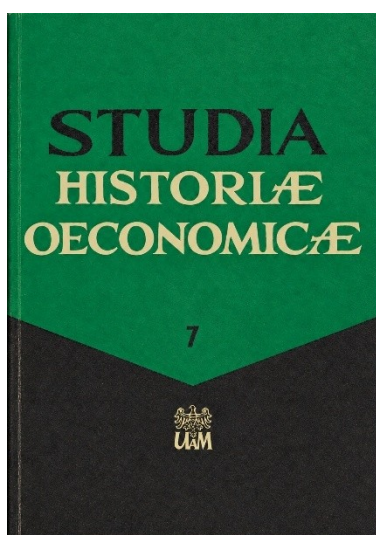




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Zbigniew Landau (Warszawa)

POLISH VILLAGE AS A SELLING MARKET FOR INDUSTRY IN THE PERIOD OF THE GREAT DEPRESSION 1930 - 1935

In the so far investigation of the economy of Poland between the wars it has been pointed out that there existed considerable disproportions in the development of the particular regions of the country what had been connected with their different histories in the partition time. And so, the economy of capitalist type was most highly developed in the western regions where it included industry as well as a vast majority of agriculture; it dominated also in the industry and landowners' estates in the central regions of the country, and in the South and East of Poland it gave the priority to the small producers' economy with little only share of the capitalist sector¹. But, when pointing out the above fact, one thing of the essential, in my opinion, importance was not noticed, i.e. the connections between the capitalist sector dominating in the industry and the small-producers' sector covering the main part of agriculture were extremely weak. Thus, within one State organism, both to some extent autonomous economic sectors coexisted, but not always cooperated. They were governed by different development rules. That fact had significant consequences for Polish economy.

The coexistence of two sectors was present not only in our country but also in other States of medium level of the capitalist development. In the Polish conditions, however, this two-sector situation had particularly significant consequences. Firstly, in Poland there lived on agriculture a greater number of population than in other European countries of the same type, and secondly, in Poland over 90% of peasantry was occupied busy in small-

¹ The problem was more extensive discussed by J. Tomaszewski in *Gospodarka drobnotowarowa w Polsce międzywojennej* (The small-producers' economy in Poland between-the-wars). *Zeszyty Naukowe SGPiS* 1959, No 15. According to his calculations, about 59.9% of the total population based their existence on the small-producers' economy. From among them in the West — in the voivodeship of Silesia 14.5%, of Poznań — 32.5%, of Pomerania — 34.7%, and in the East — in the voivodeship of Wilno — 81.5%, of Nowogródek — 83.0%, of Polesie — 83.6%, of Wołyń — 83.7%, of Stanisławów — 73.8%, of Tarnopol — 75.6%. The role played by the small-producers' sector in the big cities was the smallest. In Warszawa, for instance, 26.7% of all inhabitants were connected with it, in Kraków — 14.7%, in Łódź — 17.8%, in Wilno — 24.2%, in Lwów — 16.2%, and in Poznań — 12.4% (p. 36).

-scale farming². Such a structure was not of frequent occurrence in Europe. If we take into consideration a group of countries partly governed by the capitalist economy³ (the highly developed excluded), it will become clear that, among the countries for which we have appropriate statistical data, Poland had relatively the highest percentage of population living on agriculture. Among the professionally active people, in our country in 1931 peasantry made 64.9%, whereas in Estonia, for instance, 63%, in Finland — 60.6%, in Greece — 53.7%, in Hungary — 49.7% in Italy — 39.2% and in Norway — 30.7%⁴. At the same time the farms with small-producers' economy were in Poland of greater range than in many countries mentioned. This caused, among others, that the national income of one hectare of land was in the period of crisis in Poland generally not only smaller than in other countries of medium level of capitalist development, but also its decrease assumed bigger proportions. Accordingly, if in the years 1927/28 till 1933/34 the national income of one hectare in Poland decreased to 37%, in Finland it was 43%, in Norway — 44%, in Austria — 47%, in Estonia — 49%, in Lithuania — 57%, and in Latvia — 81%⁵.

In the period of prosperity peasants' small-producers' economy was connected, though weakly, with the market. These connections had a bilateral character. On the one hand peasants sold the products of their farms, on the other hand — in some part, mainly making profit on their non-agricultural job — they were buyers of specified industrial goods. With the aggravation of the economical situation, manifested in the decrease of prices of agricultural products and in the limitation of the income from the non-agricultural activities⁶, the connections with the market weakened leading a great part of

² The same figure results of analysing the number of farms which did not employ hired workers. When examining the number of population living on small producers' farming, it becomes evident that in the voivodeship of Poznań, most developed as regards economy, 44.7% of agricultural population were connected with that form of farming. In the voivodeship of Pomerania it was 67.9%, in the eastern borderlands of Poland — over 90% (the voivodeships of Nowogródek, Polesie and Wołyń). Ibidem, p. 36.

³ In the distinction of these countries we follow L. Landau, *Gospodarka światowa*. W: *Wybór Pism* (World Economy. In: Selected Works). Warszawa 1957, pp. 414 - 15.

⁴ *Mały Rocznik Statystyczny* (Small Yearbook of Statistics) 1939, p. 33.

⁵ Evaluated on the basis of *Badania nad opłacalnością gospodarstw włościańskich w roku gospodarczym 1935/36* (Studies on profitability of peasant farms in the economic year 1935/36). Warszawa 1938, annex, table 1.

