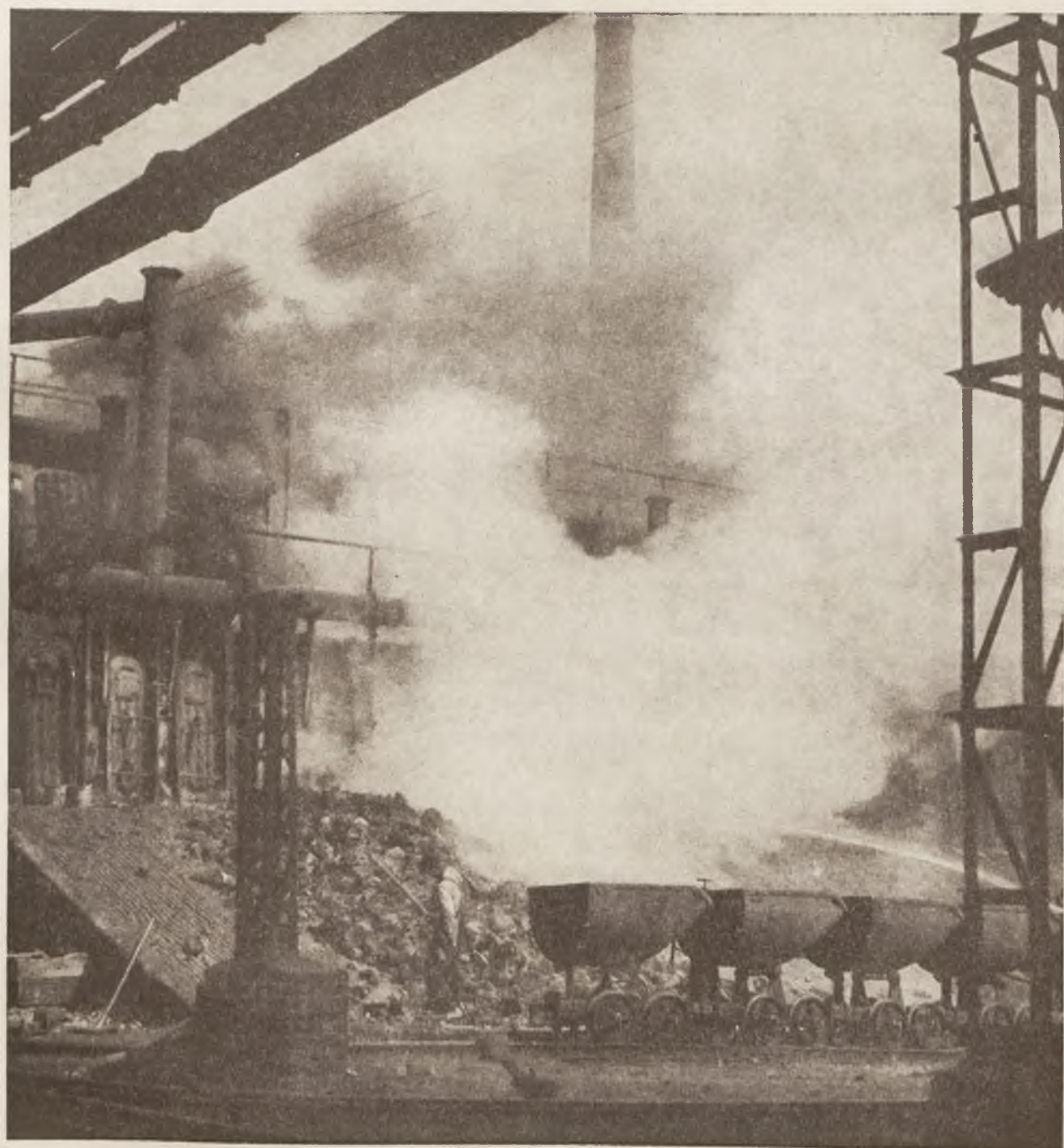


THE POLISH ECONOMIST



During December economic activity was normal, though the adverse seasonal factors were more pronounced than in the corresponding period of 1927, and at the same time there was a certain depression in the industrial output which appears to be a temporary reaction to the previous rapid expansion in this field.

In agriculture, the state of the winter sowings was encouraging but the marketing of products encountered difficulties as prices for grain and those for live stock, owing to poor crops of fodder, continued to exhibit a downward tendency, and under these conditions the purchasing capacity of the farming community diminished.

In industry, there was increase in unemployment though the number of registered unemployed was smaller than in December 1927. This increase is accounted for by the almost complete suspension of building operation. On the other hand the mines, foundries and the bulk of the manufacturing industries were operated on practically the same scale as in the past few months, although here and there seasonal depression was in evidence.

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Wholesale prices remained unchanged, while the retail prices, which for some time have showed an upward tendency, declined slightly owing to a fall in the value of foodstuffs.

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State revenue rose considerably and the surplus of revenue over expenditure attained record figure in the current year.

The bullion and foreign currency reserves at the Bank of Poland showed an increase greater than in the past few months. On the money market, despite the end of the year the situation was easier due principally to the inflow of short term credits from abroad and to the measures which have recently been taken with a view to reducing the amount of long-term bills of exchange.



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

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

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

THE CURRENT ISSUE, No. 2, 1929, of "The Polish Economist" contains the following articles: A Year of Further Stabilisation; Poland's Commercial Treaties; The Tanning Industry of Poland; Insurance Companies 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 £ 30/-
WARSAW, 2, ELEKTORALNA

	UNIT	DEC. 1927	NOV. 1928	DECEMBER 1928
TRANSPORTS:				
RAILWAY TRAFFIC	truck loaded	499,906	628,710	488,312
PORT TRAFFIC:	(15 tons)			
Danzig	reg. ton	362,678	357,542	326,476
Gdynia		50,941	76,226	80,081
BUDGET:				
RECEIPTS		255.2	287.0	299.0
including:				
taxes and public levies		153.7	169.2	194.5
monopolies	million zł	70.8	78.5	71.2
State undertakings		13.3	22.8	10.5
EXPENDITURE		248.9	254.0	265.2
MONEY CIRCULATION:				
BANK OF POLAND NOTES	million zł	1,003.0	1,269.8	1,295.3
COVER IN GOLD AND FOREIGN CURRENCIES	% of	72.61	62.00	83.13
TOKEN COINS	million zł	309.3	246.3	244.1
CREDIT:				
(Bank of Poland)				
BILLS DISCOUNTED	million zł	456.0	623.5	640.7
OFFICIAL DISCOUNT RATE	% of	8.0	8.0	8.0
FOREIGN CURRENCIES:				
(Warsaw Stock Exchange average rates)				
U. S. A. DOLLAR		8.90	8.90	8.90
POUND STERLING	£	43.52	43.24	43.27
FRENCH FRANC		0.35	0.35	0.35
SWISS FRANC		1.72	1.72	1.72

SUMMARY OF LAWS, ACTS AND EXECUTIVE DECREES

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

- Customs duty on artificial gums and resins ("Dz. Ust. R. P." No. 96, item 850).
- Customs duty refund when exporting textile machinery ("Dz. Ust. R. P." No. 96, item 851).
- Executive decree regarding Mineral Oil Tax ("Dz. Ust. R. P." No. 97, item 862).
- Partial amendment of the postal and telegraphic fees ("Dz. Ust. R. P." No. 97, item 862).
- Cultivation of tobacco in 1929 ("Dz. Ust. R. P." No. 98, item 878).
- Customs duty refund when exporting finished textile products ("Dz. Ust. R. P." No. 98, item 879).
- Amendment of the supplementary explanation of the customs tariff ("Dz. Ust. R. P." No. 98, item 880).
- Regulations in regard to the milling of wheat and rye ("Dz. Ust. R. P." No. 98, item 882).
- Amendment to the executive decree regarding the import prohibition of wheat and rye flour ("Dz. Ust. R. P." No. 99, item 883).
- Partial amendment of the executive decree in regard to maximum customs duties ("Dz. Ust. R. P." No. 99, item 885).
- The introduction of an import duty on wheat ("Dz. Ust. R. P." No. 99, item 886).
- Partial amendment of the Tenants Protection Law ("Dz. Ust. R. P." No. 100, item 894).
- Stamp fees on transaction in bonds and securities ("Dz. Ust. R. P." No. 100, item 897).
- Basic price for alcohol delivered to the State Spirits Monopoly ("Dz. Ust. R. P." No. 101, item 902).
- Amendment to the Executive Decree of the Land Reform Law ("Dz. Ust. R. P." No. 101, item 903).
- Supplement to the regulations concerning railway goods traffic between Poland and Soviet Russia ("Dz. Ust. R. P." No. 101, item 904).
- Postponment of the entry into force of the Executive Decree amplifying the Customs Tariff ("Dz. Ust. R. P." No. 101, item 905).
- Extending to the Free City of Danzig of the Polish-Turkish trade agreement together with the convention dealing with the settlement of the citizens of the one country on the territory of the other ("Dz. Ust. R. P." No. 101, items 906 and 907).
- Enumerating undertakings bearing the character of State institutions or public utility works ("Dz. Ust. R. P." No. 103, item 918).
- Conditions under which foreign limited liability companies may operate on the territory of the Republic of Poland ("Dz. Ust. R. P." No. 103, item 919).
- Reimbursement of customs duty when exporting glass products ("Dz. Ust. R. P." No. 103, item 920).
- Export duty on straw and bran ("Dz. Ust. R. P." No. 103, item 921).
- Slight amendment of the regulations dealing with salt bonded warehouses ("Dz. Ust. R. P." No. 103, item 923).
- Fees for the supervision of steam boilers ("Dz. Ust. R. P." No. 103, item 924).
- Regulations concerning the postage of printed circulars ("Dz. Ust. R. P." No. 103, item 927).
- (Customs rebate on electrodes made of charcoal ("Dz. Ust. R. P." No. 105, item 953).
- Customs rebate on salted herring ("Dz. Ust. R. P." No. 105, item 954).
- Customs rebate on sulphuric acid ("Dz. Ust. R. P." No. 105, item 956).
- Customs rebate on ships ("Dz. Ust. R. P." No. 105, item 957).
- Customs rebate of machinery and apparatus not manufactured in Poland ("Dz. Ust. R. P." No. 105, item 957).
- Further suspension of the export duty on glycerine residues from soap factories ("Dz. Ust. R. P." No. 105, item 959).
- Partial suspension of emigration ("Dz. Ust. R. P." No. 105, item 960).

*) Corrected figures.
**) Provisional figures.

THE POLISH ECONOMIST

A MONTHLY REVIEW OF TRADE, INDUSTRY AND ECONOMICS IN POLAND

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KRÓLEWSKA HUTA COKE OVENS (PHOT. S. PLATER)

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During DECEMBER economic activity was normal, though the adverse seasonal factors were more pronounced than in the corresponding period of 1927; at the same time there was a certain depression in the industrial output which appears to be a temporary reaction to the previous rapid expansion in this field.

In agriculture, the state of the winter sowings was encouraging, but the marketing of products encountered difficulties as prices for grain and those for live-stock, owing to poor crops of fodder, continued to exhibit a downward tendency and, under these conditions, the purchasing capacity of the farming community diminished.

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easier, due principally to the inflow of short-term credits from abroad, and to the measures which have recently been taken with a view to reducing the amount of long-term bills of exchange.

REVIEW OF THE GENERAL ECONOMIC SITUATION IN POLAND
DECEMBER 1928

	UNIT	DECEMBER 1927	NOVEMBER 1928*)	DECEMBER 1928
STATE OF EMPLOYMENT:				
UNEMPLOYED		164.800	97.414	128.144
PRODUCTION:				
COAL	thousand tons	3.446	3.770	3.448
OIL		61.2	60.4	60.0
IRON		57.6	59.1	57.5
AGRICULTURAL INDEXES:				
(CROP ESTIMATES)				
RYE	5 points system	3.4	3.8	3.8
WHEAT		3.4	3.8	3.7
BARLEY	3.7	.
OATS
PRICES:				
WHOLESALE PRICE INDEX	(1914 = 100)	120.0	118.5	118.5
INDEX OF COST OF LIVING IN WAR-				
SAW		121.0	125.2	125.0
FOREIGN TRADE:				
IMPORTS	million zł	275.9	261.1	238.4
EXPORTS		215.4	255.1	209.2
EXCESS OF EXPORTS (+) OR IM-				
PORTS (—)		— 60.5	— 6.0	— 29.2
TRANSPORTS:				
RAILWAY TRAFFIC	truck loaded	459.906	628.710	488.312
PORT TRAFFIC (DANZIG AND GDYNIA)	(15 tons) reg. ton	413.619	433.773	406.569
BUDGET:				
RECEIPTS	million zł	255.2	287.0	299.0
EXPENDITURE		248.9	258.0	265.2
MONEY CIRCULATION:				
BANK OF POLAND NOTES	million zł	1 003.0	1 269.8	1.295.3
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TOKEN COINS	million zł	309.3	246.3	244.1
CREDIT:				
(BANK OF POLAND)				
BILLS DISCOUNTED	million zł	456.0	623.5	640.7
OFFICIAL DISCOUNT RATE	‰ ‰	8.0	8.0	8.0
FOREIGN CURRENCIES:				
(WARSAW STOCK EXCHANGE-AVERAGE RATES)				
U. S. A. DOLLAR	zł	8.90	8.90	8.90
POUND STERLING		43.52	43.24	43.27

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

A YEAR OF FURTHER STABILISATION

FOR MORE than two and a half years the economic progress of the Polish Republic has advanced at a steadily increasing rate. This is one of the most striking facts which observers of the Republic's

evolution in economic affairs have been able to note since Poland was restored as an independent State.

If it were possible to determine a rational method of showing the development of business conditions in Poland during the post-War years of currency confusion by a graph, the line would be very irregular. Every spring and every autumn would mark turning points in development, while

each year would represent a long period crammed with enough incident to suffice for a century. Each year would possess its own separate history differing from that of the previous and following years. During those years, each year could be stated to have its own logical beginning and end as far as economic questions were concerned.

An attempt to give the characteristics of 1927, however, will meet with certain difficulties: every economic occurrence in that year found its origin in the state of affairs in 1926 through a natural evolution which commenced after the break in the crisis in the spring of that year.

The same applies to an even greater extent to 1928. The historian will find no outstanding event

capital in the form of credits, whilst great deficiencies in the realm of production, in the means of communication, and in economic legislation further hindered the task.

The situation to-day is such that it can be stated that the Polish Republic lacks none of these essentials. Naturally, the extension of the means of communication and exchange, production generally, and the further modernizing of legislation still present, and will continue to present, new problems for solution for some time to come. The solving of such problems will not, however, be retarded by currency catastrophes ruining the very foundations of economic effort, nor will alarms on the part of the guardians of the State budget threaten



BRIDGE CONSTRUCTION OVER THE RIVER VISTULA AT GOCZAŁKOWICE

to record, as conditions in every branch of endeavour remained stable during that year, whilst an evolutionary development could be noted in every field, and — what is especially worthy of note — this favourable development has been maintained to this day without a break for the last two and a half years.

To-day, it can be stated without any fear of contradiction that the improvement in Poland's economic life which commenced in 1926, had a fundamental influence on the development which followed and that, in fact, it inaugurated a new era marking a great step forward in the work of reconstruction. The period preceding this, even can be described generally as a time, during which the Republic was assuming definite form. The builders of the Polish Republic had to labour for years without such essentials as a stable currency, a definitely organised budgetary system and floating

painful restrictions for reasons of economy, or furnish surprises in the way of taxation, also it is not likely that excessive difficulties will be met in securing credit either at home or abroad. The Republic of Poland is to-day, therefore, working under conditions diametrically opposite to those which held good up to the not very distant past.

The Institute for Economic Research of Warsaw labels the period between the spring of 1926 and April 1928 as a "phase of improvement", whilst the remainder of 1928 is designated as a "phase of activity". "Activity", states the report of the Institute, "is that phase of an economic cycle during which investment processes predominate, and, as regards the general industrial production, the rate of acceleration in the increase of the output of production goods is greater than that of the output of consumption articles. A phase of activity by no means corresponds to a state of

prosperity, as the latter is characterised by a high standard of living amongst the masses".

Naturally, we cannot yet point out to a high standard of living amongst the masses. The contrary rather holds good, to a smaller extent as regards the working classes and to a greater extent as regards the agriculturists and the educated middle class which have not yet succeeded in making good their War losses. "Hard times" is a complaint which is still frequently heard. From time to time this complaint is heard with greater vehemence in some part or other of the country, and one then has the impression that, times are really hard. These are, however, nearly always the expressions of some purely local conditions. The Republic of Poland is a large country, and conditions in the various parts of the land vary considerably, whilst there will always be a possibility that in spite of general prosperity, some local failure of crops, some neglected deficiency or a deeper wound left by the War, will cause difficulties to arise in some district or other of the country. We, however, propose in this article to discuss solely general observations applicable to the country as a whole, i. e., basic business condition indices for, these facts alone will enable the reader to get a general outline of the actual economic conditions in the Polish Republic. A mass of statistics and figures, the quoting of particular cases of loose impressions and observations, would only blur the picture.

We have not, of course at our command data for the whole of 1928. Statistics, on the whole, refer to the first three quarters of that year, but it can be stated that the fourth quarter in no wise changes the general impression: the development of business conditions in that quarter continued to progress in the same manner as in the first quarter.

We do not propose to discuss in this place agricultural conditions, but it would be worth while reminding the reader that, from the point of view of a study of general conditions, so long as agricultural production in Poland remains unregulated in a large portion of the country, and so long as the production remains only in the neighbourhood of self-sufficiency, the Polish farmer will always be dependent upon the success of his crops for the results of his work, and thus the index of agricultural output will continue to remain dependent to a greater or lesser degree on the other indices of the Republic's economic progress. For this reason, therefore, it can be considered as a most favourable sign, and one which should be strongly emphasised, that work on the amelioration of agricultural conditions in every branch, and of farm-holdings, has been remarkably active and intensified during 1928. This is most important as the plan is to raise the standard of agricultural production and to render agriculture independent of the weather.

An indication which is, to a certain extent, useful in appreciating the state of agricultural conditions in Poland and one which exhibits a certain growth in prosperity amongst the farmers, is the index figure of growth in consuming power. An analysis of the increase in consumption of six of the principal articles (coal, iron, cement, petrol,

cotton goods and sugar) indicates that consumption has increased steadily since 1924 (except for a certain break in the case of iron in 1925), and that this consumption continued to increase throughout 1928. Thus, during this period the annual consumption of coal has risen from about 20 to about 26 million tons, that of iron from 250.000 tons to 900.000 tons, of cement from 500.000 tons to 950.000 tons, of petrol from 33.000 tons to 58.000 tons, of cotton goods from 39.000 tons to 72.000 tons and of sugar from 174.000 tons to 350.000 tons.

This growth in consumption has been accompanied by an increase in industrial production. This is indicated in the first place by the general index figure for industrial output, the basic figure of 100 being arrived at by taking the average for the period 1925—1927. The lowest figure for this period was for March, 1926, when the index amounted to 78·3, in September of the same year the index had jumped to 103·4, and in March, 1927 it stood at 104·7, then to make another jump to 120·6, this being the figure for September 1927. Further progress was made in 1928 when the figures were: 123·0 for March and 134·9 for September, the latter figure being a new record.

These conclusions are confirmed by the index figures of unemployment, which show a steady decrease, as the State Labour Exchanges had registered in March, 1926 the names of 302.179 unemployed, whilst in November, 1928 this figure had fallen to below 80.000.

Production during the year 1928 increased in every one of the basic branches of Polish production. The collieries, in spite of the continued closing of the German market to Polish coal, succeeded in overcoming the difficulties of gaining new foreign markets and in increasing the average daily output from 127·2 thousand tons in 1927 to 132·4 thousand tons in 1928; the iron foundries increased their average monthly output of cast steel from 108·2 thousand tons during the first quarter to 112·4 thousand tons in the second quarter, and to 126·0 thousand tons in the third quarter, whilst in 1927 the average monthly output amounted to 103·7 tons; in the case of rolling mills the corresponding figures for 1927 and 1928 came to: 76·8, 83·3, 83·1, and 90·4 thousand tons.

Coal and iron are the two fundamental raw materials needed for almost every branch of industrial production; therefore, the development of these branches of industry leads to a similar development in the remainder. Consequently, there was a growth in output during 1928 accompanied by an improvement in conditions in almost every branch of production. Whether we examine the textile industries, the metal or the chemical industries, figures showing progress in 1928 are in every case evident.

The progress made in economic development is also shown by the figures regarding railway and sea communication. The daily loadings of 15 ton wagons in October during the last four years were as follows (in thousands of wagons):

1925	130
1926	151
1927	166
1928	200

Goods traffic passing through Danzig and Gdynia during the same four years — the figure for 1928 being arrived at on the basis of that for the first ten months — was as follows (in thousands of tons):

1925	2.774
1926	6.714
1927	8.793
1928	9.972

The foreign trade of the Republic of Poland presents a very different picture, since it has been

act and balance the deficit in the balance of trade. Simultaneously with the regulation of internal conditions, it was unavoidable that the question of vitally necessary investments should crop up, investments which would have as their purpose the satisfaction of the growth of consumption and at the same time assure the service and amortization of the foreign loans now being received. This factor has made necessary, whilst the inflow of foreign capital has made possible, a considerable growth in imports, which cannot,



MINE WORKER, UPPER SILESIA (PHOT. S. PLATER)

decidedly adverse for almost the whole year, and is only balanced during the last few months.

The necessity for efforts being made to combat the existence of an adverse trade balance has been keenly felt in Poland ever since this symptom has made itself felt. The structure of the Polish Republic's balance of payments, upon which depends the stabilisation of her currency, is such that the balance of trade is a decisive factor. A deficit in the balance of trade is, therefore, synonymous with a deficit in the balance of payments.

However, for the time being Poland is receiving an inflow of foreign capital, sufficient to counter-

for the time being be met by an increase in exports. An adverse balance of trade is, under these conditions, a normal occurrence and is not only harmless, but even can be considered as a favourable factor, subject to the condition, of course, that the imports are conducted on rational lines for productive purposes. An analysis of the import figures bears out that this is the case. The import of raw materials has risen steadily and especially so in 1928. These raw materials comprise iron, zinc and lead ores, scrap iron, cotton, wool, jute, rags and waste-paper, raw hides, artificial fertilizers, machinery and other auxiliary means

of production. On the other hand, a whole series of industries have sprung up in Poland which are satisfying the demand for numerous manufactured articles which were previously largely imported, and, as a result such imports, are beginning to decrease. Finally, the import of non-essential articles remains without change, and in any event represents but a negligible fraction of the whole import. The foregoing analysis of the foreign trade of the Polish Republic also confirms that Polish trade and industry are developing rationally and fears need not be entertained if even after a few months of a balanced trade exchange, adverse balances should again appear. As has already been stated, the inflow of foreign capital counteracts the adverse trade balance without danger to the stabilisation of the currency, which is, in any case, based upon very strong foundations.

Further indications of the stabilisation of economic conditions, apart from the stabilisation of the currency, are furnished by prices, in which, at least as regards wholesale prices, fluctuations have been very slight indeed for over two years, and by the stabilisation of the country's budgetary system, which has yielded, besides steadily increasing receipts and expenditure, a permanent and considerable surplus. Further proof is furnished by the continually increasing turnover of the banks, both State and privately owned, and by the increase in savings deposits, &c. A decided step forward has been taken during 1928 in all these fields.

It may be, that, in spite of all, the progress achieved during 1928 is none too great. But the very fact alone that this progress has already lasted steadily for over two and a half years and that it is making itself felt in every branch of human effort is in itself of great significance.

It is difficult and dangerous to foretell the future, but the newly-organised Institute for Economic Research of Warsaw is conducting a scientific examination of the statistical data of the Polish Republic with a view to ascertaining whether or not the crisis, which must inevitably follow, in a milder or stronger form, every longer period of favourable business conditions, is at hand. According to current signs a turn in the situation is hardly to be expected during the year 1929. The crisis in Western Europe which was at one time feared, and which could have had an effect on the situation in Poland, has not materialised as yet. Home conditions do not show any possibility of a crisis, if only for the reason that over-production, the cause of every crisis, is out of the question under the conditions reigning in Poland i. e., a growing but still insufficiently developed consumptive power. The as yet unexploited and large reserves of home consumption will afford in the future an important source of strength to the economic organism of Poland.

This year will, in all probability, continue to present conditions favourable to the work of construction, which has been conducted for the past few years and upon which depends the future progress of the country.

POLAND'S COMMERCIAL TREATIES

POLAND'S commercial treaties represent a mass of complicated problems. The greatest structural changes of an economic and political nature in post-War Europe were those, which took place within the boundaries of the Polish Republic. Former markets were either cut off or access to them restricted and Polish production is only now gradually recovering from the destruction which it met. It is at present working principally for the home market and can only engage in export after satisfying the domestic demand. Opportunities, which a year ago still seemed quite small as regards export and called for no special regulations to be framed for their development, have since then steadily assumed a more concrete form which cannot now be ignored. Thus, it is that the normalisation of trade convention conditions and their adaption to the economic needs of the Republic of Poland will continue for many years to come to be of great importance.

