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IMPORT AND EXPORT OF POLISH COAL IN THE INTERWAR PERIOD

Julian Tuwim starts one of his last poems before World War Two, a vitriolic attack on interwar Polish society, by addressing the wealthiest people of the republic. Manufacturers of military equipment, Łódź industrialists, and oil magnates are joined by coal producers from Silesia¹. The latter owe their position to the role of coal as the most important mineral resource extracted in Poland. This article explores its place in Polish foreign trade.

Polish coal has a large bibliography, with Jerzy Jaros's research at the forefront², followed by specialist interwar publications, and 20th and 21st century studies on specific issues. These range from relations with specific countries, such as Germany³, Great Britain⁴ and Scandinavian states⁵, to transportation (both by land and sea)⁶, and the performance of individual companies engaged in the exchange⁷.

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¹ J. Tuwim, *Wiersz, w którym autor grzecznie, ale stanowczo uprasza liczne zastępy bliźnich, aby go w dupę pocałowali*, [in:] idem, *Jarmark Rymów*, Warszawa 1958, p. 291.

² J. Jaros, *Historia górnictwa węglowego w Zagłębiu Górnos Śląskim w latach 1914–1945*, Katowice–Kraków 1969; idem, *Zarys dziejów górnictwa węglowego*, Warszawa–Kraków 1975.

³ K.J. Błahut, *Polsko-niemieckie stosunki gospodarcze w latach 1919–1939*, Wrocław 1975; S. Kowal, *Partnerstwo czy uzależnienie: Niemieckie postawy wobec stosunków gospodarczych z Polską w czasach Republiki Weimarskiej*, Poznań 1995.

⁴ A. Jałowiecki, *Konkurencja węglowa polsko-brytyjska na rynkach skandynawskich*, Toruń 1935; M. Kaliszuk, *Rokowana węglowe polsko-brytyjskie (1926–1939)*, „Przegląd Historyczny” 1977, vol. LXVIII, no. 4, p. 683–698.

⁵ J. Szymański, *Stosunki gospodarcze Polski ze Szwecją 1919–1939*, Gdańsk 1978; A. Staniszewski, *Po dwóch stronach Bałtyku: Polityczno-gospodarcze stosunki polsko-szwedzkie w latach 1918–1932*, Toruń 2013.

⁶ W. Olszewicz, *Węgiel i morze*, Toruń 1932; B. Dopierała, *Wokół polityki morskiej Drugiej Rzeczypospolitej*, Poznań 1978; M. Widernik, *Magistrala węglowa Śląsk-Gdynia i jej znaczenie w okresie międzywojennym*, „Zapiski Historyczne” 1984, vol. XLIX, no. 2, pp. 31–53; J. Szymański, *Polsko-skandynawska współpraca w zakresie żeglugi w okresie międzywojennym (1919–1939)*, Gdańsk 1988.

⁷ Z. Szmítke, „Skarboferm” 1922–1939: Związki polityki z gospodarką, Opole 2005.

Coal Production

After returning to Europe's political map in 1918 Poland was dependent on coal imports, as the deposits it controlled in the Dąbrowa and Kraków Basins did not cover domestic demand. This problem was not unique to Poland, and thus the Allies founded the European Coal Commission, which distributed available coal amongst European countries⁸. Poland became self-sufficient in 1922 when it received parts of Upper Silesia after a League of Nations' plebiscite and the third Silesian uprising. From that time onwards exports (mainly from Silesia) became significant (Table 1).

Table 1. Production and Exports of Hard Coal in Poland (millions of tonnes)

Year	1923	1924	1925	1926	1927	1928	1929	1930
Coal production	36.1	32.2	29.0	35.7	38.0	40.6	46.2	37.5
Coal exports	12.6	11.2	8.0	14.3	11.1	12.5	13.9	12.4
Coal exports as percentage of total production	35	35	28	40	29	31	30	33
Year	1931	1932	1933	1934	1935	1936	1937	1938
Coal production	38.2	28.8	27.3	29.2	28.5	29.7	36.2	38.1
Coal exports	13.8	10.2	9.1	9.8	8.4	8.4	11.0	11.7
Coal exports as percentage of total production	36	35	33	34	29	28	30	31

Source: Rocznik Handlu Zagranicznego Rzeczypospolitej Polskiej 1923–1927; Rocznik Handlu Zagranicznego Rzeczypospolitej Polskiej i Wolnego Miasta Gdańska 1928–1938; Rocznik Statystyki Rzeczypospolitej Polskiej 1930; Mały Rocznik Statystyczny 1936, 1939.