⁶ We do not describe consciously the situation in Polish agriculture in the period of the crisis of the years 1930 - 35 since there exists a rather voluminous bibliography on the subject. cf. J. Orczyk, *The main features of the agricultural crisis in Poland in the years 1929 - 1935*. *Studia Historiae Oeconomicae* 1968, No 3; Z. Landau, *Polish countryside in the years 1929 - 1935*. *Acta Poloniae Historica* 1963, No 9; J. Orczyk, *Produkcja rolna Polski w latach wielkiego kryzysu gospodarczego 1929 - 35* (The agricultural production of Poland in the period of the great economical crisis 1929 - 35). Po-

farming properties (it is, however, difficult to state how great) to the limitation of the contacts with the market. The connections went more in one direction. Peasants still appeared as sellers of their products and, intending to compensate for the rapid drop in prices of agricultural products, they increased even the amount of goods for sale by a limitation of their own consumption⁷. At the same time, however, they reduced their purchase on the market. The cash received for the sale of agricultural goods, in face of the impossibility of supplying the income otherwise, did not even cover the taxes and immediately payable dues owed to the State and the local administration⁸. To illustrate this fact we can quote for example that in 1933 the debt claims and its percentage were to be 2,242.7 milion Zł, whereas the total value of all the sale of agricultural products in the year 1933/34 reached the level of about 1.5 milliard Zł⁹. Peasantry made efforts to cover the financial dues owed to the State and to the creditors first, being afraid of the expensive lawsuits which usually led to the auction of their properties.

In this situation a smallholder was forced to change over to almost natural economy of farming and to strive to satisfy to a highest degree his own needs by producing all necessary goods, if possible, in his own's capacity as cottage-work. As a result, the industry lost a considerable amount of buyers, and its clientele was more and more reduced to enterprises and people being directly within the influence of the capitalist economy; and these were not numerous in Poland (except in towns).

This led, in the period of the great crisis, to the apparently not very comprehensible situation. Polish industry reacted to the breakdown in a quite different way than the industries of other agricultural-industrial countries in which a developed sector of small-producers' economy coexisted with the capitalist economy. When, for instance, in Spain the industrial

znań 1971; J. Ciepiewski, *Polityka agrarna rządu polskiego w latach 1929 - 1935* (The agrarian policy of the Polish government in the years 1929 - 1935). Warszawa 1968, chapt. II; Idem, *Wies polska w latach wielkiego kryzysu 1929 - 1935. Materiały i dokumenty* (Polish village in the years of the great depression 1929 - 1935. Materials and documents). Warszawa 1965; and others.

⁷ For more details see: J. Orczyk, *Nożyce cen i akcja ich zwalczania w Polsce w latach 1929 - 1935* (Price scissors and the action of striving against them in Poland in the years 1929 - 1935). Roczniki Dziejów Społecznych i Gospodarczych 1967, No 28.

⁸ See M. Mieszczankowski, *Podatki rolne w Polsce międzywojennej* (Agricultural taxes in Poland between-the-wars). Roczniki Dziejów Ruchu Ludowego 1961, No 3; Idem, *Zadłużenie rolnictwa międzywojennej Polski* (Liabilities of agriculture in Poland between-the-wars). Najnowsze Dzieje Polski. Materiały i Studia z lat 1914 - 1939. 1962, No 6.

⁹ The controversial proposal of the minister of agriculture and land reform concerning the financial-agricultural operation from March 15, 1934. AAN, KEM, vol. 1137; See also Z. Landau and J. Tomaszewski, *Zarys historii gospodarczej Polski 1918 - 1939* (An Outline of the economic history of Poland 1918 - 1939). Warszawa 1962, pp. 148 - 49.

production in the worst period of the crisis decreased in comparison with the peak from before the crisis by 17%, in Estonia and Finland by 22%, in Hungary by 23%, in Italy by 36%, and in Austria by 37%, in Poland the decrease was as much as by 41%¹⁰. As for the scale of the decrease of industrial production, we took with our 41%¹¹ the position close behind the greatest industrial economic powers of the capitalist world — the United States (49%), Germany (47%) and Canada (45%)¹².

As far as we treated Polish economy as an inwardly compact entity, the causes of such a considerable drop of industrial production did not find a practically convincing explanation. If, however, we accept the above assumption that there was no unified economical system in Poland, but two separate and autonomous ones, the explanation of the matter would not present special difficulties. The capitalist industry of Poland, isolated from the small-scale farming, reacted to the depression in the way the industries of purely capitalist system did. It was because, in face of the deepening separation of the extremely strong developed small-producers' economy in the country, from the capitalist industry, the latter quite naturally began to act as if it had acted in the conditions of a country in which the capitalist sector dominated, i.e. like the industry of the United States or Germany. It was a specific feature of the break-down in Poland. In other agricultural-industrial countries in which the connections between the capitalist sector and the small-scale farming were not broken in the period of the crisis the situation was not so bad as all.

We have submitted the proposition above that in Poland between-the-wars the connections of the two sectors were weak, and they nearly broke entirely in the period of crisis. We shall now try to prove this statement by taking into consideration only the sector of small-producers' economy in the country, since the situation of this sector in the towns was different in many ways.

Let us start with the analysis of the statistic data concerning the changes in the participation of the country in the share of the national income. The investigations of the national income were started in Poland only in 1929¹³.

¹⁰ *Annuaire statistique de la Société des Nations 1936/37*. Genève 1937, p. 165; *Mały Rocznik Statystyczny 1937*, p. 125.

¹¹ In evaluations for Poland the so-called compromising general index of industrial production was taken into account. Information concerning the method of its construction is to be found in J. Tomaszewski, *Ogólny wskaźnik produkcji przemysłowej Polski 1928 - 1938* (General index of the industrial production in Poland in 1928 - 1938). *Kwartalnik Historyczny* 1965, No 2.

¹² *Mały Rocznik Statystyczny 1937*, p. 125.

¹³ M. Kalecki and L. Landau, *Szacunek dochodu społecznego w 1929 r.* (The evaluation of the national income in 1929). Warszawa 1934.