The aggregate value of Polish exports during the last three years has, comparatively, increased very little. In 1926, Poland exported goods to the value of £ 2.246 million, in 1927 for the sum of £ 2.510 million and in 1928 for approximately £ 2.500 million. Therefore, as compared with 1926, exports in 1927, and 1928 rose by barely 10 per cent. If, however, we examine the changes which took place, during this period, on the various foreign markets, the situation presents itself in an entirely different light.

A development of Poland's export trade is indicated by the statistics covering the following countries:

<i>Value of Polish exports (in millions of £):</i>			
	<i>1st half-year 1926</i>	<i>1st half-year 1927</i>	<i>1st half-year 1928</i>
European countries:			
Czechoslovakia	102.4	108.7	147.4
Austria	129.4	139.8	153.7
Latvia	27.0	18.4	27.2
Bulgaria	0.4	1.1	1.2
Holland	42.2	46.9	47.1
Jugoslavia	3.5	6.0	10.7
Norway	4.8	2.9	12.0
Other countries:			
The United States of America	7.8	9.9	10.7
Japan	1.3	4.2	5.8
Egypt	0.6	0.6	1.5
Brazil	0.1	1.5	2.1
Argentina	1.1	1.3	2.3

Still larger changes have to be registered in Poland's supply markets. The value of imports to the Republic of Poland grew in the case of the following exporting countries (in millions of £):

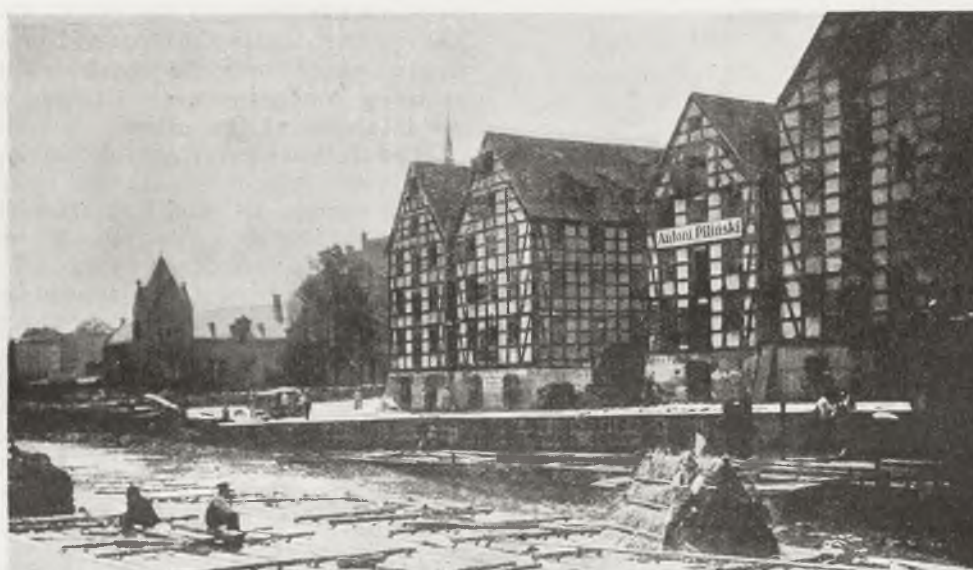
	<i>1st half-year 1926</i>	<i>1st half-year 1927</i>	<i>1st half-year 1928</i>
England	62.0	123.0	160.2
Austria	39.0	86.9	115.4
Belgium	6.7	20.2	33.6
Czechoslovakia	28.5	72.8	107.8
France	43.4	103.9	139.7
Holland	21.9	57.8	73.4

The United States of America	113.0	169.1	248.9
Switzerland	12.2	27.6	40.3
Sweden	7.6	27.9	38.9
Italy	40.2	46.7	49.1

The Republic of Poland has recently concluded a series of new treaties and has readjusted a number of old ones, keeping to the principle that the soundest mode of regulating such matters is in every case to effect a compromise, which will permit of the expansion of the Polish export trade in a natural and sound manner, while the co-signatories are enabled to develop the Polish market for the sale of their goods. This last especially applies to the import of articles, the consumption of which is economically sound.

Estonia, as also with Norway and Sweden. A continuation of this policy upon the same lines may be expected to yield consistently favourable results for all concerned. Polish-Yugoslavian trade relations have also been marked by a considerable advance. Finally, an Egyptian-Polish Chamber of Commerce has been founded in Cairo, a Bulgarian-Polish Chamber of Commerce in Sofia, a Palestine-Polish Chamber of Commerce in Tel-Aviv where a new commercial attaché has been appointed. And in Warsaw a Polish-Finnish Chamber of Commerce has arisen, whilst a Polish-Rumanian Chamber of Commerce in Warsaw is in course of organisation.

A series of new agreements and of further revisions of existing trade conventions is in course



GRANARIES ERECTED IN THE 18th CENTURY AT DANZIG

The Polish market — even in its present stage of development — has gained considerably in importance and the Polish-German customs war has undoubtedly led to the extension and consolidation of imports from the United States, England, France, Austria, Czechoslovakia, Holland, Italy, Switzerland and Belgium. This state of affairs has evoked a strong interest on the part of these countries in Poland as a market, and this fact will certainly not remain without effect on the future shaping of Poland's exports to these markets. It will also bring in its wake a wider interest in the possibilities for the investment of foreign capital in Polish production and trade.

Recently, new trade agreements have been concluded with Latvia, Estonia, China and Persia, whilst conventions with Czechoslovakia and Hungary have been revised in a friendly spirit; finally, Rhodesia has announced its adhesion to the Anglo-Polish Commercial Treaty. A very considerable and most important economic *rapprochement* has taken place during the same period between Poland and the Baltic States of Finland, Latvia and

of preparation, as e. g. with Soviet Russia, whilst three important treaties, the economic and political significance of which is very great, are at present under discussion. The treaties referred to are the commercial treaties with France¹⁾ the United States and Germany²⁾. The treaty with the United States has been the subject of negotiations for some time past, and, following the elimination of the last few points at issue, which are more of a formal than of a fundamental nature, is now entering into the concluding phase of settlement.

Negotiations for the revision of the Franco-Polish Commercial Treaty are being conducted in Paris under favourable conditions and in a spirit of friendly understanding of the points of view of both sides. That the necessity of an increase in the Polish export trade is understood by the French, is evident, so there is no doubt that the revision will open up new vistas of trade pos-

¹⁾ See page 64.

²⁾ See page 63.

sibilities for the sale of Polish agricultural and live-stock products, and with this will come a natural amelioration of Poland's balance of trade. Embracing a wide range of economic problems, these negotiations will require a certain further period of time for their completion, and there can be no doubt that their favourable conclusion will bring about a still closer and more lasting union between the two Republics, already so tightly bound by a traditional political amity.

German-Polish negotiations present the most difficult problem Poland has to face, and this in spite of the natural interdependence of both markets and the need for harmonious co-operation which is obvious to any impartial observer.

The following table shows the rapid growth of trade between the two markets in spite of the continuance of the customs war:

	1st half-year 1926	1st half-year 1927	1st half-year 1928	III quarter 1928
Value of Polish imports from Germany (in millions of zł)	128.7	347.6	454.7	237.2
Basic index figures:				
1st half-year 1926 = 100	100	270	353	369
Value of Polish exports to Germany (in millions of zł)	253.7	363.6	390.6	220.0
Basic index figure:				
1st half-year 1926 = 100	100	143	154	173

A few general conclusions may be drawn from this table, viz.:

1.— The methods and militant principles applied by the Reich, those of a maximum customs tariff, have been, and still are, much more strenuous than those applied by the Polish Republic, as the latter are based on a system of trade regulation. It is obvious therefore that Poland is conducting the controversy in a much more liberal manner than Germany.

2. — German exports to Poland are increasing at a rate which is twice as quick as that of Polish exports to Germany.

3. — The adjustment of the customs rates put into force by Poland at the beginning of 1928, has not lessened the rate of expansion of German exports to Poland. Thus, the German allegation that this adjustment was not intended as a general economic measure, but as one specifically directed against German imports to Poland, is ill founded.

Moreover, it should be borne in mind that German imports to Poland comprise to this day a series of special German products, whilst Polish exports are limited, to a great extent, to raw materials or semi-manufactured goods which are essential to the German client.

For the time being, no other conclusions should be drawn in this connection except that this state of affairs is fully realised by the Polish Government, and that during the whole course of the long negotiations, nothing has been done by the Polish Government to strengthen their side of the question. This inaction has been maintained for the purpose of avoiding even the semblance, however

unjustly interpreted, of any unfriendly step whatsoever being taken.

However, as often as a spirit of compromise has appeared that has taken into account the vital needs of both the parties concerned, so often have negotiations, even regarding individual cases, yielded good results. It was on such a basis that a year ago the Polish Republic came to an understanding with Germany covering the mutual regulation of the timber trade, and recently again a few days of negotiation in the same spirit led to the final settlement of the long drawn out conflict which arose out of the Polish Government taking over the State Chemical Works of Chorzów in 1922.

The past year has witnessed conferences of German and Polish businessmen in Berlin and later in Warsaw. In both cases the discussions have always been to the point and the conviction has grown that the Polish-German commercial treaty would only be concluded upon both sides granting concessions, each taking into consideration the interests of the other.

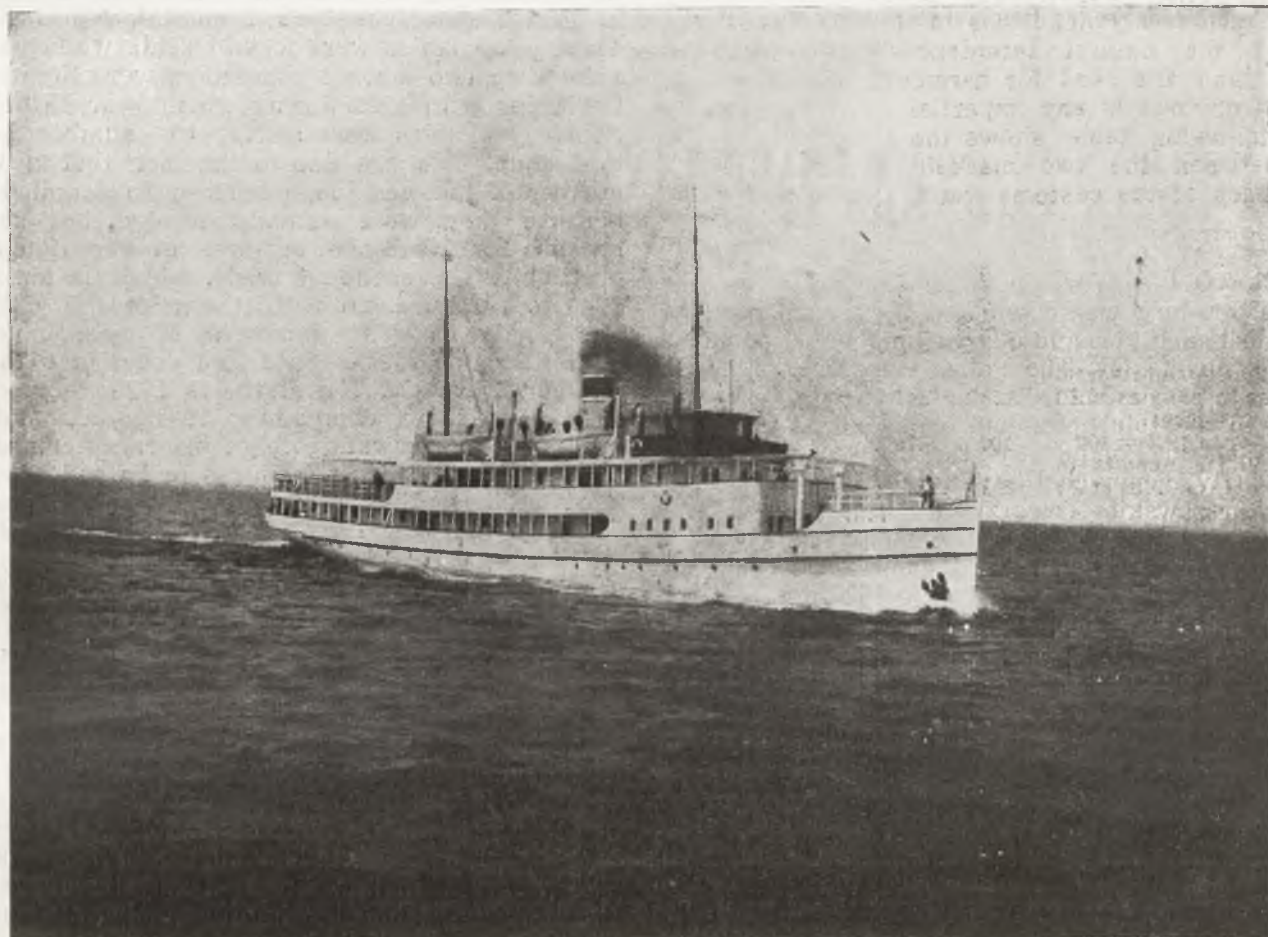
Then followed during the closing months of the past year a conference of German and Polish timber merchants and industrialists. This meeting discussed the principles to be laid down for the extension for another year of the provisional Timber Agreement which lapsed in December 1928. In this case too, the Polish Government showed its readiness to accept a provisional compromise, either on the basis of an ordinary contingent system for the export of unworked wood and the import of worked timber, or on the basis of mutual free trade. In this manner the Polish Republic once again stressed the pacific nature of her attitude. Yet it is impossible to deny that the free export of unworked timber — with very low export duties — can give rise in Poland to certain objections if only for fundamental reasons.

The chief difficulties which impede progress arise not so much out of fundamental problems as out of questions of method. Poland is to-day in the position—we may even say the happy position — that on every question an understanding acceptable to her can be arrived at. And the question can be as wide or as narrow as desired. The Polish Republic can for example accept as a basis for negotiation, should this be an essential from the German standpoint, that her chief export articles such as livestock products, coal, meat, and even other articles such as sawn timber, should be subject to trade regulation and limited to certain quotas. The form of such contingent systems can be very broad, consisting in the fixing of an aggregate amount which is to pass the German frontier. Or, it can be in stricter form, fixing in advance the groups of German consumers, the quality of the goods, the frontier-points of entry, delivery dates, certificates of origin &c. The German delegation, however, must realise that Polish exports must not only be equalled and balanced, but equalled on the same basis. But Poland can also regulate the exchange of goods on a broadly conceived plan of a mutual and bold opening of doors. It is becoming increasingly evident that, in spite of all apparent symptoms, the tariff war is not bringing Germany those results

which it expected. Public opinion in Poland realises that in this second eventuality, a number of newly founded branches of industrial production possessing every chance of successful development will go to the wall, but it is also generally understood that compensation will be found in the development of Polish agriculture, the changed conditions, and the opening up of a new, free market for the disposal of its products.

are so fundamental and so diametrically opposed in nature to even a provisional regulation of relations, that Poland's attitude will be readily understood. It is these difficulties which are preventing an understanding being achieved.

There can be no doubt, that a German-Polish commercial treaty is vitally necessary, since it would finally regulate post-War economic conditions in this part of Europe, but we must also point out



S. S. GDYNIA, A PASSENGER BOAT OWNED AND OPERATED BY THE STATE SHIPPING COMPANY, GDYNIA (PHOT. S. PLATER)

One thing only is quite out of the question. Negotiations cannot be entered upon which envisage only a one-sided agreement i. e., a „small” treaty for Poland, based on contingents and provisional agreements, and a „large” treaty for Germany, comprising not only the most-favoured-nation clause and a goods contingent plan, but also demanding from the Republic of Poland the abolition of the system of trade regulation, the reduction of the customs rates on several hundreds articles in the customs tariff, the protection of which has been vital for Polish home production, the permitting of German middlemen traders in Poland, and, finally, the granting of a clause permitting the settlement of German subjects on Polish soil or even perhaps the granting of tariff and port clauses. These last two clauses

the fact, and it is a point upon which all impartial observers must agree, that a continuation of the customs tariff war neither causes Poland any more serious losses, nor does it bring Germany any considerable advantages. The character of both markets is such that it automatically neutralises the effects of the tariff war. On the other hand, a conflict in international economic relations is in itself, in our opinion, both undesirable and harmful.

The Polish Republic always has been, and is still, ready to liquidate this conflict on the basis of a reasonable understanding and compromise, and is willing to pay the full equivalent value for each actual concession obtained.

It may be stated again, that Germany does no longer, at the present time, enjoy the advantages

which it appeared likely to secure in 1925 and 1926. The feeling is gathering strength that a just and wise compromise would be very advantageous not only for the two countries concerned, but also for other countries far beyond their frontier-lines.

It can be stated, without any fear of contradiction, that Poland is ready for such a compromise and, it must be emphasized, wishes it. If, however, Polish wishes are not met in this direction, she will, nevertheless, continue not only to exist economically, but also to develop, as the history of the last few years has so strikingly shown.

INSURANCE COMPANIES IN POLAND

PRIOR TO the War, insurance business on the Polish territory was conducted by a small number of Polish institutes and a large number of powerful foreign companies. The Polish companies, although developing satisfactorily, had, however, a small share in the total premium collected. The oldest companies in Poland are the Krakowskie Towarzystwo Wzajemnych Ubezpieczeń founded in 1860, the Warszawskie Towarzystwo Ubezpieczeń (the Warsaw Insurance Company) established in 1870, and the Bank Wzajemnych Ubezpieczeń "Vesta" in Poznań established 1873. Later, in 1892, the Life and Accident Assurance Company "Przezorność" was established. In 1902, the "Ceres" Hail and Insurance Company was organised, and in 1903 the "Snop" Insurance Company. All these companies developed successfully in spite of the difficulties made by the alien powers and especially by the Russian and German governments.

During the period 1903—1914, 8 companies were founded of which one was a share company and 7 mutual companies. Thus, before the War there were 15 Polish companies which conducted the following branches: fire, life accident, hail and plate glass insurance. In addition, there were Russian, German, Austrian, French, American and Italian companies. As a result of such conditions it is impossible at present to give accurate figures of the annual premiums collected by all the insurance companies operating in Poland, for the statistical returns prepared by Russia, Germany and Austria are not sufficiently reliable.

In 1913, the total premiums collected by all the Polish insurance institutes was about gold Fr. 60 million which represented about $\frac{1}{3}$ or $\frac{1}{4}$ of the total premiums collected by all the insurance companies operating in Poland. It is seen, therefore, that the total amount of insurance premium collected on Polish territory can be placed at from gold Fr. 180 to 240 million per annum.

Although this sum appears to be considerable, yet compared with the enormous amounts of premiums collected in Western European countries and America, it shows that there are still vast possibilities for the development of this branch of economic activity in Poland.

The outbreak of the War checked the activity of the Polish insurance institutes and these difficulties increased during the occupation of Poland by the German Authorities which spared no efforts to capture the Polish insurance market for the German companies. Still, during the period of the German and Austrian occupation, several new Polish companies were founded, so that in 1918 there were 4 limited liability and 12 mutual insurance companies. In 1919, 8 share companies were founded, in 1920 6 share and 1 mutual, in 1921 1 share, in 1922 1 mutual, and in 1923 4 share companies were established, while at the same time two mutual companies were liquidated. Beginning with 1923, during which year 35 private Polish companies were active, the number begun to decline. This was due to the fact that a large number of the new companies were founded not because they were actually needed, but simply because the insurance business at the time was profitable. The economic crisis, which lasted from 1924 to 1925, brought with it considerable difficulties for the insurance business, in consequence of which 2 companies were closed down in 1926 and another 2 in 1927. Therefore, in 1928 there were 17 Polish share companies, 10 mutual, and, in addition three private foreign insurance companies authorised to transact business in Poland as well as 4 public institutes. The stock capital and reserve funds in the year 1926 were as follows (in zł):

	Stock capital	Reserve funds	Total
19 share institutes	11,082.750	2,844.022	13,926.772
10 mutual insurance institutes	642.243	10,772.880	11,415.123
Total:	11,724.993	13,616.902	25,341.895

In spite of the difficult conditions under which new companies were organised and operated after the War, it was possible to establish new branches of insurance which either did not exist before the War or were conducted by the foreign companies. The progress in this direction may be gauged by the following table showing the number of branches of insurance conducted in 1914 and 1928.

	1914	1928
Branches of insurance:		
life	3	10
accident	2	9
fire	5	25
burglary	—	14
transport	—	11
hail	2	7
plate glass	1	2
third party	—	8
autocar	—	6
horses	—	1
water pipes	—	1
damage to machinery	—	1
damage to aeroplanes	—	1

In addition, during the years from 1920 to 1924 two companies engaged in insurance against the stoppage of work in factories (*chômage*), but gave it up at the beginning of 1925 owing to the business showing no signs of development. The premiums collected for all branches of insurance are given below (in thons. of zł):

	1924	1925	1926
private share companies	20.189	24.865	29.180
mutual insurance institutes . . .	12.964	18.583	19.975
Total (private institutes):	33.153	43.448	49.155
public institutes	29.170	42.267	48.085
foreign institutes	953	3.356	—
Total:	63.276	89.071	—

The increase in premium collection in 1925, as compared with 1924, cannot be accurately measured as it was caused by a rise in the insured sums, which, in turn, was brought about by the break down of the currency. The increase in the premiums collected in 1926 was about 13 per cent and in 1927—27 per cent which, in view of the stabilisation of the currency, may be considered as quite satisfactory. The premiums in the different branches of insurance were as follows (in thous. of zł):

Branches of insurance:		1924	1925	1926
life	A ¹⁾	1.757	3.632	4.389
	B	1.104	2.840	3.262
	C	15	203	180
		2.876	6.675	7.831
accident	A	726	744	675
	B	347	444	730
		1.073	1.188	1.405
fire	A	14.811	15.817	18.805
	B	8.54	9.324	10.303
	C	22.917	43.216	46.272
		46.312	68.357	75.380
burglary	A	776	1.083	1.371
	B	148	251	332
		924	1.334	1.703
transport	A	945	1.103	1.094
	B	196	133	264
		1.141	1.246	1.358
hail	A	414	943	974
	B	1.987	4.371	3.923
	C	235	1.344	1.675
		2.635	6.658	6.572
plate glass	A	331	387	467
	B	43	40	—
		374	427	467
third party	A	277	655	861
	B	447	802	828
		724	1.457	1.689
autocar	A	127	471	525
	B	110	378	333
		237	849	858
horses	A	15	12	6
	B	—	—	—
		15	12	6

¹⁾ Private share companies, B — Mutual Institutes, C — Public Institutes.

water pipes	A	8	8	13
	B	—	—	—
		8	8	13
damage to machinery	A	—	—	—
	B	—	—	—
		—	—	—
damage to aeroplanes	A	—	—	—
	B	—	—	—
		—	—	—
chômage	A	0.5	—	—
	B	—	—	—
		0.5	—	—
Total:	A	20.189.5	24.865	29.180
	B	12.964	18.583	19.975
	C	23.166	44.763	48.127
Total A + B + C:		56.319.5	88.211	97.282

The ratio of claims paid to premiums collected in 1926 is given below (in percentages):

Branches of insurance:	Indirect insurance	Direct insurance
fire	38.4	66.0
fire with the exception of compulsory insurance of buildings	50.3	—
transport	36.5	82.9
theft	65.6	41.0
hail	66.7	83.4
plate glass	56.1	—
horses and cattle	79.9	—
autocar	59.6	106.8
water pipes	5.9	—
chômage	18.4	54.1
accident	21.8	49.7
indirect insurance of effects	—	67.6

In round figures, the premiums collected in 1926 including reinsurance business is given below (in millions of zł):

public institutes	51
private share companies	50
private insurance companies . .	25
Total:	126

The total was composed of zł 97 million from premiums for direct business, zł 22 millions from premiums collected by the insurance companies conducting direct business, and zł 7 million from premiums collected by reinsurance institutes.

The state of life insurance in 1926 may be gauged from the following table showing the sum insured (in thous. of zł):

private share companies	84.844
private insurance companies	75.059
public institutes	7.538
Total:	167.451

Having endured the most trying period, that is, the depreciation period of the Polish Mark and the break down of the Złoty currency, the insurance companies in Poland have now entered into a period of consolidation and steady development.

THE TANNING INDUSTRY OF POLAND

THE TANNING industry in Poland is passing through a severe period of depression.

This depression is the more severe because the tanning industry is engaged, at present, on an internal re-organisation having for its object the consolidation of the industry into a single

developed in every way. They were strong financially, having large capital of their own and foreign credits. Under such conditions the extent of the output was only limited by the nature of the organisation and the size of the factory.

The tanneries in German Poland and in the Eastern Provinces were in a different condition to those in Russian Poland. In those parts of Poland only large factories were in operation, tanning about 300,000 light and heavy hides a year.



INTERIOR OF ONE OF THE WORKSHOPS OF THE POLISH MECHANICS' COMPANY OF AMERICA LTD., WARSAW

association covering the whole area of the Republic of Poland so as to assure its adaption to the new conditions brought about by the War.

In pre-War times the tanning industry was well developed in Russian Poland, rather less so in German Poland and in the Eastern Provinces, and was virtually non-existent in Austrian Poland.

In Russian Poland, before the War, there were 25 tanneries, 15 of which worked up about 900,000 heavy hides for the production of sole leather, and 10 tanned light cattle hides, horse hides, calf skins and sheep skins. Besides these large establishments, a number of smaller ones existed, which also treated light cattle hides, calf skins, horse hides, &c.

