.	October	Increase (+) or decrease (-) in relation to Sept.
Upper Silesia	78,590	79,709	+ 1,119
Dąbrowa	25,025	25,823	+ 798
Kraków	8,462	8,642	+ 210
	112,047	114,174	+ 2,127

The number of registered unemployed decreased: on October 27 it was 12,303 or 1,049 less than on September 29.

The efficiency of the miners improved during October. The average daily extraction per man rose to 1.314 kg., or by 36 kg. As the following table indicates, increased efficiency was shown in all three coal areas and especially so in the Kraków fields where the increase amounted to 85 kg. per man,

	September	October
Upper Silesia	1.360	1.396
Dąbrowa	1.085	1.098
Kraków	1.089	1.174

Comparing the present average efficiency of an 8-hour day with that of

the pre-war 10-hour day, we find that the present output is 14.96 per cent greater than in 1913 (in Upper Silesia 16.14 per cent greater, in Dąbrowa 14.02 per cent and in Kraków 18.11 per cent).

Coal prices at the mines did not change. The prices at the wholesalers', however, were raised on October 16 from 2 to 3 per cent.

The price increase by the mines in September caused the selling price in Danzig to be raised by Gulden 1 for class I small (0—10 mm.); a rise in the price of nuts will be put into force in the near future.

The price of coal to the convention countries remained unchanged. The coal convention now covers Austria, Hungary, Czechoslovakia, and Jugoslavia, as the last mentioned country has recently joined.

Export prices to the northern markets for Upper Silesian large coal were 12/6 to 12/9 and for Dąbrowa coal 11/8 to 11/10 f. o. b. Danzig. Lately prices have shown a tendency to rise.

Railway transport tariffs were without change. Ocean freight rates have gone up 3d to 4d in comparison with September, and still show an upward tendency.

Coke production in October was 142,113 tons, or 9,265 tons more than in September. Home sales rose to 129,725 tons or by 8,299 tons, while export decreased, though not greatly, to 19,349 tons or by 462 tons. The stocks at the coking-works were 22,637 tons or 6,951 tons less. The number of workmen of this branch was about 3,135.

Briquette production also rose, though slightly, to 21,782 tons or by 2,693 tons. Home sales were 21,887 tons or 2,537 tons more, and export 1,134 tons or 171 tons more than in September. The stocks decreased to 3,722 tons or by 2,342 tons. The number of workmen engaged in this industry was 158.

## PETROLEUM

— The total production of crude oil in Poland during October was as follows (in tons):

Drohobycz district	{ Boryslaw basin	44,850
	{ other basins	7,180
Jasło		6,500
Stanisławów		3,990
Total:		62,520

The extraction of the most important petroleum basins, Boryslaw, Tustanowice and Mrażnica was about 44,850 tons,



or nearly 100 tons less than in September (44.953 tons) and about 400 tons less than in the corresponding month of 1927 (October 1927 — 46.267 tons).

The average daily yield in the Borysław basin in October was 1.450 tons (in September 1.500 tons and in August 1 570 tons), and showed a slight decrease.

The fall in the total output for October is ascribable to unfinished drilling operations.

At Bitków (Stanisławów district) drilling operations on October 6 tapped a hitherto unknown source of oil and at a depth of 1.638 metres the initial output was 20 tons per day. Consequently, increased drilling activity is expected in the vicinity of Bitków.

Another interesting development was the two natural gas wells drilled at Daszawa (Stryj district, in South-Eastern Poland) by the "Polmin" Company, on the 8th and 22nd of October. At a depth of 756-778 metres, a total output of 430 cub. m. per minute was obtained. These new drillings again testify to the rich gas accumulations in the Daszawa area.

The gas is perfectly dry (i. e., contains no gasoline) and constitutes a very inexpensive and valuable fuel for the State Petroleum Refinery in Drohobycz. The gas will be conducted over a distance of 45 km. by a 7 inch pipe line, under natural pressure (over 60 atmospheres at the well nozzle).

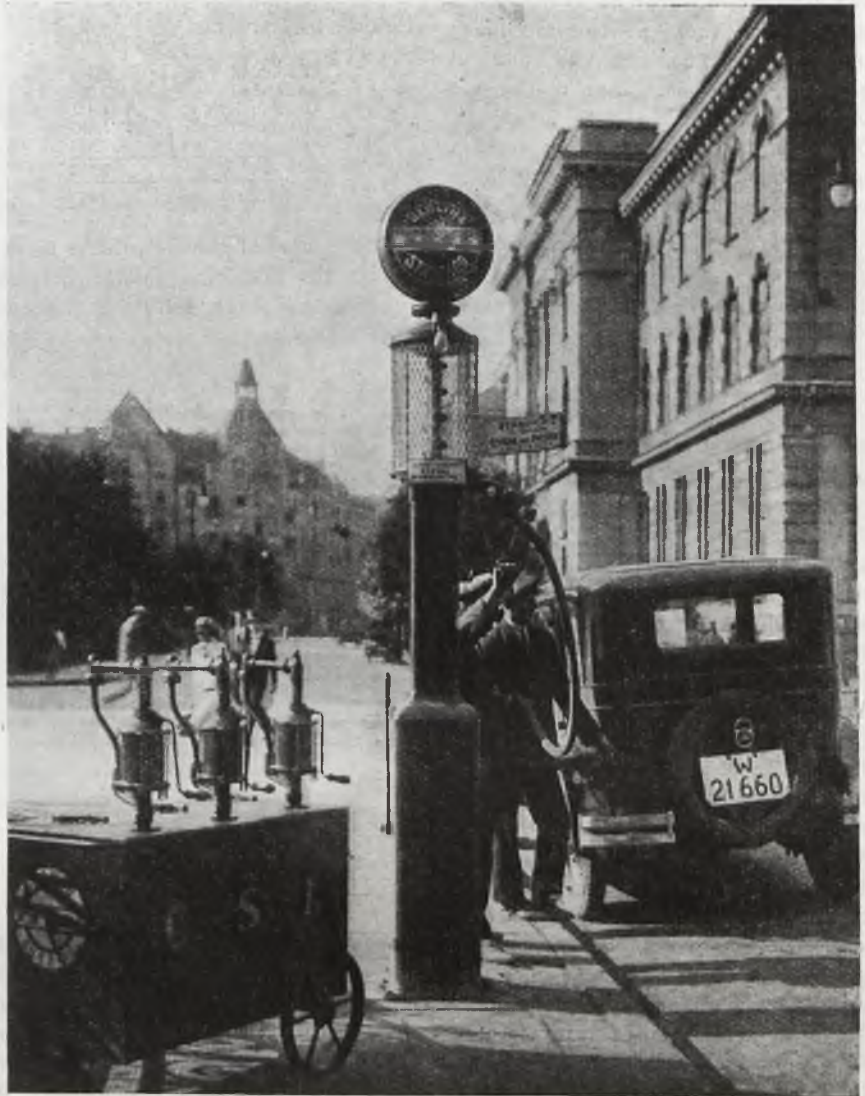
Wages in the petroleum industry remained at the September level. Relations between employees and employers in general were normal. A short (two day) strike occurred at one of the smaller mines in the Jasło district, but this was the only stoppage.

Oil prices did not change but remained at \$ 195 per 10-ton tank for the Borysław brand.

During September, the situation in the petroleum industry did not differ greatly from the preceding month of August. The average daily production in Borysław in spite of the small numbers of new drillings only fell off slightly.

The throughput of oil at the refineries though lower than in August, was still higher than the monthly average for the first half of 1928 and the whole of 1927.

Home consumption increased considerably in comparison with August, the demand for kerosene being specially large, owing to the approach of winter.



ONE OF THE CITY PUMPING STATIONS OF MESSRS. "STANDARD-NOBEL"

Export was high, being considerably above the average for the past months.

The September production of crude oil was as follows (in tons):

Drohobycz district	Borysław basin	44.953
Jasło	other basins	7.083
Stanisławów		6.431
		3.684
	Total:	62.151

The total production was thus less than in August by 3.700 tons which was due mainly to the shorter month. The average daily production in September was 1.500 tons (in August 1.570 tons, in July 1.550 tons).

Field and drilling work in September was carried on more actively specially in the South-Western part of Mrażnica and in the Jasło district (Bratkówka, Załęź). In Mrażnica results from drilling at the "Petain" well were awaited with considerable interest, since this is one

of the Southernmost wells. At 1.589 m. traces of oil and gas were found.

Increased activity is to be expected in the near future in the Government fields at Łodyna (Drohobycz district), where oil was found in one case at a depth of 505 m. The discovery of oil in this area is of importance, since hitherto geologists have not agreed as to the possibility of it being present.

Petroleum stocks held by the storage companies and at the mines were as follows on September 30 (in tons):

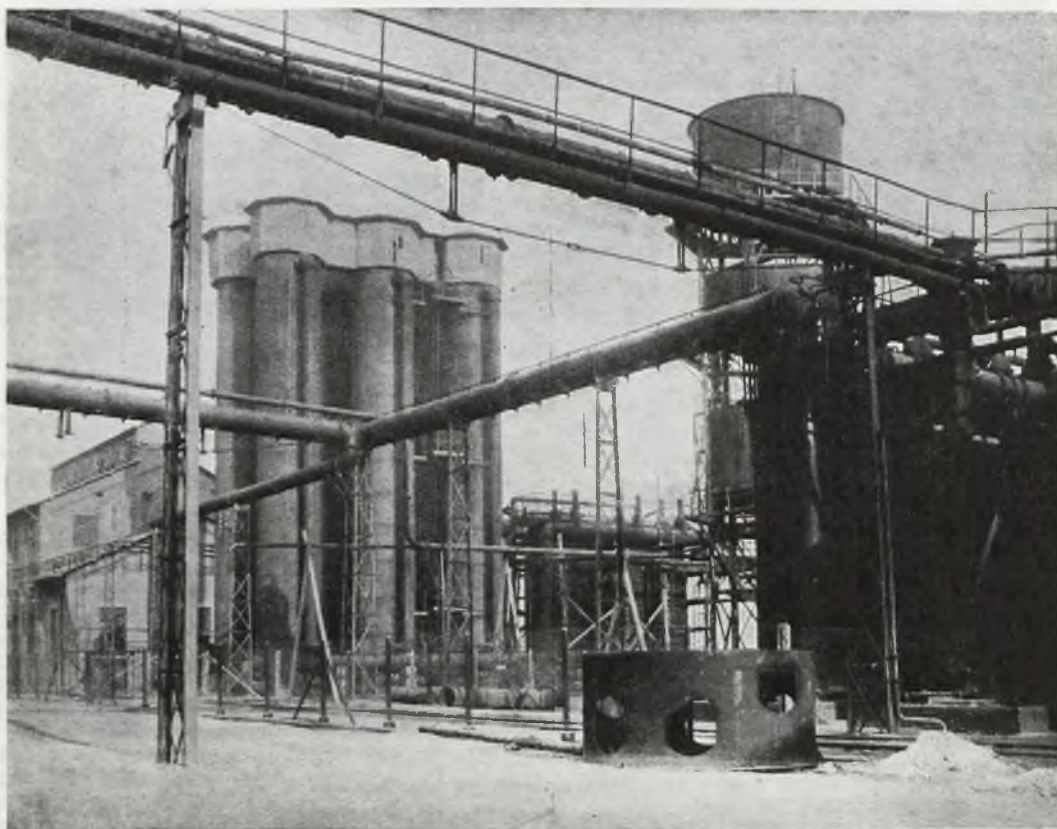
Drohobycz district	39.737
Jasło	5.342
Stanisławów	4.160
Total:	49.239

The total was slightly less than at the end of August (49.987 tons). The stocks of Borysław standard crude were 27.393 tons or 1.388 tons less than at the end of August (28.779 tons).









SYNTHETIC AMMONIUM FACTORY AT KNURÓW, UPPER SILESIA

	August	September	October
Government orders	11.048	2.922	36.347
private orders	56.494	57.054	43.091
<b>total</b>	<b>67.542</b>	<b>59.976</b>	<b>79.438</b>
private orders included:			
from trade	35.572	43.394	31.220
" industry	20.922	13.660	11.871

The output of pig iron rose by 11·8 per cent but the average daily output increased by only 7·9 per cent. The output in October 1927 was nearly identical. In Upper Silesia, 10 blast furnaces were in action and in central Poland 6. Upper Silesia produced 67 per cent of the total output and the Central Provinces 33 per cent. The foundries produced 9·7 per cent more than in the preceding month and the daily average was greater by 1·5 per cent. In comparison with October 1927 the production was 34 per cent greater. In Upper Silesia 9 steel works (65·5 per cent of the total production), in Central Poland 7 (33·6 per cent) and in Southern Poland 1 (0·9 per cent) were in operation.

The rolling mills increased output during the month by 12 per cent while the average daily increase was 3·7 per cent. In comparison with October 1927, the monthly output was greater by 20·1 per cent. Of the 18 mills, 8 were in Upper Silesia (64·5 per cent of the whole output) 9 in Central Poland

(34·5 per cent) and 1 (1 per cent) in Southern Poland.

The number of workmen employed rose by 2·2 per cent, and in comparison with October 1927 by 28·2 per cent.

The foreign trade in foundry products improved greatly; export was 91·6 per cent greater and import was larger by 23 per cent. The figures are as follows (in tons):

	Exports:			Imports:		
	Sept. 1928	October 1928	1927	Sept. 1928	October 1928	1927
pig iron	130	150	1.318	374	923	772
rails, iron and steel articles	3.978	9.929	5.355	1.076	823	1.131
iron and steel sheets	1.939	4.647	5.307	946	1.213	806
pipes	4.480	5.430	3.961	107	121	134

The value of the exports was  $\text{zł}$  9,200,000 or 79·5 per cent more than in September.