During the interwar years Poland was the seventh largest coal producer in the world, after the United States, Great Britain, Germany, France, and (in the 1930s) the Soviet Union and Japan. It exported the highest percentage of its output, which put it into the fourth place amongst the biggest coal exporters (after Great Britain, Germany and the USA)⁹.

Polish coal was of good quality, comparable to the British coal it competed with. Extraction costs remained relatively low: deposits were thick and located near the surface, while labour costs were lower than in England and Germany, prompting the English to push for international mining regulations¹⁰. In 1926 the estimated

⁸ Z. Landau, J. Tomaszewski, *Gospodarka Polski międzywojennej*, vol. I, *W dobie inflacji 1918–1923*, Warszawa 1967, p. 327–328; J. Jaros, *Zarys...*, pp. 246, 256, 261–262, 274–275, 281.

⁹ W. Olszewicz, *Węgiel i morze...*, pp. 9–11.

¹⁰ A. Staniszewski, *Po dwóch stronach...*, p. 344.

average cost of extracting one tonne amounted to 18 zł, and probably did not change significantly in subsequent years¹¹.

Transportation was not as favourable. Export by rail was feasible to Germany, Austria, Czechoslovakia, Hungary, Romania, Switzerland and Lithuania (excluding Kłajpeda). Some transports to Yugoslavia and Italy went by rail, others by sea. The significant cost of reloading due to the wider track gauge in Latvia and Russia made transportation by sea to these countries more cost effective¹². Likewise, expansion outside Central Europe involved sea transport. First, however, the coal had to be transported approximately 600 km from the Polish mines to Gdańsk (and later also to Gdynia). Here, rail infrastructure remained an issue, as well as insufficient reloading capacity of the ports themselves. Consequently, investments in this field were needed.

Structure of Trade

In 1918–1919 no detailed foreign trade statistics were kept in Poland, while between 1920 and 1922 the authorities only recorded the volume of traded goods. This makes long-term comparisons difficult, but is not a significant problem, since the period was markedly different than later years, after Upper Silesia was allotted to Poland. Earlier, coal had been the main article imported apart from food, with the largest volume in 1921 (Table 2). The fact that imports were accompanied by exports resulted from compensation agreements signed by Poland, linking imports of some products with exporting coal¹³.

After 1922 Poland imported small amounts of coal from England, Czechoslovakia and Germany (less than 1 per cent of the volume of exports). This was mainly due to demand of the Polish smelting industry for coke with specific qualities, unobtainable on the domestic market¹⁴.

After the acquisition of Upper Silesia, coal exports became important for the Polish economy. Initially, they went almost exclusively to Austria, Czechoslovakia, Germany and Hungary, jointly referred to as convention countries. This name was derived from the Upper Silesian Coal Convention, an industry agreement which

¹¹ A. Jałowicki, *Rozwój zbytu węgla z kopalń Zagłębia Polskiego w dziesięcioleciu 1925–1935*, Katowice 1937, pp. 24–25.

¹² W. Olszewicz, *Węgiel...*, p. 18.

¹³ Z. Landau, J. Tomaszewski, *Gospodarka...*, vol. I, pp. 323–324, 328–331; R. Findlay, K. O'Rourke, *Power and Plenty: Trade, War, and the World Economy in the Second Millennium*, Princeton 2007, pp. 443–445.

¹⁴ W. Olszewicz, *Węgiel...*, p. 11.

regulated sales on these markets, minimizing rivalry between Polish exporters and ensuring appropriately high prices (at the cost of petrifying the industry to a certain extent)¹⁵. In 1923–1925 some 86–97 per cent of Polish coal was sold to convention markets, mostly to Germany (6.7 million tonnes in 1924).

Table 2. Exports and Imports of Hard Coal in Poland, 1920–1922

	1920		1921		1922	
	Export	Import	Export	Import	Export	Import
In thousands of tonnes	147	2 691	335	3 525	5 439	2 447
In millions of gold zlotys	2	51	5	67	86	47

Source: C. Leszczyńska, *Polska polityka pieniężna i walutowa w latach 1924–1936. W systemie Gold Exchange Standard*, Warszawa 2013, pp. 365–368.