The tanning industry in Poland, before the War, worked mostly for the Russian market, satisfying only to a small extent the local Polish demand and, having such a large market, the tanneries

A certain number of smaller establishments also existed.

During the period of the Great War, the production of the factories was dependent solely upon the good or ill will of the occupying forces with the result that complete chaos was brought about.

Thus, the end of the War found the tanning industry ruined by war operations or rather by the policy of the German authorities of occupation, who had seized almost all the raw material available, destroyed factory installations, and defeated all efforts to reconstruct the tanneries by requisitioning machines, transmission belting, &c. In Austrian Poland, the authorities followed a policy which had for its object the maintenance of that province as a supplier of raw hides and skins and its exploitation as a market for finished goods. This object was attained by effective opposition to the establishment of any large-scale tanneries

on that territory. Apart from this, war operations were responsible for the destruction of 80 per cent of the tanning workshops run by craftsmen, existing there before the War. The least loss was suffered by the tanneries of German Poland, but there the industry was little developed, and only two large factories existed, one in Gniezno and the other in Bydgoszcz.

During the first few post-War years, raw hides and skins were subject to requisition by the authorities for the use of the tanneries. This scheme together with an embargo against the import of leather made possible a gradual return to normal work in the tanneries, but the lack of working funds, caused by the loss of capital in Russia, proved a serious hindrance in the realisation of these plans. The considerable home demand for leather, which began to make itself felt in 1922, led to the founding of new modernly equipped tanneries (in Kraków and in Gniezno). From that year dated the work of the tanneries to adapt their production solely to the demands of the home market and this, in turn, necessitated reconstruction in order to raise them to the level of similar factories abroad, which had in the meantime made considerable progress in technical organisation. Thus, the tanneries were forced to bring their methods of work and equipment up-to-date and this again necessitated large capital. Nevertheless, by the end of 1923, Poland was able to produce sole leather (as whole hides or in bends), kip sides, kidleather, chromeleather and all types of horse hide leather which were in no way inferior to foreign products.

During this period, the domestic demand had been steadily growing, but this growth was an artificially created one, since purchases were made in order to get rid of the daily depreciating Polish Mark by acquiring merchandise as a more stable form of wealth. The production of leather increased to such an extent that pre-War production figures were almost attained, and the profits received were invested in the business. With the stabilisation of the Złoty and with the return of confidence in the currency, i. e., more or less in April 1924, a new period of exceeding difficulty arose for the tanning industry. This period was marked by an unfavourable factor, namely, by the effect of the general economic conditions of the country at the time. At this juncture, too, the industry began to feel the full effects of the exchange losses suffered on hides and skins imported from abroad. During 1924, many additional factors, apart from the above, combined to undermine the industry. A catastrophic failure of crops took place, causing the loss of up to 75 per cent of the agricultural consumers, while large jumps in the prices of extracts and American raw hides caused great losses. With all these obstacles to progress, the tanning industry would have, nevertheless, succeeded in building itself up anew, were it not for the merciless competition of the Austrian and Czechoslovakian tanning industries and the dumping practices applied by these producers.

The year which followed that of 1925, was the most difficult one which the industry had ever

had to pass through. It was characterised by a continued lack of demand and by financial difficulties connected with the general crisis through which the whole country was passing. It was only in 1926, when the Złoty fell and import barriers were raised, and when favourable harvests led to an increase in consumption, that the tanneries were enabled to augment their output and to undertake work under more normal conditions. These favourable conditions lasted until the middle of 1927, when they gave way before the attacks of fierce foreign competition accompanied by a considerable increase in the price of raw hides and skins.

The tanning industry in Poland at the present time numbers 1,926 tanneries in operation, 9,451 workers being employed. Of this number, 969 establishments are small tanneries run by craftsmen, each employing from 1 to 5 workmen, 142 establishments employ from 5 to 10 workmen, 87 establishments employ from 10 to 20 workers, and only 98 tanneries, each employing over 20 workers, can be classed as larger factories. Barely 50 tanneries are to be found which are organised according to the most up-to-date methods and which produce really first quality goods.

It is rather a difficult task to estimate the magnitude of the tanning industry of Poland as it is to-day, compared with that of pre-War times. Should we accept as a basis for comparison, the output of soleleather for 1927, the figure being 958,000 tanned hides, we would arrive at the conclusion that Poland is producing scarcely 50 per cent of her pre-War output, taking into consideration the fact that a number of new factories arose after the war.

Statistics covering the production of sole leather, indicate a steady growth in output since 1924. The following table shows the annual production and, for purposes of comparison, the import of sole leather (in hides):

	1924	1925	1926	1927	1928 1st half-year
Home production	600,000	420,000	720,000	833,000	not smaller than in 1927
Imported hides	324,730	306,300	274,195	195,480	75,390

The figure of 958,000 tanned hides, quoted in the preceding paragraph, does not cover the whole of 1927, but only nine months of that year and the last quarter of 1926, during which latter period a great number of tanned hides were produced.

The increase in the production of sole-leather was accompanied by an increase in the import of raw heavy hides, necessary for the manufacture of heavy sole leather.

Poland has not a sufficient home supply of heavy hides for the manufacture of sole leather and whilst importing heavy hides, exports the lighter ones. The magnitude of this export and import is illustrated in the following table (in kg):

	Import of heavy hides	Export of light hides
1924	12,206,400	643,900
1925	6,262,900	3,160,800
1926	10,246,500	3,158,100
1927	17,722,300	2,268,200
1928 1st half-year	9,474,500	1,499,500

It is an axiom that the exchange of such raw materials is desirable and essential provided that the exported raw material cannot be completely worked up in the country of origin. In this case, it so happens that this export is justified as the Polish Republic produces an excess of light hides.

Passing on to the next article of mass production in the tanning industry, that of chrome calf skin leather, it is noteworthy that the Polish tanneries utilise almost exclusively raw material of domestic origin. Raw calf-skins are a seasonal commodity available only during the period of calving i. e., from the end of December to the beginning of August. It is during this period that the tanneries have to replenish their stocks of raw materials,

nature of the abnormal conditions reigning in this branch of leather production (in hides):

	1924	1925	1926	1927	1928 1st half-year
Dressed hides:					
Home Production	1,500.000	850.000	1,200.000	2,288.000	—
Imported	1,300.000	700.000	120.000	322.000	70.000
Raw hides:					
Imported	33.400	100.000	260.000	322.000	177.300
Exported	550.000	1,300.000	1,400.000	552.000	690.000

In the production of sole and chrome leather, the tanning industry of Poland, following its thorough re-organisation and the complete re-equip-



THE CONSTRUCTION OF A DAM NEAR USTRON

seeing that they do not possess either larger working capital of their own or suitable bank credits, they are not in a position at present to buy up the considerable stocks of raw material available as they used to do before the war, with the result that the skins are purchased by foreign agents and exported. This business is superfluous and harmful to the interests of the country, since the raw material is partially worked up abroad and returns to Poland in the form of dressed chrome leathers, which from the point of view of quality are not superior to those of Polish manufacture, yet are bought by Polish tanneries after the end of the season, when raw calf-skins are no longer offered on the home market.

It is a matter of surprise and conjecture how it is that so far, in spite of the efforts of the tanning industry of Poland, private banks have not taken part in the financing of such purchases. Statistical data covering both import and export of raw calf-skins, as also the production of chrome leather, and the import of the same, well illustrate the

ment of its plants with modern machinery, can be stated to stand on an equal footing with the tanneries of Western Europe, whilst its products are in no way inferior to those produced in other countries. The capacity for production of this industry exceeds the home demand of the military and civilian population, and under favourable conditions it could export its products to other countries as it did before the War.

With regard to the working up of other hides and skins, such as, for instance, horse-hides, the industry has made great strides forward, having adapted itself to the demands of the market. In this category of hides, not only are the so-called Hamburg goods produced, but raw horse-hides are worked up into chromes, upholstery leather, clothing leather, &c. In this branch of production also the home demand is met by the Polish tanneries.

The situation as regards box-calf and patent leathers is not so favourable. This industry exists in Poland, but in the absence of protective customs

duties (the customs rate reduction being 50 and 86 per cent) it has not been able for a number of years to develop according to the needs of the country.

These grades of leather constitute quite an important item in the balance of trade of the Polish Republic, and it must be admitted, that the demand for them is growing very quickly. Almost every member of the female population wears patent leather or box-calf footwear, which, after all, is an article of luxury. The following figures will illustrate how the import of these leathers is growing year by year:

	Kg.	zł
1924	455.700	25,148.000
1925	351.600	21,960.000
1926	481.200	35,511.120
1927	907.300	46,561.000
1928 (1st half-year)	518.800	36,300.000

It is estimated that this position in Poland's import trade will amount to about zł 80 million during 1928, as the import of these leathers is usually greater.

In conclusion, it must be re-stated that the Polish tanning industry has, in spite of the many

obstacles in its way, and the last crisis encountered, developed year by year, although working, as was the case during the last few years, at a small profit. This should be ample proof that this industry is not a moribund one and that there is every reason that it will develop into an important branch of Polish production. In spite of the large losses suffered, the share capital of the tanneries still affords a very important material foundation for the future of this industry.

Nevertheless, the first problem connected with its further existence and development is the inflow of foreign capital necessary for the partial replenishment of the capital lost. This would be possible of course only in the case of the larger units of the industry, whilst a number of the largest factories could combine to form a common organisation for the purchase of raw materials and the sale of their products.

The tanning industry of Poland, having an important home market for its products and being well supplied with raw material of domestic origin, has every chance for further development.

SUMMARY OF LAWS, ACTS AND EXECUTIVE DECREES

published in the "Official Journal of Laws of the Republic of Poland" ("Dziennik Ustaw Rzeczypospolitej Polskiej")
from December 15th, 1928 to January 15th, 1929

Partial amendment of the Tenants Protection Law ("Dz. Ust. R. P." No. 100, item 894).

Stamp fees on transactions in bonds and securities ("Dz. Ust. R. P." No. 100, item 897).

Basic price for alcohol delivered to the State Spirit Monopoly ("Dz. Ust. R. P." No. 101, item 902).

Amendment to the Executive Decree of the Land Reform Law ("Dz. Ust. R. P." No. 101 item 903).

Supplement to the regulations concerning railway goods traffic between Poland and Soviet Russia ("Dz. Ust. R. P." No. 101 item 904).

Postponement of the entry into force of the Executive Decree amplifying the Customs Tariff ("Dz. Ust. R. P." No. 101, item 905).

Extending to the Free City of Danzig of the Polish-Turkish trade agreement together with the convention dealing with the settlement of the citizens of the one country on the territory of the other ("Dz. Ust. R. P." No. 101, items 906 and 907).

Enumerating undertakings bearing the character of State insti-

tutions of public utility works ("Dz. Ust. R. P." No. 103, item 918).

Conditions under which foreign limited liability companies may operate on the territory of the Republic of Poland ("Dz. Ust. R. P." No. 103, item 919).

Reimbursement of customs duty when exporting glass products ("Dz. Ust. R. P." No. 103, item 920).

Export duty on straw and bran ("Dz. Ust. R. P." No. 103, item 921).

Slight amendment of the regulations dealing with salt bonded warehouses ("Dz. Ust. R. P." No. 103, item 923).

Fees for the supervision of steam boilers ("Dz. Ust. R. P." No. 103, item 924).

Regulations concerning the postage of printed circulars ("Dz. Ust. R. P." No. 103, item 927).

Customs rebate on electrodes made of charcoal ("Dz. Ust. R. P." No. 105, item 953).

**Customs rebate on salted her-
ring** ("Dz. Ust. R. P." No. 105, item 954).

Customs rebate on sulphuric acid ("Dz. Ust. R. P." No. 105, item 956).

Customs rebate on ships ("Dz. Ust. R. P." No. 105, item 957).

Customs rebate on machinery and apparatus not manufactured in Poland ("Dz. Ust. R. P." No. 105, item 958).

Further suspension of the export duty on glycerine residues from soap factories ("Dz. Ust. R. P." No. 105, item 959).

Partial suspension of emigration ("Dz. Ust. R. P." No. 105, item 960).

Export duty on eggs ("Dz. Ust. R. P." No. 1, item 3).

Customs rebates on lime salt-petre ("Dz. Ust. R. P." No 1, item 4).

Regulations concerning aerial communication ("Dz. Ust. R. P." No 1, items 6 to 10).

Partial amendment of the Executive Decree relating to emigration ("Dz. Ust. R. P." No 2, item 21).

Regulation concerning the export of eggs ("Dz. Ust. R. P." No 1, item 5).

PRODUCTION AND TRADE

STATE OF EMPLOYMENT. — In December the situation on the labour market deteriorated considerably, despite the fact that business conditions were

not subject to any considerable fluctuations and showed even a decided betterment in several directions. Consequently, the increase in the number

of unemployed is apparently to be attributed solely to seasonal factors such as the suspension of building operations, slackness in agriculture,

curtailment of operations in the ceramic industry and discharges from various public utility works. No doubt the same factors were responsible for the increase in the number of unemployed in the previous months, but then their effects were counterbalanced by a simultaneous rise in the employment figures in coal mining and the sugar industry. In the month under review, owing to the close of the sugar campaign, a number of workers were discharged.

The number of unemployed registered at the State Labour Exchanges rose during the month from 97,414 to 128,144, or by 30.9 per cent. The state of employment in the past few years is given below (at the beginning of each month :

	1926	1927	1928	1929
January	251,326	190,140	165,268	128,144
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	185,207	116,843	82,642	
November	167,826	115,732	81,195	
December	168,008	136,738	97,414	

The following statement gives the number of part-time workers:

	1928	1929
January	33,190	21,726
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	
December	26,143	

Of the total of 21,726 part-time workers, 811 worked 1 day, 4,730 2 days, 3,234 3 days, 3,773 4 days, and 9,126 5 days per week; therefore the average time worked was 3.7 per week i.e., the same as in November.

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

	December	January	Increase decrease
mining	11,561	9,743	- 1,818
foundries	999	1,174	+ 175
metal	7,006	8,898	+ 892
textile	11,492	11,579	+ 87
building	7,013	16,303	+ 9,290
clerical	12,502	11,859	- 643

Similarly as in November, December was marked by a brisk demand for coal from both local and foreign buyers. As, however, the shortage of coal trucks continued to be badly felt and was aggravated by the cold and heavy snowfalls, the deliveries of coal were smaller than in November. On the other hand, the daily output rose, both as compared with the previous month and December 1927. The number of workers engaged

in coal production rose from 116,293 to 117,718.

The situation in the petroleum industry was about the same as in November, the output of crude oil being approximately equal. Prospects for well owners are encouraging owing to the upward trend in prices of crude oil. Prospecting was continued in the potassium salt mines and new deposits have been discovered. Iron ore mines operated under similar conditions as in November and the number of workers engaged was 6,176 as against 6,237 in November. Unemployed miners in general were 6 per cent of those at work.

As regards the iron founding industry, there was a falling off in deliveries as a result of the inflow of orders showing a marked fall as compared with November. Nevertheless the output of the foundries did not differ much from that for the preceding month despite the fact that the number of working days in December was smaller than in November. The number of workers employed at iron and steel foundries decreased from 54,659 to 54,564 as compared with the preceding month. Owing to the provisions of the Brussels Agreement whereby the output of zinc is to be reduced commencing with January 1929, the output of zinc in December was increased as compared with November. Lead production remained unchanged. The prospects for the immediate future in this branch are rather bright owing to the rise in price of zinc and lead products on the world markets. The total number of unemployed foundry workers represented about 2 of those at work.

The position in the metal industry in December did not vary much as compared with November. Makers of agricultural machinery curtailed operations. Similarly, producers of nail, wire and similar articles reduced considerably their output owing to seasonal depression. Manufacturers of screws and rivets, beams and girders were fairly busy. A certain falling off in output was recorded by manufacturers of textile machinery in the Łódź area, although those of Bielsk, who send the bulk of their products abroad, were doing quite well. In the electro-technical industry the situation continued to be favourable and local production is developing satisfactorily. Manufacturers of enamelled ware operated on a small scale and the bulk of the goods were exported. Unemployed metal workers were 9 per cent of those at work.

In the cotton trade in the Łódź area the winter season was not closed very

satisfactorily, for, while there was an increase in exports, local sales were on a comparatively small scale.

As, however, the holiday period and intense frost had a good effect on the retail trade, the manufacturers expect to receive further orders for winter fabrics. The woolen industry in Łódź was engaged on the manufacture of summer fabrics. Similarly, the Bielsk manufacturers are getting ready for their export campaign which usually begins in February. The poor demand experienced by the manufacturers of the Białystok area, who for the most part turn out heavy winter fabrics, resulted in the closing down of a number of the smaller mills and in the reduction of output in the large mills. Manufacturers of knitted products were less busy than in November owing to the passage from winter to summer production. Producers of hemp and jute fabrics worked under favourable conditions. The same remark applies to the hat and ready-made clothing manufacturers. Unemployed textile workers were 8 per cent of those at work.

With the setting in of frosty weather, building operations came to an almost complete standstill. Outdoor work was, of necessity, suspended so that operations were confined to minor inside fittings in buildings nearing completion. It is obvious, therefore, that, under these conditions, the number of unemployed workers in the building trade, as a whole, rose considerably.

Wages continued to show an upward trend.

GRAIN

— December was colder than the previous month; the temperature ranged from 1.5 to 4° C thus being 1° C below the average for many years. The amount of precipitation throughout the country was adequate with the exception of the Lwów, Pińsk and Wilno areas where the deficiency amounted from 25 to 50 per cent of the normal average for several years.

The autumn season was favourable to the growth of the winter sowings; the work on the land was completed in due time, so that the plants developed satisfactorily. The state of the sowings for the whole of Poland at the end of 1928, according to the calculation of the Chief Statistical Office, was as follows:

	1927	1928	1929
	December	November	December
Wheat	3.4	3.8	3.7
Rye	3.4	3.8	3.8

It is seen that the state of the winter sowings was about the average and compared favourably with that recorded at the end of 1927.

The Polish grain market was subject to small fluctuations during the period

under review, but there was a slight downward trend in prices at the beginning of January. The quotations during the period under review are given below:

		HOME EXCHANGES								Berlin	Chicago
		Warsaw		Poznań		Lwów		Av. of 3 exch.			
		₹	\$	₹	\$	₹	\$	₹	\$		
W H E A T											
Dec.	1—8	45'81	5'15	42'83	4'81	46'50	5'22	45'04	5'06	4'95	4'48
"	9—15	45'31	5'09	41'62	4'67	46'37	5'21	44'43	4'99	4'88	4'43
"	16—22	45'75	5'14	41'62	4'67	45'50	5'11	44'29	4'97	4'85	4'38
"	23—31	45'91	5'15	42—	4'71	—	—	—	—	4'83	4'29
Jan.	1—8	46'19	5'18	42—	4'71	48'25	5'42	45'48	5'11	4'82	4'23
"	9—15	45'84	5'15	42'37	4'76	48'25	5'42	45'48	5'11	4'90	4'38
R Y E											
Dec.	1—8	34'31	3'85	33'50	3'76	34'87	3'91	34'23	3'84	4'82	4—
"	9—15	34'50	3'88	32'81	3'68	34'25	3'84	33'85	3'80	4'82	—
"	16—22	35'17	3'95	33'19	3'72	33'19	3'72	33'85	3'80	4'80	4'18
"	23—30	35'83	4'02	34'25	3'84	—	—	—	—	4'81	4'17
Jan.	1—8	35'18	3'95	33'50	3'76	35'50	3'98	34'73	3'90	4'77	4'12
"	9—15	34'66	3'89	33'50	3'76	35'50	3'98	34'55	3'88	4'86	4'02
B A R L E Y (brewing)											
Dec.	1—8	36'31	4'08	36—	4'04	36.—	4'04	36'10	4'05	5'39	—
"	9—15	35'50	3'99	35'25	3'96	35.—	3'93	35'25	3'96	5'39	—
"	16—22	32'25	3'96	35—	3'93	—	—	—	—	5'39	—
"	23—30	35'25	3'96	35—	3'93	—	—	—	—	5'39	—
Jan.	1—8	34'75	3'90	35—	3'93	37'50	4'21	35'75	4'01	5'39	—
"	9—15	34'75	3'90	35—	3'93	37'50	4'21	35'75	4'01	5'40	—
B A R L E Y (feeding)											
Dec.	1—8	33'50	3'76	33'87	3'80	28'25	3'17	31'87	3'58	4'79	2'88
"	9—15	32'68	3'67	32'62	3'66	27'00	3'03	30'77	3'45	4'79	3'04
"	16—22	32'50	3'65	32'50	3'65	26'50	2'97	30'50	3'42	4'67	2'88
"	23—30	32'50	3'65	32'50	3'65	—	—	—	—	4'67	2'84
Jan.	1—8	32'50	3'65	32'50	3'65	28—	3'14	31—	3'48	4'67	2'81
"	9—15	32'50	3'65	32'50	3'65	28—	3'14	31—	3'48	4'66	2'84
O A T S											
Dec.	1—8	35'06	3'94	31'83	3'57	30'75	3'45	32'55	3'65	4'71	3'41
"	9—15	34'50	3'88	31'37	3'52	29'75	3'34	31'87	3'58	4'63	3'38
"	16—22	34'42	3'86	31'25	3'51	28'54	3'20	31'40	3'52	4'63	3'39
"	23—30	33'95	3'81	31'25	3'51	—	—	—	—	4'64	3'37
Jan.	1—8	33'56	3'77	31'12	3'49	31—	3'48	31'89	3'58	4'68	3'38
"	9—15	33'50	3'76	31—	3'48	31'50	3'53	32—	3'59	4'78	3'44

The largest fall was recorded in the prices of oats which have been steadily falling for some weeks. The decline on the Warsaw Corn Exchange amounted to 4'4 per cent. This decline is accounted for by increased supplies on the part of small and medium-sized farms which, as usual at this time of the year, thresh their crops, and also by the small purchases made by the army.

A considerable fall was also reported in the prices of barley the decline on the Warsaw and the Poznań Corn Exchanges amounting to 4'3 per cent and 2'8 per cent respectively. Business in malting barley was limited, due

inter alia to a decrease in the requirements of the exporters for, owing to good crops throughout the European continent, the export trade in Poland has been depressed.

There was a better demand for barley for milling and feeding purposes. Consequently, after the fall in prices observed in the first half of December, quotations were maintained on the Warsaw and Poznań Corn Exchanges at about z 32 per 100 kg.

Prices of wheat and rye fluctuated a slight decline being recorded at the beginning of January.

The characteristic feature of the grain market in the current agricultural year is the excess of supply over demand, which brings about a fall in prices.

The decline in prices of all the varieties of grain, which has been noticeable at the beginning of the current agricultural year, has slowed down since October, but it is still in evidence. According to the quotations on the Warsaw Corn Exchange, prices of wheat, which in August 1927 averaged \$ 5'95, fell in December last to \$ 5'13 or by 13'8 per cent. During the same period, the prices of rye decreased from \$ 4'59 to \$ 3'92 or by 14'6 per cent., those of barley from \$ 4'65 to \$ 4 or by 14 per cent, and those of oats from \$ 4'96 to \$ 3'87 or by 22 per cent. It should be mentioned, however, that stock exchange quotations do not correspond to the prices paid to growers, who, especially in provincial districts, sometimes sell their crops at figures much below the cost of production.

The fall in prices which was observed in Poland is, as is well known, general throughout Europe, with the difference, however, that the fall in prices of wheat, barley and oats was greater on the Warsaw Corn Exchange than on the other European corn exchanges. During the present agricultural year Polish prices for rye and barley have been the lowest not only when compared with those ruling in the Western European countries, but also with those in the other continents. Prices of wheat, it is true, were above those ruling in Berlin and Chicago, but they show a drop of 15 per cent as compared with the previous agricultural year. Prices of oats are only higher than those in Chicago, but they do not reach the European levels. In fact, the level of grain prices in Poland is the lowest since the beginning of the 1926/1927 agricultural year. The drop in the prices is also partly due to the prohibition of export of wheat, rye and oats and a shortage of money which makes it difficult for the millers to transact large business; for this reason most mills are passing through a heavy crisis and some of them have been closed down owing to lack of capital.

One of the steps taken by the Government for the purpose of alleviating the crisis is the introduction of special advances on agricultural products on the strength of the Decree of March 22, 1928. Up to December 31, 1928 the credits granted in this way totalled z 12,000,000.

In December the surplus of exports



VIEW OF THE STATE NITROGEN COMPOUNDS FACTORY UNDER CONSTRUCTION AT TARNÓW

over imports totalled zł 4,047,000. The movement of grain in December 1928, as compared with the preceding month and the corresponding period of 1927, is given below (in tons):

	December 1927	November 1928	December 1928
<i>I m p o r t s:</i>			
wheat	13,647	4,126	5,344
rye	1,898	1,733	165
barley	91	321	184
oats	2,985	1,898	700
<i>E x p o r t s:</i>			
wheat	217	460	44
rye	1,063	1,022	909
barley	8,516	25,333	16,384
oats	329	360	213

It is seen that there was a decrease in the imports in November, due to the introduction of a customs duty on rye. It may be recalled that the export of barley is not subject to any regulations. Nevertheless, compared with November, the export of the latter commodity declined from 25,322 tons valued at about zł 10.5 million to 16,384 tons valued at zł 6.5 million which, as already stated, is accounted for by the deterioration of the barley market.