According to these data, 62% of the agricultural population had a share of 46.8% of the national income, whereas 38% of the non-agricultural population had a share of 53.2% of the revenue¹⁴. In the following years the share of peasantry in the national income started to decrease as a result of the economic breakdown. In 1930 it was 44.4%, in 1931 — 44.3%, in 1932 — 42.8%, in 1933 — 41.9%, in 1934 — 39.5%, in 1935 — 39.7%, and in 1936 — 38.8%¹⁵. So in the years 1929 - 1936 (comparable statistical data available for these years only) the participation of the village in the national income decreased by 5.6%. Yet it should be reminded, that at the same time the nominal value of the national income diminished from 26 to 13.1 milliard Zł. The peasantry, then, who in 1929 had the income as high as 11.5 milliard Zł, in 1936 had at their disposal the sum of only 5.1 milliard Zł. A drop in prices was a certain compensation but one should remember that the prices of industrial goods decreased in a less degree than those of the goods sold by the peasantry¹⁶.

The reduction of the national income had affected also the extent of consumption in town and in the country, though in different ways. The data are presented in table 1.

Table 1

Changes in the extent of consumption in Poland in the years 1929 - 1936 (1929 = 100)

	1929	1930	1931	1932	1933	1934	1935	1936
Total consumption	100	87.0	74.0	61.7	54.9	50.9	49.4	57.5
within:								
non-agricultural population	100	91.2	77.6	66.4	60.0	57.6	56.0	59.2
agricultural population	100	82.7	70.0	56.4	49.1	42.7	41.8	42.7
within:								
industrial goods	100	82.1	64.3	42.9	35.7	28.6	32.1	32.1
agricultural goods	100	82.9	72.0	61.0	53.7	47.6	45.1	46.3

Source: Cz. Klarner, *Dochód społeczny wsi i miast w Polsce w okresie przesilenia gospodarczego 1929 - 1936* (The national income of the villages and towns in Poland in the period of the economic crisis 1929 - 1936). Lwów 1937, p. 27. An offprint from *Przegląd Ekonomiczny*.

¹⁴ Cz. Klarner, *Dochód społeczny wsi i miast w Polsce w okresie przesilenia gospodarczego 1929 - 1936* (The national income of the villages and towns in Poland in the period of the economic crisis 1929 - 1936). Lwów 1937, p. 23; Z. Knakiewicz, *Deflacja polska 1930 - 1935* (Deflation in Poland in 1930 - 1935). Warszawa 1967, p. 309.

¹⁵ Cz. Klarner, op. cit.

¹⁶ For information, we confront the index of prices paid to the farmers for agricultural products in column A, and in column B the index of wholesale prices of industrial goods bought by farmers (1928 = 100)

	1929	1931	1932	1933	1934	1935	1936
A	76	54	48	40	34	33	35
B	101	90	81	73	70	66	65

Source: *Maly Rocznik Statystyczny 1937*, p. 227.

As is shown in table 1, the reduction in consumption of agricultural population was a) greater than of non-agricultural population and b) it was particularly striking in the group of industrial goods. This was the result of saving on industrial goods by the peasants whose income was diminishing and who had considerable liabilities because of taxes and credit remittances.

To bring into even more prominent relief the changes in the situation of the agricultural population we present in table 2 the tendencies of the market consumption, comprising only the goods bought by the people and not those produced by the peasants themselves (the last value was taken into consideration while calculating the national income).

Table 2

Changes in the extent of market consumption in Poland in the years 1929 - 1936
(in percentage)

Consumption	1929	1930	1931	1932	1933	1934	1935	1936
Total market	100	100	100	100	100	100	100	100
Non-agricultural people	81.7	83.2	84.3	87.4	88.2	90.0	88.6	89.1
within:								
industrial goods	53.6	56.9	57.4	59.0	60.0	63.8	63.3	63.8
agricultural goods	28.1	26.3	26.9	28.4	28.2	26.2	25.3	25.3
Agricultural people (industrial goods)	18.3	16.8	15.7	12.6	11.8	10.0	11.4	10.9

Source: Cz. Klarnier, op. cit., p. 33 (see table 1)

Table 2 confirms our previous suggestion. The reversion of farming to primitiveness caused a decrease in the already not too big share of the peasants in the purchase of industrial goods. The extent of this decrease appears especially acute when we take into consideration both the annual diminishing of the share of peasantry in the purchase of industrial goods in the general structure of market consumption (table 2), and the general decrease of the scale of purchase (table 1). Considering the two factors, it will be clear that the share of the peasants in the total consumption decreased in the period of crisis from 18.3% to 5.2%¹⁷. That could not be without influence on the sit-

¹⁷ The data are confirmed in the assessment based on farms' accountancy. E.g. J. Curzytek stated: "The trade between village and town and factory has shrunk (in 1933/34 — Z. L.) as low as by 30% compared to the period before the crisis (though even in those days things were not going quite well..."). — J. Curzytek, *Położenie gospodarstw włościańskich w 1933/34 r.* (The situation of peasant farms in 1933/34). Warszawa 1935, p. 16; It seems that the evaluations of M. Kalecki and L. Landau concerning industrial articles bought by small-producers' farming in 1933 and fixed to be 47%, compared to those of 1929 — are overestimated. The authors themselves warned that one of the basic assumptions of the assessments is "an arbitrary assumption". M. Kalecki, L. Landau, *Dochód społeczny w 1933 roku i podstawy badań periodycznych nad*

uation of industry, since over two thirds of the population lived in villages. It also should be pointed out that the index of consumption of industrial goods by the inhabitants of villages compiled by the Institute for Research into Business Cycles and Prices (Instytut Badania Konjunktur Gospodarczych i Cen) was of little use. This index was based on a very limited group of commodities, and that is why it presented the situation in a too optimistic tone¹⁸. According to the data worked out by the Institute the index of consumption of the industrial goods bought by the peasantry (assuming the year 1928 as 100) diminished gradually and in 1933 it was 49.4%, in 1934 — 44.8% and in 1935 — 51.0%¹⁹. That is out of accordance both with the data quoted in table 1 and with the informations to be mentioned later on.

Now let us try to switch the rather general considerations to a more concrete line and to show what was the demand for particular industrial goods purchased by the peasantry. We shall start our analysis from the two groups of products which were manufactured exclusively for the peasantry — that is farming machines and tools as well as fertilizers.