### ZINC AND LEAD

— The output of zinc and lead from the Polish mines during October was slightly greater than in the preceding month, but mainly owing to the fact that October was a longer month.

Extraction and imports are shown in the following table (in tons):

	Extraction:		Imports:	
	ores gross amount	enriched ores	zinc ores	lead ores
Monthly av. for 1927	86.780	31.441	16.388	1.362
Monthly av. for I quarter of 1928	94.206	32.500	15.382	1.352
Monthly av. for II quarter of 1928	84.406	29.100	16.653	1.209
Monthly av. for III quarter of 1928	93.946	32.300	15.052	1.403
September	93.176 <sup>1)</sup>	31.700	15.909	1.165
October	97.891 <sup>2)</sup>	34.200	19.097	1.462
October 1927	97.394	34.000	16.357	1.813

The extraction of the ore increased for the whole month by 5·1 per cent, though the average daily output was less by 3·7 per cent. In October 1927 the situation was practically identical.

The import of zinc ores was larger by 20 per cent in October than in September and 16·2 per cent greater than in October 1927. Lead ore import increased by 25·4 per cent compared with September, but was 19·3 per cent less than in October 1927.

Of the 11 mines in operation (9 producing), 4 were in Upper Silesia (84·7 per cent of the total extraction), 3 in Central Poland (11·2 per cent), and 2 in Southern Poland (4·1 per cent).

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

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



The number of workmen employed at the mines, including the enriching establishments, rose from 7.160 in September to 7.231 in October. Extraction per workman, taking into account only the mines which were producing, was 14.0 tons in October, as against 13.2 tons in September and 13.6 tons in August.

The Giesche Company's zinc oxide works were partially in commission, therefore there are now three works of this type in Poland. The production of zinc oxide in October was 1.100 tons, as against 850 tons in September.

The rate of production of raw zinc did not change, the increase being due to the longer month. The output of the foundries was as follows (in tons):

	Sulphuric acid 50° B <sub>e</sub>	Raw zinc	Zinc sheets	Raw lead	Number of workmen
Monthly av. for 1927	22.246	12.532	1.924	2.405	12.727
Monthly av. for I quarter 1928	24.421	13.014	1.328	2.253	12.855
Monthly av. for II quarter 1928	25.122	13.240	1.342	3.012	12.928

Monthly av. for III quarter	1928	1927	1928	1927	1928	1927
September 1928	24.653	13.547	1.603	3.646	13.137	
September 1927	23.484 <sup>1)</sup>	13.225 <sup>2)</sup>	1.584	3.609	13.136	
October 1928	26.921 <sup>2)</sup>	13.826 <sup>2)</sup>	1.656	3.066	13.076	
October 1927	25.423	13.173	1.478	2.118	12.974	

In comparison with October 1927, the production of raw zinc rose by 4.9 per cent.

Upper Silesia produced 86.6 per cent of the total, Southern Poland 9.8 per cent and Central Poland 3.6 per cent.

The production of zinc sheets was 4.5 per cent greater in October than in September and larger than in October 1927 by 12.1 per cent. In Upper Silesia, 3 rolling mills gave 83.5 per cent of the total output, the remaining 16.5 per cent being produced by a mill in Southern Poland.

The output of lead dropped by 543 tons or 15 per cent, while the average daily output fell by 17.8 per cent. In comparison, however, with October 1927 the production was greater by 44.8 per cent. The whole lead production is concentrated in two Upper Silesian foundries. The number of workmen employed in the zinc foundries decreased

from 12.332 to 12.271, while the number of those in the lead foundries remained, as before, 805.

The export of zinc and lead products rose in October, as is seen from the following table:

	Exports:		
	September 1928	October 1928	October 1927
Raw zinc, dust inclus.	9.985	14.523	12.100
Zinc sheets	956	1.295	1.081
Refined lead	1.001	1.248	994

The October export increased, in comparison with September by 43 per cent as regards quantity; in point of value it rose by 43.3 per cent, bringing in about  $\text{zł}$  18,200,000.

The average price per ton was  $\text{zł}$  1.605, as against  $\text{zł}$  1.060 in September.

**TENTH ANNIVERSARY MEMORIAL EDITION.**— The Publishers wish to draw attention to a special edition of "Przemysł i Handel", the sister-publication of "The Polish Economist".

The special edition is a review of economic achievements of the country during the ten years of its independence. It is a valuable encyclopaedia, containing 121 articles by experts in every branch of economic life and statistics; it contains 535 illustrations and numbers 1.210 pages.

**MOVEMENT OF PRICES.** — In spite of approaching Winter, the season in which the rural population purchases the largest amount of industrial goods, there was yet no sign of better business in the home trade. The sales were more or less on the same level as in the preceding month. The reason lay in the lack of ready money, which is locked up in a number of overdeveloped industrial establishments. Over-estimate of the purchasing capacity of the market led to overstocking and the consequent tying up of capital which at best is insufficient to meet the needs of the Polish industry. It was not realized that the quick rise in consumption in the past year was the result of reaction against the former limitations, and the later disproportion between prices and wages due to the fall of the Złoty was also unheeded. Undoubtedly the low prices of agricultural products, and the difficulty in obtaining cash payment therefor, further aggravated the situation.

During the period under review the greatest activity was seen in the textiles and especially in woolen fabrics. Footwear also was in considerable demand.

There was greater trade also in haberdashery, especially the Winter articles. In other branches of industry trade was small; the situation as regards agricultural machinery was unfavourable, and the wholesale iron trade fell off considerably.

Payment also left much to be desired. Both in the wholesale and retail trade sales were effected for the greater part against bills of exchange and on the instalment plan; that the situation has become worse was shown by the increase in the number of protested bills.

Prices had a slight tendency to rise, as is seen from the following table:

	Wholesale price Index:	Retail price Index:	Cost of living Index:
September 1927	119.3	149.6	117.2
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
June "	121.4	155.4	121.8
July "	120.6	156.1	122.6
August "	118.4	154.0	122.1
September "	118.1	155.0	122.1
October "	118.4	155.6	123.2

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

Thus, the index of wholesale prices rose by 0.2 per cent, retail prices by 0.4 per cent, while the index of the cost of living increased by 0.9 per cent.

The small rise in the wholesale index was caused by an increase in the price of industrial articles by 0.4 per cent and a further decrease in agricultural produce by 0.1 per cent. Of this latter group, however, only vegetables decreased (by 1.3 per cent), while animal products increased by 1.5 per cent, owing mainly to the seasonal rise in eggs. In the group of industrial articles, coal prices rose by 5.2 per cent; there was a small (0.1 per cent) rise in the metal index, caused by higher lead prices in spite of a fall in zinc. The remaining articles, among them timber, showed no changes.

The rise in the retail price index was due to the increase in agricultural products by 0.3 per cent and industrial goods by 0.4 per cent. The higher cost of living index was caused by an increase of 1.1 per cent in food, 5.4 per cent in fuel (higher coal prices) and 1.0 per cent in the remaining articles which go to make up this index; rent and clothing did not change.





HIDE TANNING AT MESSRS. PFEIFFER'S ESTABLISHMENT  
IN WARSAW (PHOT. S. PLATER)

## FAIRS AND EXHIBITIONS

**FREE CONSULAR SERVICE FOR FAIR VISITORS.**—The Ministry of Foreign Affairs, through a circular No. K. III C 1.523/28, sent to all Polish Legations and Consulates outside Europe, has ordered that all persons who can certify that they are going to Poland for the purpose of visiting the Polish National Exhibition at Poznań in 1929, should receive free passport and visa service. Arrangements have been made also with respect to reduction of railway fare within the territory of Poland, ranging from 33 to 66 per cent.

## TREATIES

### THE POLISH - GERMAN TIMBER AGREEMENT (see page 481).

**FRANCO - POLISH COMMERCIAL NEGOTIATIONS.**—On November 20, negotiations were begun in Paris regarding a revision of the trade convention between France and Poland. It is the logical consequence of the change in the French commercial policy towards Belgium, Germany, Switzerland, Austria and Czechoslovakia.

The revision must be of a fundamental nature, as was pointed out in these pages in the preceding number<sup>1</sup>).

<sup>1</sup>) See "The Polish Economist" No. 11, page 447.

**TRADE NEGOTIATIONS WITH HUNGARY.**—On November 15 a Polish delegation left for Budapest to undertake the negotiations concerning a supplementary agreement to the trade convention of 1925 with Hungary.

The object is to come to an agreement concerning mutual customs duty concessions and facilities which would lead to increased trade between the two countries. This trade has already increased by 50 per cent with the two preceding years. It should be fostered energetically, as the markets of the two countries supplement each other.

## FOREIGN TRADE

—The data from the Chief Statistical Office show during October a sudden improvement in the balance of foreign trade. Since December 1927, the unfavourable balance has varied between a minimum of £ 52.7 million and a maximum of £ 97.7 million per month, with the exception of March, when it reached £ 163.9 million, as the result of the duty revaluation. In October, however, it shrank to £ 38.5 million and this in spite of the fact that the Autumn export of sugar is retarded, and had not then begun.

The following table shows a rise in foreign trade in general (in millions of £):

		Total of imports	Imports of the chief varieties of grain	Total imports, grain not included	Total of exports
January 1928	271.2	4.0	267.2	218.4	
February "	270.4	3.6	266.8	197.8	
March "	372.2	4.3	367.9	208.3	
April "	265.6	23.5	242.1	184.5	
May "	296.5	61.3	235.2	201.8	
June "	289.7	45.1	244.6	192.0	
July "	288.2	28.0	260.2	201.5	
August "	258.8	13.5	245.3	196.3	
September "	272.8	10.3	262.5	204.3	
October "	277.2	5.7	271.5	238.7	

Export rose by £ 34.4 million and import by £ 4.4 million.

Reviewing the different groups of goods, it is first seen that in import grain declined by £ 4,562,000 in comparison with September, mainly due to a decrease in wheat by £ 4,130,000.

In the group of foodstuffs and spirits, the imports of edible fats increased by £ 11,245,000, fodder by £ 929,000, oils by £ 413,000, and herring by £ 357,000. The imports of rice decreased by £ 8,714,000, and tobacco by £ 1,373,000.

In the animal products group import rose by £ 2,865,000. There were small imports of tanned hides and footwear, but larger imports of raw hides, raw and finished furs.

The September rise in imports of wood products, plants and seeds, building material and ceramic products, glass and fuel was countered by an equal fall in the same groups in October.