In December, wheat was imported from Germany (58.1 per cent), Hungary (20 per cent), the Argentine (16.7 per cent), the United States of America, Yugoslavia and Austria; rye from Hungary (63.7 per cent) and from Germany (36.3 per cent); oats from Germany (97.9 per cent).

Exports of rye and oats went almost exclusively to Germany; wheat to Germany and Czechoslovakia, whereas barley was directed to Belgium (35.3

per cent), Germany (31.8 per cent), Latvia 9.9 per cent), Denmark (4.7 per cent), Estonia (4.3 per cent) and smaller consignments to Austria, Switzerland, Holland, England, Finland, Lithuania, Norway, Czechoslovakia and Italy.

BUTTER

— During the latter half of December butter prices were maintained at a fairly high level, which is to be attributed to the small quantities brought to the market. Also on the foreign market there was an upward tendency for Polish butter, but the situation changed in the first half of January owing to the increased production of milk, while at the same time butter prices on the foreign markets showed a downward trend. All these factors contributed towards a decline in prices (the Farm Products Committee in Warsaw reduced wholesale prices of butter on two occasions), in consequence of which exports rose considerably. Nevertheless, the quantity taken by Germany and England during the period under review was comparatively small. Wholesale prices of first grade butter on the Polish market were as follows (in zł per kg.):

	December 16th-31st	January 1st-15th
Warsaw	8.50	8.20—7.40
Łódź	8.50	—
Bydgoszcz	—	—
Katowice	—	8.50

Imports of butter effected in December totalled 5,600 kg. of which 2,800 kg. came from Russia, 900 from Germany,

1,000 kg. from Yugoslavia, 800 kg. from Denmark, and smaller quantities from Czechoslovakia and other countries.

During the same period Poland exported 490,800 kg. (valued at zł 3,415,000) of which 348,500 kg. were sent to Germany, 119,500 kg. to England, 10,700 kg. to Sweden, 5,200 kg. to Czechoslovakia and smaller quantities to Holland, East Prussia, Denmark and Austria.

EGGS

— During the latter half of December the Polish egg market was inactive and it was only in certain localities that a slight upward tendency was evident, whereas during the first half of January there was a strong tendency and prices moved up throughout the country, due to lack of supplies and heavy demand. Supplies continued to be limited owing to transport difficulties, but the demand from foreign buyers was on a small scale. On the German market, Polish eggs from the Poznań area were quoted as follows: ordinary sizes Rmk. 0.135, and larger sizes — from Rmk. 0.135 to Rmk. 0.165. On the Polish market wholesale prices were as follows (in zł per case of 1,440 eggs):

	December 16th—31th	January 1st—15th
Bochnia	376, 320 — 325 ¹⁾	290 — 305
Rzeszów	270	270
Stanisławów	317 — 325 ¹⁾	—
Katowice	310 — 325	—
Warsaw	310 — 320	310 — 350

¹⁾ For export.

Imports in December amounted to 45.500 kg., the bulk of which was supplied by Germany, and the remainder by Russia. During the same period export totalled 1,408.900 kg. (valued at £ 4,626.000), of which 469.200 kg. went to Germany, 249.600 kg. to Austria, 182.900 kg. to Italy, 161.100 kg. to Czechoslovakia, 153.200 kg. to England, 109.200 kg. to France, and 39.800 kg. to Hungary.

Small consignments were also sent to Latvia, Holland, Switzerland and East Prussia.

TIMBER

— The Polish timber trade is to a large extent influenced by the conditions prevailing on the German market which, as is well known, absorbs large quantities of Polish material. The provisional Polish German timber agreement which expired in December last and which was renewed on January 19th, 1928, materially affects the trade, as is seen from the following report dealing with the situation on the Polish market as it appeared in December.

In the history of independent Poland there was only one period, the 1923/1924 season which can be compared with the present season. The similarity lies in that the situation is undefined and marked only by a decided standstill. In 1923/1924 the situation was brought about by an increase in the export duty and a reform of the railway rates, while at the same time the measures taken for the stabilisation of the currency impeded greatly the export of timber. At present, a similar situation has been brought about by the expiration of the Polish-German Provisional Timber Agreement and the uncertainty as to its prolongation, added to which there is also a feeling of uncertainty as to the conditions under which the Polish timber trade will operate in the current year.

Transactions in round timber are rare; producers, both Government and private, are pinning their faith to the prolongation of the Timber Agreement and do not feel inclined to reduce prices which are consequently maintained at about the same level as last year. Purchasers, on the other hand, are cautious and take the view that Polish exports may be directed to markets other than German and prices of round wood on the local market may fall in consequence of an increase in the export duty and they are therefore not willing to accept

the prices which are higher than those ruling for sawn material on markets other than German. The fact that even in Germany auctions in State Forests fetch prices from 15 to 20 per cent lower than last year, is not without influence on the attitude of the buyers. Similarly, the sawn wood market is irregular. At the beginning of the month, timber, forming part of the quota, was still directed to Germany; in the latter half of the month, the exports ceased completely as soon as the embargo on Polish sawn material was introduced by Germany. On local markets there was a decrease in the demand for sawn wood as soon as the cold weather set in and the building season came to a close. It is true that saw mills succeeded in placing their last year production so that stocks are not larger than in previous years.

This state of affairs had a marked influence on the export of timber during December and considerable decreases were reported in all the more important sections. A particularly large decline was registered in the export of round and sawn wood. Only the export of sleepers rose considerably and reached a record level for 1928.

The statement made in the above paragraph is illustrated by the following table (in tons):

	November	December
pulpwood	100.393	92.708
pit props	40.587	36.755
logs, beams	67.385	46.146
deals, boards, battens	134.830	86.572
telegraph poles	6.400	4.172
railway sleepers	11.877	19.515
coopers' wares	2.653	2.123

The downward tendency of prices is illustrated by the following figures (in \mathcal{L} per cub. m. at loading station):

		<i>Nov.</i>	<i>Dec.</i>
pine logs for saw mills			
(per cub. m.)	Warsaw	70'—	67'—
" " "	Radom	53'—	53'—
" " "	Siedlce	64' 50	64' 61
" " "	Wilno	55'—	55'—
" " "	Białowieża	46'—	44'—
" " "	Poznań	60'—	60'—
" " "	Bydgoszcz	67'—	67'—
" " "	Toruń	70'—	70'—
pine logs for building purposes			
(per cub. m.)	Siedlce	59'—	59' 84
" " "	Białowieża	38'—	36'—
" " "	Wilno	44'—	44'—
pine pit props			
(per cub. m.)	Warsaw	39'—	37'—
" " "	Radom	37'—	37'—
" " "	Siedlce	29' 50'	31'—
" " "	Poznań	27' 70'	27' 70
" " "	Bydgoszcz	32'—	31'—
" " "	Toruń	27'—	27'—

¹⁾ Price for timber affected by the "Panolia
Flammea"

spruce logs for saw mills				
	(per cub. m.)	Siedlce	52:10	52:10
		Lwów	45:—	44:—
oak logs for joinery				
	(per cub. m.)	Białowieża	90:—	85:—
	" "	Łuck	155:—	155:—
pulpwood				
	(per stacked cub. m.)	Siedlce	30:50	30:90
	" "	Włino	29:—	29:—
	" "	Białowieża	30:—	29:90
pine fire wood				
	(per stacked cub. m.)	Warsaw	16:—	16:—
	" "	Radom	16:—	16:—
	" "	Siedlce	13:—	13:—
	" "	Włino	8:—	8:—
	" "	Białowieża	15:—	13:—
	" "	Poznań	15:—	15:—
	" "	Bydgoszcz	17:50	17:50
	" "	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

These prices are based on a comparatively small number of transactions and partly on prices which ruled in November and cannot, therefore, be taken as a true picture of the position prevailing on the round wood market without bearing in mind what was said at the beginning of this report.

COAL

— The situation in the Polish coal mining industry in December was on the whole favourable. As usual during the winter season there was an increase in the demand for house coal, both from local and foreign wholesalers, but the favourable position could not be fully taken advantage of owing to the shortage of trucks, particularly in the third week of December, and also owing to the smaller number of working days (22 in December and 25 in November). For this reason the delivery of coal, both as regards local and foreign markets, declined as compared with the preceding month.

The output also showed a falling off. Stocks at pit heads declined. In the coke industry in December there was a substantial increase, due to the increased demand from the local market. Manufacturers of briquettes maintained their home and foreign sales at practically the same level as in November. The situation in the coal mining industry in December may be gathered from the following figures (in tons):

⁴⁾ Price for timber affected by the "Panolis Flammea".



ONE OF THE MOST UP-TO-DATE POLISH COAL MINES, "SKARBOFERME"—
"PETER AND PAUL", KNURÓW

Coal mining districts	Extraction	Home consumption	Exports	Stocks at pit-heads ¹⁾
Upper Silesia	2,570,949	1,532,335	912,872	614,160
Dąbrowa	643,992	445,764	199,343	281,032
Kraków	233,747	204,194	1,025	61,506
Total:	3,448,688	2,182,293	1,113,240	956,698
November ²⁾ :	3,770,025	2,268,434	1,213,020	1,197,761
+In relation to November	-321,337	-86,141	-99,780	-241,063

It is seen that, as compared with the preceding month, the output in December declined by 321,000 tons or 8.55 per cent to 3,449,000 tons. The average daily output, however, amounted to 156,758 tons (22 working days) and was larger by 5,957 tons or 3.95 per cent than in November (25 working days).

The output of coal in 1928 (provisional figures for December) amounted to 40,610,923 tons and was larger by 2,526,837 tons or 6.63 per cent than in 1927. Compared with 1913, the output in 1928 was by 361,185 tons or by 0.88 per cent smaller. The aggregate sales in December amounted to 3,296,000 tons or 186,000 tons less than in November, due to a decline of 86,000 tons to 2,182,000 tons in local sales, and to a decrease in

exports by 100,000 tons to 1,113,000 tons or 8.24 per cent. Total sales in 1928, according to provisional figures, were 36,967,303 tons, an increase of 3,193,997 tons or 9.46 per cent over the 1927 figure. Local sales rose by 6.15 per cent and export by 15.79 as compared with 1927.

Stocks at pit heads declined by 241,000 tons or 20.13 per cent to 957,000 tons, as compared with the previous month.

The distribution of coal exports in December, 1928, is given below (in thousands of tons):

	1925	1926	1927	1	9	2	8
Countries	December			November ¹⁾	December ²⁾	Increase (+) or decrease (-) in relation to Nov.	
Northern European:							
Sweden	49	194	209	249	219	-30	
Norway	—	11	42	45	48	+3	
Denmark	49	101	142	157	147	-10	
Finland	—	43	10	57	38	-19	
Latvia	11	26	45	17	31	+4	
Lithuania	1	5	4	5	3	-2	
Estonia	—	—	1	4	2	-2	
Memel	3	7	5	4	6	+2	
Total:	113	387	458	548	494	-54	
Succession States:							
Austria	299	292	272	304	274	-30	
Hungary	96	75	56	75	60	-15	
Czechoslovakia	55	65	92	87	72	-15	
Total:	450	432	422	466	406	-60	

¹⁾ Corrected figures.

²⁾ Provisional figures.

Other countries:							
Germany	3	6	2	—	—	—	—
Rumania	10	14	9	15	18	+3	
Jugoslavia	8	14	8	22	14	-8	
Switzerland	6	59	11	11	12	+1	
Italy	12	175	36	23	39	+16	
France	4	14	19	35	49	+14	
Holland	—	—	—	8	9	+1	
Belgium	—	—	—	7	3	-4	
Russia	—	36	—	—	—	—	
England	—	115	—	—	—	—	
Ireland	—	—	—	—	—	—	
Tunis	—	—	—	—	—	—	
South America	—	—	—	—	—	—	
North	—	—	—	2	5	+3	
Palestine	—	—	—	—	—	—	
Algeria	—	—	—	4	—	-4	
Total:	43	433	89	127	149	+22	

Danzig	36	34	29	31	26	-5	
Bunker coal	—	17	28	41	28	-13	
Total:	642	1,303	1,026	1,213	1,103	-110	

Loaded at the ports:							
Danzig	141	276	384	520	425	-93	
Gdynia	14	35	109	147	153	+6	
Other ports	—	30	11	—	—	—	
Total:	155	341	494	667	578	-89	

Exports effected in December to the Scandinavian countries including Danzig, declined by 59,000 tons to 520,000 tons, or 10.19 per cent, as compared with a month earlier, and those to the Succession States by 60,000 tons to 406,000 tons or 12.87 per cent; the remaining countries took 177,000 tons (including bunker coal), an increase of 90,000 tons or 5.36 per cent.

The ratio of the exports to the above mentioned countries in December, as compared with November, are given below (in percentages):

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

²⁾ Corrected figures.

	November	December
Northern European countries	48'03	47'09
Succession States	40'84	38'70
Other countries	11'13	14'21
Total:	100'00	100'00

The average daily despatch of coal in December was 50.136 tons or 1.616 tons less than in November. The decline in coal export in December was accompanied by a decrease in the shipments through Danzig which totalled 425,000 tons or 95,000 tons less than in November, whereas the quantity of coal shipped through Gdynia amounted to 153,000 tons or 6,000 tons more.

The number of workmen employed in coalmining rose during the month by 1,425 to 117,718.

Owing to this increase the number of unemployed miners in general declined to 8,643 or by 1,528, as compared with November.

The average daily output per workman per day in December was 1.288 kg., a decrease of 16 kg. as compared with the preceding month, and was equal to 112'69 per cent of the output for 1913.

Workmen's wages remained unchanged. The average wage in Upper Silesia was zł 9'48 per day in November, as compared with zł 9'17 in October and zł 9'25 in September.

Prices of coal on the local market and for export to the Succession States remained unchanged. Those f. o. b. Danzig and Gdynia, destined for the Northern markets, showed a slight increase in December and ranged from 12sh. 5d to 12sh. 8d per ton for Upper Silesian coal.

Railway rates were not subject to any changes as compared with November. Shipping rates showed an upward trend and, according to the quantity, rose from 3 to 6 per cent.

The output of coke during the period under review rose to 142,230 tons, an increase of 3,840 tons as compared with the preceding month. Local sales rose by 3,681 tons to 132,684 tons, and exports declined by 2,313 tons to 15,651 tons.

Stocks at the works in December were 6,057 tons or 7,876 tons less than in November.

The number of workmen engaged, according to provisional figures, was 3,135.

The output of briquettes showed a falling off by 769 tons to 26,577 tons. Local sales rose by 316 tons to 26,602 tons, while exports fell by 281 tons to 480 tons.

Stocks at the briquette works fell during the month by 505 tons to 4,554 tons. There were 239 workers employed.

PETROLEUM

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

Drohobycz district {	Boryslaw basin	42,840
	other basins	7,125
Jaśło "		6,400
Stanisławów "		3,650
Total:		60,015

The extraction in the chief petroleum basins of Poland, that is, Boryslaw, Tustanowice and Mraźnica, amounted to 42,840 tons or 180 tons less than in November (43,019 tons) and about 190 tons less than in December 1927 (44,727 tons). The average daily output in the Boryslaw area was in December 1,382 tons, as compared with 1,434 tons in November and 1,450 tons in October. Of late, there has been a decline in production as no new wells have been completed.

Wages in the petroleum industry were raised recently and amounted to zł 8'65 per day in the case of skilled workers, and zł 2'76 in the case of unskilled workers, mostly youths. Increases were recorded as the result of the rise of the cost of living amounting to 3'716 per cent. Apart from the daily wages, the workmen receive bonuses ranging from zł 8'16 to zł 37'94 per month according to the work performed by them.

Prices of crude oil remained unchanged at \$ 20 per ton for Boryslaw Standard Crude ex well.

The situation in the petroleum industry in November was, on the whole, favourable despite a slight drop in the average daily output. The throughput at the refineries rose as compared with the average monthly figures for the whole year. The consumption of petroleum products was larger than in the corresponding month of 1927.

Exports declined and were in the neighbourhood of the average monthly figure of about 20,000 tons.

The output of crude oil in November is given below (in tons):

Drohobycz district {	Boryslaw basin	43,019
	other basins	6,846
Jaśło "		6,322
Stanisławów "		3,762
Total:		59,948

Compared with October, there was a decline of 2,800 tons, which is partly due to there being one less working days. The average daily output in the Boryslaw area was, in November, 1,434 tons as compared with 1,450 tons in October. The drilling and prospecting movement particularly in the Southern part of Mraźnica continues to be active

although the non-completion as yet of the "Petain" well has a bad effect on prospecting work in the adjoining areas.

Stocks of crude oil held by the storage companies and at the wells on November 30th were as follows (in tons):

Drohobycz district	29,648
Jaśło "	4,048
Stanisławów "	3,137
Total:	36,833

There was a considerable decline in the stocks as compared with October (43,048). This is partly due to increased operations at the refineries and partly to a decline in the output. The stocks of the Standard Crude, included in the above figures, were 17,334 tons which is less than in the preceding month (22,958 tons).

The number of workmen employed in November (together with auxiliary services such as workshops, electrical power stations, gas works &c.) was 11,553, or 100 less than in October. Of this number, 7,888 workmen were employed in the Drohobycz area alone. The natural gas industry made further progress in November. The state of this industry is illustrated by the following figures:

output of gas (in thous. of cub. m.)	37,178
throughput of gas (in thous. of cub. m.)	22,088
output of gasoline (in tons)	2,851
home consumption "	2,699
exports "	35
number of workmen employed	172
number of plants in operation	18

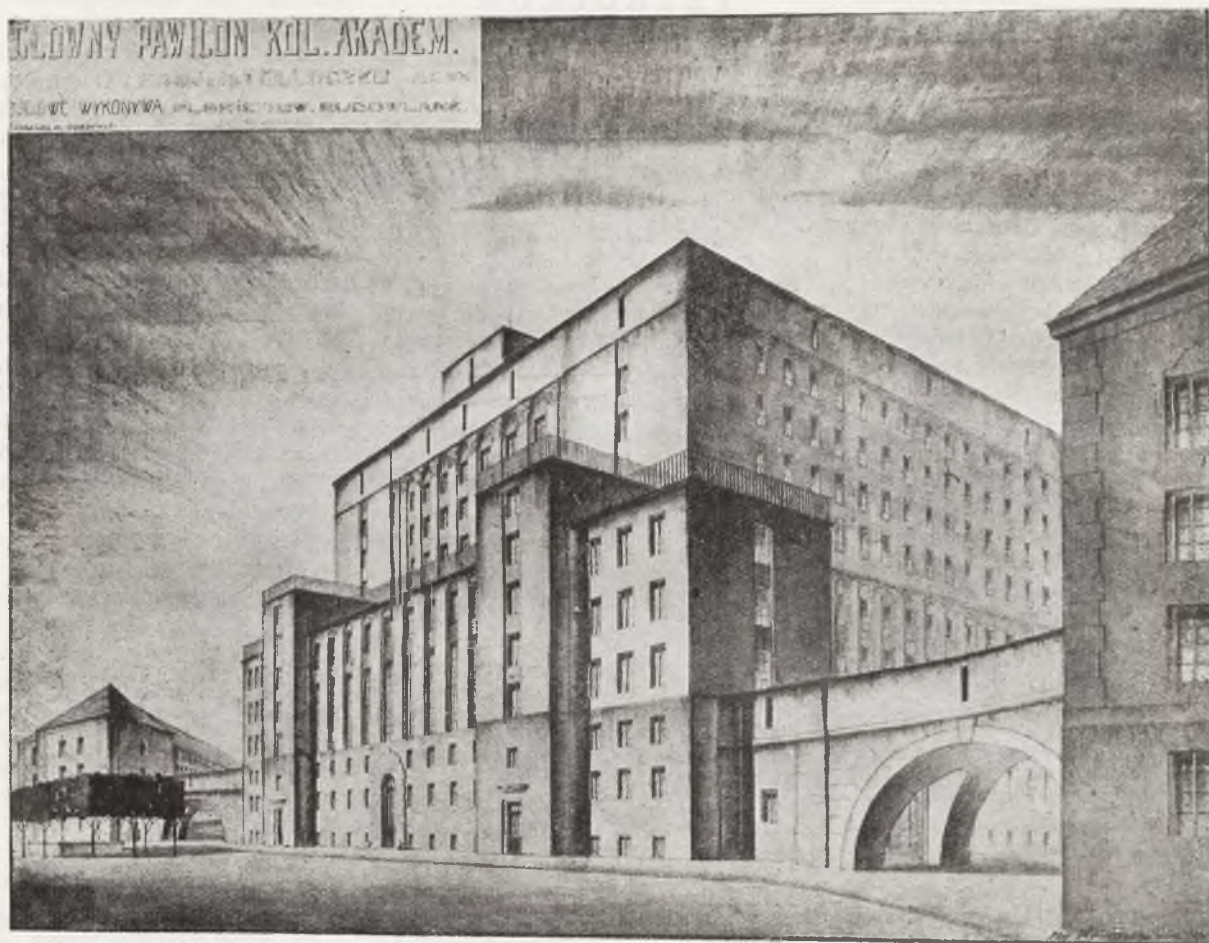
During the period under review 100 cub. m. of gas yielded 12'9 kg. of gasoline as compared with 12'4 kg. in October and 12'1 kg. in September. The situation in this industry was good and the prices amounted to about \$ 60 per ton ex works.

The output of ozokerite at the two mines, Boryslaw and Dzwiniacz, amounted to 74 tons (in October 76 tons). Exports totalled 69 tons, of which France took 30 tons, Germany 29 tons and Italy 10 tons. Stocks at the end of the month totalled 81 tons. Prices remained unchanged. The number of workmen engaged in ozokerite production was 541.

The state of the refining industry may be gauged from the following figures (in tons):

throughput of crude oil	65,239
output of petroleum products	59,015
home consumption	41,497
exports	20,084
stocks of petroleum products on November 30th	230,348
stocks of crude oil on November 30th	43,011

The throughput reached large proportions considerably exceeding the average



A STUDENTS' HOSTEL UNDER CONSTRUCTION AT WARSAW

monthly figure for 1927 (56.800 tons). The consumption of petroleum products showed a decline as compared with the preceding month (43.227 tons), but was larger than in November 1927 (39.321 tons). The consumption was made up of the following items: benzine 7.347 tons, kerosene — 18.386 tons, gas oil 5.478 tons, and lubricating oil 6.464 tons. Exports were as follows (in tons):

benzine	5.270
kerosene	3.486
gas oil	4.453
lubricating oil	2.369
paraffine wax	2.671
other products	1.835
Total:	20.084

The distribution of the exports is to be found in the following table (in tons):

Czechoslovakia	7.149
Austria	3.178
Switzerland	1.232
Germany	1.033
other countries	2.598
Danzig	4.844
Total:	20.084

The stocks of petroleum products held by the refineries on December 1st as compared with November 1st, are given below (in tons):

	November 1st	December 1st
benzine	14.775	14.546
kerosene	53.369	50.656
gas oil	27.061	27.600
lubricating oil	35.679	35.755
paraffine wax	3.670	3.526
other products	95.661	98.265
Total:	230.215	230.348

IRON

— The month of December is, as a rule, one of the least favourable months for the iron and steel industry for, at this time of the year old orders are nearly completed, and new ones are slow in coming in. The last month of the past year was typical in this respect. Private orders were not forthcoming and therefore the hopes of the foundries were based on the Government which in the winter months invariably improve matters by placing orders in connection with repair work to be carried out in the spring on the railway tracks. The decline in the output in December can be seen from the following table showing (in percentages) the ratio of work in the three chief sections on the basis of the average monthly output for 1913.

	October	November	December
blast furnaces	73.2	68.8	67.2
steel works	100.7	95.0	93.0
rolling mills	99.4	94.6	83.9

Iron mines, which adjust their work to that of the foundries, reduced their production, although the smaller number of working days in December also contributed towards a decrease in the amount of ores produced; the unfavourable weather also had a certain influence on production, especially in the case of the new small mines. On the whole, the prospects for iron ore mining are good and the December falling off should be considered as a passing phase which will be equalized in the course of the next two or three months.

The extraction, exports and imports of iron ore are given below (in tons):

	Extraction	Imports	Exports
Monthly av. for 1927	44.947	59.129	7.538
Monthly av. for I quarter of 1928	63.353	37.999	9.631
for II quarter of 1928	52.411	44.959	10.142
for III quarter of 1928	60.713	47.296	8.932
October	62.627	54.958	7.750
November	57.454 ¹⁾	48.864 ¹⁾	12.390 ¹⁾
December	47.43 ²⁾	62.404 ²⁾	10.000 ²⁾
1927	56.334	68.487	9.822

¹⁾ Corrected figures.

²⁾ Provisional figures.

Compared with November, the output of iron ore fell by 10,217 tons or 17.4 per cent. This decline, as already mentioned, is, amongst other causes, to be attributed to the smaller number of working days (22) so that the average daily output declined by only 6.2 per cent. Compared with December, 1927, there was a decline of 15.8 per cent. Imports in December rose considerably, by 13,540 tons or 27.7 per cent, as compared with the preceding month, and were 8.9 per cent less than in December, 1927. During the same period imports of manganese ore totalled 4,838 tons (5,370 tons in November); total imports of this mineral for the whole of the year 1928 amounted to 41,381 tons.

Owing to unfavourable weather, two iron mines suspended operations, so that there were 26 mines at work, of which 23 were producing and the remainder engaged in preparation work.