Exports to Germany were made possible by the Geneva Convention of 1922, aiming to regulate the situation after the division of Upper Silesia. The convention granted Poland the right of unlimited coal exports to its western neighbour for three years. It expired on 15 June 1925. Earlier, in January, the most favoured nation clause, granted to Poland by Germany under the peace treaties, also expired. Germany took advantage of the situation and stopped importing Polish coal, hoping to destabilize the Polish economy through a customs war, and thus to give itself a stronger hand in political negotiations¹⁶.

This placed Poland in a precarious position, as the export of coal was the most important item on its trade balance sheet (Table 3). Its decline would cause a significant trade deficit, and thus a payment deficit, which would threaten the position of the recently introduced złoty. Diminishing exports would also hurt the extraction industry, due to the limited domestic demand. This in turn would reduce employment¹⁷. Moreover, reducing extraction and sales, combined with high fixed costs in the industry, would drive up average extraction costs, further hurting profits.

German plans did not come to fruition. Although the customs war was costly for Poland, it did not lead to the collapse of the Polish economy. This was partly due to the improved domestic sales¹⁸. More importantly, however, Polish producers started to look for possible expansion to new markets, particularly in Scandinavia, until that time

¹⁵ A. Jałowiecki, *Konkurencja węglowa...*, p. 79.

¹⁶ K.J. Błahut, *Polsko-niemieckie stosunki...*, p. 65–76; Z. Landau, J. Tomaszewski, *Gospodarka Polski międzywojennej*, t. II, *Od Grabskiego do Piłsudskiego*, Warszawa 1971, p. 277–284; Z. Landau, J. Tomaszewski, *Gospodarka Polski międzywojennej*, vol. III, *Wielki Kryzys. 1930–1935*, Warszawa 1982, p. 354–355, 362, 374–377.

¹⁷ M. Kaliszuk, *Rokowania węglowe...*, p. 683.

¹⁸ K.J. Błahut, *Polsko-niemieckie stosunki...*, p. 82.

supplied almost exclusively by Great Britain. Famously, in 1926 British miners went on strike. This enabled export to both Great Britain and Scandinavia. The combined import of Scandinavian countries was modest – in 1925 approx. 10 million tonnes. On average 40 per cent of this fell to Sweden, 30 per cent to Denmark, 20 per cent to Norway, and 10 per cent to Finland¹⁹. From the Polish coal industry's perspective, it was, nevertheless, a major opportunity (Table 4.).

Table 3. Role of Hard Coal in Polish Export (in millions of current zlotys)

Year	1923	1924	1925	1926	1927	1928	1929	1930
Combined export (millions of current zlotys)	1 196	1 266	1 397	2 253	2 515	2 508	2 813	2 433
Coal exports (millions of current zlotys)	314	257	157	441	343	352	384	334
Coal exports as percentage of total export	27	20	11	20	14	14	14	14
Year	1931	1932	1933	1934	1935	1936	1937	1938
Combined export (millions of current zlotys)	1 879	1 084	960	975	925	1 026	1 195	1 184
Coal exports (millions of current zlotys)	339	210	167	158	131	130	185	217
Coal exports as percentage of total export	18	19	17	16	14	13	15	18

Source: Rocznik Handlu Zagranicznego Rzeczypospolitej Polskiej 1924–1927; Rocznik Handlu Zagranicznego Rzeczypospolitej Polskiej i Wolnego Miasta Gdańska 1928–1938.

Table 4. Main Directions of Polish Coal Exports 1925–1938 (percentage of volume)²⁰

Year	1925	1929	1932	1935	1938
Central Europe	87	37	22	14	14
Baltic markets	7	40	56	40	30
Western Europe	0	5	12	18	21
Southern Europe	3	0	9	18	16
Non-European markets	0	0	0	3	4

Source: A. Jałowiecki, *Rozwój zbytu węgla z kopalń Zagłębia Polskiego w dziesięcioleciu 1925–1935*, Katowice 1937, p. 20; Rocznik Handlu Zagranicznego Rzeczypospolitej Polskiej i Wolnego Miasta Gdańska 1929–30, 1935, 1938.

¹⁹ A. Staniszewski, *Po dwóch stronach...*, p. 322, 326–327; A. Jałowiecki, *Konkurencja węglowa...*, p. 2, 9, 11, 27, 29, 31, 31.