## I M P O R T S

## E X P O R T S

G O O D S	October 1928		Jan. - Oct. 1928		Jan. - Oct. 1927		G O O D S	October 1928		Jan. - Oct. 1928		Jan. - Oct. 1927	
	Volume — in tons		Value — in thousands of £		Value — in thousands of £			Volume — in tons		Value — in thousands of £		Value — in thousands of £	
	1928	1927	1928	1927	1928	1927		1928	1927	1928	1927	1928	1927
<b>TOTAL:</b>	<b>419,499</b>	<b>4,412,878</b>	<b>4,127,086</b>	<b>277,700</b>	<b>2,982,588</b>	<b>2,350,778</b>	<b>TOTAL:</b>	<b>1,989,240</b>	<b>17,057,834</b>	<b>17,057,834</b>	<b>288,685</b>	<b>2,043,704</b>	<b>2,070,121</b>
<b>Foodstuffs</b>	<b>45,580</b>	<b>735,891</b>	<b>842,105</b>	<b>47,464</b>	<b>553,356</b>	<b>552,849</b>	<b>Foodstuffs</b>	<b>102,515</b>	<b>574,105</b>	<b>710,105</b>	<b>59,580</b>	<b>439,835</b>	<b>483,420</b>
including:							including:						
wheat	5,318	216,642	237,122	2,388	114,449	125,514	barley	17,861	69,427	48,952	7,383	29,173	20,028
rye	3,514	165,725	128,564	1,521	53,775	56,814	peas	9,590	23,700	11,842	6,238	15,977	8,566
oats	1,853	24,413	43,572	670	10,163	15,837	beans	6,109	16,560	7,772	3,841	9,436	3,691
maize	2,392	51,979	124,861	994	19,672	36,178	potatoes	23,400	53,967	109,144	2,339	5,712	11,352
rice	2,620	96,740	56,368	1,674	59,050	39,450	sugar	3,244	91,114	134,125	1,663	53,543	90,228
nuts, almonds, &c.	332	3,385	3,115	1,293	13,119	11,184	meat	2,363	22,774	23,219	5,766	53,449	54,193
tea	198	1,907	1,715	1,371	16,127	14,595	butter	794	9,795	6,298	5,067	58,539	33,083
cocoa	433	4,803	4,212	1,284	15,104	13,697	eggs	4,331	50,365	61,600	12,892	131,279	154,921
coffee	625	6,309	5,713	2,824	29,086	25,617	hops	438	1,021	952	3,655	8,596	10,925
herring	9,322	62,194	57,987	5,641	38,406	32,965	forage	20,215	156,775	237,452	5,480	38,483	58,756
edible fats of animal orig.	6,317	24,919	13,154	15,745	61,715	35,395	<b>Live animals (head)</b>	<b>476,932</b>	<b>2,481,619</b>	<b>1,911,053</b>	<b>24,409</b>	<b>197,317</b>	<b>154,930</b>
edible fats of veg. origin	1,942	11,221	9,729	3,211	24,451	19,983	including:						
tobacco	411	8,774	13,829	1,467	30,281	28,915	pigs	124,140	1,098,638	620,181	20,406	178,258	136,035
forage	6,530	42,780	35,509	3,026	14,891	10,430	geese	329,746	961,508	803,266	3,157	8,662	6,784
<b>Live animals (head)</b>	<b>2,740</b>	<b>235,552</b>	<b>214,655</b>	<b>274</b>	<b>2,343</b>	<b>4,579</b>	<b>Animal products (head)</b>	<b>1,276</b>	<b>16,719</b>	<b>12,220</b>	<b>3,257</b>	<b>45,994</b>	<b>30,994</b>
<b>Animal products</b>	<b>3,749</b>	<b>36,139</b>	<b>32,774</b>	<b>26,192</b>	<b>235,395</b>	<b>173,356</b>	including:						
including:							dried skins	363	6,024	3,179	1,326	20,002	8,440
dried skins	2,232	19,184	18,550	7,864	64,008	52,432	horse-hair hog's bristle,						
furs, raw	149	2,142	1,137	1,852	21,174	9,454	feathers, down, and	208	2,242	2,498	1,178	11,909	10,055
tanned hides	330	3,584	4,917	7,823	86,849	74,862	products thereof						
furs	53	285	204	5,788	30,717	14,685	<b>Timber and wood ware</b>	<b>377,111</b>	<b>4,181,396</b>	<b>5,491,218</b>	<b>50,226</b>	<b>497,420</b>	<b>527,344</b>
shoes	25	275	200	1,114	12,474	8,134	including:						
<b>Timber and wood ware</b>	<b>2,028</b>	<b>39,276</b>	<b>17,916</b>	<b>910</b>	<b>17,400</b>	<b>11,547</b>	pulpwood	100,818	1,020,156	1,042,152	6,829	65,676	55,216
<b>Plants and seeds</b>	<b>2,690</b>	<b>34,966</b>	<b>28,925</b>	<b>2,147</b>	<b>31,162</b>	<b>28,544</b>	pl't props	41,613	547,237	932,535	2,281	28,767	41,114
including:							round wood and logs	66,929	904,257	1,308,054	7,557	92,482	114,396
oil seeds	1,974	26,368	20,375	1,281	17,681	13,174	planks, deals, battens	125,486	1,69,766	1,701,434	26,633	235,945	246,366
<b>Building materials, minerals, ceramic products; glass</b>	<b>129,379</b>	<b>1,176,810</b>	<b>868,236</b>	<b>7,913</b>	<b>64,365</b>	<b>45,563</b>	railway sleepers	8,510	122,982	191,615	1,365	18,569	20,186
including:							furniture	338	5,776	4,957	543	10,572	9,911
ceramic products	13,814	115,828	90,765	3,163	25,982	18,807	veneers	2,367	25,628	17,713	1,928	18,495	12,678
glass and glass ware	980	6,836	4,869	1,829	11,362	6,525	<b>Plants and seeds</b>	<b>7,988</b>	<b>61,688</b>	<b>69,605</b>	<b>2,864</b>	<b>50,010</b>	<b>47,726</b>
<b>Fuel and petroleum products</b>	<b>21,726</b>	<b>225,117</b>	<b>195,106</b>	<b>1,423</b>	<b>14,991</b>	<b>12,656</b>	including:						
<b>Rubber, rubber prod.</b>	<b>765</b>	<b>5,688</b>	<b>2,878</b>	<b>7,452</b>	<b>56,185</b>	<b>31,508</b>	grasses and pasture	2,108	36,770	35,967	1,554	32,264	26,978
including:							plant seeds	4,716	12,635	18,212	3,443	9,735	12,943
rubber	459	2,694	1,254	2,039	13,101	6,801	<b>Building materials, minerals, ceramic prod., glass</b>	<b>36,427</b>	<b>518,895</b>	<b>620,998</b>	<b>1,223</b>	<b>13,839</b>	<b>17,000</b>
tyres and inner tubes	150	2,113	1,115	1,458	24,927	13,187	<b>Coal, coke, briquettes</b>	<b>1,966,107</b>	<b>10,998,178</b>	<b>9,389,530</b>	<b>39,550</b>	<b>310,758</b>	<b>296,690</b>
rubber and guttapercha	147	613	288	3,483	13,236	6,971	including:						
footwear, galoshes	49,280	704,399	567,815	25,050	286,148	220,070	coal	1,346,687	10,854,345	9,278,193	38,658	304,605	292,463
<b>Chemicals</b>	<b>49,280</b>	<b>704,399</b>	<b>567,815</b>	<b>25,050</b>	<b>286,148</b>	<b>220,070</b>	<b>Petroleum products</b>	<b>28,163</b>	<b>201,918</b>	<b>235,892</b>	<b>8,587</b>	<b>70,113</b>	<b>80,611</b>
including:							including:						
phosphate rock	19,123	132,763	166,578	1,497	7,972	6,824	petroleum	5,680	29,654	40,590	1,356	7,297	10,801
Chilian saltpetre	5,582	77,249	33,854	2,400	35,514	17,209	motor and lubricating	9,556	78,697	94,251	1,906	16,006	21,352
Thomas slag	8,843	265,633	161,216	896	24,083	16,435	oils	4,496	45,551	54,157	1,819	20,280	25,699
vegetable fats	2,308	19,254	20,117	3,726	31,866	34,164	benzine	3,869	28,494	16,526	3,122	22,969	16,832
animal fats	1,662	13,145	15,177	2,810	21,085	24,251	<b>Chemicals</b>	<b>14,649</b>	<b>146,481</b>	<b>106,495</b>	<b>5,036</b>	<b>43,733</b>	<b>34,188</b>
lanners	3,248	19,843	15,813	3,615	20,200	14,933	including:						
pharmaceutical and cosmetic products	150	1,590	1,247	1,664	20,658	16,355	artificial fertilizers	6,335	69,360	38,924	1,420	11,693	6,985
dyestuffs (synthetic)	64	948	810	1,253	17,200	13,657	organic chemicals	2,749	28,720	24,170	1,626	15,548	13,598
<b>Ores, metals and metal products</b>	<b>136,855</b>	<b>1,171,912</b>	<b>1,330,612</b>	<b>29,820</b>	<b>273,438</b>	<b>233,530</b>	<b>Ores, metals and metal products</b>	<b>52,529</b>	<b>390,490</b>	<b>372,304</b>	<b>29,566</b>	<b>223,704</b>	<b>247,169</b>
including:							including:						
iron and mangan. ores	57,349	476,792	643,431	2,737	24,934	23,913	iron and steel; rails	9,929	46,330	41,256	3,031	14,405	12,863
zinc ores	19,097	160,358	166,912	4,684	33,771	43,700	iron and steel sheets	4,647	31,044	43,535	2,728	18,664	24,433
scrap iron	51,549	424,006	438,828	6,957	60,032	50,808	pipes	5,430	45,475	31,870	3,118	27,394	19,987
iron, steel; rails; sheets	2,036	27,855	22,683	1,799	18,796	15,826	lead	1,245	10,631	14,126	1,135	11,197	16,305
copper and copper prod.	1,332	13,180	8,761	4,881	45,771	29,488	zinc and zinc dust	14,523	108,964	107,435	15,134	118,755	138,678
<b>Machinery</b>	<b>7,441</b>	<b>71,814</b>	<b>51,930</b>	<b>37,243</b>	<b>337,242</b>	<b>238,242</b>	zinc sheets	1,295	9,815	10,403	1,709	13,557	16,395
including:							<b>Machinery, electrical wares, means of communication</b>	<b>256</b>	<b>3,408</b>	<b>5,236</b>	<b>721</b>	<b>8,025</b>	<b>8,601</b>
motors	1,025	5,705	3,306	3,738	21,409	13,423	including:						
pumps	263	1,513	1,151	1,417	8,433	5,490	waste and rags	3,675	34,307	30,025	3,293	32,279	29,003
electrical machinery	358	3,013	1,838	2,644	23,640	14,873	paper and paper ware	2,389	28,348	23,157	3,123	32,624	27,598
wood and metal working machinery	695	5,300	3,146	2,779	19,580	13,020	<b>Textiles and textile products</b>	<b>11,018</b>	<b>115,629</b>	<b>111,193</b>	<b>64,969</b>	<b>713,537</b>	<b>609,788</b>
textile machinery	701	8,765	7,046	5,099	50,606	37,172	including:						
agricultural machinery	790	12,825	8,729	2,113	35,475	29,238	jute	2,520	21,035	17,421	3,351	28,854	24,022
boilers and heating appliances	618	5,413	3,533	2,779	24,056	15,628	cotton	6,049	64,107	65,287	25,404	273,847	232,883
electrical wares	1,264	11,960	12,044	8,576	73,623	58,300	cotton yarns	208	2,462	2,659	3,745	43,011	36,640
<b>Means of communication</b>	<b>1,469</b>	<b>13,524</b>	<b>9,175</b>	<b>9,185</b>	<b>94,832</b>	<b>54,439</b>	cotton fabrics	152	1,723	1,314	3,554	44,280	30,934
including:							wool	757	13,680	14,701	7,680	129,007	135,571
motor cars	1,259	9,711	5,621	7,003	66,402	39,991	combed wool	165	1,661	1,753	2,743	30,193	26,557
<b>Paper, books, pictures</b>	<b>7,234</b>	<b>78,784</b>	<b>67,027</b>	<b>8,525</b>	<b>84,530</b>	<b>73,558</b>	wo						



Glass alone showed a small increase of  $\text{zł}$  477,000.

The imports of rubber and its products rose in October by  $\text{zł}$  1,444,000. There was a seasonal increase in rubber soles and galoshes, by  $\text{zł}$  1,553,000, while tyres and tubes declined by  $\text{zł}$  1,055,000.

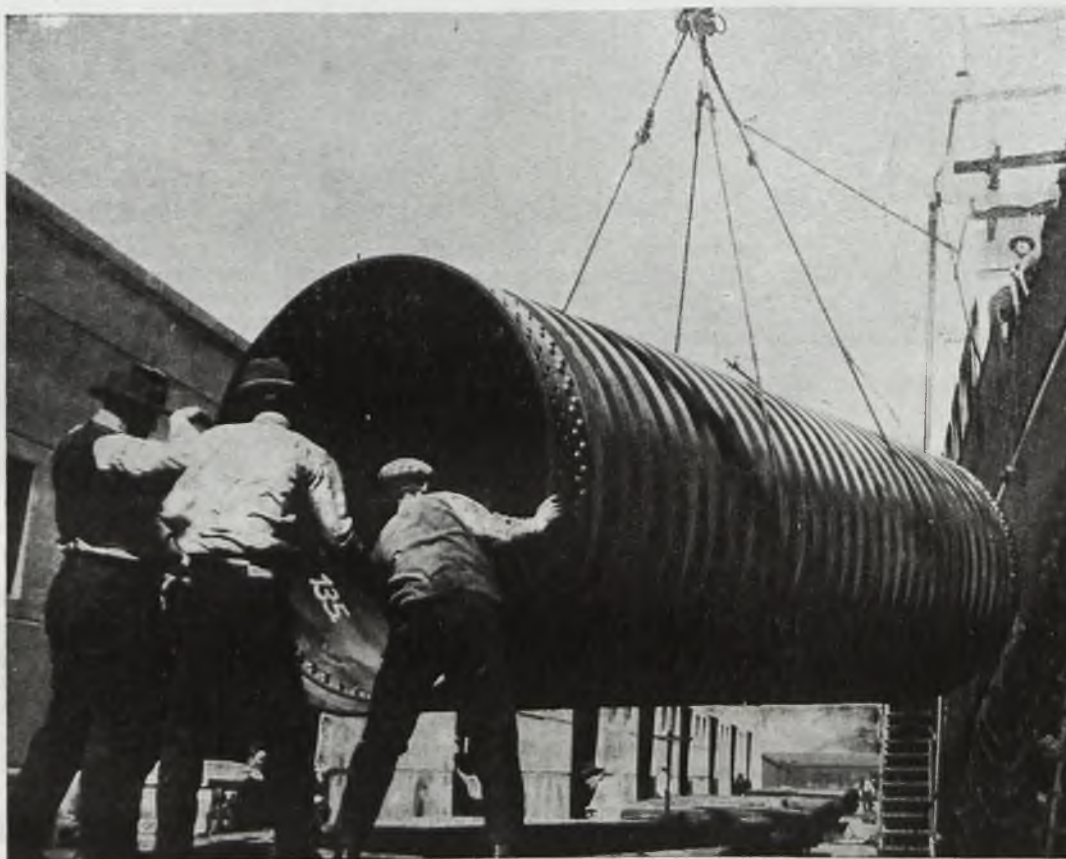
The chemical group rose by  $\text{zł}$  1,417,000. In inorganic chemicals saltpetre rose further by  $\text{zł}$  2,137,000 and phosphorites

Metal and wood-working machinery rose by  $\text{zł}$  990,000, motors by  $\text{zł}$  814,000 and pumps by  $\text{zł}$  429,000. On the other hand, agricultural machinery fell by  $\text{zł}$  2,122,000, textile machinery by  $\text{zł}$  1,038,000, and electrical machinery by  $\text{zł}$  399,000. Electrical accessories and conductors rose by  $\text{zł}$  672,000, owing to imports of cables; telephone and radio apparatus fell off. Vehicles were without change.

Live animal export increased further by  $\text{zł}$  1,286,000, owing to the rise in pigs by  $\text{zł}$  1,209,000.

In the animal products group a decline amounting to  $\text{zł}$  181,000 was caused by decreases in raw furs, feathers and down.