The number of workmen engaged in iron ore production was 6,176 at the end of December (6,237 in November); the decrease represented 1 per cent.

The table given below shows the average output of iron ore (in kg.) per workman per month and per day, the producing mines only being accounted for.

	per month	per day
September	9.45	0.378
October	10.65	0.394
November	9.30	0.372
December	7.75	0.352

The output of iron foundries and the number of workmen employed is given below (output in tons):

	Pig iron	Steel ingots	Rolled products	Pipes	Number of workmen employed
Monthly av. for 1927	51,515	103,684	76,765	7,712	43,971
Monthly av. for I quarter of 1928	57,201	108,288	84,068	8,257	47,215
for II quarter of 1928	54,426	112,413	83,109	8,883	49,770
for III quarter of 1928	56,412	125,935	90,924	9,865	52,072
October	62,934	139,201	101,291	11,109	53,615
Nov.	59,133 ¹⁾	131,268 ¹⁾	94,030 ¹⁾	10,279 ¹⁾	54,129 ¹⁾
Dec.	57,539 ²⁾	128,441 ²⁾	86,633 ²⁾	8,802 ²⁾	54,034 ²⁾
" 1927	55,617	96,901	78,763	8,652	44,821

Compared with November, the output in December declined by 1,594 tons or 2.7 per cent, as, however, the number of workmen engaged at blast furnaces was larger, the decline in the average daily production amounted to 5.8 per cent. Compared with December 1927, there was a decline of 78 tons or 0.14 per cent.

The output of steel declined by 2,827 tons or 2.1 per cent. This decrease,

however, is solely due to the smaller number of working days for the average daily production rose by 6.3 per cent as compared with November, and by 32.6 per cent as compared with December 1927 and 1926.

The output of the rolling mills decreased in December by 7,397 tons, but the average daily production rose by 4.7 per cent. The December output was 10 per cent larger than that for the corresponding month of 1927. The output of pipes declined also, namely, by 1,475 tons or 14.4 per cent, and the daily average by 2.7 per cent. The December output was smaller by 1.7 per cent than that of December 1927.

The number of workmen engaged declined in December by 95 or by 0.17 per cent, but was larger by 20.5 per cent than in 1927, due to the introduction of the 8 hour day.

The volume of orders received by the foundries in December showed a considerable decrease.

According to the figures of the Syndicate of the Polish Iron Foundries, which do not embody pig iron and pipes and foreign orders, the orders were as follows (in tons):

	October	November	December
Government orders	36,347	23,607	21,750
private orders	43,091	35,659	22,220
total	79,438	59,266	43,970
private orders included:			
from trade	31,220	22,718	14,750
" industry	11,871	12,941	7,470

It is seen that Government orders were more or less the same as in the preceding month, while private indents fell by 37.8 per cent; of the private orders 35 per cent came from wholesale dealers and 42.4 from industry.

Exports of foundry products fell as compared with November and so did the imports, though to a smaller extent. Exports and imports in December and November 1928 and in December 1927 are given below (in tons):

	Exports:			Imports:		
	Nov. 1928	December: 1928	1927	Nov. 1928	December: 1928	1927
pig iron	140	149	671	449	400	859
rails, iron and steel articles	8,165	3,665	6,047	676	646	1,263
iron and steel sheets	3,492	1,396	4,403	1,108	679	991
pipes	5,936	6,103	3,702	1,100	164	201
Total:	17,733	11,313	14,823	2,333	1,889	3,304

Exports fell by 36.4 per cent as regards quantity, and by 28.1 per cent as regards value. The aggregate value of exports effected in 1928 totalled zł 78,237,000 as compared with zł 74,900,000 in 1927.

ZINC AND LEAD

The favourable situation which characterised the month of November was maintained in December, with the difference, that prices did not advance but remained steady. There were no difficulties in placing the products. That the situation as regards zinc is good, is proved by the fact that the stocks which, up to August, were fairly large and amounted to about 10,000 tons, began from that time to decrease, although the output was not subject to any change. The following table shows the stocks in the different months (in tons):

	Raw and refined zinc	Zinc sheets	Total
July	8,788	1,159	9,947
August	8,356	954	9,310
September	8,135	871	9,006
October	6,362	707	7,069
November	6,233	585	6,818

The extraction and import of zinc and lead are given below (in tons):

	Extraction:		Imports:	
	ore 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
October	97,582	34,200	19,097	1,462
November	93,819 ¹⁾	32,900 ¹⁾	16,542	1,765
December	79,728 ²⁾	27,900 ²⁾	14,214	1,202
" 1927	88,159	30,800	17,375	1,711

The output of ore declined during the month by 14,091 tons or 15 per cent, but the average daily decrease represented only 3.4 per cent. Compared with December 1927, there was a decline of 9.3 per cent. Imports declined by 14.1 per cent as compared with November, and by 31.6 per cent as compared with December 1927. The decrease in December last as compared with November 1928 and December, 1927 was 18.2 per cent and 29.7 per cent respectively. There were the same smelting works in operation as in November. Apart from the regular output of ores, material from old dumps was transformed into zinc oxide. The amount used was about 2,000 tons which, however, is not included in the above mentioned figures.

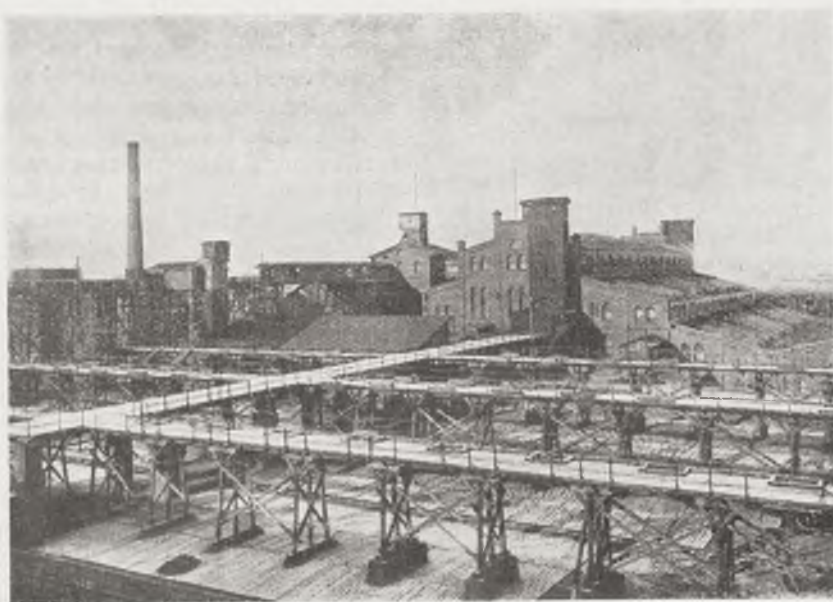
The number of workmen employed at zinc and lead ore mines together with subsidiary plants was 6,452 in December, as compared with 6,925 in November,

¹⁾ Corrected figures.

²⁾ Provisional figures.

¹⁾ Corrected figures.

²⁾ Provisional figures.



THE ZINC ORE MINE AT BRZOSOWICE

a decrease of 6·8 per cent. The output per workman per month and per day at the producing mines (not treated ores) is given below (in tons):

		Monthly	Daily
September	1928	17·25 ¹⁾	0·690
October	"	19·10 ¹⁾	0·707
November	"	18·75 ¹⁾	0·750
December	"	17·50 ²⁾	0·795

The output of zinc oxide from poor ores has been developing of late at a rapid pace mainly owing to the development of production at Messrs. Giesche. This company has been producing electrolytic zinc from zinc oxide since November, the output being 116 tons and 388 tons respectively in the past two months. Zinc oxide, similarly as in the previous months, was made at three plants, the output of which was 1.720 tons in December, 1.493 tons in November and 1.137 in October. During 1928, the total output of this mineral amounted to 11,684 tons. The output of zinc and lead smelting works and the number of workmen employed are given in the following table (output in tons):

	Sulphuric acid 50° Bé	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	24.653	13.547	1.603	3.646	13.137
October 1928	26.997	13.701	1.655	3.058	13.103

November 1928	28.488	13.851	1.520	3.281	13.010
December 1928	29.187	14.726	1.365	3.209	12.835
December 1927	25.114	13.167	1.076	2.550	12.962

It is seen, that the output of zinc rose in December by 875 tons or 6·3 per cent as compared with November, the average daily increase being 4·3 per cent. Compared with December 1927, there was an increase amounting to 11·8 per cent. The production of zinc sheets declined during the month under review by 155 tons or 10·2 per cent, whereas the average daily output showed an increase of 1·9 per cent. Compared with December 1927 there was an increase of 26·9 per cent.

The output of lead in December fell by 72 tons or 2·2 per cent, and the average daily output by 5·6 per cent. The increase in December over the corresponding period of 1927 amounted to 25·8 per cent.

The number of workmen employed at zinc and lead smelting works decreased by 175 or 1·3 per cent. Of the number of workmen employed in this industry, 94·2 per cent were engaged in zinc production and 5·8 per cent in lead production. The export of zinc and lead products declined slightly as compared with November, which may be gathered from the following table (in tons):

	Exports:			
	November 1928	value in tons	December 1928	value in tons
Raw zinc, dust incl.	12.275	12.797	11.821	12.601
Zinc sheets	1.190	1.465	934	1.227
Rafined lead	869	777	725	658
total	14.334	15.039	13.480	14.486

It is seen that the aggregate exports in December fell by 6 per cent in point of value. Total exports for 1928 amounted to 157.224 tons, valued at £ 172,034.000, the average value per ton being £ 1.090; in 1927, exports totalled 155.898 tons, valued at £ 199,527.000, the average price per ton being £ 1.280. It is seen that the average price per ton fell by 14·8 per cent in 1928.

VARIOUS

THE CONSTRUCTION OF OIL EXTRACTION PLANT AT GDYNIA.

The Minister of Industry and Commerce signed on December 22, 1928 an agreement with the Danzig Oil Works for the construction of an oil extraction plant at Gdynia.

The oil undertaking of Danzig will be transformed into a Polish company registered at Gdynia and, in accordance with the agreement, will obtain a lease of a site together with 125 m. of quay adjoining the rice husking plant.

The oil plant will be completed within 15 months, and will use American raw materials. The oil plant will consume 50.000 tons of raw materials per annum. The Company will construct, within a year, a warehouse capable of holding 100.000 tons of goods. The cost of the premises is fixed at about \$ 1 million. After the term of 35 years the whole plant will become the property of the Polish Treasury.

At the port of Gdynia the concessionaires may be divided into three classes: a) coal concerns, such as "Robur", Giesche, "Progress", and "Elibor" (Fulmen), which have already been granted concessions; b) transport companies such as the Warszawskie Towarzystwo Transportu i Żeglugi and Endler & Messing which have obtained concessions for the erection of warehouses, and c) industrial undertakings which erect industrial plants at the harbour. Up to the present the third category was represented only by the rice husking plant, and the new oil plant will be the second. The latter category of concessionaires is of the utmost importance to the Port, for, thanks to the existence of these undertakings direct shipping lines such as, for instance, with British India and South America, will be established in due course. Moreover, it will be possible to introduce more easily Polish goods on those markets which supply the raw materials necessary for the operation of the plants. Further agreements with industrial undertakings based on foreign raw materials are in course of preparation.

As the industrial canal has not, as yet, been completed, these pioneers of industry at Gdynia have received sites at the Marechal Piłsudski basin. New industrial plants will be allotted sites on the banks of the industrial canal which will possess convenient water and rail transport facilities.

¹⁾ Corrected figures.

²⁾ Provisional figure.

MOVEMENT OF PRICES IN DECEMBER.

— Business conditions in December in the different branches of economic activity were irregular, due to various causes. Thus, on the one hand, the easier conditions on the money market, which were in evidence despite the end of the year, as well as the pre-holiday activities, tended to increase business, while on the other hand, a decline in the prices of farm products held back their marketing and, in this way, reduced the purchasing capacity of farmers. It may be stated, however, that the pre-holiday period was marked by a smaller turnover than in 1927. In particular in the textile department, payments were more readily obtainable, especially in the latter half of the month, than in November. In the knitted ware section, sales were on a small scale and the shortage of money was badly felt. The prospects for the near future are not encouraging, owing to the existence of large stocks of foreign products which have not, as yet, been sold. During the week preceding the Christmas holidays retail trade in clothing and fabrics was on a small scale; as usual in December, transactions in leather were rare. The boot and shoe trade enjoyed less favourable conditions than in November and the hopes for a large turnover did not materialise. Both wholesale and retail traders in foodstuffs experienced good trade.

The level of prices in December did not show any changes, which is seen from the following table (January, 1914 = 100):

	Wholesale price index:	Retail price index:	Cost of living index:
December 1927	120.0	151.2	121.0
January 1928	118.6	151.5	120.3
February	117.8	150.3	118.3
March	121.2	151.9	119.3
April	124.5	153.0	120.7
May	122.5	153.7	121.3
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	118.5	155.6	123.2
November	118.5	156.5	125.2
December	118.5	156.0	124.7

It is seen that the index for wholesale prices remained unchanged as compared with November, and that of retail prices fell by 0.7 per cent. The cost of living index also showed a decline (by 0.1 per cent).

Passing to the examination of the movement of the wholesale prices, it should be stated, that the index of the two basic groups, namely, agricultural and industrial products, did not show any change at all. Nevertheless, in the group of agricultural products the following changes took place: prices of vegetable foodstuffs produced locally

decreased by 1 per cent, while at the same time prices of animal products rose by 1.3 per cent. In this sub-group again there were movements in opposite directions, for, on the one hand, prices for live stock and meat showed a downward tendency as owing to the lack and consequent high prices of fodder, farmers were compelled to get rid of part of their live stock, and on the other hand, there was an upward tendency in the products of animal origin of second importance.

In the group of manufactured articles only metals showed an increase, due to a rise in the prices of zinc and lead. Prices of textiles increased in connection with the rise in the value of cotton, and despite a falling off in that of wool. Prices of coal remained unchanged and so were those of timber, although in the latter case a slight downward tendency was in evidence.

The drop in the index of retail prices is accounted for by a decrease in the value of farm products by 1.4 per cent, for, manufactured articles were maintained at their previous level. In this connection the cost of living decreased by 0.1 per cent. Thus, the cost of food declined by 0.4 per cent, that of clothing and rent remained unchanged, while the price of fuel and the remaining items accounted for in the calculation of the cost of living, rose by 1.6 and 0.4 per cent respectively.

TREATIES**POLISH-GERMAN NEGOTIATIONS FOR A COMMERCIAL TREATY.**

During the latter half of December, 1928 and in January 1929, the Polish-German Delegations on the Polish German Commercial Treaty held a number of meetings, the object of which was to discuss the basic claims and offers of the two contracting parties regarding the matters which up to the present have not been definitely elucidated and agreed upon. Further negotiations will take place in the near future.

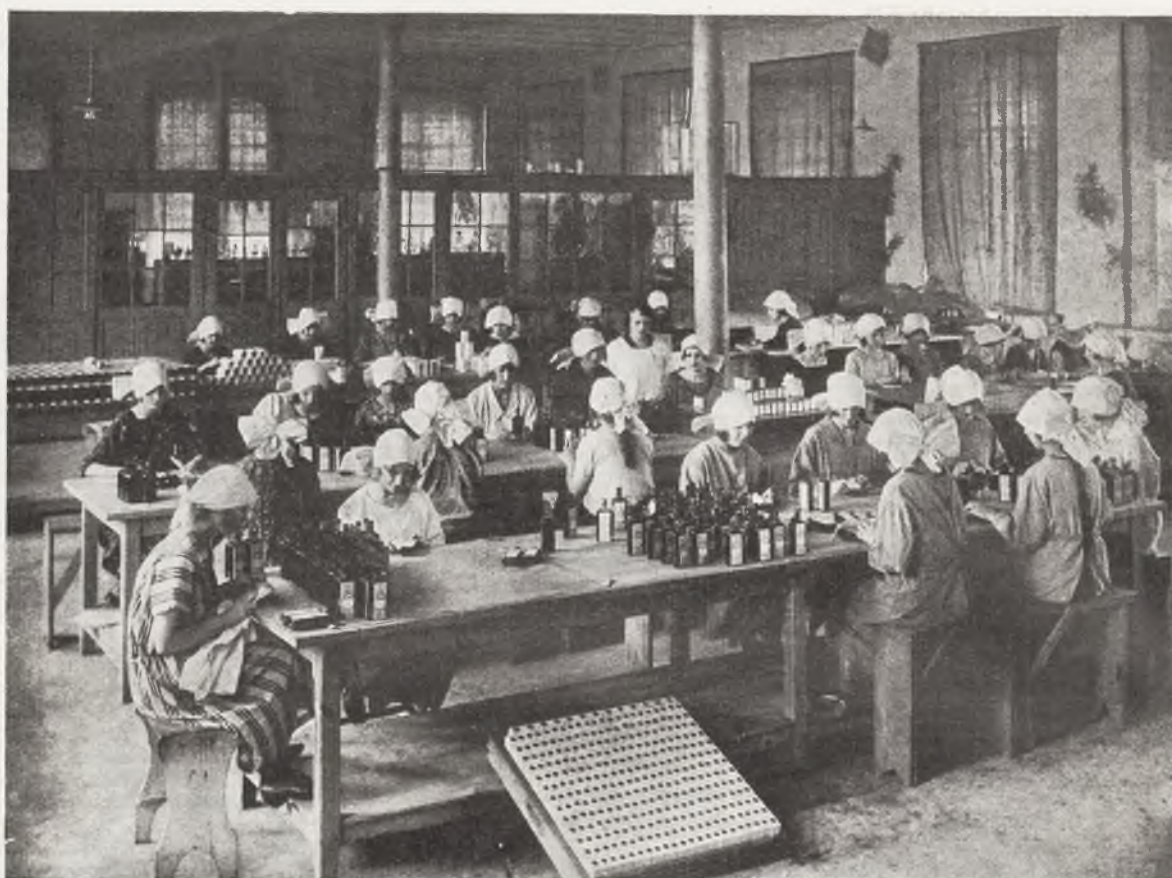
THE RÔLE OF THE IRON AND STEEL INDUSTRY IN THE POLISH GERMAN NEGOTIATIONS FOR A COMMERCIAL TREATY.

— The question of the admission of iron and steel products of Polish manufacture into Germany, and of those of German manufacture into Poland, was already discussed in detail during previous negotiations, but, apart from small concessions in the way of customs duties, no agreement was reached. During the present negotiations before passing to a detailed examination of the customs matters the two Delegations are engaged in the adjustment of views on particular

questions and the problems connected with the iron and steel industry of the two countries form one of these questions. It should be noted that the basic ideas in this connection have been adjusted not by the Delegations but by the interested industrial circles of the two countries. The initiative for such a step came from the industry, and the Governments of the respective countries have agreed thereto, with the result that a conference of the representatives of the Polish and German iron and steel industries was held in Berlin on December 21, 1928. Two questions were dealt with, namely: a) the problem of the sale of iron and steel products of one country in the territory of the other, and b) the problem of the supply of scrap iron by Germany to Poland. The Polish standpoint concerning the first problem may be summarised as follows: one of the natural outlets for Polish iron and steel products is the Eastern provinces of Germany, which do not possess a sufficiently developed metalurgical industry, whereas the Polish market is by no means a natural sales market for the German foundry products. Accordingly, the Polish Delegates claimed the reservation of the Polish market to the Polish iron founding industry and the granting to the latter of the right of sale of its products on the German market.

The negotiations were conducted in an atmosphere of mutual understanding of the interests affecting the industry of the two countries, thanks to which an agreement has been reached. The basic features of the agreement are as follows: Poland obtains an export quota to Germany amounting to 0.5 per cent of the internal sales of German industry, in respect of those rolled products which are accounted for in the statistical returns of the Association of German Iron and Steel Manufacturers (Verein Deutscher Eisen und Stahl Industrieller) with the exception of the products embodied under "other finished products". In this way Poland has obtained the right to export to Germany: semi-finished products, rails, iron bars and profiles, hoops, rolled wire, iron sheets 0.32 mm thick and over, iron sheets, pipes, railway wheels, and smiths' products. The above quota includes the present contingent of 2,400 tons of high grade steel and in addition a special quota of 2,700 tons of high grade steel per annum in the above mentioned forms.

On the other hand the German industrialists will refrain from exporting to Poland the above mentioned articles. However, they have the right to export to Poland all patterns of profiles and other rolled products which are not manufactured locally. If, however, these products are introduced into Poland than the latter is entitled to increase her export quota to Germany correspondingly. The agreement does not include the quantity of iron and steel which is furnished free of duty to Danzig for construction purposes. The agreement also does not embody iron and steel products sent by one of the countries to the other on the drawback system.



BOTTLING DEPARTMENT AT MESSRS. MAGISTER KLAWE, LTD., MANUFACTURING CHEMISTS, WARSAW (PHOT. J. MALARSKI)

The problem of a more exact determination of the quota will be considered at a later date. The method of forwarding Polish products into German territory will, in principle, be effected in such a way that the different varieties of Polish products will be taken by the corresponding German Syndicates which will pay to the Polish industrialists the average prices ruling on the German market ex. the frontier station, near to the destination point. In return for this, Poland undertakes to refrain from exporting her products to the United States of America and Canada.

It is seen, that the Germans have recognized the claims of the Polish industrialists by the incorporation into the agreement of the principle of "balance", which may prove of value in connection with other problems of a similar character.

In the matter of supply of scrap iron to Poland, the two contracting parties have come to the following decision: Poland shall receive a quota of scrap iron (cast iron not included) amounting to 41,250 tons quarterly, that is, 165,000 tons per annum. Monthly exports can amount to 16,500 tons with the proviso, however, that the quarterly total shall not exceed the above mentioned quantity. The prices of scrap iron will be the same as those paid by the Upper Silesian foundries in Germany ex. Gliwice for consignments destined for the eastern scrap iron organisations. This agreement is subject to the approval

of the Governments of the two countries and will become operative on the date of the entry into force of the future Polish-German commercial treaty. The agreement will remain in force during the life of the Commercial Treaty.

THE CONCLUSION OF THE POLISH-GERMAN PROVISIONAL TIMBER AGREEMENT.— Apart from the Commercial Treaty, discussions took place in the middle of January between diplomats, with the result that a provisional timber agreement was signed on January 19th. In principle this agreement provides for the same conditions in regard to the export of timber from Poland to Germany as that concluded in 1927; the quota of sawn timber is fixed at 1,250,000 cub. m., which will be admitted into Germany at a customs rate of Rmk. 1 per 100 kg. Polish export duties on unworked timber during the life of the provisional agreement will be zł 0.40 in the case of coniferous wood, and zł 0.20 for other timber except aspen which is fixed in the agreement at zł 1.50 per 100 kg. The agreement comes into force 5 days after its signature and will remain valid up to December 31, 1929. If by October 1, 1929, one of the contracting parties does not notify its desire to dissolve the agreement, it will not affect in the least the stipulations of the commercial treaty which is to be concluded, and with the conclusion of the latter it will become null and void.

REVISION OF THE FRANCO-POLISH COMMERCIAL TREATY.

Negotiations for a revision of the Franco-Polish Trade Convention, which has been in force since December 9, 1924, have been taking place in Paris since the middle of November 1928. The two contracting parties are fully aware that a revision of the Treaty is necessary for the development of trade relations between the two countries. Poland considers that the present convention has a damaging effect on her balance of trade with France and, although the latter has no reason for complaint, yet she recognized that adjustment should be made in view of the changes which have taken place in the domain of trade and commercial policy during the last year and a half.

The trade between the two countries has, of late, not only shown an increasingly growing balance against Poland, but also a decline in business in general. According to the French statistical returns for the first eleven months of the last three years, the movement of goods between Poland and France was as follows (in thous. of Fr.):

	Export from Poland to France	Import into Poland from France
1926 Jan. — Nov.	327,905	383,512
1927	212,006	530,322
1928	172,451	444,090

A glance at the above figures reveals a steady fall in Polish exports, which

have declined by nearly 50 per cent in the course of the last two years. This has been brought about by several causes as, for instance, the protection of French agriculture which, in recent years, has made it impossible to market Polish agricultural products in France. The chief cause, however, was a change in the economic policy of France adopted in the middle of 1927, since which time Poland's trade possibilities on the French market have greatly deteriorated.

The Franco-German Commercial Treaty of August 17, 1927, opened up a new era in the economic relations between France and other countries. It is a well known fact that by this treaty France for the first time grants the most-favoured-nation clause, combined with the so-called minimum tariff in respect of all German export articles. The subsequent treaties which France concluded with Switzerland, Belgium, Austria and Czechoslovakia, form, as it were, a step forward in the commercial policy of France, the object of which is to give maximum support to her export trade, even at the cost of granting facilities to foreign goods. The results already obtained from the Franco-German treaty seem to indicate that this policy is favourable to France.

By granting a whole range of import facilities in her recent treaties, France has placed in an extremely difficult position all those countries, which had obtained various concessions before the introduction of the new policy, that is, at the time when the policy "France fermée" was in vogue, in other words, those countries which could not obtain from France substantial concessions for their exports. Poland is among the latter category and that is why her balance of trade with France has been unfavourable for the last two years.

The present revision of the Treaty has as its object the granting to Poland of the same treatment as had recently been given to other countries.

NEGOTIATIONS FOR A POLISH-GREEK COMMERCIAL TREATY.