Table 3

Changes in the number of agricultural machines sold in Poland in the years 1929 - 1936

	1929	1930	1931	1932	1933	1935	1936	The lowest sale as com- pared with 1929=100
Horse-drawn ploughs	57 173	37 861	11 433	5 927	4 200	16 455	24 606	7.3
Harrows	87 706	24 663	1 289	920	214	5 864	5 608	0.2
Tine harrows	49 540	20 442	3 068	819	803	2 148	10 580	1.6
Markers and dibbers	1 395	435	.	21	19	33	75	1.4
Seed-drills	4 924	1 144	55	110	46	300	566	0.9
Sowing machines for fertilizers	608	134	45	15	—	2	1	0.2
Horse-drawn rakes	5 136	1 851	.	261	.	538	962	5.1
Horse gears	22 980	17 270	1 684	1 067	3 200	5 636	13 590	4.6
Countershafts for horsegears	3 474	1 979	.	108	326	393	903	3.1
Threshers	15 075	10 212	2 570	557	2 111	2 750	6 519	3.6
Chaff-cutters	58 758	42 211	16 617	4 030	8 870	13 218	50 876	0.6

Source: K. Czerniewski, *Maszyny i narzędzia rolnicze w gospodarstwach mniejszej własności* (Agricultural machines and tools in small-holders' farms). Warszawa 1938, p. 73 - 76.

zmianami dochodu (The national income in 1933 and principles of periodical investigations of the changes of income). Warszawa 1935, p. 26.

¹⁸ For more details see L. Grosfeld, *Polska w latach kryzysu gospodarczego 1929 - 1933* (Poland in the years of the economic crisis 1929 - 1933). Warszawa 1952, p. 250.

¹⁹ *Koniunktura Gospodarcza. Miesięczne Tablice Statystyczne 1937*. No 1, p. 4.

As for machines, we shall deal with the data referring to the number of machines sold, what is much more useful in our investigations than the informations about the level of production (in fact, these data are strongly divergent). We shall not analyse the value of the machines sold since, owing to the fluctuation of prices, they are much less informative than quantitative analysis.

Table 3 shows that in the period of the lowest sales the peasantry bought agricultural machines in the limits from 7.3% (horse-drawn ploughs) to 0.2% (harrows and sowing machines for fertilizers) of the prosperity period. The decrease was, then, considerable. It was less sharp (except ploughs) in the assortments bought mainly by larger farms. For instance, the sale of horse-rakes dropped just to 5.1%, of horse-gears to 4.6%, and of threshers to 3.6%. A far greater decrease was seen in the assortments purchased by smaller farms (harrows — 0.2%, chaff-cutters — 0.6%). Taking into consideration the global decrease of sales of agricultural machines and tools, those differences were not of great importance.

It should be noted that even in 1929 machines' purchase did not cover the real needs of the village in several important assortments. For example, according to the assessment made by the State authorities in order to assure simple reproduction peasantry had to buy 117,300 ploughs, 121,500 harrows, 35,700 tine harrows, 4500 sowing machines, 14,100 threshers, and 107,100 chaff-cutters per year²⁰. In 1929, in relation to the norms given, the peasants bought: 47% ploughs, 72% harrows, 136% tine harrows, 109% sowing machines, 107% threshers, and 55% chaff-cutters. Judging by the types of the machines, a relatively bigger purchase was made by the farms of capitalist type.

Mere analysis of changes in the sale of agricultural machines, separated from the trend analysis of the total industrial production in the country does not say much about the fact whether the situation in machines' sale differed much from that in the whole industry. That is why it should be remembered that the general rate of industrial production in Poland (taking 1929 as 100) dropped in 1932 to 54 - 64%, in 1933 it was 56 - 70%, in 1934 — 63 - 79%, and in 1935 — 68 - 85%²¹.

²⁰ AAN, KEM, vol. 1311, leaf 105.

²¹ In Poland of between-the-wars in the official statistics in various periods of time two different kinds of the general index of industrial production were used. They differed considerably. The degree of rigour of each of them is till now the matter in dispute of the historians of economics. Avoiding the essence of this dispute we present here both indexes. See also: J. Tomaszewski, *Ogólny...*; Z. Landau, *Jeszcze raz w sprawie polityki gospodarczej rządu polskiego w latach 1936 - 39* (Once more about the economic policy of the Polish government in the years 1936 - 39). *Najnowsze Dzieje Polski. Materiały i Studia z okresu 1914 - 39*, No 4. There also a bibliography of this subject.

Similar situation can be seen when analysing the level of investments in agriculture against the background of the general rate of investments and the general rate of investments in machines. For our investigations we shall adopt the rate concerning agricultural machines calculated by the mentioned above Institute, although in the light of our calculations, it is somewhat overstated.

Table 4

Confrontation of rates of: total investments, investments for machines, investments for agricultural machines — for the years 1928 - 1935 (taking 1928 as 100)

Rate of investments:	1929	1930	1931	1932	1933	1934	1935
Total	84.1	67.3	43.6	32.1	39.0	49.2	55.4
Machines	94.0	60.9	38.5	24.2	22.7	26.7	31.8
Agricult. machines	76.2	43.9	21.8	8.8	10.3	11.4	15.0

Source: *Koniunktura Gospodarcza. Miesięczne tablice statystyczne* (Situation on the market. Monthly statistical tables). 1937, No. 1, p. 3.

Against this background one can form the opinion on the influence of the crisis in agriculture on the situation of the branches of industry supplying the villages. The data concerning the sales of agricultural machines confirm the assertion that agriculture had become autonomous and almost completely gave up the purchase of industrial goods.

Let us examine the situation of the sale of fertilizers. The data given in various sources differ considerably. Thus we have adopted the informations operating with the content of pure ingredients in different fertilizers sold in Poland.