The rise in the exports of logs and stems by  $\text{zł}$  1,437,000 made no change in the total of the timber group, since it was balanced by decreases in pulp-



UNLOADING OF POLISH PIPE AT A CALIFORNIA PORT

by  $\text{zł}$  423,000, while Thomas slag fell by  $\text{zł}$  3,177,000 and potassium salts by  $\text{zł}$  940,000. In organic chemicals tanning extracts increased by  $\text{zł}$  1,677,000 and vegetable oils for industrial purposes by  $\text{zł}$  752,000, while cosmetics and perfumes declined by  $\text{zł}$  249,000. The import of paints, dyes and lacquers rose by  $\text{zł}$  149,000.

In the ore and metal group the total import increased by  $\text{zł}$  3,582,000 of which ores rose by  $\text{zł}$  889,000 and metals by  $\text{zł}$  2,863,000.

Zinc ores rose by  $\text{zł}$  1,111,000, iron ores fell by  $\text{zł}$  324,000, while manganese ores showed a very slight rise. The main cause of the increase in metals was the rise in scrap iron by  $\text{zł}$  2,037,000 and in aluminium by  $\text{zł}$  411,000. The other changes were small.

The import of machinery and apparatus declined as a whole by  $\text{zł}$  2,567,000.

The textile group showed a general rise in import by  $\text{zł}$  4,895,000, of which wool and waste increased by  $\text{zł}$  1,394,000, woolen yarns by  $\text{zł}$  1,435,000, silk fabrics by 1,237,000, combed wool by  $\text{zł}$  976,000. Small increases were noticed in silk yarn and woolen fabrics. Clothing declined slightly. The import of fancy goods dropped to 20 per cent of the September value.

In export the group of foodstuffs rose as a whole by  $\text{zł}$  18,732,000. There was a decline in eggs by  $\text{zł}$  1,124,000, in butter by  $\text{zł}$  583,000, in sugar by  $\text{zł}$  172,000 and in cheese by  $\text{zł}$  165,000. The increase was caused by increases in beans by  $\text{zł}$  3,698,000, in hops by  $\text{zł}$  3,345,000, in barley by  $\text{zł}$  3,125,000, in peas by  $\text{zł}$  2,619,000, in potatoes by  $\text{zł}$  2,280,000, in fodder by  $\text{zł}$  1,677,000, in meat and bacon by  $\text{zł}$  1,502,000 and in potato flakes, rye and spirits.

wood by  $\text{zł}$  625,000, pit props and round timber by  $\text{zł}$  521,000 and sleepers by  $\text{zł}$  148,000

The plant and seed group showed a notable rise of  $\text{zł}$  3,281,000, which was caused by an increase in oil seeds by  $\text{zł}$  2,557,000, in beet-seeds by  $\text{zł}$  436,000 and in fodder plants and seeds.

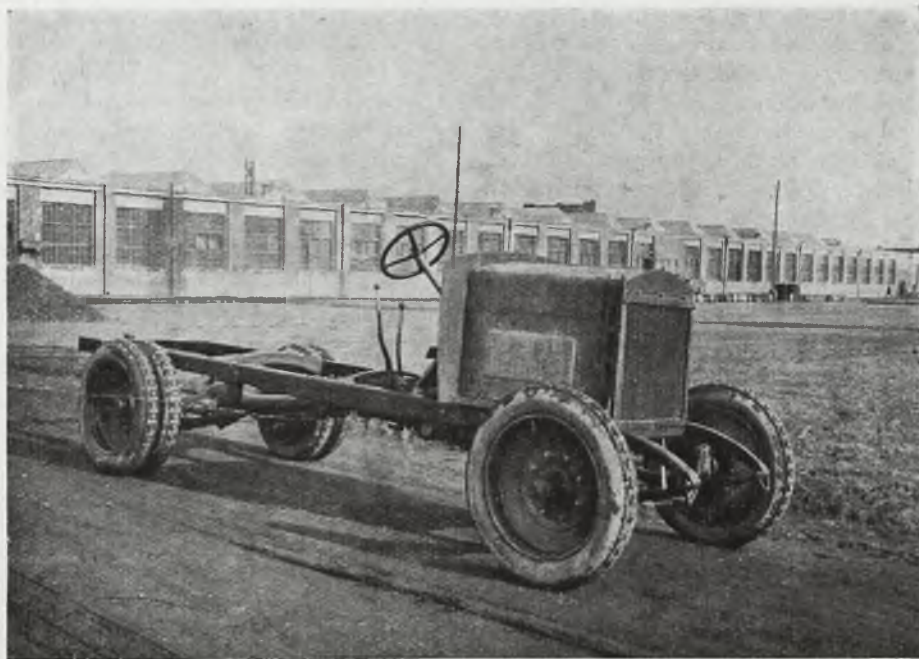
In the building material group there was a fall in cement exports by  $\text{zł}$  215,000, and this is the only change worth noting.

Coal exports rose by  $\text{zł}$  5,559,000, and petroleum products by  $\text{zł}$  1,247,000 caused by an increase in paraffine wax by  $\text{zł}$  868,000 and in kerosene by  $\text{zł}$  284,000.

The chemical group gave a net export rise of  $\text{zł}$  392,000, the chief changes being a fall in artificial fertilizers and a rise in benzol.

In the metal and metal products group without ores there was a total increase





ONE OF THE FIRST MODELS OF POLISH MANUFACTURE ("URSUS")  
(PHOT. S. PLATER)

of  $\text{zł}$  9,410,000 of which zinc and zinc dust increased by  $\text{zł}$  4,640,000, rails, iron and steel by  $\text{zł}$  1,792,000, iron and steel sheets by  $\text{zł}$  1,563,000 pipes by  $\text{zł}$  464,000 and zinc sheets by  $\text{zł}$  398,000.

In the paper group, the export of cellulose rose by  $\text{zł}$  225,000.

A considerable decrease was shown in the exports of the textile group, by  $\text{zł}$  5,381,000. Cotton fabrics fell by  $\text{zł}$  3,390,000, woolen yarns by  $\text{zł}$  1,292,000, and woolen fabrics by  $\text{zł}$  1,092,000. Only cotton yarns showed some improvement.

Returning to the table at the beginning of this review, it is interesting to note that, if the group of grains is excluded, import in October was higher than in any other month of the present year with the exception of March. One of the factors was the increase in imports of animal fats, in spite of the fact that Poland is an agricultural country and exports monthly about 120,000 pigs. Other unfavourable developments were increased imports of rubber footwear, glass, silk fabrics, furs and other articles which can very well be replaced by the home product.

The export figures for the period under review were only attained once before, in October 1927. The increase was obtained, as mentioned at the outset, without the aid of sugar exports, which are retarded, and in spite of the decrease of textiles, dairy and animal products. A favourable development, leaving out of account the seasonal

exports of the foodstuffs group and plants and seeds, was the rise in the export of pigs, logs and stems, coal, zinc, rails and iron sheets.

**ORGANISATION OF SPIRITS EXPORT.**—Article 5, par. 6 of a Decree of the President of the Republic determined that one single co-operative organisation should handle the export of spirits. According to this Decree the Minister of Finance must draw up a Statute upon which the operations of the new Company will be based and likewise fix the date for beginning operations. By a Decree of August 2, 1927, the Minister of Finance set the date in question at September 1, 1928.

Three of the four organisations which had hitherto carried on the export of spirits together submitted a draft of the articles of association for the new single organisation and this was adopted with few changes and announced in the "Monitor Polski" No. 206 of September 7, 1928. On October 23 an organisation meeting of the founders took place, and on that day the "Spirytus" Co. Ltd., was formed.

The founders are: the Management of the State Spirits Monopoly, 6 district distillery organisations, the Association of Spirit Distillers from Molasses, the Union of Yeast Producers and Messrs. "Akwawit" of Poznań. The purpose of the new company is: a) the sale abroad of spirits for the account of the producers, b) promulgating the export of spirits and their products in every form. The capital of the Company is  $\text{zł}$  1,000,000 divided into 10,000 shares of  $\text{zł}$  100 each of which 7,500 are nominated and 2,500 bearer shares.

The authorities of the Company are the following: the management, the executive council, the auditing committee and the general meeting. Six members of the executive council are chosen by the Minister of Finance. He also appoints a Government Commissary and Vice-Commissary to maintain *liaison* between the Treasury, the State Spirits Monopoly and the Company. The State Spirits Monopoly is obliged to accept for storage spirits for export as well as its own, and to exchange its spirits when they are located nearer to the importing country for those of the exporter which are further away.

The unification of export management gives rise to the hope that export will be rationally developed.

**POLISH-CHINESE TRADE RELATIONS.**—The Far East, or China and Japan with Korea is a vast area of varying productiveness and an enormous (500 million souls) sales market for every description of goods.

One of the most important questions faced by Polish overseas trade is the establishment of serious trade relations with the Far East. Conditions are favourable for Poland, and with very little effort Polish trade with China and Japan has reached considerable proportions and is still growing.

Polish imports from China in 1926 were valued at  $\text{zł}$  2,198 thousand, in 1927 they amounted to  $\text{zł}$  1,775 thousand and in the first half of 1928 to  $\text{zł}$  1,332 thousand. The main goods imported in 1927 were: tea ( $\text{zł}$  485 thousand), cotton and cotton waste (311), vegetable fats (229) ground nuts (123), hawsers, ropes &c. (114), seeds (96), roots (83) and technical fats (67).

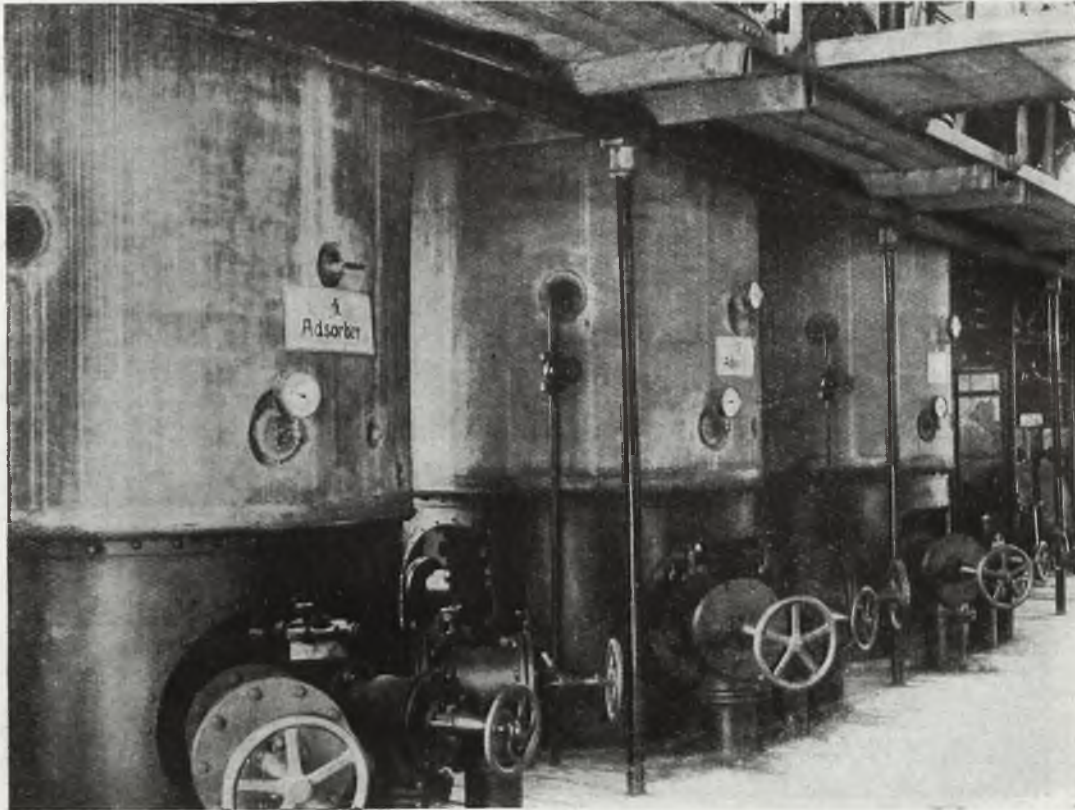
Polish exports to China in 1926 were  $\text{zł}$  4,345 thousand, in 1927  $\text{zł}$  3,039 thousand and during the first half of 1928,  $\text{zł}$  3,658 thousand. In 1927 they were composed of (in thousands of  $\text{zł}$ ): wool and semi-woolen fabrics (1,557), woolen and cotton rugs and shawls (672), zinc and zinc products (216), iron and steel (117), silk and semi-silk fabrics (114), inorganic dyes (87), cotton fabrics (70), and iron pipes (91).

Thus, in each year there has been a favourable trade balance as follows: in 1926,  $\text{zł}$  2,147 thousand; in 1927,  $\text{zł}$  1,264 thousand, and in the first half of 1928,  $\text{zł}$  2,326 thousand.

**TRADE BETWEEN POLAND AND MOROCCO.**—Trade with Morocco became active only in 1927, when its value reached  $\text{zł}$  3,213,000 (in 1926 it was about  $\text{zł}$  600,000). In the first half of 1928 this figure has already reached  $\text{zł}$  2,460,000.

The chief article of import from Morocco is rich iron ore, the trade in which increased in 1927 by over 200 per cent in comparison with the preceding year. Phosphorites began to be imported only in 1927. Polish exports to Morocco are still very small. In 1927 they amounted to  $\text{zł}$  211,000 and in the first half of 1928 to  $\text{zł}$  324,000. They consist of woolen and semi-woolen fabrics, raw timber, paraffine candles and cotton fabrics.





ADSORBERS IN A POLISH GASOLINE WORKS

The resulting balance of trade is unfavourable: in 1927 it amounted to  $\text{zł}$  2,791,000 and in the first half of 1928 to  $\text{zł}$  812,000.