Trade relations between the two countries were regulated up to August 31, 1928, by the provisional agreement of April 17, 1925. Last summer the Greek Government notified its desire to conclude a regular treaty. Owing to difficulties of a technical character, however negotiations were only begun in Warsaw on January 23, 1929. As the provisional agreement has expired, the relations between the two countries will be regulated up to the end of February 1929 by a temporary agreement, whereby Greece will apply its minimum customs rates to imports from Poland, and the latter will apply its normal rates to its imports from the former; maximum customs rates are thus eliminated by both sides. It is expected that the negotiations will be brought to a successful conclusion before the end of March.

Greece is interested in the export of tobacco and currants, and Poland in textile products and paraffine wax. Generally speaking the trade between the two countries is little developed,

and it is anticipated that the conclusion of a regular treaty will stimulate economic intercourse.

FOREIGN TRADE

— In December there was a decline in imports which were about 20.5 per cent below the monthly average (zł 280,200,000) for the year 1928. Exports, on the other hand, although registered a considerable decline, still reached the level of the monthly average for the year.

Imports into Poland in December, including Free City of Danzig, amounted to 379,696 tons, valued at zł 238,396,000 and exports amounted to 1,555,372 tons valued at zł 209,173,000, the adverse balance being zł 29,222,000. Exports declined by zł 45,940,000 and imports by zł 22,689,000. In 1928, imports totalled 5,165,374,000 tons valued at zł 3,362,164,000, as compared with 4,903,060 tons valued at zł 2,891,972,000 in 1927. Exports, on the other hand, amounted to 20,423,562 tons, valued at zł 2,507,590,000 as compared with 20,423,562 tons valued at zł 2,507,990,000 in 1927. It is seen that exports in 1928 showed only a slight increase, as compared with the preceding year, whereas imports rose by 9.4 per cent in point of weight and 11 per cent in point of value.

The adverse balance for the year 1928 amounted to zł 854,174,000, as compared with zł 377,232,000 in 1927, an increase of zł 476,942,000.

Imports of foodstuffs increased in December owing to the holiday season, but at the same time there was a decline in textiles and artificial fertilizers.

Passing to a more detailed analysis, it should be stated that imports of rye decreased by zł 725,000, while those of wheat rose by zł 661,000. Rice showed an increase by zł 336,000, as compared with the preceding month. During the pre-holiday period nuts, almonds and spices rose by zł 599,000, plums by zł 616,000, lemons and oranges by zł 201,000, tea by zł 422,000, fish by zł 292,000 and herring by zł 901,000. There was also an increase in edible fats of animal origin of which fairly large quantities had been stored in bonded warehouses during the past few months. The increase as compared with November amounted to zł 2,277,000. Tobacco rose by zł 1,857,000. An increase was also recorded in the import of fodder, the shortage of which is being badly felt both at home and abroad.

The group of animal products showed a considerable decline amounting to zł 5,857,000 due to a decrease in the following articles: raw hides by zł 1,367,000, leather by zł 2,087,000, undressed furs by zł 2,372,000, and leather footwear by zł 335,000. Imports of timber and products thereof declined by zł 1,804,000 and plants and parts thereof by zł 2,602,000. The latter figure includes a decrease in oil-bearing seeds amounting to zł 1,699,000. There were also declines in ceramic wares by zł 342,000, glass by zł 242,000, while iron ores showed an increase of zł 944,000; zinc ores fell by zł 617,000, lead ores by zł 191,000 and manganese ore by zł 109,000.

The rubber group showed a decrease of zł 2,176,000, of which rubber and gutta-percha fell by zł 579,000, tyres and inner tubes by zł 563,000, and rubber footwear by zł 381,000.

Compared with November, the chemical group registered a decline of zł 6,383,000. Yet, the declines do not affect all the items of this group. Imports of fertilizers rose by zł 4,427,000, of which zł 288,000 falls to phosphate rock, zł 2,383,000 to potassium salts, zł 1,924,000 to Chilean saltpetre, and zł 528,000 to Thomas slag. An increase in the import of fertilizers is to be anticipated within the next few months, as their consumption shows a steady rise from year to year, which points to the development of agriculture.

Imports of vegetable oils and animal fats for technical purposes, taken together, fell by zł 1,880,000, tanning extracts by zł 1,233,000, dyes, colours and varnishes by zł 256,000, and various compounds by zł 1,219,000.

The group of metals (ores not included) and products thereof registered a decrease of zł 2,280,000. Thus, imports of iron and steel plates dropped by zł 381,000, tools by zł 510,000, copper alloys and products thereof by zł 701,000, and tin and products thereof by zł 251,000. On the other hand, imports of scrap iron rose by zł 1,301,000 and copper products by zł 484,000.

It is difficult to say positively whether the decline in imports of articles such as machinery, electrical ware and other similar products used in the metal industry will continue as a result of the needs being gradually satisfied. During the period under review machinery and apparatus dropped by zł 3,968,000, particularly large drops being observed in engines (by zł 880,000), pumps (by zł 807,000) and boilers (by zł 1,274,000). It is gratifying to note that imports of textile machinery rose by zł 3,051,000.

I M P O R T S

E X P O R T S

G O O D S	December 1928	Jan. - Dec.		December 1928	Jan. - Dec.		G O O D S	December 1928	Jan. - Dec.		December 1928	Jan. - Dec.	
	Volume in tons	1928	1927	Value in thousands of ₺	1928	1927		Volume in tons	1928	1927	Value in thousands of ₺	1928	1927
TOTAL:	394,696	5,165,374	4,903,060	238,596	3,362,184	2,891,972	TOTAL:	1,555,872	20,423,562	20,356,038	208,173	2,507,990	2,514,740
Foodstuffs	34,728	806,870	971,199	35,760	651,273	669,547	Foodstuffs	108,626	846,081	931,878	63,386	594,265	607,526
including:							including:						
wheat	5,334	226,102	265,207	2,654	119,096	139,680	barley	16,384	111,144	63,986	6,632	46,201	26,774
rye	165	107,623	131,363	71	54,642	57,279	potato	2,698	69,658	130,597	225	7,168	12,970
oats	700	26,302	49,240	251	10,840	17,822	beans	8,093	66,774	36,956	5,513	43,370	22,425
maize	1,010	54,439	137,169	452	20,736	39,937	sugar	41,411	185,682	202,275	19,823	102,169	115,402
rice	2,608	100,929	69,512	1,446	61,606	48,391	meat	2,675	28,352	27,514	7,154	68,266	65,541
almonds, &c.	715	14,428	17,750	656	11,754	13,276	butter	490	10,974	7,376	3,415	66,370	39,562
nuts.	631	4,546	5,050	2,517	17,554	17,233	eggs	1,409	54,562	65,590	4,626	144,697	169,370
tea	147	2,280	2,096	1,214	18,977	17,952	hops	392	2,131	1,744	2,730	16,971	18,722
cocoa	470	5,815	5,413	1,339	17,935	17,565	forage	23,230	208,322	285,575	4,759	50,395	68,960
coffee	472	7,353	6,984	2,217	33,915	31,236							
herring	9,385	80,982	77,884	6,213	49,951	46,449	Live animals (head)	168,957	3,014,514	2,404,270	16,285	231,503	190,987
edible fats of animal orig.	1,291	26,701	18,783	3,334	66,126	50,414	including:						
edible fats of veg. origin	130	1,509	1,738	669	8,620	8,762	pigs	89,766	1,279,035	771,418	14,953	206,108	168,027
tobacco	1,019	10,255	15,288	2,840	34,104	33,560	geese	46,394	1,238,839	1,074,331	422	11,316	9,092
forage	4,385	53,868	49,320	1,742	19,496	14,984							
Live animals (head)	1,764	239,164	268,619	198	2,761	6,889	Animal products (head)	1,300	19,698	14,860	3,704	53,547	38,904
Animal products	2,656	41,862	38,940	18,387	278,027	214,712	including:						
including:							dried skins	408	6,783	4,256	1,315	22,417	11,755
dried skins	1,233	22,081	21,683	4,251	73,907	62,384	horse-hair, hog's bristle,						
furs, raw	471	2,800	1,684	3,138	26,396	13,523	feathers, down, and						
tanned hides	214	4,147	5,750	5,862	100,660	90,167	products thereof	277	2,872	3,081	1,400	14,916	12,874
furs	27	360	284	2,524	38,137	21,815							
shoes	13	310	245	641	14,111	9,697	Timber and wood ware	313,583	4,888,877	6,426,438	40,023	590,053	634,967
Timber and wood ware	2,736	50,227	23,276	1,020	21,242	14,075	including:						
Plants and seeds	1,821	41,008	35,238	1,331	36,426	32,710	pulpwood	92,708	1,218,258	1,272,902	6,074	78,369	69,550
including:							pit props	36,755	624,579	1,099,205	1,973	33,045	49,217
oil seeds	655	30,663	25,353	511	20,397	16,541	round wood and logs	46,146	1,017,788	1,451,679	5,347	104,780	129,434
Building materials,	105,919	1,425,383	1,090,289	6,405	82,620	58,603	planks, deals, battens	84,733	1,487,454	2,004,221	17,884	281,849	301,087
minerals, ceramic							railway sleepers	19,515	154,374	228,767	3,357	23,826	25,464
products; glass	10,748	138,506	110,510	2,462	31,248	23,665	furniture	317	6,552	6,081	569	12,118	12,119
including:							veneers	2,731	31,697	21,548	2,073	23,153	15,180
ceramic products	876	8,555	6,195	1,157	13,958	8,140							
glass and glass ware							Plants and seeds	5,236	76,360	87,109	5,087	62,433	67,850
Fuel and petroleum	16,120	264,877	247,198	1,113	17,670	15,714	including:						
products							grasses and pasture	3,373	43,590	44,901	3,404	38,949	40,969
including:							plant seeds	444	3,448	4,294	665	5,651	5,921
coke	12,807	180,738	168,906	551	6,544	6,602	sugar beet seeds	819	17,726	22,620	799	13,631	16,444
Rubber, rubber prod.	424	6,807	4,936	3,351	65,064	43,868	oil seeds						
including:							Building materials,	1,180	95,417	145,380	92	6,892	10,580
rubber	247	3,362	1,753	1,078	15,836	10,025	prod., glass						
tyres and inner tubes	98	1,371	1,293	910	27,310	15,413							
rubber and gutta-percha							Coal, coke, briquettes	1,001,991	13,025,635	11,231,186	29,706	369,561	347,825
footwear, galoshes	47	746	532	941	16,099	13,172	including:						
Chemicals	43,291	772,963	648,884	18,889	305,374	264,452	coal	997,266	12,862,924	11,094,507	29,110	362,817	343,388
including:													
phosphate rock	7,182	145,778	202,181	507	8,698	8,525	Petroleum products						
potassium salt	13,480	91,118	82,391	2,458	14,710	11,245	including:						
Chilian saltpetre	9,500	91,138	34,045	3,810	41,210	17,295	petroleum	2,746	35,511	50,645	624	8,611	13,439
Thomas slag	5,996	273,797	170,350	772	25,099	17,067	motor oils	2,447	53,730	57,447	413	9,339	10,613
vegetable fats	1,686	23,088	25,480	2,775	38,130	43,201	lubricating oils	3,927	42,214	49,771	805	10,373	13,325
animal fats	816	15,416	18,492	1,400	25,019	29,541	benzine	4,456	55,115	60,297	1,870	24,245	28,744
tanners							paraffine wax	2,001	32,817	23,030	2,013	27,023	22,270
pharmaceutical and	565	22,728	19,071	511	22,455	18,309							
cosmetic products	96	1,807	1,510	1,334	23,659	19,647	Chemicals						
dyes (synthetic)	59	1,057	1,059	1,062	19,134	18,065	including:						
Ores, metals and metal	145,516	1,417,510	1,544,060	27,035	325,211	278,422	artificial fertilizers	2,514	77,341	44,489	461	13,613	8,323
products	67,242	598,368	788,570	4,020	32,139	33,262	organic chemicals	1,929	33,647	28,173	1,051	18,236	15,658
including:													
iron and mangan. ores	14,214	191,114	196,656	3,744	41,876	50,384	Ores, metals and metal	26,836	355,677	334,226	22,702	269,050	290,180
zinc ores	58,585	531,527	427,031	8,306	75,343	54,847	products						
scrap iron	646	15,511	16,699	469	5,548	10,167	including:						
iron, steel; rails;	679	15,453	10,164	561	11,715	8,773	iron and steel; rails	3,665	58,160	51,600	1,276	18,276	16,240
iron and steel sheets	1,122	15,286	10,788	3,910	53,798	36,570	iron and steel sheets	1,396	35,932	52,835	984	21,729	29,497
copper and copper prod.	6,039	86,060	65,836	33,546	413,176	299,172	pipes	6,103	57,514	39,123	3,776	34,933	24,714
Machinery	466	6,838	4,331	1,790	25,869	17,185	lead	725	12,225	15,828	658	11,632	18,023
including:							zinc and zinc dust	11,821	130,060	128,013	12,601	144,153	163,110
motors	379	3,851	2,219	2,766	29,296	18,185	zinc sheets	934	11,939	12,057	1,227	16,249	18,829
electrical machinery	348	6,074	3,978	1,469	22,680	15,874							
wood and metal working	1,550	11,6,											

Electrical machinery and electrical wares showed a falling off of zł 4,874,000, the largest fall being in cables (by zł 1,394,000). The remaining articles in the metal group also showed decreases, thus, watches by zł 575,000, musical instruments by zł 61,000, fire arms and ammunition by zł 67,000, and means of communication by zł 642,000; imports of motor cars fell by zł 2,197,000, while other classes of vehicles showed an increase of zł 1,442,000.

Textile products showed an increase of zł 3,599,000, the largest increases being as follows: jute (zł 172,000 cotton and waste (zł 2,552,000), wool and waste (zł 4,976,000), combed wool (zł 923,000); they are, due to increased operations in the textile industry, in preparation for the summer season. On the other hand, cotton yarn fell by zł 1,048,000, woolen fabrics by zł 2,036,000, and silk yarn by zł 468,000.

The remaining groups of imports also showed a fall: paper and products thereof by zł 547,000 and fancy wares by zł 113,000. On the other hand, books, papers and pictures registered an increase of zł 213,000.

On the export side there was a considerable fall in value as compared with November. The largest decline was in the foodstuff group, which showed a drop of zł 27,658,000. The largest fall in this group was in the export of barley (by zł 3,764,000) and in beans and peas, of which large quantities have been exported from Poland in the past few months, owing to the favourable conditions which prevailed on the foreign markets. Exports of peas fell by zł 2,838,000 and of beans by zł 4,103,000.

The following articles also registered decreases: potatoes (zł 1,006,000), sugar (zł 5,096,000), butter (zł 1,001,000), eggs (zł 4,166,000), meat (509,000), hops (zł 2,915,000) and fodder (zł 2,394,000). Export of live animals fell by zł 1,615,000, due to the fall in geese by zł 1,810,000.

The pig trade is dull, owing to the fall in prices as a result of a shortage of feeding materials both at home and abroad, and also owing to the difficulties raised by Czechoslovakia and Austria. Attempts are now being made to export pigs to Italy. The group of animal products showed a decline of zł 145,000; undressed furs fell by zł 126,000 and horse hair and bristles by zł 167,000, while raw hides showed an increase of zł 215,000.

The shortage of orders for timber, and especially sawn timber, resulted in a decline in these materials amounting to zł 12,587,000. Deals, boards and laths



THE NEWLY ERECTED MUNICIPAL ABATTOIRS AT LUBLIN

fell by zł 10,136,000 and logs and round wood by zł 1,604,000; in addition to the above, pulp wood fell by zł 545,000, wood products including, furniture, by zł 408,000, and veneers and products thereof by zł 512,000, while railway sleepers showed a rise of zł 1,457,000.

In the vegetable group there was a fall in oil seeds amounting to zł 2,298,000.

There were also decreases in the exports of a number of groups of smaller importance, such as building materials (cement fell by zł 203,000), and minerals not separately enumerated by zł 21,000. Lubricating oils and benzine showed decreases of zł 1,248,000 and zł 225,000 respectively.

The chemical group showed a decrease totalling zł 2,570,000 due, *inter alia*, to a fall in the following articles: artificial fertilizers (by zł 998,000), carbide (by zł 82,000), benzole (by zł 430,000), dyes, colours and varnishes (by zł 292,000) and various chemicals (by zł 286,000). The group of metals and products thereof registered a fall of zł 2,763,000, due to a falling off in the export of rails, and iron and steel products (by zł 1,319,000), iron and steel plates (by zł 1,097,000) and zinc sheets (by zł 238,000).

A certain improvement was noticeable during the period under review in the export of machinery and apparatus which showed an increase of zł 769,000, the largest increase being in the exports of machinery used in the foodstuff industry. The remaining groups of articles of the metal industry did not show any considerable changes.

In the textile group there was an increase of zł 4,579,000 due to a rise in flax by zł 2,586,000. Cotton fabrics showed a rise of zł 546,000 due to large purchases being made by Soviet Russia. Exports of wool and woolen yarn rose by zł 388,000 and zł 165,000 respectively.

Exports of sacking cloth decreased by zł 328,000 and those of woolen fabrics by zł 204,000.

The analysis of the foreign trade balance in December shows declines on the export side and particularly on the import side, which will probably be maintained in the months to come.

GENERAL REGULATIONS CONCERNING THE CERTIFICATES OF ORIGIN REQUIRED IN POLAND.—

According to the present Polish legislation, certificates of origin are required only in respect of certain imported goods. These certificates are indispensable in the following cases:

a) for the obtaining of convention rebates for goods specified in commercial treaties;

b) for the application of rebate to autonomous customs tariffs (with the permission of the Minister of Industry and Commerce);

c) for the establishment of the origin of goods, the import of which from Germany is prohibited (they are specified in § 1 of the Executive Decree of the Council of Ministers, dated February 10, 1928).

The regulations concerning the issue of certificates of origin and the granting of visas therefor, which up to the present have been codified and published by the Ministry of Foreign Affairs. According to the provisions of the Decree, the certificate of origin is a document showing the origin of goods; the country of origin is that by which the goods were produced, or manufactured, and the value of the labour and local raw materials represented therein is at least 50 per cent of the value of the goods.

In certain cases the certificate may contain not the country of origin but the country of "provenance", i. e., the country from which the goods have been despatched to Poland, by means of single, through bill of lading.

The certificates may be issued solely by the country of origin, or the country from which the goods have been despatched; certificates which are designed to be the basis for rebates on autonomous customs rates, may also be issued by the country of despatch, but in that

case the country of origin must be stated in the certificates.

Certificates of origin may be issued by the Chamber of Commerce and Industry, covering the area in which the firm despatching the goods is situated. They may also be issued by any other organ which has been authorised to issue these documents by the Government of the respective country, and duly recognised by the Polish Government.

The lists of organisations authorised to issue certificate of origin are in possession of Polish Consulates which have also facsimiles of the signatures of persons and stamps used by the above mentioned organisations.

In principle the certificates should be in Polish and in the language of the country where they are made out. The latter language may be replaced by French. In order to be valid, the certificate must be vised by a Polish Consulate. There are two kinds of visa, according to whether the certificate is made out with the object of obtaining rebates from autonomous rates or for the application of convention rates or the mere statement that the goods are not of German origin. In the first case, the visa must contain the signature and official stamp of the Consulate; the fee is fixed, in principle, at one per cent of the amount of the invoice but in practise it is not less than zł 1.86 and not more than zł 3.50.

A visa certifying that the goods are not of German origin contains the following statement "does not concern customs rebates" and should be in two languages just as the certificate of origin itself. Such a visa may be given also in respect of goods not originating in the area or even country covered by a consulate, if the goods were introduced to a given country in conformity with the local customs regulations, or if they were stored in bonded warehouses. On no account can visas of this description be issued in respect of goods of German origin, or goods despatched from warehouses and ports situated on German territory. The fee for such a visa, quite independently of the amount of the invoice, is zł 1.

A certificate of origin is valid for the period of validity of the visa and the duration of this is fixed by the Consulate, the competence of which is limited inasmuch as the term of validity cannot exceed three months from the date of issue in the case of European countries, and four months in the case of all other countries.

The Consulates are not authorised to prolong visas, this right being reserved to the Ministry of Finance which, in consultation with the Ministry of Industry and Commerce may do so in exceptional cases, when it is satisfied that the goods were despatched before the expiry of the visa.

Special formalities are to be complied with in all those cases where goods, originating in a country with which Poland is in treaty relations, have been sent for further working up to another country with which Poland also has a commercial treaty. Under these conditions customs rebates may be granted on the basis of two certificates of origin,

that is, one from the country where the goods were produced originally, and one from the country where they were treated subsequently. In this case the certificate of origin does not differ from an ordinary certificate though it must contain a note of the conditions under which the working up took place.

Certificates of origin must be issued for each transport document (bill of lading), or for each consignment. Only in the case of parcels sent by post and aeroplane one certificate of origin may cover three parcels despatched at the same time to one addressee.

When applying for visas, an extra copy of the certificate and of the invoice must be submitted in order that they may be filed in the archives of the consulate in exceptional cases, when the exporter proves that the certificates was lost and that the respective goods have actually been despatched.

TRADE RELATIONS BETWEEN POLAND AND INDIA

For various reasons merit careful attention. Densely populated and possessing favourable natural conditions for the production of a whole range of commodities, the vast territory of British India is the source of indispensable raw materials (jute, cotton, rubber, &c.) and a number of other products (tea, spices, rice, ores, &c.), utilized in Poland. It also forms a valuable market for a number of products of the Polish industry. For this reason India occupies the first place in Poland's foreign trade with the East (in 1927 — zł 91,812,000). The balance of trade with that country is against Poland and has a steady upward trend. Imports from India into Poland amounted to zł 47,330,000 in 1926, zł 78,046,000 in 1927 and zł 55,806,000 up to the middle of 1928. Among the products supplied by India in 1927 the following should be mentioned: unhusked rice (zł 14,498,000), husked rice (zł 5,067,000), tea (zł 3,506,000), rubber (zł 1,530,000), jute (zł 23,353,000), cotton (zł 23,841,000), pepper and spices (zł 613,000), raw hides (zł 465,000), tobacco (zł 435,000), seeds of all kinds (zł 526,000), manganese ore (zł 799,000), tin (zł 391,000), tanning extracts (zł 258,000), &c. Compared with 1926, the import of a number of articles rose considerably, thus, for instance: unhusked rice which had not been imported before, reached zł 14,498,000 which is to be attributed to the establishment of a husking plant at Gdynia in the course of that year. During the same period imports of husked rice and tea rose by over 100 per cent. Similarly imports of jute rose considerably (zł 16,249,000 in 1926); the same remark applies to rubber (zł 987,000 in 1926), manganese ore (zł 611,000 in 1926), tin, cotton, &c. In short, the products of India enjoy an increasingly growing demand on the Polish market.

Polish exports, on the other hand, are moderate and amounted to zł 4,821,000 in 1926, zł 13,766,000 in 1927 and zł 712,000 up to the middle of 1928. The chief items of Polish exports in 1927 were: sugar (zł 12,747,000), iron ores (zł 458,000), zinc products (zł 207,000), iron and steel plates (zł 127,000) and cement (zł 64,000). Exports of sugar effected in 1927 rose by 150 per cent

as compared with 1926. The adverse foreign trade balance was zł 42,509,000 in 1926, zł 64,280,000 in 1927 and zł 55,094,000 up to the middle of 1928. A substantial decrease in the imports into Poland from India can hardly be expected and improvement in the balance of trade with that country can only be achieved by an increase in exports.

TRADE RELATIONS BETWEEN POLAND AND PALESTINE.

— Palestine is one of the Eastern countries with which Poland does very little trade but which show a favourable balance to Poland. Imports from Palestine were as follows: zł 40,000 in 1926, zł 256,000 in 1927 and zł 249,000 up to the middle of 1928. More than half of the imports is represented by wine (zł 137,000 in 1927). The State Tobacco Monopoly has been making efforts to draw part of its tobacco supply from that country.

Exports of Polish products to Palestine amounted to zł 1,093,000 in 1926, zł 769,000 in 1927 and zł 441,000 up to the middle of 1928. Polish exports to Palestine consist of a large numbers of articles among which in 1927 were the following: cement (zł 134,000), cotton piece goods (zł 259,000), coal (zł 79,000), zinc products (zł 44,000), bent wood furniture (zł 35,000), curtains, blankets, &c. (zł 38,000). The favourable trade balances to Poland were zł 753,000 in 1926, zł 513,000 in 1927 and zł 192,000 for the first half of 1928.

OPENINGS FOR TRADE AND BUSINESS WITH POLAND

Particulars of any of the undermentioned 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.