Table 5

Changes in the sales of fertilizers on the home market in Poland in the years 1928/29 - 1935/36 (in tons)

Economical year	Nitrogen	Potassium Oxide	Phosphorous Acid
1928/29	55,370	82,564	100,929
1929/30	39,153	52,773	76,837
1930/31	24,945	27,390	49,149
1931/32	19,515	16,722	32,876
1932/33	16,427	13,235	21,763
1933/34	15,771	17,968	24,779
1934/35	15,136	19,264	21,257
1935/36	17,509	22,746	26,910

Source: J. Orczyk, *Kryzys sił wytwórczych i produkcja rolna w Polsce w latach 1929 - 1935* (The crisis of productive powers and the agricultural production in Poland in the years 1929 - 1935). Unpublished Ph. D. dissertation in the Library of High School of Economics at Poznań, vol. 2, tabl. LV.

As can be seen from table 5 also the consumption of fertilizers decreased more than the total rate of industrial production. For nitrogen fertilizers the level in the period of greatest curtailment of sales (as compared with

1928/29) was 27.3%, for potassium — 16.0%, and for phosphates — 21%. The situation which we already have observed in reference to agricultural machines, was repeated, although not in such a drastic manner. A lower decrease of the fertilizers' sales as compared with the demand for agricultural machines resulted of the impossibility to give up fertilizing completely, among others in case of industrial crops (e.g. sugar beet). But, in face of the fact that the production of industrial crops was concentrated mainly in big capitalistic and not in small-scale farms, the fertilizers were used by the owners of big farms and not by small-producers.

The situation in the consumption of fertilizers can be investigated by analysing the data concerning the areal distribution of their application. As we know, the agriculture in western Poland had a more capitalistic character, eastward the number of small-producers' economies increased. This regularity is seen clearly in the participation of farms employing wage earners in relation to the total number of farms. According to the census of 1931, in Poland 9.5% of farms employed wage earners. The situation changed however in different regions of the country. In the western voivodeships the percentage of this group reached 22.1%, in the central ones it was 10.4%, in the southern ones — 9.1% and in the eastern only 5.8%²².

Knowing the general tendencies of localization of capitalistic farms in Poland let us confront them with the informations about the consumption of fertilizers in particular groups of the voivodeships. For lack of precise data for the years of the crisis we shall use the data for 1928 when the connections of the small-producers' economy with the market were even better developed than in the period of 1930 - 1935. We may thus assume that analogous investigations of the period of crisis would prove the participation of west-Polish farming in the consumption of fertilizers to be even greater than is shown in table 6. In the same table, besides the data concerning the participation of the particular groups of voivodeships in the consumption of fertilizers, the information has been given as to the participation of each group in the total area of the country and as to the relation in percentage of agricultural population living in this region to the total agricultural population of the State, thus to make the comparison of consumption of fertilizers in each region more precise.

As pointed in the table, in the regions where the small-producers' economy was best developed the sales of fertilizers were the lowest. These correlation would have been even more explicit when investigating the consumption of fertilizers per hectare.

Similar conclusions may be drawn from the analysis of the consumption of coal.

²² M. Mieszczankowski, *Struktura agrarna Polski międzywojennej* (The agrarian structure of Poland between-the-wars). Warszawa 1960, p. 37.

Table 6

The participation of particular groups of voivodeships of Poland in the consumption of fertilizers in 1928 (Poland total — 100)

Group of voivodeships	Participation in the consumption of fertilizers	Part of the area of the whole country	Part of agricultural population
Western	53.2	12.1	12.4
Central	31.6	35.5	38.5
Southern	12.8	20.4	28.5
Eastern	2.4	32.0	20.6

Source: J. W., *W sprawie organizacji sprzedaży nawozów sztucznych* (Concerning the organization of the fertilizers' sales). *Polska Gospodarcza* 1931, p. 226; *Mały Rocznik Statystyczny* 1937, p. 12.

In 1936 the average consumption in Poland per capita, according to the evaluation of the Chamber of Industry and Commerce (Izba Przemysłowo-Handlowa) in Katowice which had examined the problem with great care, amounted to 450 kg, namely in the western voivodeships 1523 kg, in the central 418 kg, in the southern 213 kg and in the eastern 27 kg²³. And yet, these data, in the opinion of S. Gryziewicz, who had studied the matter on behalf of the Chamber in Katowice, did not correspond with the facts, since the consumption of coal had been much higher in the towns than in the country. That is why he had tried to find out the rate of coal consumption in typically agricultural counties. It was found, that in the voivodeships of Lublin, for instance, after elimination of 9 counties with a greater number of towns, the highest coal consumption in the remaining 10 counties was 28 kg per capita (the average for the voivodeship was 89 kg). Analogous in the agricultural counties of the voivodeship of Białystok it was 21 kg (average of the voivodeship — 68 kg), in the voivodeship of Wilno — 3 kg (average of the voivodeship — 51 kg), in the voivodeship of Nowogródek — 6 kg (average — 7 kg), in the voivodeship of Polesie — 5 kg (average — 9 kg), in the voivodeship of Wołyń — 19 kg (average — 32 kg), in the voivodeship of Lwów — 85 kg (average — 108 kg), and in the voivodeship of Stanisławów — 29 kg (average — 40 kg)²⁴. These data show, that in practice there was no use of coal in the country. Even in the agricultural counties the consumption of coal was concentrated in small towns and larger estates. Gryziewicz also proved that there was no kind of interdependence between the rate of coal consumption in particular regions and the degree of availability of other heating materials. The situation in the consumption of coal by the peasantry, existing in 1936 (the year after the crisis in which the situation was much better

²³ S. Gryziewicz, *Rynek węglowy w Polsce* (Coal market in Poland). Katowice 1939, p. 48.

²⁴ Ibidem, pp. 49 - 50.

than in the years 1930 - 35) was commented by that author as follows: „The peasants' possibility of participating in the coal consumption depends on the degree of their participation in the market economy. Since the farmers' economy in its greater part is similar to the natural state economy, the peasants have not sufficient power to appear at the market as coal buyers”²⁵.