**EXPORT FROM TUNIS TO POLAND.** — Tunis is a country which exports to Poland, and imports practically nothing therefrom. The value of the imports into Poland was as follows: in 1926 —  $\text{zł}$  1,026,000, in 1927 —  $\text{zł}$  1,094,000, in the first half of 1928 —  $\text{zł}$  184,000. The main articles of trade are (in thousands of  $\text{zł}$ ): zinc and other ores (641), phosphorites (437), tar (13).

The value of the exports to Tunis was: in 1926 —  $\text{zł}$  119,000, in 1927 —  $\text{zł}$  18,000, and in the first half of 1928 —  $\text{zł}$  34,000. In 1927 the only articles exported from Poland were cotton fabrics. The unfavourable trade balance in 1927 amounted to  $\text{zł}$  1,076,000.

## 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. 174:** Polish agricultural machinery factory seeks foreign buyers.

**Ref. No. 175:** Polish manufacturer of apparatus for the distilling, dairy, &c. industries is desirous of appointing foreign representatives.

**Ref. No. 176:** Polish glass works producing bottle glass of every description and pattern, desires to enter into relations with importers.

**Ref. No. 177:** Enamelled and metal ware factory offers its products for foreign sale.

## CUSTOMS DUTIES

### EXPORT DUTY ON OIL-CAKES.

The poor supply of concentrated and bulk fodder resulting from this year's bad harvest, has caused a series of regulations to be promulgated with the purpose of protecting stock breeders. Reasonable export duties act as a check on shipments abroad of oats, hay and bran, and in the near future an export duty of  $\text{zł}$  10 per 100 kg. will be placed on oil-cakes.

The economic effect of this last regulation is difficult to foresee as the interests of two industries, the agricultural and the oil-cake, come into conflict and the latter is of considerable importance.

In 1927, six large establishments, an equal number of smaller and 100–120 small factories produced a total of 12,000 tons of oils valued at  $\text{zł}$  23 million, and 25,000 tons of various oil-cakes valued at  $\text{zł}$  12.5 million. The

aggregate value of the production of this industry was thus about  $\text{zł}$  36 million.

The basic raw material (80–85 per cent) is flax seed, which is grown in Poland only in the Eastern parts and in insufficient quantities, as nearly 75 per cent of needs are provided by seeds from the Argentine (La Plata).

The transformation of flax seed gives about 70 per cent of oil-cakes and 30 per cent of oil; the value is inverse, being 40 and 60 per cent respectively. The well-being of the oil industry rests equally on the sales of oil-cakes and oils, and their prices conform strictly one to the other. Theoretically the relation in prices may be changed at will, so long as the resulting value obtained is the same. Practically, however, lack of demand for oil-cakes raises correspondingly the prices of oils.

The higher cost of vegetable oils is economically harmful as they are the staple product of many branches of the chemical industry.

The manufacture of oil for paints, oil cloth, soap, artificial rubber &c., is based on vegetable oils. Besides increasing the costs of the chemical industry, a rise in oil prices is liable to effect a crisis in the vegetable oil industry itself, because it can lead to the import of various oils of foreign origin, which in turn will force the oil factories to decrease production, and the supply of oil-cakes is affected to a greater degree by reason of the quantitative relation of oil-cakes to oil produced.





THROUGH TRAIN ARRIVING AT WARSAW (PHOT. S. PLATER)

Hitherto the farmers have been buying oil-cakes only from the small factories, which are scattered about the country districts and do not possess up-to-date apparatus. The oil-cakes from the large modern factories have a smaller proportion of oil in them and have to be exported.

The new export duty on oil-cakes should induce the agricultural organisations to purchase this product, and propaganda should be made to influence the utilisation of the cakes less rich in oil. But duty-free export must be foreseen, especially as regards export of oil-cakes manufactured out of foreign seed.

Therefore, the decree concerning the export duty on oil-cakes which will soon appear in the "Dz. Ust. R. P.", will contain a clause to the effect that duty-free export will be allowed against individual permits.

**AN EXPORT DUTY ON PIGS AND HAM** will be announced in one of the coming numbers of the "Dz. Ust. R. P.". Up to now export has taken place in a haphazard and disorganised fashion, especially to the Viennese market. The newly-established Syndicate of Cattle and Pig exporters will regulate rational and profitable export by a proper use of export duties. The duty on live and dead pigs will be  $\text{z}$  30 per pig, or  $\text{z}$  15 per half pig; pigs meat in its natural state will be charged  $\text{z}$  50 per 100 kg. However, on the strength of permits granted by the Ministry of Industry and Commerce to the Syndicate, export can be effected free of duty.

It is therefore clear that the whole export will be effected on the basis of

permits, and will thus be in the hands of the Syndicate.

**REMOVAL OF EXPORT DUTY ON SEEDS.** — In view of export duties either recently placed or prolonged on various grains, it is necessary to provide for the duty-free export of seeds for sowing.

A decree will soon appear in the "Dz. Ust. R. P.", which will allow the free export of wheat, rye and oats for sowing, on the basis of permits from the Ministry of Agriculture, but without the necessity of a special permit from the Treasury.

**DUTY REFUND WHEN EXPORTING GLASSWARE.** — In the near future a decree concerning a duty refund on glass export will be published.

Polish glass manufacture is developing slowly but steadily, and since the home market cannot take up the whole production, export must be encouraged.

Poland exports various kinds of glass to Rumania, Persia, Palestine, Bulgaria and other countries. Lately the possibility of export to Mexico has been under consideration. The main exports are plate glass, pressed and moulded glass and all kinds of bottles.

During the present year exports fell off considerably. In order to maintain them at the previous level and make further development possible, it was necessary to refund the duty paid on the materials imported for their manufacture.

The above mentioned decree determines the duty refund on the chemicals and other material imported. The refund will be  $\text{z}$  2 per 100 kg. for plate glass, and  $\text{z}$  3 per 100 kg. of other kinds of glass.

## TRANSPORTS

### RAILWAY TRAFFIC IN OCTOBER.

As is usual during this season, the railway traffic in October increased. The average daily movement of 15-ton goods wagons rose from 18,334 during September to 21,136, or by 15.3 per cent; in comparison with October 1927 the increase is very large, being 4.132 or 24.3 per cent.

The increase was due to the large transports of agricultural products as a result of crop realisation. Beets alone accounted for a daily average of 2,084, while in September the figure was only 51. Coal consignments also increased considerably.

The average daily loadings of 15-ton goods wagons were as follows:

	Sept. 1928	October 1928	October 1927
loaded on the Polish State Railways: destined for local stations	12,658	15,540	11,734
destined for abroad	3,753	3,817	3,545
<b>Total:</b>	<b>16,411</b>	<b>19,357</b>	<b>15,279</b>
received from abroad	688	619	594
transit via Poland	1,235	1,160	1,131
<b>Total:</b>	<b>18,334</b>	<b>21,136</b>	<b>17,004</b>

It is seen that the rise in the daily average by 2,802 was caused by the increase in loadings at home stations by 2,946, of which those destined for



home stations increased by 2.882 and abroad by 64. The number of wagons unloaded from abroad decreased by a daily average of 69 and those in transit by 75.

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

	Sept. 1928	October 1928	October 1927
coal, coke and briquettes	3.355	3.746	3.373
crude oil and petroleum products	188	209	150
timber	924	959	885
agricultural products	1.238	3.716	1.148
raw materials and industrial products	2.702	2.449	2.404
various	4.241	4.461	3.774
<b>Total:</b>	<b>12.658</b>	<b>15.085</b>	<b>11.734</b>

As mentioned at the outset, in the group of home shipments the largest rise was in agricultural products which increased by a daily average of 2.578 wagons, due mainly to the large consignments of sugar beets. The coming winter was chiefly responsible for the increase in coal deliveries by a daily average of 391 cars. The remaining

groups also increased, with the exception of industrial articles, which fell by 233 wagons, owing to the further decline in building materials.

The following statement gives the average daily car-loadings of the different groups of merchandise despatched to foreign countries (in 15-ton wagons):

	Sept. 1928	October 1928	October 1927
coal, coke and briquettes	2.598	2.625	2.271
crude oil and petroleum products	51	55	44
timber	726	617	907
agricultural products	88	103	92
various	290	417	231
<b>Total:</b>	<b>3.753</b>	<b>3.817</b>	<b>3.545</b>

The close of the agricultural year brought with it increased agricultural shipments abroad; timber deliveries, on the other hand, fell considerably.

**RAILWAY FINANCE DURING 1927 AND THE FIRST HALF OF 1928.**—The Ministry of Communications announced the following financial results from the exploitation of the Polish State Railways during 1927 and the first half-year of 1928 (in *zł*):

#### A. — NORMAL-GAUGE RAILWAYS

	1927	January-June 1928
<b>1) Revenue</b>		
Passenger traffic . . . . .	313,253,969.60	164,997,719.65
Luggage " . . . . .	17,628,656.47	8,883,160.17
Goods " . . . . .	890,170,096.90	349,944,411.34
Mail " . . . . .	11,184,267.11	6,573,089.77
Railway materiel . . . . .	4,516,689.89	—
<b>Revenue from traffic . . . . .</b>	<b>1,236,762,679.97</b>	<b>419,808,380.93</b>
<b>Other revenue . . . . .</b>	<b>104,760,112.14</b>	<b>47,775,472.98</b>
<b>Total revenue . . . . .</b>	<b>1,341,522,792.11</b>	<b>677,083,853.91</b>
<b>2) Expenditure (ordinary)</b>		
Railway exploitation . . . . .	1,094,262,561.37	607,414,007.21
Advances . . . . .	1,587,997.73	175,836.91
Aerial traffic . . . . .	4,019,721.23	1,872,823.70
<b>Total expenditure on railway exploitation and aerial service . . . . .</b>	<b>1,099,870,280.33</b>	<b>609,462,767.85</b>
	241,652,511.78	67,621,086.06
<b>3) Expenditure (extraordinary)</b>	105,447,513.78	52,543,534.72

#### B. — NARROW-GAUGE RAILWAYS

<b>1) Revenue</b>		
Passenger traffic . . . . .	2,378,673.93	1,138,782.65
Luggage " . . . . .	49,743.07	27,031.50
Goods " . . . . .	11,768,996.87	4,762,534.14
Railway materiel . . . . .	5,787.59	209,273.40
<b>Revenue from traffic . . . . .</b>	<b>14,203,201.46</b>	<b>6,137,621.69</b>
<b>Other revenue . . . . .</b>	<b>2,612,386.34</b>	<b>1,791,503.24</b>
<b>Total revenue . . . . .</b>	<b>16,815,587.80</b>	<b>7,929,124.93</b>
<b>2) Expenditure (ordinary)</b>		
Railway exploitation . . . . .	15,630,925.46	7,578,752.85
<b>Net revenue . . . . .</b>	<b>1,194,622.34</b>	<b>350,372.48</b>
<b>3) Expenditure (extraordinary)</b>		
	736,410.67	—

Comparisons cannot be made, because in 1927 the budgetary period was changed from the calendar year to a year beginning with April 1 and ending March 31.

**OPERATION OF THE CZERSK—BAK — KOŚCIERZYNA LINE.**— On November 15 a new railway line from

Czersk through Bąk to Kościerzyna was opened. This section, 44 km. long, is in the Danzig Directorate of the Polish State Railways and forms part of the main Bydgoszcz — Gdynia line which is under construction. This line, together with the Herby — Inowrocław line, will join the Polish coal fields with the sea.

The new section saves 53 km. by avoiding the former detour between Czersk and Kościerzyna.

**EXTENSION OF THE POLISH TRANSPORT TARIFFS AND REGULATIONS TO DANZIG TERRITORY.**— The Versailles treaty, in creating the Free City of Danzig, foresaw in art. 104 a Covenant to be drawn up between Poland and Danzig which: 1) would incorporate Danzig in the Polish customs area, 2) would assure Poland, without any restrictions, the utilisation of the land and water routes, docks and basins necessary for her export and import trade, 3) would assure Poland the control and management of the Vistula as well as of the railway network within the boundaries of the Free City of Danzig (excepting the tramways and railways for internal communication only) and the control and management of the postal, telegraphic and telephonic communication between Poland and Danzig.

The Covenant was signed on November 9, 1920, and a clause was inserted whereby all questions at issue upon which agreement could not be reached, should be submitted to the League of Nations High Commissioner for decision and the League of Nations itself as a last resort.

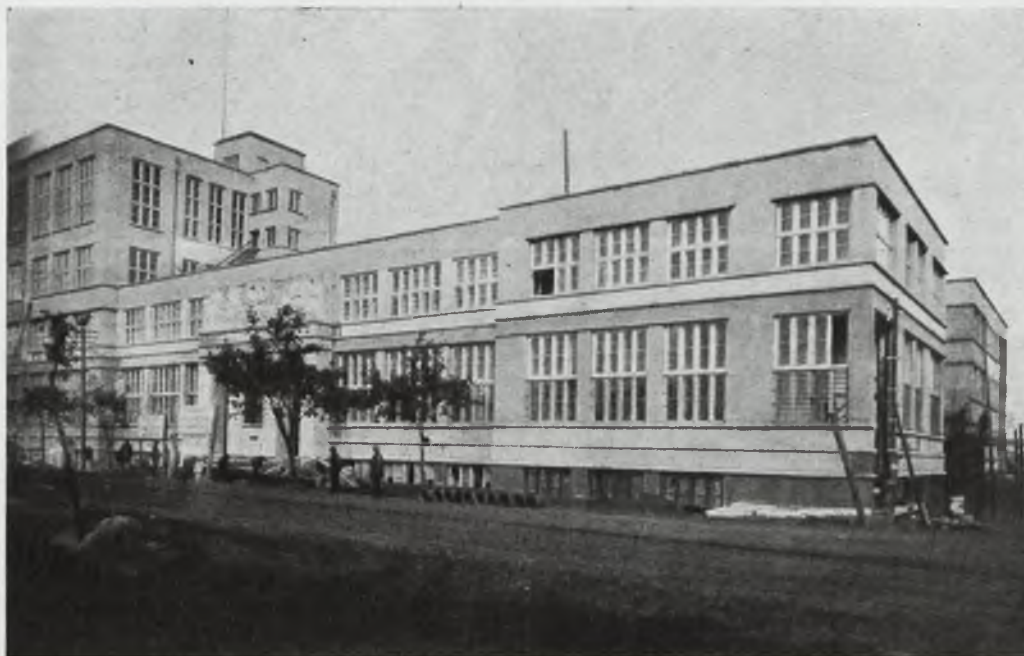
This clause has often been taken advantage of, and a number of very important questions have been settled by the High Commissioner. These chiefly concerned railway lines, tramways, docks and stations. It was decided that until a special agreement was reached between Poland and Danzig, the tariffs and regulations for railway transport within the boundaries of the Free City should be the same as hitherto in force (i. e., those of the German railway system).