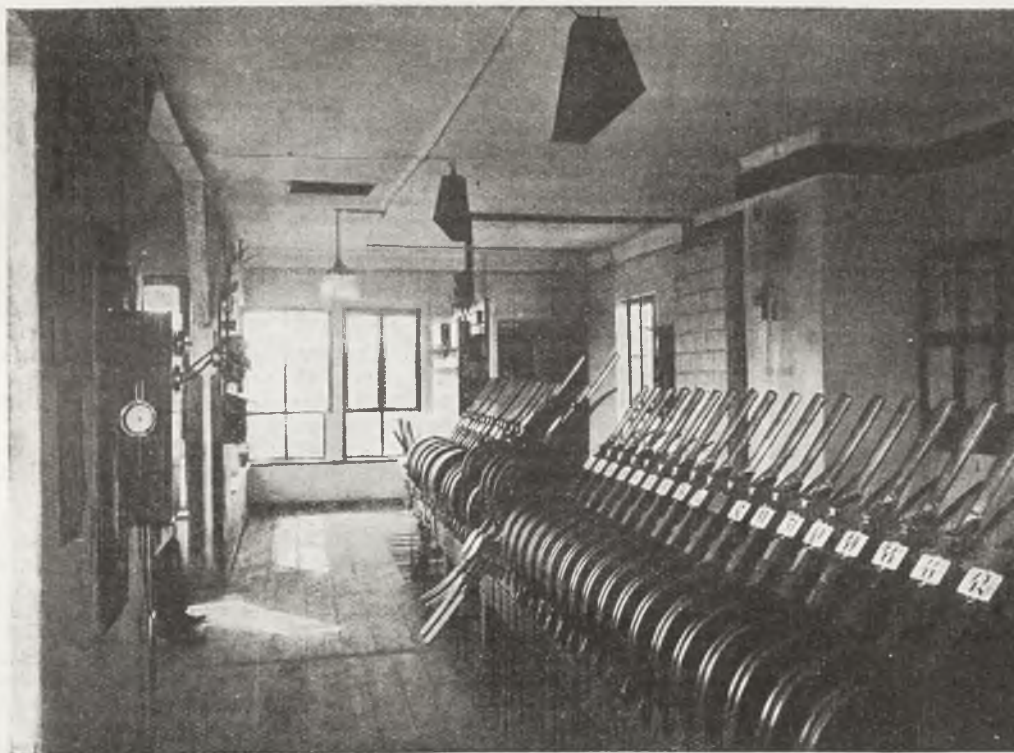
Ref. No. 183: Manufacturers of wooden toys and ceramic products seek buyers.

Ref. No. 184: Manufacturers of chemicals specialising in varnishes are desirous of entering into relations with foreign importers in this line.

Ref. No. 185: Manufacturers of silver plated products seek buyers abroad.

Ref. No. 186: Manufacturers of buttons of all kinds and sizes wish to get in touch with foreign buyers of this article.

Ref. No. 187: Artificial flowers are offered for export.



INTERIOR OF A POLISH RAILWAY SIGNAL BOX (PHOT. S. PLATER)

CUSTOMS DUTIES AND FOREIGN TRADE REGULATIONS

REGULATIONS CONCERNING THE EXPORT OF PIGS AND PORK.—

The Economic Committee attached to the Council of Ministers, at a meeting held on January 10, 1929, decided to introduce an export duty on pigs and pork.

The object of the duty is to prevent haphazard export of live animals and meat.

The lack of an organisation in this branch of trade, which would regulate the purchase of animals on the local markets and their sale abroad, has caused considerable loss to Poland.

The Ministry of Industry and Commerce, however, will grant permits for the export of pigs and pork free of duty. These permits will be issued to export organisation on the basis of a general export plan drawn up in accordance with the policy pursued by the chief agricultural bodies.

In conformity with the agreement, export organisations, together with the representatives of the chief agricultural bodies will determine the districts in which purchases are to be made, as well as the approximate prices to be paid.

According to the resolutions which have been passed, the Executive Decree respecting the duty on pigs and pork will be published at the beginning of February next and will enter into force on March 1, 1929.

The projected duties will be as follows:

pigs, live and slaughtered, per head £ 30.—

pigs slaughtered, in halves, per piece £ 15.—
Pork, fresh, salted or frozen, not prepared, with the exception of head; and intestines per 100 kg. „ 50.—

The permits of the Ministry of Industry and Commerce to export the above free of duty, will be issued in respect of 1, 5, 10, 20, 40 and 80 live or slaughtered animals or halves, and in respect of 10, 20, 50, 100, 1,000 and 10,000 kg. of fresh pork. The permits will not be transferable and will be valid for the period of two weeks counting from the date of issue.

In this way one of the most important branches of Poland's export trade will be properly regulated.

REPEAL OF INDUSTRIAL TAX ON PULPWOOD EXPORTS.—

On April 19, 1927, the Ministry of Finance repealed the industrial tax levied *inter alia* in connection with the export of pulpwood other than aspen. On December 21d, 1922 the Ministry of Finance issued a circular whereby the above mentioned facility is repealed altogether commencing with January 1, 1929. This measure is applicable to all export transactions in pulpwood made on or after January 1, 1929.

TRANSPORTS

RAILWAY TRAFFIC IN DECEMBER.—

The railway traffic on the Polish State Railways in December declined considerably as compared with Novem-

ber. This was due to the decline in bulk consignments carried over small distances (sugar beet) and to enormous snow falls which interfered with the normal circulation of goods, especially coal. The average daily number of loadings declined from 20,957 in November to 16,654 in December, or by 20.5 per cent, and compared with December 1927 it was less by 2.3 per cent. The average daily loadings of 15 ton goods wagons were as follows:

	Dec. 1927	Nov. 1928	Dec. 1928
loaded on the Polish State Railways: destined for local stations destined for abroad	11.197 3.272	15.594 3.766	12.035 3.106
Total:	14.469	19.360	15.141
received from abroad	688	587	611
transit via Poland	969	1.110	902
Total:	16.126	20.957	15.752

The above figures indicate a decline of 5.205 per day due to a decline of 4.219 loadings. There was a decline of 3.559 loadings destined to local stations and a decline of 611 loadings per day destined abroad. At the same time transit traffic showed a decrease of 218 trucks per day, whereas the average daily number of loaded trucks received from abroad rose by 24.

The following statement shows the daily car loadings of the different

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

	Dec. 1927	Nov. 1928	Dec. 1928
coal, coke and briquettes	3,558	3,767	3,801
crude oil and petroleum products	179	219	186
timber	998	993	780
agricultural products	1,605	3,982	2,220
raw materials and industrial products	1,697	2,204	1,573
various	3,160	4,449	3,475
Total:	11,197	15,594	12,035

Compared with the preceding month the only increase was in coal loadings (by 34 wagons per day) and it is noteworthy that the demand for coal transport could not be satisfied by the railways. The number of loadings of all the other classes of goods decreased. A particularly large falling off was recorded in the transport of agricultural products (a fall of 1,762 loadings per day) in connection with the decline in the transport of sugar beet from 2,518 loadings per day in November to 1,243 loadings per day in December. There were also decreases in potatoes and grain. Loadings of the manufactured articles' group declined by 731 wagons per day, which is to be attributed to a fall in the transport of building materials. Timber consignments also showed a decline, by 213 wagons per day.

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

	Dec. 1927	Nov. 1928	Dec. 1928
coal, coke and briquettes	2,018	2,625	2,268
crude oil and petroleum products	41	55	50
timber	885	617	463
agricultural products	65	103	58
various	263	417	267
Total:	3,272	3,817	3,106

The decline in consignments destined for abroad was caused by a decrease in coal and timber by 357 wagons and 154 wagons per day respectively. The latter decline is to be attributed to the expiry of the provisional timber agreement with Germany.

PROJECT OF A NEW RAILWAY TARIFF. — At the beginning of 1927, the Ministry of Communications established a Bureau of Railway Rates Reform, the object of which was the revising of the passenger and goods rates on the Polish State Railways. One of the reasons for this revision was to see whether the rates which were established in 1920, the main purpose of which at the time of their institution was the unification of the rates throughout the territory of the Republic of Poland, are in accordance with the economic conditions prevailing

at present. The carrying out of this work has in addition enabled the Ministry of Communications to prepare statistical figures concerning transportation for the period 1924—1927. These figures were compiled on the basis of the actual cost of transport. The first task of the Bureau was to prepare the necessary statistical returns; on the strength of these data the goods traffic for 1926 was divided into three classes, namely: small parcels, half truck loads and full truck loads. At the same time the different centres of production were described with special mention of their characteristic features, each Voievodship being dealt with separately. Further, the goods traffic effected over the different lines for the period 1924—1927 was also prepared in accordance with the instructions given by the Bureau: the railway Directorates have drawn up reports on the areas served by the nine Directorates and have examined the districts served by particular stations.

Experts appointed from among industrial and commercial circles have elaborated at the request of the Bureau a number of monographs concerning various branches of production as, for instance, the coal mining and metal industries, and their proposals concerning the railway tariffs, the dependence of grain production in Poland on the development and operation of the railways, coal-tar and its by-products, &c.; as regards goods transported in bulk, special graphs were drawn up. Special attention was given to the passenger and goods rates in force in other Western European countries. Moreover, the Bureau requested the different Directorates to prepare projects of the railway rates for the different varieties of goods as it was felt that the Directorates were in close touch with the practical aspects of the problems and have, therefore, the necessary qualifications for such work.

These projects were subject to a close examination at the Conference of the representatives of the different railway Directorates and at Committee meetings of the Tariff Commission. Experts on the different subjects dealt with, were also invited from among industrial circles. Further the Bureau drafted new tariff regulations and supplementary charges. These were modelled on the railway tariffs used by Poland's neighbours, while at the same time a principle was laid down that the supplementary charges should not be a source of revenue and that they should only cover the actual expenses borne by the railways. The Bureau found it advisable to increase the number of categories of transports in order to ensure elasticity and to reduce the number of exceptional rates. Thus, it was decided to adopt the following tariff categories: for express consignments—two classes, for single parcels—five classes, for full truck loads—twenty classes, and for live animals—one class. Single parcels must not exceed 5,000 kg. and the rate is calculated according to the weight. Express consignments are placed under four headings *a, b, c* and *d* according to whether their weight is: less than

5,000 kg., from 5,000 kg. to 9,900 kg., from 10,000 kg. to 14,900 kg. or 15,000 kg. and over. Full truck loads are placed under three headings *a, b* and *c*, that is, consignments of at least 5,000 kg., 10,000 kg. or 15,000 kg. respectively. The rates for live animals are calculated on the basis of the surface of the truck and there are three categories viz.: horses, horned cattle, and pigs and other small domestic animals.

As regards the new rates, they are slightly higher than those hitherto in force, for the calculations carried out by the Ministry of Communications showed that in order to keep the budget of the State Railways in a state of equilibrium, the revenue should be raised as compared with 1927 by $\text{£} 50,000,000$ in the case of passenger traffic, and by $\text{£} 160,000,000$ in the case of goods traffic.

The increase in passenger rates introduced on August 15, 1928 satisfied the first requirement. As regards goods rates, the new plan is designed to improve matters. The Bureau is now engaged in calculating the anticipated revenue from goods traffic at the new rates, basing its calculations on the transports effected in 1927. As regards exceptional rates, the tariffs for the three most important articles, that is, coal, timber and petroleum products have been drafted and are being compared with the rates now in force.

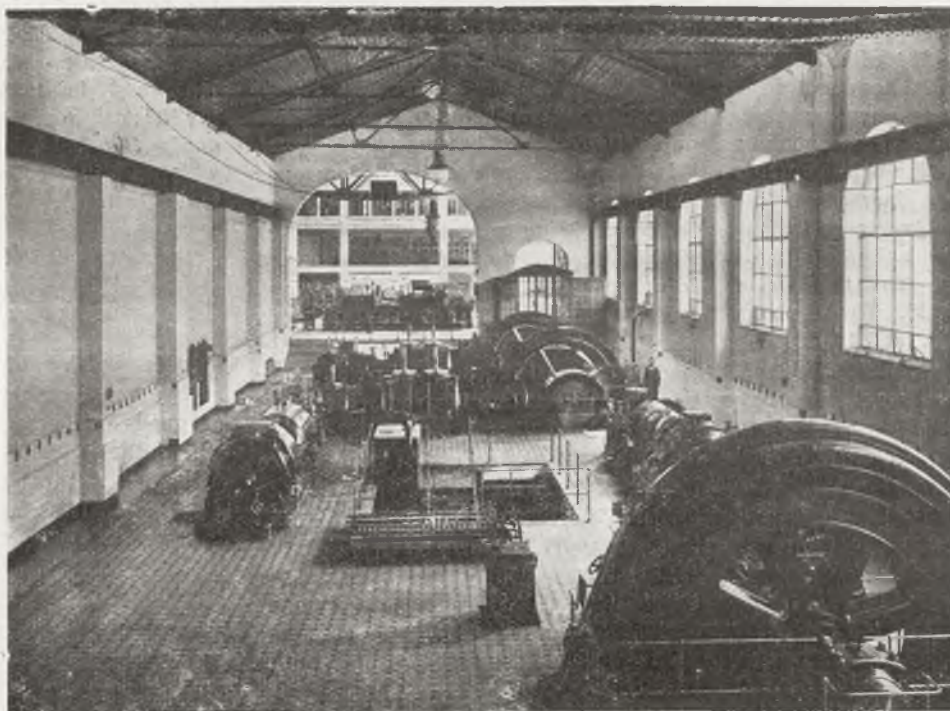
In order to enable the different Ministries which are concerned in the matter of railway rates to become acquainted with the results of the Bureau, the Ministry of Communications has transferred to the Minister of Finance, Industry and Commerce, and Agriculture, all the documents bearing on this matter. Further material will be submitted as soon as it is ready and, finally, the project of the new railway goods tariff will be transferred to the Council of the State Railways for consideration. Subsequently, this project will be submitted to the Inter-ministerial Tariff Committee in order that it may be adjusted to actual requirements.

It will be seen that the realisation of the railway tariff reform, which has been worked upon for the last two years in conjunction with the industrial, commercial and agricultural circles of the country, is near at hand.

PORT TRAFFIC IN DECEMBER 1928 was smaller than in the preceding month, which is to be attributed to the winter season and also to the large number of holidays.

In Danzig there were 445 incoming ships with 326,476 net reg. tons (341,151 net reg. tons)¹⁾ and 475 outgoing with 326,941 net reg. tons (357,542 net reg. tons). Compared with December 1927 the traffic was less. The utilization of

¹⁾ The figures in brackets are for the month of November.



THE TURBO-GENERATOR HALL AT THE KRAKÓW ELECTRICAL POWER STATION, KRAKÓW

tonnage accomodation in the case of imports rose to 19 per cent (14 per cent) and in the case of exports declined to 77 per cent (99 per cent). The nationality of the ships calling at Danzig in December was as follows:

	Arrivals:		Departures:	
	ships	net reg. tons	ships	net reg. tons
Poland & Danzig	18	12,121	15	16,292
Germany	143	83,738	150	92,899
Finland	8	13,075	7	10,123
Estonia	7	2,645	8	3,043
Latvia	24	26,002	16	15,785
Lithuania	3	1,311	3	1,311
Sweden	95	48,055	103	52,609
Norway	38	28,558	41	25,798
Denmark	62	55,466	67	58,535
England	24	30,726	22	28,189
Holland	5	3, 07	6	4,339
France	10	8,739	9	7,449
Italy	1	2,378	1	2,378
Jugoslavia	1	3,591	1	3,591
Greece	4	6,018	2	4,048
Rumania	—	—	1	133
Czechoslovakia	2	346	3	419
Total:	445	326,476	445	326,941

The Polish flag occupies the 9th place out of 18. The German and Danish flags occupied the first and second place. According to provisional figures, the movement of goods in December, as compared with November, is given below (in tons):

	Imports:		Exports:	
	Nov.	December	Nov.	December
grain	2,205	3,708	20,039	10,900
sugar	—	—	18,978	27,861
herring	12,948	9,223	—	—
groceries and foodstuffs	2,106	2,338	4,894	2,267
artificial fertilizers and chemicals	14,114	29,957	2,255	1,710

timber	—	—	59,452	45,130
cement	—	—	2,620	1,140
building materials	2,310	5,290	—	—
coal	1,775	3,320	552,551	383,004
mineral oils	1,627	1,980	6,830	3,190
ores	7,610	13,510	—	—
scrap iron	42,560	45,751	—	—
iron	825	1,630	—	—
various	2,485	616	4,727	2,443

Total: 90,565 117,213 672,346 477,645

It is seen that the amount of imports rose considerably, the largest increase being recorded in the group of artificial fertilizers and chemicals, which doubled as compared with the preceding month. The same remark holds good in regard to ores and building material, while other articles were not subject to considerable changes. In contrast to imports, there was, according to provisional data, a considerable falling off in exports, the only increase being in the case of sugar, which is natural at this time of the year. Grain fell from 20,000 tons to 10,000 tons, foodstuffs by about 50 per cent, and timber by about 25 per cent. The export of cement, which developed satisfactorily throughout the year 1927 and during the first 6 months of 1928, averaging about 8,000 tons per month, began to decline in the latter half of the year, and in December it fell very considerably. Coal exports, after reaching a record figure in November, fell by 170,000 tons. The near future will show whether the decline in exports in December is due to temporary influences, or whether the export of these materials by sea routes is passing through a crisis.

The export of coal (bunker coal not included) effected in December is given in the following table (in tons):

Sweden	113,389
Denmark	108,147
Norway	45,140
France	32,169
Finland	27,014
Italy	21,250
Latvia	16,611
Germany	5,520
Iceland	5,039
Brasil	5,000
Lithuania	3,310
Belgium	3,000
Estonia	745
Total:	389,334

The passenger movement is illustrated by the figures given below:

	Arrivals:	Departures:
	persons	persons
Libau	33	22
Copenhagen	49	172
London	172	459
Hull	100	331
New York	55	299
Helsingfors	2	4
Amsterdam	5	—
Total:	416	1,287

Final figures for the goods traffic through Danzig for the year 1928 are not as yet available, and a detailed account on this subject will appear in one of the following numbers. In the meantime we would give a brief review on the basis of the provisional data.

The movement of ships was larger in 1928 than in 1927, that is, it reached record proportions. Last year the number of ships calling at the port was 6,183 with 4,045,240 net reg. tons, and there were 6,183 outgoing ships with

4,026 596 net reg. tons. The corresponding figures for 1927 were 6,502 with 3,860.153 net reg. tons and 6,484 with 3,892.816 net reg. tons. The total tonnage of the incoming and outgoing ships was 4 per cent larger than the corresponding figures for 1927. A decline in the number of ships but with an increase in the capacity, means an increase in the average tonnage per ship, which is a favourable feature. The number of flags rose from 27 to 28. The German flag took first place and the Danish second; then come Sweden, England, Norway and Latvia. The Polish flag occupied the first place after the French. The movement of goods also showed an increase. Landings in 1928 (the figures for the last two months of the year are, as a rule, smaller than the final data) amounted to 1,730,642 tons and clearances 6,755,159 tons. The corresponding figures for 1927 were 1,517,194 tons and 6,380,419 tons. Thus, it is seen that imports rose by 14 per cent and exports by 6 per cent. The larger increase in the amount of goods handled than in the ships tonnage indicates that the cargo space was better utilized than in the year 1927. Among the chief import articles should be mentioned the following: herring 83,529 tons (91,115 tons), foodstuffs and groceries 235,964 tons (251,882 tons), fertilizers and chemicals 363,913 tons (345,598 tons), ores 370,815 tons (335,601 tons) and scrap iron 473,174 tons (293,835 tons). Among the principal export articles were the following: coal, 5,359,106 tons (4,103,173

tons), timber 901,985 tons (1,740,360 tons), grain 75,752 tons (52,386 tons), sugar 106,595 tons (138,154 tons), foodstuffs 80,170 tons (85,920 tons), cement 80,414 tons (123,925 tons) and petroleum and products thereof 43,439 tons (40,775 tons).

In Gdynia the port traffic increased in December despite the winter weather; there were 98 incoming ships (86) totalling 90,437 net reg. tons (78,627 tons), and 86 outgoing (82) totalling 80,081 net reg. tons (76,226 tons). The amount of goods handled at Gdynia in December rose slightly, from 161,043 tons in November to 163,452 tons. Imports rose from 1,383 tons in November to 11,640 tons in December thanks to an increase in the import of scrap iron (by 8,360 tons), rice (by 1,100 tons) and Thomas slag (by 1,100 tons). Export rose from 143,889 tons to 151,811 tons of which coal represented 143,889 tons (136,968 tons) and bunker coal 8,006 tons (6,803 tons).

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

	Arrivals:		Departures:	
	Nov.	Dec.	Nov.	Dec.
Poland & Danzig	10	12	8	9
Germany	15	19	16	14
Sweden	20	25	18	24
Norway	11	13	11	12
Denmark	11	9	11	10
Latvia	8	10	8	9
Lithuania	1	—	1	—
England	5	2	4	3
France	5	5	5	5
Estonia	—	1	—	—
Finland	—	2	—	—

It should be stated that the year 1928 was a period of considerable development at the port of Gdynia. In 1926,

the number of ships calling at Gdynia was 303 with 208,194 net reg. tons, in 1927, 519 ships with 416,322 net reg. tons, and in 1928, 1,093 ships with 972,902 net reg. tons. The amount of goods handled also rose considerably, which is illustrated by the following table (in tons):

	Arrivals	Departures
1926	179	413,826
1927	6,702	889,439
1928	190,962	1,765,048

It is worthy of note that despite such a considerable rise in the quantity of, goods handled, the efficiency increased, as the average time of sojourn of the ships at the harbour declined from 4.4 days in 1926, and 4.0 days in 1927 to 3.4 days during the last few months of 1928. It is certain, therefore, that Gdynia will occupy one of the first places among the Baltic ports in the near future.

AERIAL COMMUNICATION IN DECEMBER declined considerably owing to the intense frost. The number of flights (scheduled an extra) was 134 as against 209 in November; similarly, the distance flown declined to 40,646 km. (in November 70,935 km.). The number of passengers carried was 141 (312 in the preceding month). The transport of freight declined from 17,501 kg. in November to 9,823 kg., and that of mail from 2,020 kg. to 1,115 kg.

FINANCE AND BANKING

STATE REVENUE AND EXPENDITURE IN DECEMBER was as follows (in millions of £):

(See next page)

In December 1928, State revenue attained record figures in the current budgetary year and was 12 per cent larger than in the corresponding month of 1927. This increase is accounted for by a rise in the receipts from taxes which, as a rule, show a considerable augmentation in the last months of the calendar year when most of the important taxes fall due, and when business activity reaches the highest point. As a result of an increase in taxes and other State revenues, the total rose from £ 185.6 million in November to £ 211.3 million (£ 171.1 million in

December, 1927). The revenue from State Monopolies was slightly smaller than in November, the figures being £ 78.5 million and £ 77.2 million (£ 70.8 million in December 1927); there was a large decline in the revenue from the State undertakings, namely, from £ 22.8 million in November to £ 10.5 million in December (£ 13.3 million in December, 1927). This decline is to be attributed to the fact that in November (apart from the regular contribution of £ 70 million, the State Forests paid to the Treasury £ 6.1 million at the end of the month, and the December revenue declined by this amount. Thus, State Forests paid to the Treasury £ 13 million in November and only £ 2 million in December. There was also a decline in the revenue from the State Railways which, it may

be recalled, prior to November, that is, during the first seven months of the current budgetary year, transferred to the Treasury only £ 11.7 million, as the profits were used for investment purposes. In November, the amount paid to the Treasury rose to £ 7.7 million, but in December it declined to £ 2.9 million. Mining, four dry and industrial establishments paid to the Treasury in December £ 2.4 million, as compared with £ 0.1 million in November, and the Post and Telegraph £ 3.0 million, as compared with £ 2 million in November. State expenditure in December rose to £ 258.2 million (in November £ 258.0 million). The disbursements made by the State undertakings (grants from the Treasury) declined during the month from £ 2.9 million to £ 1.2 million.

	Revenue		Expenditure	
	actual	estimated for 1928/9	actual	estimated for 1928/9
A) Civil service	211.3	1.578.8	264.0	2.653.4
The President of the Republic. . .	0.0	0.2	0.3	3.4
The Parliament	0.0	0.3	1.9	11.5
State Control	0.0	0.1	0.5	5.6
Council of Ministers	0.0	0.0	0.2	2.4
Ministry of Foreign Affairs	1.2	10.9	3.4	52.6
" " War.	0.4	3.8	63.3	770.3
" " the Interior	1.4	17.4	20.1	238.4
" " Finance	192.0	1,392.7	41.0	140.1
" " Justice	3.7	37.1	10.0	117.7
" " Industry and Commerce	1.0	10.7	3.8	48.7
" " Transport	0.0	0.5	1.1	16.4
" " Agriculture	1.7	14.6	3.8	56.6
" " Religious Cults and Education	0.5	10.8	34.9	437.6
" " Public Works	4.7	39.2	10.0	138.4
" " Labour and Social Protection	0.0	0.8	4.9	61.9
" " Land Reform	2.0	3.0	5.3	54.3
" " Posts and Telegraphs	0.0	0.0	0.2	2.5
Pensions	3.3	27.1	12.8	116.6
Grants to invalids	—	—	18.9	147.0
State liabilities	—	9.5	27.7	231.2
B) State enterprises	10.5	199.6	1.2	19.9
C) Monopolies	77.2	576.6	—	—
Total A + B + C:	299.0	2.655.0	265.2	2.673.2 ¹⁾

There was an increase in the disbursements on State Administration from £ 255.0 million in November to £ 264.0 million in December. Most of the Ministries showed a decline in expenditure, but there was a large increase in the case of the Ministry of Finance, from £ 12.9 million in November to £ 41.0, in connection with the increase in the stock capital of the Bank Gospodarstwa Krajowego by £ 30 million. During the first three quarters of the 1928/29 budgetary year the revenue amounted to £ 2.246.6 million, which is much more than in the corresponding period of 1927/28 (£ 1.968.7 million), and considerably more than was anticipated (3/4 of the anticipated revenue for the whole year comes to £ 1.991.3 million). The revenue for the first three quarters amounts to 84.6 per cent of the estimated amount for the whole year (the revenue from the State Administration represents 94 per cent of the estimated amount for the whole year) and it is, therefore, certain that the revenue for the whole year will be

considerably in excess of the budget estimates.