The consumption of sugar was quite similar. In 1933 in Poland, on the average, it amounted to 8.61 kg per capita, but in the western voivodeships the average reached the level of 13.46 kg, in the central 10.11 kg, in the southern 6.75 kg, and in the eastern voivodeships 3.96 kg²⁶. The consumption of tobacco, with the average for all the country 14.79 Zł per capita, was in the West 25.72 Zł, in the central voivodeships 13.99 Zł, in the southern 15.30 Zł, and in the eastern 7.14 Zł²⁷.

Particularly important for examining the conception, that the small-producers' farming is getting on for the natural state, is to investigate not only the difference in the level of consumption in various regions of the country, but first of all to examine the tendencies of changes in the consumption of particular goods. If the consumption was sinking more intensely in the

Table 7

Tendencies of changes in the consumption of some selected industrial articles in Poland per capita in the period of the lowest level of consumption in the years of crisis as compared to 1929

Article		Voivodeships							
		western		central		southern		eastern	
		A	B	A	B	A	B	A	B
pit-coal ^a	kg	1255.0	50%	341.0	55%	174.0	44%	22.0	35%
rolled iron ^b	kg	9.2	30	2.4	18	2.3	26	0.9	38
sugar	kg	13.1	72	10.2	73	6.8	69	4.0	68
table salt	kg	7.8	92	8.5	85	7.5	73	8.0	78
beer	lit.	6.7	38	2.0	42	4.0	31	1.0	40
pure spirit	lit.	1.1	57	0.9	47	0.4	36	0.5	36
yeast	kg	0.3	75	0.2	67	0.3	100	0.1	50
tobacco	Zł	25.0	64	13.0	62	14.0	56	7.0	58

A — the rate of consumption in absolute quantities

B — the level of consumption as compared to 1929 (in percentage)

a — railway, shipping and mining consumption excluded

b — private customers sale only

Source: Calculated on the basis of *Mały Rocznik Statystyczny 1937*, pp. 144 - 45.

²⁵ Ibidem.

²⁶ Z. Sobańska-Kieniewiczowa, *Żużycie wyrobów przemysłowych na wsi w r. 1932/33 w zależności od położenia geograficznego i stopnia zamożności gospodarstw wiejskich* (Consumption of industrial goods in the village in 1932/33 as dependent on the geographic position and economic situation of the farms). Warszawa 1939, p. 33.

²⁷ Ibidem, p. 46.

regions with a greater number of small-producers' farms, it would fully confirm our conception; if the consumption was increasing it would testify against it. Let us examine this problem too, taking by way of example some selected goods for which we have suitable statistical data at our disposal (Table 7).

This table also confirms our conception. The consumption of coal, sugar, spirit, salt, yeast and tobacco decreased faster in the voivodeships with more developed small-producers' economy. Only in the case of rolled iron the tendencies of decrease were slower in the eastern voivodeships than in the others. That was because of its extremely low consumption yet before the crisis, so that a further reduction of consumption was almost impossible²⁷. It may be well to notice that in the period of its lowest level the consumption per capita in western Poland was much higher than in eastern. As for coal, its consumption in the western part of Poland was 57 times bigger than in the southern part. These relations for other articles were respectively as follows: rolled iron — 1000%, sugar — 330%, beer — 670%, spirit — 220%, yeast — 300%, and tobacco — 360%. Only the consumption of salt was slightly higher in the eastern voivodeships than in the western. But it should be reminded that the sale of salt had the least elastic character, the peasants reduced the expenditures for this article only in the last turn, the salt being the absolutely necessary article in a household; it had no substitutes and its price was relatively low, although with the deepening crisis it raised in reference to the agricultural products²⁸. So the consumption of salt was the most stable among the articles mentioned in table 7.

Summing up the so-far considerations, we can conclude that the small-producers' village was a market of little importance for industrial goods already in the boom period (table 2), this state becoming visibly worse in the period of crisis. To illustrate the mentioned problem in a possibly comprehensive way we shall use the informations concerning the tendencies of changes in paying in cash for industrial goods in the case of farms holding 2 to 50 ha, in the years 1926/27 - 1937/38 (table 8).

Table 8 shows that the expenditures on industrial goods dropped in the years of crisis unequally, relatively least on small tools (by 50.3% in 1932/33) and most on the purchase of dead stock (by 84.6% in 1934/35). It should be explained at once, that the data presented are too optimistic because, firstly, they concerned farms keeping the accountancy books, that is whose farming has reached a considerably higher level than that of the whole mass of peasant farms²⁹. Secondly, putting together the data concerning farms of an area

²⁸ For one kilogram of salt in 1927/28 farmers had to pay the equivalent of 0.8 kg of corn, in 1928/29 — 1.0 kg, in 1929/30 — 1.7 kg, in 1931/32 — 1.6 kg, in 1934/35 — 2.7 kg. *Mały Rocznik Statystyczny 1937*, p. 236.

²⁹ That was stated by authors of works based on the agricultural accountancy. For instance, J. Curzytek, *Położenie...*, p. 17 — wrote: "It should be borne in mind

Table 8

Evolution of the annual expenditures on industrial goods concerning farms from 2 to 50 ha
(1926 - 1930 as 100)

Kind of expenditure	1930/31	31/32	32/33	33/34	34/35	35/36	36/37	37/38
Fertilizers	881.5	23.6	21.0	15.9	18.5	23.3	31.2	48.4
Small tools	84.9	59.3	49.7	54.8	55.3	64.3	65.3	70.4
Building investments	88.9	52.1	37.2	27.8	36.1	48.6	65.8	58.8
Dead stock	63.4	22.3	17.3	17.8	15.4	22.0	32.9	34.3
Sugar	101.8	80.3	57.8	53.2	48.0	44.7	50.0	55.0
Kitchen equipment	56.0	35.7	29.5	34.0	33.4	35.7	47.7	47.7
Coal	104.7	74.4	37.2	36.5	31.0	23.7	34.0	43.0
Light	110.3	102.7	81.9	61.1	51.7	47.6	47.6	56.7
Clothing	67.7	42.0	36.2	37.4	37.3	39.5	48.2	53.6
Underwear	71.2	46.8	43.5	41.7	41.7	40.8	44.6	52.2
Footwear	73.9	53.6	39.9	38.2	36.5	37.4	43.7	43.7
Furniture and equipment	49.8	27.1	27.1	17.0	26.4	31.6	56.4	63.7
Tobacco and cigarettes	90.3	64.7	53.6	46.3	44.4	40.1	47.0	51.1
Alcohol	68.4	36.4	28.4	24.7	24.7	26.2	36.4	35.1