As commercial relations between Poland and Danzig grew, the differences in the tariffs became more and more cumbersome. Therefore, a scheme was put into practise by the Polish railways and tacitly agreed to by the Danzig authorities, whereby the rates for through transit traffic and special import and export transports are calculated for the whole length of the run, according to the Polish tariff.

The rates for internal transports in the Danzig area and ordinary transports from Poland to the Free City and vice-versa, were not regulated and as a consequence the book-keeping on the railways was greatly complicated. In addition, the existing situation had a bad effect on trade between Poland and Danzig. It also raised the cost of living in Danzig, because Polish products consumed in Danzig were burdened with the rates of the German-Danzig tariff, which are twice as high as Polish.

On account of these considerations, the Senate of the Free City of Danzig approached the Polish railways in the matter of rate unification and proposed that the same freight and passenger tariffs be introduced within the boundaries of the City as on Polish territory. The Polish Ministry of Communications agreed to the proposals, but insisted





NEW POST OFFICE AT GDYNIA

that the transport regulations of the Polish railways should also be incorporated, since they form inseparable part of the passenger and freight transport tariff. Considerations of a political nature, however, did not allow the Danzig Senate to accept the Polish clause.

This attitude remained unchanged until the middle of 1928, when a newly elected Senate revised its previous decision and let economic reasons prevail over political.

An agreement was concluded, by which from November 1, 1928, the regulations as well as the passenger and freight tariff of the Polish State Railways were put into force in the territory of the Free City of Danzig.

The Polish tariff was modified to some extent so as to meet local requirements, such as payment in local currency, for which two rates were established, i. e.  $\text{z} 100 = \text{Gulden } 58$  for those desiring to pay in Danzig money, and  $\text{Gulden } 100 = \text{z} 174$  for such as pay in Polish currency.

The unification of passenger and freight tariffs throughout the Polish customs area (Poland plus Danzig) is important both from the economic and political stand-point. However, the reduction of the former high rates on Danzig territory to the Polish rates, entails a loss to the Polish State Railways of about  $\text{z} 20$  million per annum.

**EUROPEAN RAILWAY SCHEDULE CONFERENCE.** — On October 27, the Conference in Vienna regarding train schedules for the Spring of 1929, was brought to a close.

Among other innovations, a new pair of trains will run from Constanza and Bucarest to Berlin and Rotterdam, via the Polish towns Lwów and Kraków. The new route saves 8 to 10 hours of the former journey, and will connect

directly at Constanza with steamers for Stamboul. Therefore a large part of the present traffic between Holland and Germany and the Near East will, for the future, undoubtedly pass through Poland instead of through Czechoslovakia and the Balkans.

It has been decided that next year's international Conference will be held in October, 1929, at Warsaw.

**PORT TRAFFIC.** — October was a very successful month for the port of Danzig as the traffic during the present year has only been greater in June; the other Polish port, Gdynia, suffered from a two weeks' dockers' strike and therefore traffic fell off considerably.

In Danzig 556 vessels, aggregating 374,258 net reg. tons (342,921<sup>1)</sup>, entered and 537 ships, aggregating 359,214 net reg. tons (342,584), left the port. In comparison with October 1927, the incoming tonnage was greater by 45,000 net reg. tons. The cargo-carrying efficiency was also greater, being 18 per cent (17) in imports and 90 per cent (83) in exports.

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

	Arrivals:		Departures:	
	ships	net reg. tons	ships	net reg. tons
Poland & Danzig	22	15,376	23	17,895
Germany	171	84,909	168	77,608
Finland	7	9,148	8	10,130
Russia	1	1,091	—	—

<sup>1)</sup> The figures in brackets are for the month of September.

Estonia	11	3,447	10	13,196
Latvia	32	25,017	30	24,414
Sweden	108	51,263	100	45,808
Norway	39	21,090	34	22,240
Denmark	91	73,936	95	71,893
England	37	48,011	36	45,640
Holland	7	4,013	8	5,614
France	10	9,289	7	6,491
Spain	1	1,974	1	1,974
Portugal	1	1,814	1	1,814
Italy	2	5,285	4	10,720
Greece	9	14,146	5	9,358
United States	1	3,131	1	3,131
Czechoslovakia	5	752	5	752
Ireland	1	566	1	566
<b>Total:</b>	<b>556</b>	<b>374,258</b>	<b>537</b>	<b>359,214</b>

Polish ships occupied 11th place out of 20. Thus, the percentage of Polish vessels calling was less, while the number of nationalities was greater than in the preceding month.

The freight traffic in Danzig is given in the following statement (in tons):

	Imports:		Exports:	
	Sept.	October	Sept.	October
grain	1,090	2,585	11,385	8,410
sugar	—	—	300	1,890
herring	17,581	10,408	—	—
groceries and foodstuffs	4,782	3,975	4,942	3,601
artificial fertilizers and chemicals	22,569	19,666	1,050	1,490
timber	—	—	63,872	48,325
cement	—	—	5,270	7,716
building materials	4,195	1,910	—	—
coal	8,770	2,273	516,161	456,045
mineral oils	2,660	2,240	4,909	1,645
ores	26,940	27,310	—	—
scrap iron	32,290	37,572	—	—
iron	1,990	1,025	—	—
various	2,077	2,580	4,081	4,879
<b>Total:</b>	<b>124,944</b>	<b>111,544</b>	<b>610,970</b>	<b>534,001</b>

From the above it is seen that the freight traffic developed favourably. The most important imports were herring, artificial fertilizers, and building material. The imports of ores and scrap





AIR-PORT OF MESSRS. "AEROLOFT" IN WARSAW

iron showed a small drop. Import is increasing, and the total for 1928 should exceed that for 1927.

In export, corn and foodstuffs increased considerably. Sugar decreased, because shipments from the new campaign have not yet begun. In order to aid the sugar industry, which is suffering from a fall in prices, the Danzig Port Council has lowered the port charges on raw sugar. Timber export improved, but cement fell off. Coal broke all records; the provisional figure given in the table above is less than the actual export.

Coal was exported through Danzig to the following countries (in tons):

Sweden	145,013
Denmark	116,696
France	44,646
Finland	70,452
Italy	34,424
Norway	31,372
Latvia	18,863
Germany	5,943
Spain	4,300
Lithuania	3,475
Iceland	2,265
Belgium	2,000
Holland	1,940
<b>Total:</b>	<b>481,389</b>

The passenger traffic through Danzig was as follows:

	Arrivals	Departures
	persons	
Libau	72	58
Copenhagen	80	232
London	203	522
Hull	48	632
New York	123	843
Helsingfors	1	—
<b>Total:</b>	<b>527</b>	<b>2,287</b>

At Gdynia, 85 vessels (114) aggregating 80,268 net reg. tons (102,212) called, and 88 ships aggregating 83,331 net reg. tons (111,269) left. The two weeks' dockers' strike was exclusively responsible for the large drop in traffic.

The freight turnover, therefore, fell to 161,043 tons. The imports decreased to 2,671 tons, the main items being saltpetre and Thomas slag.

Export fell to 159,000 tons (197,230) and consisted of 149,734 (185,716) tons of coal, 7,731 (11,345) tons of bunker coal and 854 tons of salt.

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

	Arrivals:		Departures:	
	Sept.	October	Sept.	October
Poland & Danzig	12	8	12	11
Germany	18	15	17	17
Sweden	24	24	23	25
Norway	7	5	9	5
Denmark	9	12	8	12
Latvia	18	8	19	7
Holland	1	1	1	1
England	6	4	9	8
France	5	4	6	4
Estonia	3	1	3	1
Finland	1	1	1	1

The number of passengers leaving the port was 2,438 (2,283).

**WESTERPLATTE** docks at the extreme end of Danzig harbour, were formerly used only for loading and unloading Polish naval vessels. Negotiations have

resulted in their being opened to the merchant marine as from October 23. They will be used chiefly for unloading scrap iron and phosphorites.

**POLISH - ENGLISH STEAMSHIP COMPANY.** — The Polish Government has concluded an agreement with the Ellerman Wilson Line, whereby a Polish-English line is established, with a majority of Polish capital. The new Company will dispose of 4 combined passenger and freight vessels, equipped with refrigeration plants, which will maintain regular service between Gdynia, French and English ports.

**AERIAL COMMUNICATION IN OCTOBER.** — The second month of the Autumn — October, had its effect on the air service, and there was a decrease in the traffic in every item, except the transportation of mail, which increased slightly from 3,428 kg. to 3,660 kg.

The number of flights (scheduled and extra) was 274 against 370 in September and the distance flown 82,245 km., which is much less than the 121,900 km. in the preceding month. The number of passengers carried was 502 (in September 796). The transport of freight declined from 27,654 kg. in September to 25,300 kg.



# FINANCE AND BANKING

**STATE REVENUE AND EXPENDITURE IN OCTOBER** was as follows (in millions of  $\text{z}$ ):

The budget returns reached the record figure of  $\text{z}$  267.4 million, which was considerably higher than in the preced-

increase was equally divided among the Ministries.

State enterprises are estimated to spend  $\text{z}$  2.7 million, owing to investment work.

During the seven months the total State expenditure was  $\text{z}$  1.588.8 million, or 59.4 per cent of the estimated amount for the whole year (including State employees' additional remuneration). Thus, it is seen that the actual expenditure is below the budget level.

As a result of the cautious policy pursued and the increased revenue the seven months' surplus was  $\text{z}$  71.8 million, and this has permitted the Minister of Finance, in accordance with the Treasury Statute, to realise the extraordinary investment budget.

**TAXES IN OCTOBER.** — October begins a period of increased returns from public levies and monopolies. Below are given the returns from the beginning of the fiscal year (in millions of  $\text{z}$ ):

April	192.2
May	219.0
June	191.2
July	207.8
August	213.5
Sept.	209.5
Oct.	229.5

The total for the first seven months is  $\text{z}$  462.6 million or 67 per cent of the estimated amount for the whole year.

The revenue from ordinary and extraordinary public levies was very favourable, being 73 per cent of the sum named in the budget for the whole year. In October the returns from all taxes reached the record figure of  $\text{z}$  153.0 million.

Direct taxes were mainly responsible for the gain, bringing in  $\text{z}$  75.7 million against only  $\text{z}$  48.9 million in September. The industrial (turnover) tax gave  $\text{z}$  35.8 million (in the preceding month  $\text{z}$  26.4 million) and the income tax  $\text{z}$  26.4 million (in September  $\text{z}$  10.0 million). An increase was shown by the land tax, which brought in  $\text{z}$  4.3 million as against  $\text{z}$  2.9 million in the preceding month. This tax, however, is not returning its proper share as for the seven months only  $\text{z}$  20.6 million have been collected as against the  $\text{z}$  60.0 million estimated in the budget; the agricultural community is putting off payment of this tax during the autumn season. The tax on town and some country real estate brought

	Revenue		Expenditure	
	actual	estimated for 1928/9	actual	estimated for 1928/9
A) Civil service . . . . .	175.1	1,578.8	253.7	2,653.4
The President of the Republic. . .	—	0.2	0.3	3.5
The Parliament . . . . .	0.1	0.3	1.4	11.7
State Control . . . . .	—	0.1	0.4	5.5
Council of Ministers . . . . .	—	—	0.2	2.3
Ministry of Foreign Affairs . . . . .	0.9	10.9	4.7	55.5
„ „ War. . . . .	1.1	3.8	74.7	773.5
„ „ the Interior . . . . .	1.3	17.4	23.4	234.1
„ „ Finance . . . . .	155.3	1,392.7	13.9	139.0
„ „ Justice . . . . .	3.5	37.1	10.9	117.7
„ „ Industry and Commerce . . . . .	1.0	10.7	6.3	48.7
„ „ Transport . . . . .	0.1	0.5	1.5	16.5
„ „ Agriculture . . . . .	1.8	14.6	4.8	56.3
„ „ Religious Cults and Education . . . . .	0.9	10.8	35.3	438.2
„ „ Public Works . . . . .	5.5	39.2	13.9	137.8
„ „ Labour and Social Protection . . . . .	—	0.8	5.4	61.8
„ „ Land Reform . . . . .	0.2	3.0	14.9	54.3
„ „ Posts and Telegraphs . . . . .	—	—	0.3	2.5
Pensions . . . . .	3.4	27.1	9.3	116.3
Grants to invalids . . . . .	—	—	14.5	147.0
State liabilities . . . . .	—	9.5	17.6	231.2
B) State enterprises . . . . .	15.8	199.6	2.7	19.9
C) Monopolies . . . . .	76.5	353.0	—	—
Total A + B + C:	267.5	2,154.7	256.4	2,673.2 <sup>1)</sup>

ing months. The last three months of the calendar year always show a larger revenue, but in the present year the returns were larger even than in October 1927, when they were  $\text{z}$  233.1 million, and in 1926, when they were only  $\text{z}$  181.6 million. This is the best proof of the economic progress of Poland.