During the first three quarters the State expenditure has amounted to £ 2.112.0 million and is much larger than that for the corresponding period of 1927/28 (£ 1.754.6 million). In relation to the budget estimates, the expenditure did not show a considerable increase as it represents 79 per cent of the yearly estimates. The excess of revenue over expenditure in December 1928 amounted to £ 33.8 million, and during the 9 months, from April to December, 1928, £ 134.6 million.

TAXES IN DECEMBER. — The receipts from taxes and monopolies in December 1928 were much larger than in any of the previous months of the current budgetary year and amounted to £ 265.6 million. Compared with November, they were 7.2 per cent larger, and 18.3 per cent larger than in December, 1927. A strong increase in the revenue from taxes and monopolies has been noticeable during the fourth quarter of 1928 (third quarter of the current budgetary year) which is to be attributed to the more important taxes

falling due during this period and also to increased business in general. Thus, during the first quarter of the budgetary year the revenue from taxes and monopolies amounted to £ 602.3 million, during the second quarter — £ 630.8 million, and during the third quarter it increased to £ 742.9 million. The total for the three quarters is therefore £ 1.976.0 million, which is 20.9 per cent more than the revenue for the corresponding period of 1927/28 (£ 1.631.4 million). The revenue from these sources collected during the first three quarters represents 90.5 per cent of the estimated amount for the whole year. It is certain therefore that by the end of the year the revenue will be in excess of the budget estimates. In addition the revenue from taxes has already exceeded the estimated amount by 0.5 per cent (direct taxes by 11 per cent), whereas the revenue from monopolies is strictly in accordance with the estimates.

Compared with the preceding month taxes rose from £ 169.2 million to £ 188.5 million, and revenue from monopolies declined slightly, from £ 78.5 million to £ 77.2 million. The Salt and the Tobacco monopolies each gave £ 1.0 million less, and the State Lottery £ 0.7 million more. Ordinary direct taxes returned in December £ 79.4 million, as compared with £ 86.1 million in November, 1928, and £ 71.9 million in December, 1927. The Industrial Tax rose during the month from £ 25.8 million to £ 37.4 million, owing to payments falling due for trading licenses for the year 1929. On the other hand, the Land Tax declined from £ 14.6 million in November to £ 7.2 million in December, and the Income Tax showed a drop from £ 36.6 million to £ 26.0 million.

The only extraordinary direct tax, the Property Tax, showed an enormous increase, from £ 2.1 million in November to £ 22.2 million in December. This was due to the payments of arrears. There was also a considerable increase in indirect taxes which gave £ 17.1 million (the largest amount in the current budgetary year), as compared with £ 11.9 million in November, and £ 14.9 million in December, 1927. Thus, there were increases in the following: Sugar Tax from £ 7.0 million in November to £ 9.6 million, and Excise Licenses (payable in advance for 1929) from £ 0.2 to £ 2.4 million; in addition, there was an increase in the Mineral Oil Tax, from £ 2.3 to £ 2.6 million.

Customs duties returned in December £ 41.2 million, as compared with £ 39.7 million in December, 1927. It should be borne in mind that the fluctuations in

¹⁾ Together with £ 145 million foreseen in the Treasury Law for 1928/29 for payment of a monthly supplement for employees and pension fund

the revenue from customs duties are caused not only by the variations in the quantity and kind of imports, but also by the considerable variations in the payments of customs duty by the Free City of Danzig.

Revenue from Stamp Fees amounted to zł 16.9 million, as compared with zł 17.4 million in November and zł 16.2 million in December 1927.

The 10 per cent Extraordinary Supplementary Tax gave in December zł 11.9 million as compared with zł 12 million in November and zł 10.4 million in December 1927. A comparative statement of the returns from public levies and monopolies is given below (in millions of zł):

	Actual revenue: of the		1 st th	
	November	December	yearly	budget
	1928	1927	1928	1928/29
Direct taxes	36.1	71.9	79.4	43.4
Indirect taxes	11.9	14.9	17.1	13.3
Customs duties	39.7	34.4	41.2	27.5
Stamp fees	17.4	16.2	16.9	13.8
Total of the ordinary public levies:	155.1	137.4	154.6	98.0
10 per cent Extraordinary Tax	12.0	10.4	11.6	6.8
Property Tax	2.1	5.9	22.2	4.2
Monopolies	78.5	70.8	77.2	73.0
Total of public levies and monopolies:	247.7	224.5	265.7	182.0

STOCK EXCHANGE

FOREIGN CURRENCIES

— During December there was a further increase in the quotations for European currencies on the Warsaw Stock Ex-

change, as can be seen from the table given below. The upward tendency was not the result of local conditions, that is, an increased demand for foreign drafts and currencies, but was caused by the higher quotations recorded on the New York Stock Exchange. Drafts on London rose by zł 0.4 per Pound Sterling, on Paris by zł 0.6, on Zurich by zł 0.15, on Brussels by zł 0.20, on Vienna by zł 0.25, on Amsterdam by zł 0.33 and on Stockholm zł 1.05 (all per hundred with the exception of the Pound Sterling). Only drafts on Milan and Prague showed declines by zł 0.5 and zł 0.25 respectively. Drafts on New York were unchanged at zł 8.90. The quotations for the Złoty on foreign money markets moved within narrow limits, slight declines having been recorded in Vienna, Zurich and Danzig, and a rise in Prague. The volume of business in foreign currencies and drafts transacted on the Stock Exchange showed a decrease of about 25 per cent, as compared with November. This is quite normal in view of the Christmas holidays and also on account of the fact that the banks usually make smaller purchases at the end of December than in other months.

SHARES

— In December business was not very brisk on the Warsaw Stock Exchange as the general public refrained from making large transactions in anticipation of probable changes in connection with the drawing up of the yearly balance-

sheets. Banking institutions and speculators also followed the same policy, although, in order to obtain the cash necessary to meet their liabilities, due at the end of the year, some of them were compelled to sell their holdings with the result that even the shares of some of the best companies showed a falling off. For this reason slight declines were recorded in the Starchowice, Modrzejów, Ostrowiec, Lilpop, Warsaw Coal Mining Company and Zawiercie shares. On the other hand, the Cegielski, Rudzki, "Wysoka" and "Chodorów" shares registered more or less large increases. The "Siła i Światło" shares, which of late have been subject to fairly large fluctuations reached the same level at the end of the month as in the preceding month when the 10% dividend for the year 1927/28 is taken into account. The remaining industrial and commercial shares were unchanged. The characteristic feature of bank shares is their stability. Thus, the shares of the Bank Dyskontowy Warszawski, Bank Handlowy w Warszawie and Bank Zachodni (the shares of the latter bank were increased from zł 25 to zł 100 nominal value) remained unchanged. The shares of the Bank Związku Spółek Zarobkowych showed a slight decline. Finally, the shares of the Bank of Poland, for which there was a steady demand throughout the month, registered a further increase. It is anticipated in Stock Exchange circles that in view of the favourable results attained by the Bank in 1928

			30.11	1—7.12	10—15.12	17—22.12	24—28.12	29.12	par value
Warsaw Exchange									
London	£	1	43.26	43.25½	43.26⅓	43.28	43.29⅓	43.30	43.38
New York	\$	1	8.90	8.90	8.90	8.90	8.90	8.90	8.90
Paris	Fr. Fr.	100	34.86	34.85½	34.84¾	34.88¾	34.92¾	34.92	172.00
Brussels	Belg.	100	—	123.97	124.—	124.12	124.16	124.17	123.95
Zurich	Sw. Fr.	100	171.80	171.80	171.77½	171.94	172.11	171.95	172.00
Milan	Lir	100	46.74	46.71	46.71⅓	46.79⅓	46.70½	46.69	172.00
Amsterdam	Fl.	100	358.25	358.22	358.25¼	358.37¼	358.50	358.58	358.31
Vienna	Sh.	100	125.35	125.36½	125.47½	125.60	125.60½	125.60	125.43
Prague	Kcz.	100	26.42	26.42½	26.42½	26.42½	26.42½	26.41¾	180.62
Stockholm	Kr.	100	238.25	238.36	—	238.96½	239.28½	239.20	238.89
Foreign Exchanges									
London	£	1	43.26	43.25	43.25	43.27½	43.27	43.30	43.38
New York	zł	100	—	11.25	11.25	11.25	11.25	11.25	11.22
Zurich	zł	100	58.20	58.20	58.20	58.20½	58.75	58.175	58.14
Vienna	zł	100	79.73	79.84½	79.64¾	79.63⅓	79.41½	79.55	79.55
Prague	zł	100	377.75	377.83	377.82	377.83¾	378.25	—	55.36
Berlin	zł	100	47.05	47.05	47.05	47.—	47.012½	47.25	47.09
Danzig	zł	100	57.82	57.82	57.79¾	57.76½	57.72	57.70½	57.63



POLISHING CRYSTAL GLASS AT THE "HORTENSJA" GLASS WORKS,
PIOTRKÓW

the dividend will exceed that for 1927 (14 per cent). In order to better illustrate the state of the share market in December 1928, it should be stated that most of the business transacted on the Stock Exchange was in small parcels, so that the quotations in many

instances cannot be regarded as absolutely reliable and representative. Larger parcels, owing to the excessively low quotations, did not appear frequently on the market so that the turnover was necessarily comparatively small.

STATE, MUNICIPAL AND LAND LOANS

— Government securities occupying a privileged position on the market enjoy, as a rule, a good demand, and for this reason they are not subject to large fluctuations, all the more so, as the supply

S H A R E S	30.11	1—7.12	10—15.12	17—22.12	24—28.12	29.12	Nominal	
Bank Polski	174 [—]	176 ²⁵	176 ¹⁵	182 ⁶⁰	180 ⁹⁰	179 [—]	zł	100 [—]
Bank Dyskontowy Warszawski	134 ⁵⁰	134 ⁵⁰	134 ⁵⁰	134 ⁵⁰	134 ⁵⁰	134 ⁵⁰	zł	100 [—]
Bank Handlowy w Warszawie	—	120 [—]	120 [—]	—	—	120 [—]	zł	100 [—]
Bank Zachodni	—	—	—	85 [—]	—	85 [—]	zł	100 [—]
Bank Zw. Sp. Zarobkowych	—	82 ⁹⁰	81 ⁹⁰	81 ⁷⁰	80 ⁵⁰	81 [—]	zł	100 [—]
Warsaw Coal Mining Co.	104 ⁵⁰	102 [—]	96 ⁶⁰	98 ⁵⁰	98 ⁵⁰	102 [—]	zł	100 [—]
Chodorów	230 [—]	232 ⁷⁰	228 ³⁰	230 [—]	—	232 [—]	zł	100 [—]
Cegielski	44 [—]	44 ³⁵	45 [—]	45 [—]	—	44 ⁵⁰	zł	50 [—]
Zieleniewski	—	—	144 [—]	140 [—]	—	141 [—]	zł	100 [—]
Norblin, Buch & Werner	215 [—]	210 ⁵⁰	204 ⁵⁰	—	—	214 [—]	zł	100 [—]
Starachowice	41 ⁵⁰	40 ²⁰	36 ⁵⁰	37 ⁸⁰	39 ⁴⁰	39 ⁷⁵	zł	50 [—]
Lilpop, Rau & Loewenstein	39 [—]	39 ⁸⁵	40 ¹⁵	40 ¹⁰	39 [—]	38 ⁷⁵	zł	25 [—]
Ostrowiec (b. series)	101 ⁵⁰	98 ⁵⁵	96 ⁴⁰	97 ⁶⁰	95 ⁵⁰	95 ⁵⁰	zł	50 [—]
Modrzejów	34 ⁵⁰	34 ⁶⁰	32 ⁶⁰	33 ⁴⁰	33 ⁵⁰	33 ⁵⁰	zł	50 [—]
Rudzki	43 ²⁵	43 ⁹⁰	44 ¹⁰	43 ⁵⁰	—	44 ⁵⁰	zł	50 [—]
Warsz. Sp. Akc. Budowy Parowozów	—	—	—	—	—	30 [—]	zł	25 [—]
Zawiercie	18 [—]	18 [—]	—	16 ²⁵	—	15 ⁷⁵	zł	60 [—]
Standard Nobel	—	25 ⁵⁰	24 ⁷⁵	—	—	25 ⁵⁰	zł	50 [—]
Borkowski (Eligor)	—	15 [—]	—	15 [—]	15 [—]	15 [—]	zł	25 [—]
Wysoka	—	230 [—]	230 [—]	—	—	237 ⁵⁰	zł	100 [—]
Siła i Światło	111 [—]	112 [—]	118 [—]	114 ³⁰	103 ⁵⁰	106 [—]	zł	50 [—]



WOODEN BRIDGE OF A NOVEL DESIGN OVER THE
RIVER VISTULA NEAR SZCZUCIN (PHOT. S. PLATER)

has of late been moderate. Exceptions to this rule are the premium loans in which, apart from speculators, the public at large takes a keen interest. During the period under review, and especially towards the end of the month, the speculators sold larger parcels of the Premium Loans with the result that

the 4 per cent Premium Investment Loan registered a fall of about 9 per cent, and the 5 per cent Premium Dollar Loan about 5 per cent. These declines are largely due to the shortage of money on the money market which caused the holders to realize their bonds. As regards the bonds of the

various private undertakings, the tendency was weak as the supply was larger than the demand.

The Credit Society of the City of Warsaw bonds suffered most, whereas the 4 per cent and $4\frac{1}{2}$ per cent bonds of the Land Credit Association registered only slight drops.

State, Municipal & Land Loans	30.11	1—7.12	10—15.12	17—22.12	24—28.12	29.12	Nominal
5% Conversion Loan	67.—	67.—	67.—	67.—	67.—	67.—	zł 100.—
7% Stabilisation Loan	—	93.—	92.—	92.—	—	92.—	\$ 100.—
6% External Dollar Loan 1920	—	85.50	85.50	85.50	85.50	85.75	\$ 100.—
4% Premium Investment Loan	115.75	113.60	108.40	108.50	108.60	106.75	zł 100.—
5% Premium Dollar Loan (2nd series)	108.50	103.90	104.30	104.90	107.—	103.—	\$ 5.—
10% Railway Loan (1st series)	102.50	102.50	102.50	102.50	102.50	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.—	91.—	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	—	76.50	76.25	76.—	—	76.—	zł 100.—
4% Land Credit Association Bonds	—	42.—	40.50	41.50	41.25	41.75	zł 100.—
$4\frac{1}{2}$ % Land Credit Association Bonds	48.50	48.65	47.90	48.15	48.—	48.—	zł 100.—
8% Credit Soc. of the City of Warsaw Bonds ...	69.25	69.05	68.95	68.70	68.60	68.—	zł 100.—
5% Credit Soc. of the City of Warsaw Bonds ...	55.—	54.60	53.10	55.30	52.85	—	zł 100.—
$4\frac{1}{2}$ % Credit Soc. of the City of Warsaw Bonds ...	49.50	48.65	47.80	47.50	—	—	zł 100.—

BANK OF POLAND

— The last month of 1928 saw a further increase in the bullion and foreign currency reserves representing the cover for the notes in circulation and sight liabilities. This increase amounted to zł 31.1 million and was larger than in October and November (zł 24.1 million

in each of these months). During the last quarter of 1928, the bullion and foreign currency reserves rose by zł 79.2 million and at the end of December reached the sum of zł 1,148.7 million. The first nine months of 1928, apart from slight fluctuations in the first half-year, were characterised by a fall in the reserves from zł 1,207.4 million at the

beginning of the year to zł 1,069.5 million at the end of September. Thanks to the increase which took place during the last quarter of 1928, the net decline as at December 31st amounted only to zł 58.7 million or 4.9 per cent.

When the currency reserves, not included in the cover, are added thereto, it will be found that the total bullion

and foreign currency reserves of the Bank declined during the first nine months of 1928 from 1.414.5 million to z 1.269.7 million, and they rose to z 1.335.5 million in the course of the fourth quarter (the increase in December amounted to z 35.5 million). Thus, the fall in the total value of the reserves for the whole year 1928 amounted to 5.6 per cent.

The increase in the bullion and foreign currency reserves, which took place in the fourth quarter, and especially that which was recorded in December, is only to a very small extent to be attributed to purchases made locally by the Bank of Poland, for, it was principally due to the surplus of foreign currencies and drafts received over those exported. It is worthy of note that this surplus was principally due to the rise in the amount of foreign currencies and drafts received by the Bank and the increases were as follows: z 78.3 million in July, z 92.7 million in August, z 108.7 million in September, z 115.9 in October, z 142.9 in November,

and z 138.9 in December. These increases are accounted for by the rise in the inflow of foreign credits to Poland. These credits were not long term loans as, apart from small instalments in respect of previously contracted loans, there were none in the second half of 1928, but they were mostly short term credits extended to merchants, industrialists and banks (only a small proportion of them have a few years to run). The rise in the inflow of credits is partly to be attributed to shortage of money on the Polish market and partly to the change in the policy of the Bank of Poland which up to September granted credits very liberally, but after that date restricted its credits to specially deserving cases, with the result that all the others were compelled to look for them abroad. On the other hand, the lack of credits, especially at the end of December, resulted in the holders of foreign currency having to dispose of it, which added considerably to the foreign currency reserves of the Bank.

The sales of currencies and drafts in December declined slightly from z 114.5 million in November to z 108.7 million in December, although the transfer to foreign countries effected by the Government offices rose from z 54.5 million to z 58.9 million, in connection with the service of the foreign loans. The surplus of purchases of foreign currencies and drafts over the sales was in December z 30.2 million as compared with z 28.4 million in November.

The changes in the bullion and foreign currency reserves of the Bank included in the cover of the banknotes in circulation and sight liabilities, which took place in December and during the whole year, are given below:

	January 1, 1928	Nov. 30, 1928	December 31, 1928
gold	517.3	607.8	621.1
silver	2.6	1.8	0.5
foreign currencies and liabilities	687.5	507.9	527.1
Total:	1,207.4	1,117.6	1,148.7

	NOVEMBER 30th		DECEMBER 10th		DECEMBER 20th		DECEMBER 31st	
Assets:								
Bullion:								
gold in vaults - - -	425,504.462.50		425,572.849.34		425,638.352.33		425,677.103.07	
" abroad - - - -	182,339.298.02		182,339.298.02		182,339.298.02		195,401.922.66	
silver (gold value) - -	1,843.346.80		1,856.865.47		1,979.232.49		491.90.62	
	609,687.107.32		609,769.012.83		609,956.862.84		621,570.932.35	
Foreign currency, drafts and assets - - - -	507,944.629.12	1,117,631.736.44	510,451.480.24	1,120,220.493.07	512,202.077.07	1,122,158.959.91	527,131.527.59	1,148,702.459.94
Foreign currency, drafts and assets not included in the cover - - - -		193,949.183.63		194,719.050.13		200,479.753.81		186,826.438.97
Silver and token coins -		606.529.08		291.116.45		449.471.59		957.042.45
Bills of exchange - - -		623,520.356.86		606,354.720.30		624,026.133.36		640,699.988.53
Loans against securities -		85,876.585.92		83,818.197.31		84,819.680.37		91,186.195.36
Own interest-bearing securities - - - -		9,113.057.73		3,927.808.28		5,928.031.70		4,004.9.4.41
Reserve funds invested in the securities - - -		55,625.496.70		63,345.229.23		65,175.854.86		65,534.134.28
Loans to Government - -		25,000.000.00		25,000.000.00		25,000.000.00		25,000.000.00
Property - - - - -		20,000.000.00		20,000.000.00		20,000.000.00		20,000.000.00
Other assets - - - - -		102,415.525.26		104,727.602.09		103,289.069.85		109,349.911.13
		2,233,738.471.62		2,222,442.216.86		2,231,275.963.45		2,292,546.165.57
Liabilities:								
Capital - - - - -		150,000.000.00		150,000.000.00		150,000.000.00		150,000.000.00
Reserve fund - - - - -		94,434.640.00		94,434.640.00		94,434.640.00		94,434.640.00
Sight liabilities:								
current accounts of State Institutions - -	267,294.056.10		252,980.810.98		286,803.786.84		268,302.519.73	
outstanding current accounts - - - - -	154,652.613.69		184,155.253.58		200,099.861.94		182,364.938.55	
silver purchases a/c - -	84,000.000.00		84,000.000.00		84,000.000.00		45,000.000.00	
State credit fund a/c -	18,578.492.02		18,578.492.02		18,578.492.02		18,910.733.98	
various accounts - - -	8,428.843.86		8,040.774.26		7,848.610.68		9,561.798.98	
	532,954.005.67		547,755.330.84		597,330.751.48		524,142.021.25	
Notes in circulation - -	1,269,766.210.00	1,802,720.215.67	1,242,128.940.00	1,789,884.170.84	1,218,030.810.00	1,815,361.561.48	1,95,348.840.00	1,819,490.861.25
Special account of the Treasury - - - - -		75,000.000.00		75,000.000.00		75,000.000.00		75,000.000.00
Other liabilities - - - -		111,543.615.95		113,085.406.02		116,479.761.97		153,620.661.32
		2,233,738.471.62		2,222,404.216.86		2,231,275.963.45		2,292,546.165.57

The value of the bullion rose from zł 609.7 million in November to zł 621.6 million in December. This increase would have been still larger had it not been for the fact, that the Bank sold to the Treasury a certain amount of silver for minting purposes. As a result of this sale, the value of the silver, despite small purchases effected through the provincial branches of the Bank, declined during the month from zł 1.8 million to zł 0.5 million (in November from zł 4.2 million to zł 1.8 million). Apart from the above mentioned purchase of silver, the Treasury bought a certain amount of this metal abroad, with the result that the balance of the account for silver purchases declined from zł 84.0 to zł 45.0 million. In December the Bank's purchases of gold represented a value of \$ 15 million, and as it was not brought in to the vaults of the Bank, the value of the gold reserves kept abroad rose from zł 182.3 million to zł 195.4 million. The value of the gold held in Warsaw rose in December from zł 425.5 million to zł 425.7 million, due to local purchases.

The value of foreign currencies held by the Bank rose during the month from zł 701.8 million to zł 708.5 million. The reserves of foreign currencies

included in the cover rose from zł 507.9 million to zł 521.7 million, and those not included in the cover increased from 193.9 million to 196.8 million. The total bullion and foreign currency cover in relation to the value of notes in circulation and sight liabilities of the Bank represented 63.13 per cent on December 31, 1928, as compared with 62 per cent on November 30th and 72.61 per cent on January 1st of the same year.

The comparatively smaller increase in the percentage than in the value of the cover is accounted for by a simultaneous rise in the value of notes in circulation and sight liabilities from zł 1.802.7 million on November 30 to zł 1.819.5 million in December 31, 1928.

As a matter of fact, there was, in December, an increase only in the banknotes in circulation, from zł 1.269.8 million to zł 1.295.3 million for sight liabilities declined from zł 533.0 million to zł 524.1 million. The latter decline was not due to a falling off in the balances of current accounts, which rose from zł 421.9 to zł 450.7 million, but to the above mentioned decline in the balance on the silver purchase account.

The increase in the value of the banknotes in circulation is closely connected with the rise in the bullion and foreign currency reserves, the falling off in the amount of sight liabilities and the increased activity of the Bank. The discount credits (employed) rose during the month from zł 623.5 million to zł 640.7 million, and loans against securities from zł 85.9 million to zł 91.2 million. Apart from credits, the other items of the Bank cover for the notes in circulation and sight liabilities were not subject to any considerable changes. The value of the securities owned by the Bank declined from zł 9.1 million to zł 4.1 million, which is partly due to the transfers of securities to the reserve funds.

The Bank cover is given below (in millions of zł):

	January 1, 1928	November 30, 1928	December 31, 1928
bills	456.0	623.5	640.7
Polish silver coins and token money	9.8	0.6	1.0
loans against se- curities	40.9	85.9	91.2
own interest-bear- ing securities	4.8	9.1	4.1
liability of the Treasury	25.0	25.0	25.0
Total:	536.5	744.1	761.9

LATEST NEWS

WARSAW EXCHANGE:

	10.1.29	20.1.29
\$ 1 = zł	8.90	8.90
£ 1 = " zł	43.26 $\frac{1}{4}$	43.25

BANK OF POLAND:

ASSETS:	10.1.29	20.1.29
Gold and silver reserve . zł	621,717.280.72	zł 621,789.712.59
Foreign balances . . . "	524,342.146.72	518,622.193.14
" " (not included in the cover) "	171,537.650.45	152,870.928.04
Bills of exchange . . . "	628,787.150.38	636,509.667.77
Loans against securities "	85,312.559.63	83,798.810.16

LIABILITIES:

Notes in circulation . . . "	1,190,459.540.00	1,149,410.220.00
Current accounts . . . "	516,106.919.93	538,174.648.34
Other sight liabilities . . . "	71,321.618.58	68,992.735.19

BANK NOTES COVER

(bullion & foreign currencies)	64.46%	64.92%
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