Source: J. Curzytek, *Położenie gospodarstw włościańskich w 1937/38 r.* (Situation of the peasants' farms in 1937/38) Warszawa 1939, pp. 20, 23, 25.

from 2 to 50 ha considerably distorted the picture of expenditures³⁰. Without fearing a mistake one must state that the decrease of expenditures in the group of smaller farms was bigger than in the large ones³¹. Thirdly, the group of the poorest farms of an area from 0 to 2 ha was completely left out of account. Fourthly, we have already shown that in face of a different level of purchases of industrial goods it is difficult to discuss the East and the West of Poland all in all. We have to state, then, that the real decrease of expenditures for industrial articles was even greater than it would be evident from the data presented.

Yet at the same time, with the gradual decrease of prices paid by the

that the farms examined do not represent the average level of farms in total but they surpass it in many respects. Taking into consideration this fact as well as the fact that the area of the farms examined is twice as big as that of the total of small farms in Poland one might suppose that the expenses for consumption would be considerably higher there."

³⁰ For example: when in 1935/36 a farm of the area of 2 - 3 ha spent for clothing 13.76 Zł for an adult person per annum, farms of the area of 30 - 50 ha spent 42.92 Zł; for underwear, respectively, 4.96 Zł and 14.90 Zł; for kerosene 1.57 Zł and 5.19 Zł. In: *Badania...*, p. 143. — For very interesting data concerning this subject see also W. Styś, *Drugi postępu gospodarczego wsi. Studium szczegółowe na przykładzie zbiorowości próbnej wsi Husowa* (The ways of economical development of the country. A detailed study exemplified by the experimental community of the village of Husowa). Warszawa 1947, p. 199.

³¹ It results from the investigations based on the agricultural accountancy.

village for industrial goods, in the succeeding years the peasants could buy more goods for the same sum of money. The wholesale price index of industrial goods bought by the farmers was shaped in the years 1928 - 1936 as follows: 1929 - 101, 1930 - 99, 1931 - 91, 1932 - 81, 1933 - 73, 1934 - 70, 1935 - 66, and 1936 - 65³². Apparently, then, the prices of industrial goods were reduced by one third in the last year of the crisis, as compared with the period before. But the matter is that farmers did buy the articles not at wholesale prices but at retail prices which were sinking more slowly and were considerably higher³³. In December 1930, for instance, when the rate of the wholesale prices of industrial goods (with the base of 1927=100) was 87.8%, the rate of the retail prices was in the same period as much as 111.3%³⁴. In this state of affairs it is difficult to establish the increase of the purchasing power of zloty allocated by the peasantry in the purchase of industrial goods. One might risk the statement that it was much less than it could be judged from the shape of the wholesale prices.

Local investigations carried out in the discussed period, as well as peasants' memoirs attest that table 8 shows the situation in an over-favourable manner. For instance, in the region of Rzeszów (southern Poland) the investigators noted that „in the country a match... not only has lost the character of a necessity but it has become a curiosity rarely seen in the hand of a stranger coming from town... Sugar does not exist in the country. Most children (in the county of Rzeszów — Z. L.) have not ever seen it except in the form of candies at church fairs. Grey salt is now consumed, often even red salt for cattle; in spring, at the preharvest period, for lack of cash for even these worst kinds, potatoes are boiled many times in the same, once salted water”³⁵. J. Kurek gives an analogous picture from Podhale: „Half of the village have not ever drunk coffee or tea... almost nobody there does know such an invention as sugar. Once a year some of them can afford a sprinkle of saccharine... There is no money for kerosene... At Gwiżdż's a pot with salted water for potatoes has been standing for a second week, one is not allowed to pour out the water after straining the potatoes, because of the precious treasure: the salted water in which potatoes can be still boiled many times without

³² *Mały Rocznik Statystyczny 1935*, p. 145; 1938, p. 226.

³³ In the country in face of an inadequately expanded network of shops, the buyer was obliged to accept even outrageous prices demanded by the merchant. Prices were raised as a result of the fact that the peasantry in many cases payed for goods not in cash, but in kind (in retail transactions, mainly in eggs, whose prices fixed by the shopkeepers were lower than the market-prices). See A. Hodoly, W. Jastrzębowski, *Handel wiejski w Polsce międzywojennej. Liczby i fakty* (Village trade in Poland between-the-wars. Figures and data). Warszawa 1957, pp. 227 ff.

³⁴ *Koniunktura Gospodarcza 1931*, No 1, p. 21.

³⁵ J. Michałowski, *Wieś nie ma pracy* (The countryside has no work). Warszawa 1935, pp. 39, 53.