The largest returns in October 1928 were shown by public levies and monopolies. The remaining revenue came from the Civil Service and State enterprises. These latter brought in  $\text{z}$  15.8 million, of which  $\text{z}$  6.5 million came from the State Forests,  $\text{z}$  6.0 million from the State Railways, and  $\text{z}$  3 million from the Posts and Telegraphs.

The Railways do not transfer the whole of their surplus revenue to the Treasury, as they finance investment work out of their own funds. Only a part of the amount estimated in the budget for this enterprise has been returned as yet, leaving a large proportion to be transferred during the winter months when investment work will cease. The same is true of the Posts and Telegraphs.

In general, during the seven months of the budgetary year State revenue has aggregated  $\text{z}$  1,660.5 million, or 62.5 per cent of the amount planned for the whole year. It can safely be said that the revenue will, at the end of the year, exceed the estimated sum.

Expenditure was also greater during October, owing to the possibilities afforded by the higher returns. The

<sup>1)</sup> Together with  $\text{z}$  145 million foreseen in the Treasury Statute for 1928/29 for payment of a monthly supplement for employees and pension fund.





NITRATES FACTORY UNDER CONSTRUCTION AT TARNÓW

in  $\text{zł}$  3.9 million while the tax on capital supplied  $\text{zł}$  1.1 million.

Indirect taxes gave smaller returns during October ( $\text{zł}$  13.1 million in all) than in September ( $\text{zł}$  14.6 million). They were composed of the tax on sugar ( $\text{zł}$  7.9 million as against  $\text{zł}$  9.7 million in September), mineral oils ( $\text{zł}$  2.2 million), beer ( $\text{zł}$  1.4 million) and wine ( $\text{zł}$  0.4 million).

A considerable decline occurred in the returns from customs duties which were  $\text{zł}$  34.3 million. This testifies to smaller imports, owing mainly to the tightness of money.

Stamp fees returned  $\text{zł}$  17.8 million, or more than in the preceding month. The total from ordinary public levies was  $\text{zł}$  140.8 million in October and  $\text{zł}$  878.4 million for the seven months of the budgetary year.

Of the extraordinary taxes, the 10 per cent extraordinary additional tax gave  $\text{zł}$  10.7 million, or more than in the preceding month, owing to the larger returns from taxes in general.

The capital levy continues to produce a small revenue: in October it was  $\text{zł}$  1.5 million.

The monopolies returned practically the same amount as in the preceding month, i. e.,  $\text{zł}$  76.5 million, of which  $\text{zł}$  31.0 million came from the Tobacco Monopoly,  $\text{zł}$  40.1 million from the Spirits Monopoly,  $\text{zł}$  3.9 million from salt,  $\text{zł}$  0.7 million from matches and  $\text{zł}$  0.8 million from the State Lottery.

A comparative statement of the

returns from public levies and monopolies is given below:

	Actual revenue: <sup>10th</sup> of the yearly budget for			
	Sept. 1928	October 1927	1928	1928/29
Direct taxes	48.9	60.0	75.7	43.4
Indirect taxes	14.6	13.3	13.1	13.3
Customs duties	42.7	26.2	34.3	27.5
Stamp fees	15.7	14.8	17.8	13.8
<b>Total of the ordinary public levies:</b>	<b>121.9</b>	<b>114.3</b>	<b>140.8</b>	<b>98.0</b>
10 per cent Extraordinary Tax	7.6	9.0	10.7	6.8
Property Tax	2.1	3.0	1.5	4.2
<b>Monopolies</b>	<b>77.9</b>	<b>66.1</b>	<b>76.5</b>	<b>73.0</b>
<b>Total of public levies and monopolies:</b>	<b>209.5</b>	<b>192.4</b>	<b>229.5</b>	<b>182.0</b>

a gain of  $\text{zł}$  0.08 per 100 Lira. Drafts on Brussels were unchanged as also were those on New York which kept as usual to their constant rate.

The rate of the Złoty to other currencies on the international exchanges was kept generally at its former level: the variations, where these occurred, were exceedingly small and only on the Prague and Vienna Exchanges was it noted higher.

The foreign currency turnover in general on the Warsaw Exchange decreased by nearly 10 per cent. The cause lay in the lack of ready money, for the banks satisfied their customers' requirements from their own foreign currency reserves; also the banks settled many transactions directly with their foreign correspondents.

### SHARES

The difficulties experienced lately as a result of the shortage of money, naturally influenced the share market. Quotations, especially for industrial and trading shares, showed a further decrease. The turnover likewise was small, because only small blocks of shares were placed on the market, for the more important shareholders considered the moment highly inopportune and refused to sell. Therefore, the rates do not reflect the actual condition of the market. Outside brokers have also refrained from making any purchases until the publication of the balance-sheets of the more important companies.

## STOCK EXCHANGE

### FOREIGN CURRENCIES

— During October the tendency of most of the European currencies on the Warsaw Stock Exchange was weak. The differences were not large and were caused partly by variation on foreign exchanges and partly by an increased supply on the home exchange

This applies to drafts on London, Paris, Zurich, Amsterdam, Vienna, Prague and Stockholm, but drafts on Milan were an exception as there was









METAL WORKING ON A SMALL SCALE IN BYDGOSZCZ

chowice, while the smallest (less than 1.5 per cent) was in Chodorów. Zieloniewski shares were in eager demand, gaining 20 per cent. These shares, which are also noted on the Vienna, Lwów and Kraków Exchanges, were much sought after and the supply was, in general, short. Norblin, Buch & Werner shares dropped by 5 per cent. Before this fall they had reached the record figure of  $\text{z}$  250 per  $\text{z}$  100

share. The fall took place immediately after the payment of a 16 per cent dividend, and would appear to have been caused by realisation in connection with the lack of ready money.

#### STATE, MUNICIPAL AND LAND LOANS

— The quotations for State securities during October were uneven. Losses, though

slight, were shown by the 6 per cent Dollar Loan, the 10 per cent Railway Loan, the 7 per cent Stabilisation Loan and the 4 per cent Premium Investment Loan (after the drawings). Only the 5 per cent Premium Dollar Loan was in demand, and gained 8 per cent. The remaining securities remained unchanged.

As regards other securities, the situation became worse. This, however,

State, Municipal & Land Loans	29.9	1—6.10	8—13.10	15—20.10	22—30.10	31.10	Nominal
5% Conversion Loan ... ..	67—	67—	67—	67—	67—	67—	$\text{z}$ 100—
7% Poż. Stabilizacyjna ... ..	—	94—	93.40	92.10	92—	92—	\$ 100—
6% External Dollar Loan 1920 ... ..	86.50	86.25	85.95	85.40	85.25	85.25	\$ 100—
4% Poż. Prem. Inwestycyjna ... ..	120—	119.45	119.70	119.90	119.05	117.25	$\text{z}$ 100—
5% Premium Dollar Loan (2nd series) ... ..	93—	94.50	95.60	99.30	100.50	100.25	\$ 5—
10% Railway Loan (1st series) ... ..	103.50	103.25	103.25	102.95	102.60	102.50	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 ... ..	79—	79—	—	77—	78.60	—	$\text{z}$ 100—
4% Land Credit Association Bonds ... ..	—	45—	46—	42.25	42.75	—	$\text{z}$ 100—
4½% Land Credit Association Bonds ... ..	51.50	51.25	50.40	48.40	48.80	49—	$\text{z}$ 100—
8% Credit Soc. of the City of Warsaw Bonds ... ..	71—	71.20	70.65	68.30	68.60	68—	$\text{z}$ 100—
5% Credit Soc. of the City of Warsaw Bonds ... ..	57.25	55.75	55.95	54.25	55.75	55.50	$\text{z}$ 100—
4½% Credit Soc. of the City of Warsaw Bonds ... ..	—	—	51.50	49.40	50.25	—	$\text{z}$ 100—

should be regarded as temporary, and due to the tightness of money, which, by causing high rates of interest on loans, has forced the realisation of larger quantities. An improvement is expected, because long-term credit institutions are refraining from issuing large numbers of mortgage bonds, in order not to over-

burden the market. Moreover, there appears to be no obstacle in the way of placing considerable quantities of these bonds on foreign markets.

Mortgages on town and country properties are granted so cautiously that the owners of such securities incur no risk.

For these reasons, and the additional inducement of high rates of interest and premiums from drawings, the investment of free capital in Polish mortgage bonds by foreign business men is an opportunity not to be lost.



## BANK OF POLAND

— The currency situation in October indicated further improvement. Already in September the bullion and foreign currency reserves showed a smaller decrease, while in October, for the first time over a period of several months, they rose. Thus, the bullion and foreign currencies included in the cover increased from  $\text{zł}$  1.069.5 million to  $\text{zł}$  1.093.6 million, i. e. by  $\text{zł}$  24.1 million or 2.2 per cent; the foreign currency reserves not included in the cover (currencies not exchangeable for gold, bills of exchange not accepted or not endorsed by important banks, &c.) decreased from  $\text{zł}$  200.2 million to  $\text{zł}$  196.9 million, or by  $\text{zł}$  3.3 million only.

The good results are due to the foreign currency operations of the Bank of Poland. The purchase of currencies in October was considerably larger than in September, and therefore very much greater than in the preceding months; July purchases were  $\text{zł}$  78.3 million,

August —  $\text{zł}$  92.7 million, September —  $\text{zł}$  108.7 million and October —  $\text{zł}$  115.9 million. The increased purchase was brought about by the larger supply on the Exchange. Simultaneously there was decrease of sales of foreign currencies, by about 25 per cent in comparison with September: in July they amounted to  $\text{zł}$  126.0 million, in August to  $\text{zł}$  118.0 million, in September to  $\text{zł}$  120.3 million and in October to  $\text{zł}$  90.5 million. The decrease was due both to a smaller demand on the Exchange, in consequence of which the sales to banks and other clients dropped from  $\text{zł}$  73.0 million in September to  $\text{zł}$  58.6 million in October, and to smaller requirements on the part of Government Offices, the fall in this case being from  $\text{zł}$  47.1 million to  $\text{zł}$  31.9 million. The fall in sales and rise in purchases changed the September decrease, amounting to  $\text{zł}$  11.5 million, into an increase of  $\text{zł}$  25.3 million. As a result, gold to the value of  $\text{zł}$  4.6 million was purchased abroad, the foreign currency reserves—cover and non-cover—were enlarged,

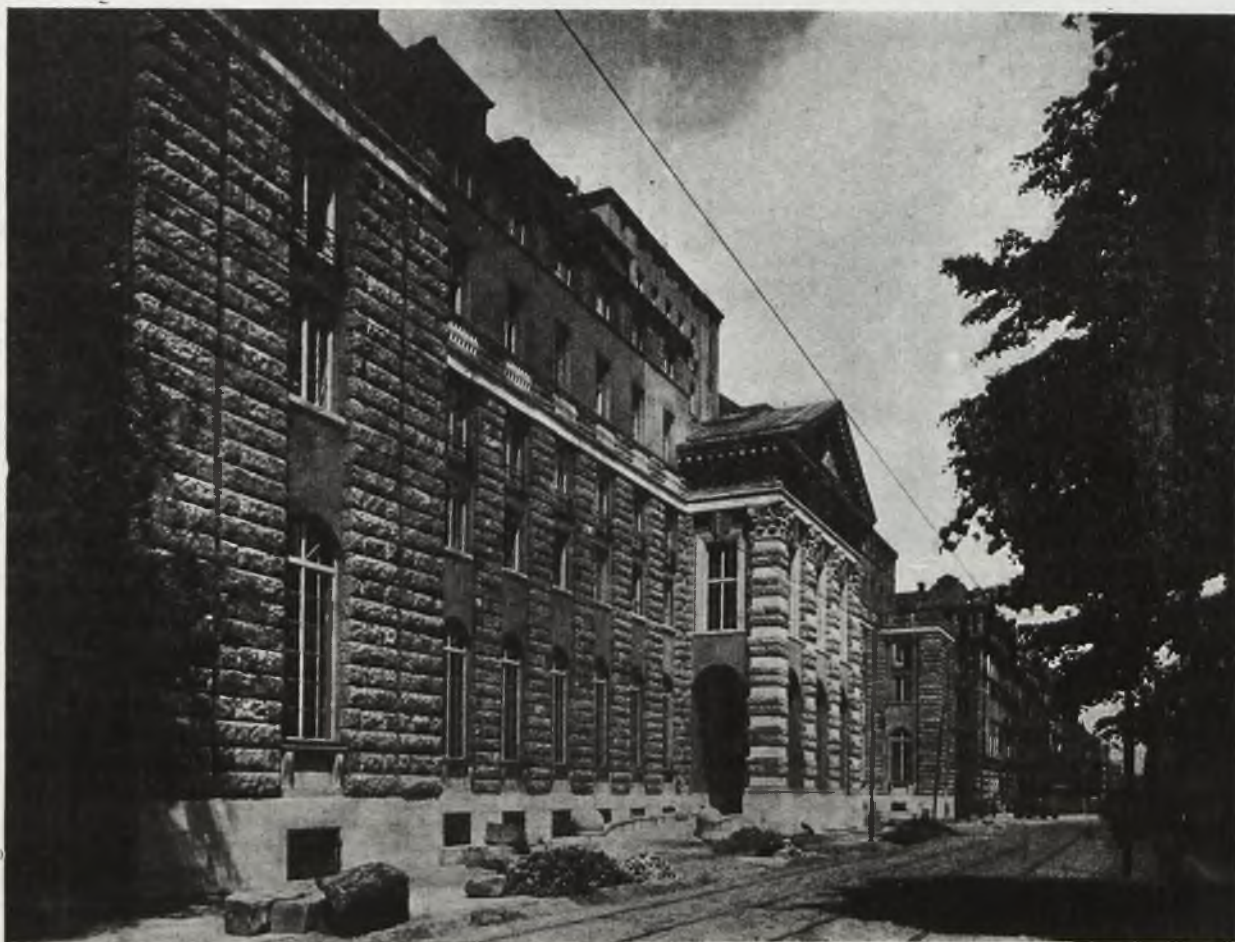
and a small surplus was brought forward to November.

This position was brought about by two factors: one the small requirements on the part of the Government and the public, and the other, and more important, an increase in the inflow of foreign credits. These certainly were short-term credits, at the best only 3 or 4 years (industrial); no large long-term transaction was effected and the credits were, for the most part, for banks and to a small extent for goods.

The augmented foreign credits were due to the constant tightening of the money market in Poland (in October the position eased slightly in this respect), intensified by the change in the policy of the Bank of Poland in September. The Bank, which before had pursued a very liberal policy, granting credits readily, decided in September to curtail their facilities. Caution was exercised in granting new credits and in cases where the quota had been exceeded the balances were gradually liquidated. The prolon-

	SEPTEMBER 30th		OCTOBER 10th		OCTOBER 20th		OCTOBER 31st	
<b>Assets:</b>								
Bullion:								
gold in vaults ---	407,751.491.68		407,822.109.41		407,887.644.24		407,944.831.49	
"  abroad - - - - -	195,289.771.72		195,289.774.72		197,523.606.29		199,749.715.62	
silver (gold value) ---	4,001.550.25		4,027.046.98		4,108.555.13		4,268.160.94	
	607,042.816.65		607,138.931.11		609,519.805.66		611,902.708.05	
Foreign currency, drafts and assets - - - - -	462,437.734.84	1,069,480.551.49	470,523.911.97	1,077,662.843.08	470,105.451.45	1,079,625.257.11	481,651.584.98	1,093,554.293.03
Foreign currency, drafts and assets not included in the cover - - - - -		200,209.494.61		198,463.914.72		197,651.447.40		196,872.438.05
Silver and token coins --		720.921.79		744.367.75		5,049.161.06		455.228.91
Bills of exchange -- --		660,031.269.55		641,212.843.18		634,265.010.92		640,240.772.71
Loans against securities -		83,919.415.60		83,201.862.40		83,363.168.85		86,488.988.85
Own interest-bearing securities - - - - -		9,335.048.35		7,636.654.86		8,122.763.92		7,821.462.24
Reserve funds invested in the securities - - - -		55,659.549.23		55,641.950.03		55,641.264.03		55,637.264.03
Loans to Government - - -		25,000.000.—		25,000.000.—		25,000.000.—		25,000.000.—
Property - - - - -		20,000.000.—		20,000.000.—		20,000.000.—		20,000.000.—
Other assets - - - - -		75,494.752.73		82,667.448.97		82,656.443.69		88,371.328.83
		2,199,851.003.35		2,192,231.884.99		2,191,374.516.98		2,214,441.776.65
<b>Liabilities:</b>								
Capital - - - - -		150,000.000.—		150,000.000.—		150,000.000.—		150,000.000.—
Reserve fund - - - - -		94,434.640.—		94,434.640.—		94,434.640.—		94,434.640.—
Sight liabilities:								
current accounts of State Institutions - - -	274,512.219.82		250,990.764.66		280,169.587.07		226,213.145.50	
outstanding current accounts - - - - -	130,506.913.99		167,402.846.04		166,995.007.59		134,349.967.18	
silver purchases a/c ---	84,000.000.—		84,000.000.—		84,000.000.—		84,000.000.—	
State credit fund a/c --	27,574.636.74		27,574.636.74		27,574.636.74		22,706.073.40	
various accounts - - -	5,244.311.03		6,649.832.76		7,309.881.55		8,345.568.45	
	521,838.081.58		536,618.080.20		566,049.112.95		475,614.754.53	
Notes in circulation - - -	1,261,387.990.—	1,783,226.071.58	1,237,042.800.—	1,773,660.880.20	1,202,779.620.—	1,768,828.732.95	1,313,080.280.—	1,788,695.034.53
Special account of the Treasury - - - - -		75,000.000.—		75,000.000.—		75,000.000.—		75,000.000.—
Other liabilities - - - - -		97,190.291.77		99,136.364.79		103,111.144.03		106,312.102.12
		2,199,851.003.35		2,192,231.884.99		2,191,374.516.98		2,214,441.776.65





THE NEW STATE LAND BANK BUILDING

gation of bills of exchange wherever possible was avoided; and in order to counter the tendency to use the Bank for long-term credits, the quota granted to a single client was limited to  $\text{zł}$  25,000. In addition, long-term credit institutions are not now allowed to mortgage their own securities. This drying up of the main source of Polish credit caused borrowers to seek credit abroad, where it was easily obtained on terms equal or only slightly dearer than those of the Bank of Poland.

This was the reason for the large inflow of foreign credits during the second half of September and especially during October. Some money was also attracted by the rise in the already high private rate of interest.

The bullion reserves, owing to the above mentioned purchase of gold abroad and some buying of gold and silver by the branches of the Bank within the country, rose from  $\text{zł}$  607.0 million to  $\text{zł}$  611.9 million. Thus, since the gold bought abroad was not imported, the reserves abroad increased from

$\text{zł}$  195.3 million to  $\text{zł}$  199.7 million. The gold reserves at the Bank of Poland in Warsaw rose from  $\text{zł}$  407.7 million to  $\text{zł}$  407.9 million, and the silver reserves (in terms of gold) increased from  $\text{zł}$  4.0 million to  $\text{zł}$  4.2 million.

The foreign currency reserves included in the cover of the Bank increased during October from  $\text{zł}$  462.4 million to  $\text{zł}$  481.7 million.

The total bullion and foreign currency cover for the notes in circulation and sight liabilities showed the following changes from the beginning of the year and during October (in millions  $\text{zł}$ ):

	January 1st	September 30th	October 31st
gold	517.3	603.0	607.7
silver	2.6	4.0	4.2
foreign currencies and liabilities	687.5	462.4	481.7
Total:	1,207.4	1,069.5	1,093.6

It is seen from the above that during the ten months the decrease in bullion and foreign currency reserves amounted to  $\text{zł}$  113.8 million or only 9.4 per cent.

In relation to the bank notes in circulation and sight liabilities, the cover was 61.14 per cent on October 31st, 59.97 per cent on September 30th and 72.61 per cent on January 1st of this year.

The rise in the ratio of the cover is almost identical with the increase in the cover itself, since the sum of banknotes in circulation and the sight liabilities remained practically the same (at the end of September —  $\text{zł}$  1,783.2 million, at the end of October —  $\text{zł}$  1,788.7 million). The circulation itself rose considerably, by  $\text{zł}$  51.7 million, but this rise was in large measure neutralised by the fall in the sight liabilities from  $\text{zł}$  521.8 million to  $\text{zł}$  475.6 million. The reduction in the latter was due mainly to the decline in the balances of the Government Departments' current accounts from  $\text{zł}$  274.5 million to  $\text{zł}$  226.2 million, which in turn was due largely to the payment of salaries on October 31 instead of on November 1, which was a holiday.

The balances of private accounts





CAISSON SINKING IN GDYNIA (PHOT. S. PLATER)

rose slightly from  $\text{zł}$  130.5 million to  $\text{zł}$  134.3 million, which indicates a certain improvement in the money market. Of the remaining liabilities, it is well to mention the decrease in the account of the State credit fund (the so-called "F" fund of the Stabilisation Loan, for the purpose of economic development) by  $\text{zł}$  4.9 million.

Thus, the increase in the banknotes in circulation was about equal to the decline in the deposits of the State Departments. The rise in the bullion and currency reserves did not cause a rise in circulation, since it was neutralised by a fall in the credits granted by the Bank.

In spite of the measures taken to

restrict credit in September the amount of discount credits granted, the so-called credits quotas, rose from  $\text{zł}$  800 million at the end of September to  $\text{zł}$  814 million at the end of October.

On the other hand, the discount credits employed, i. e. the bills in portfolio, dropped from  $\text{zł}$  660.0 million to  $\text{zł}$  640.2 million. Therefore, the ratio of credits employed to those granted fell sharply from 82.5 per cent to 78.6 per cent. Loans against securities rose in October from  $\text{zł}$  83.9 million to  $\text{zł}$  86.5 million.

Of the other items of the Bank cover for the banknotes in circulation and sight liabilities, there was a decline only in the value of interest-bearing securities held by the Bank, from  $\text{zł}$  9.3 million to  $\text{zł}$  7.8 million.

The Bank cover since the beginning of the year and at the end of October is given below (in millions of  $\text{zł}$ ):

	January 1st	September 30th	October 31st
bills	456.0	660.0	640.2
Polish silver coins and token money	9.8	0.7	0.5
loans against securities	40.9	83.9	86.5
own interest-bearing securities	4.8	9.3	7.8
liability of the Treasury	25.0	25.0	25.0
<b>Total:</b>	<b>536.5</b>	<b>779.0</b>	<b>760.0</b>

## LATEST NEWS

### WARSAW EXCHANGE:

	10.11.28	20.11.28
\$ 1 = $\text{zł}$	8.90	8.90
£ 1 = „	43.23½	43.24½

### BANK OF POLAND:

ASSETS:	10.11.28	20.11.28
Gold and silver reserve. $\text{zł}$	611,973.232.72	$\text{zł}$ 610,411.608.21
Foreign balances ... „	486,514.804.33	„ 495,101.465.06
„ „ (not included in the cover) „	199,127.155.72	„ 196,875.160.65
Bills of exchange ... „	625,347.329.44	„ 613,121.633.54
Loans against securities „	84,552.545.92	„ 83,676.467.29

### LIABILITIES:

Notes in circulation ... „	1,239,915.380.—	„ 1,193,183.690.—
Current accounts ... „	431,738.971.82	„ 469,599.831.59
Other sight liabilities ... „	109,898.337.91	„ 110,920.545.79

### BANK NOTES COVER

(bullion & foreign currencies)	61.66%	62.33%
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FOR THE PROPRIETORS PUBLISHED AND EDITED BY STEFAN C. MICHLEWSKI

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# TRIAL BALANCE-SHEET OF THE STATE LAND BANK (PAŃSTWOWY BANK ROLNY)

AS OF OCTOBER 1st 1928

## ASSETS

	<i>zł</i>
1. Cash on hand and at call (Bank of Poland, Postal Savings Bank) . . . . .	8,336.687·68
2. Securities owned by the Bank . . . . .	11,970.495·45
3. Bonds designated for the Reserve Fund . . . . .	5,354.792·75
4. Bills discounted . . . . .	65,993.378·54
5. Bills protested . . . . .	155.570·38
6. Outstanding liabilities in collection (payment subject to law proceeding of dubious) . . . . .	2,454.215·20
7. Loans secured by bills and other documents . . . . .	119,563.583·38
8. Loans in Mortgage Bonds and improvement Bonds . . . . .	119,951.852·--
9. Instalments due on redeemable loans . . . . .	5,490.358·79
10. Banks "Nostro" . . . . .	11,993.202·12
11. Estates of the Bank in allotment . . . . .	8,453.106·23
12. Due from purchasers of fertilisers . . . . .	36,173.422·93
13. Transitory Entries . . . . .	1,832.434·34
14. Debtors of Administrated Funds . . . . .	151,282.792·54
15. Real Estate (Bank's premises) . . . . .	2,628.555·60
16. Movable Property . . . . .	1,637.225·13
17. General Expenses . . . . .	9,718.946·88
18. Other assets . . . . .	72,917.949·28
	<u>635,908.569·22</u>

1. Collections . . . . .	5,002.989·44
2. Debtors by virtue of granted guarantees . . . . .	1,047.419·43
3. Deposits . . . . .	11,750.646·18
Total: 653,709.624·27	<u>653,709.624·27</u>

## LIABILITIES

	<i>zł</i>
1. Stock-Capital . . . . .	100,000.000·—
2. Reserve Funds . . . . .	9,770.395·35
3. Time deposits . . . . .	74,089.567·03
4. Demand deposits . . . . .	36,513.347·36
5. Bills rediscounted . . . . .	36,395.288·33
6. Issues of Mortgage Bonds and improvement Bonds: Issue of 8% Mortgage Bonds . . . . .	84,957.852·—
Issue of 7% Mortgage Bonds . . . . .	23,451.500·—
Issue of 8% Improvem. Bonds . . . . .	11,542.500·—
Total: 119,951.852·—	<u>119,951.852·—</u>
7. Drawn Mortgage Bonds . . . . .	22.360·—
8. Silking Funds of Mortgage Bonds . . . . .	3.025·31
9. Coupons due in circulation . . . . .	466.029·48
10. Transitory Entries . . . . .	17,959.498·13
11. Administrated Funds (Treasury endowments) . . . . .	169,894.658·30
12. Interests and commission . . . . .	15,902.758·94
13. Other liabilities . . . . .	54,939.788·99

1. Sundries to collection . . . . .	5,002.989·44
2. Obligations by virtue of granted guarantees . . . . .	1,047.419·43
3. Sundries to deposits . . . . .	11,750.646·18
Total: 653,709.624·27	<u>653,709.624·27</u>

Chief Accountant: E. WIENIAWA-CHMIELEWSKI



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