adding new salt"³⁶. Fifteen thousand inquired children in the county of Myślenice answered that 28% of them did not eat sugar³⁷. J. Michałowski noted also a considerable lack of clothing which reached such a point that „in winter, in the northern part of the county (of Rzeszów — Z. L.) there were shacks where children are to be seen who are tied up to the neck in bags with chaff, for without clothes, they would freeze in a cold, unheated room"³⁸. The same phenomenon was described by diarists. One of them stated, for instance, that the peasant „lived on reserves from preceding years... He wore clogs, one festive attire and one pair of shoes for the whole family by turns. He did not improve farming, did not buy agricultural tools, did not invest into anything, only to be able to satisfy the basic, most necessary, primitive needs, pay off the debts and taxes, and survive"³⁹. A smallholder from the voivodeship of Lwów (eastern Poland) noticed in 1934 that „a lot of people use besides very economical lighters flint and steel, and burns the light in the evening for a very short time or even not at all... It is just a pity that it is done away with the chimneyless huts, for one could burn billets and resinous chips"⁴⁰. Another one, from the voivodeship of Białystok (eastern Poland) stated: „Kerosene is too expensive, so people go to sleep when hens do, a window-pane is too expensive, so when broken the gap is filled up by an old bag, the leaky pot is clogged with cotton wool or a rag"⁴¹. Such examples are to infinity. We shall restrict ourselves mere to one information, namely, that in 1933 in agricultural farms, for the purchase of industrial goods for personal consumption there is now at the disposal of agriculture the sum of 759 million Zł. Recounted per capita of peasant population it gives the amount of 37 Zł a year (\$ 6.7 - Z. L.). These 37 Zł per capita have to cover the expenses for salt, sugar and kerosene, must suffice for clothes and shoes, exercisebooks and schoolbooks for the child, for payment of medicines in case of illness, in general for covering all the demand of industrial commodities"⁴².

As a result of this situation the peasantry could not buy manufactured goods and they had to make themselves the tool, utensils and clothes or buy them from the craftsmen⁴³. The enormous extent of selfprovision may be proved

³⁶ J. Kurek, *Grypa szaleje w Naprawie* (The influenza is raging in Naprawa). Warszawa 1947, pp. 8, 10.

³⁷ *Gazeta Rolnicza*, April 26, 1933.

³⁸ J. Michałowski, op. cit., p. 49.

³⁹ J. Chałasiński, *Młode pokolenie chłopów* (The young generation of peasantry). Warszawa 1933, vol. 1, p. 309.

⁴⁰ *Pamiętniki chłopów* (Peasants' memoirs). Series II, Warszawa 1936, p. 433.

⁴¹ *Ibidem*, p. 547.

⁴² W. Zaklika, *Bilans obrotów gotówkowych rolnictwa polskiego* (Balance of cash turnovers of Polish agriculture). Lwów 1933, p. 48.

⁴³ See J. H. Górski, *Przystosowanie produkcji rolniczej do niższych cen* (Adaptation of agricultural production to lowered prices). In: *Życie Gospodarcze a Polityka Społeczna*.

by the number of functioning looms in peasant farms which reached about one million⁴⁴. This meant that in every third or fourth farm people made itself their suitings from sheep wool and underwear from linen. According to evaluations, only about 10 to 20% of looms weaved cloth for sale during the period before the crisis, which accounts for the fact that about 80 to 90% covered the demands of the farmers and their families. The production of linen before the crisis reached in the countryside about 70 million of square metres a year⁴⁵. Pottery, basketry, shoemaking and smithery were similarly developed. The village changed over in the highest degree to natural economy, the further eastward, the stronger the tendency. The above mentioned J. Michałowski, has written for instance, that during the worst phase of the crisis the inhabitants of two big villages, about 5000 people, during one month had bought in the village shops industrial goods worth 5.35 Zł (the equivalent of one dollar). These goods were: one scythe, six buttons, one aluminium mug, and 0.1 kg of nails⁴⁶. The change-over to natural economy was confirmed by such an authority as the vice-premier Mr. E. Kwiatkowski. On December 5, 1935 he stated at the plenary assembly of Diet: „the Polish village in the twentieth century has almost come back to the natural economy. Instead of developing its capacity as a natural and inexhaustible sales' market, the village becomes in every respect only a modest and narrow supplement to the market of the towns. Many demands of the village are satisfied in a strange and most primitive way, matches are split into four, one comes back to resinous chips...”⁴⁷.

As has been mentioned above, the speed and the rate of decrease of purchase were distinctly connected with the degree of wealth of the particular groups of farms. In the West, with the richest villages, and where there was a great ratio of capitalist and of large small-producers' farms, the decrease of consumption was not so evident as in the East and South. One may assume that the landless and the small-holdings withdrew from market purchase in a higher degree than the middle and big farms. The information about the agrarian structure of Poland, according to the data of 1931, will show us more clearly the range of particular types of farms.

Assuming with some simplification that the small-producers' sector comprised the most farms of the area 2 - 10 ha, we arrive at the conclusion that

Lwów 1933, p. 158; K. Wrzós, *Oko w oko z kryzysem* (Face to face with the crisis). Warszawa 1933, p. 38.

⁴⁴ Z. Landau, J. Tomaszewski, *Od Grabskiego do Piłsudskiego* (From Grabski to Piłsudski). Warszawa 1971.

⁴⁵ Ibidem.

⁴⁶ J. Michałowski, op. cit.

⁴⁷ E. Kwiatkowski, *W walce z teraźniejszością o lepszą przyszłość gospodarczą* (Fighting with the present for a better economic future). Speech delivered at the plenary assembly of the Diet on December 5, 1935. Warszawa 1935, pp. 19 - 20.

Table 9

The agrarian structure of farms in Poland in 1931

	Area in hectares						
	total	0 - 2	2 - 5	5 - 10	10 - 20	20 - 50	over 50
Number of farms (in thousands)	4,178	1,262	1,398	1,007	404	92	15
Area (in thousands hectares)	37,897	1,256	4,944	7,341	5,630	2,646	9,780
Number of farms (in percentage)	100	30.3	33.5	24.1	9.7	2.2	0.3
Area (in percentage)	100 ^a	3.3	13.0	19.4	14.9	7.0	25.8

^a 16.6 % of the total area were the non-arable grounds.

Source: For the farms of 0 to 50 ha — M. Mieszczankowski, *Struktura agrarna Polski międzywojennej* (The agrarian structure of Poland between-the-wars). Warszawa 1960, pp. 329, 330, 333. For the farms over 50 ha — *Mały Rocznik Statystyczny 1939*, pp. 68, 72.

during the period of crisis as much as about 88% of the total number of farms were more or less drastically cut off from the industrial goods' market. This was the fundamental cause that the breakdown of industry in Poland in the period of crisis was so intense.

Translated by
A. PISARSKI