²⁰ Central European markets include Austria, Czechoslovakia, Gdańsk, Germany, Romania, Switzerland and Hungary; Baltic markets: Denmark, Estonia, Finland, Lithuania, Latvia, Norway and Sweden; Western European markets: England, Belgium, France, Ireland, Iceland and Portugal; Southern European markets: Bulgaria, Gibraltar, Greece, Spain, Yugoslavia, Malta (in 1933 as “the British Territory in the Mediterranean”) and Italy; Non-European markets: countries, colonies and dependencies in Africa, Americas and Asia. North African countries could be argued to fall both under Southern European (which were mostly Mediterranean, anyway) and non-European ones. I ultimately decided on the latter option to emphasize the diversification of Polish export markets in the 1930s. The USSR was not included in the list, as in 1938 its share in Polish export was negligible, and it did not appear at all in official statistics in other years represented in the table.

The change of directions in export was not easy, “as appropriate equipment, organization and advertisement were necessary”²¹. Transportation issues needed to be resolved as well. Paradoxically, the export of Polish coal to Scandinavia was simplified to a certain extent by German agents. Polish firms did not begin to establish their own representatives in Scandinavia until 1927²².

On the Scandinavian market, Polish producers competed not just with German exporters, but also among themselves. Consequently, the prices and thus profits were lower than possible²³. In July 1925 coal producers founded the Polish Coal Convention (*Ogólnopolska Konwencja Węglowa*)²⁴, which by 1926 controlled 98 per cent of the combined Polish extraction. However, the convention continued to control prices only in exports to Hungary, Czechoslovakia and Austria, and did not intervene in rivalry between Polish firms in Scandinavia²⁵.

After the miners’ strike ended, the British recommenced export to Scandinavian countries and became the main competitors for the Poles (the Germans concentrated on supplying Western Europe²⁶). As a result, in 1927 prices obtained by Polish companies were lower (Graph 1²⁷). Initially, the Poles profited from low concentration of British producers, with numerous independent companies²⁸. This soon changed. Under the Coal Mines Act of 1930 a cartel was created controlling the extraction in specific basins, while investments between 1931 and 1935 led to a considerable fall in extraction costs²⁹. The English also benefitted from their large trade fleet. “British ships delivered coal and took ore, cellulose, paper and wood back. Consequently, the transport costs were minimal. On the other hand, Poland did not have its own ships, nor sufficient demand for Swedish goods”³⁰.

²¹ A. Wysocki, *Na placówce dyplomatycznej w Sztokholmie 1924–1928: Wspomnienia*, Toruń 2005, p. 65.

²² A. Jałowiecki, *Konkurencja węglowa...*, p. 90.

²³ “The incomprehensible policy of our coal mines currently worries me the most. From the very beginning I tried to ensure the mines appeared jointly on the Swedish market and determined prices of their goods in advance. We drafted this agreement in my office, celebrated with many bottles of champagne, drunk at various occasions, yet representatives of Upper Silesian mines kept fighting amongst themselves for each delivery, continually lowering the prices of coal. [...] I repeatedly arranged conferences with their agents, wrote lengthy epistles to the Minister for Trade, begged, threatened, but nothing helped”: A. Wysocki, *Na placówce dyplomatycznej...*, p. 167; A. Russek, *Polska w światowej gospodarce węglowej*, Warszawa 1928, p. 12; J. Szymański, *Stosunki... ze Szwecją...*, p. 48.

²⁴ For further details see Aldona Podolska-Meducka’s article in this volume.

²⁵ Ibidem, p. 45–46; J. Jaros, *Zarys dziejów...*, p. 332.

²⁶ A. Staniszewski, *Po dwóch stronach...*, p. 32.

²⁷ Some of the prices shown in the graph are artificially low, as companies would underreport the prices they had obtained to avoid taxes. It is difficult to estimate this black number.

²⁸ W. Olszewicz, *Węgiel...*, p. 24.

²⁹ A. Jałowiecki, *Rozwój zbytu...*, p. 27; J. Jaros, *Zarys dziejów...*, p. 254.

³⁰ A. Wysocki, *Na placówce dyplomatycznej...*, p. 65; A. Staniszewski, *Po dwóch stronach...*, p. 328.

Initially, the Poles used Scandinavian carriers who competed with each other³¹, as well as newly founded Polish companies (e.g. Żegluga Polska founded in 1926). In 1927, the largest enterprise exporting Polish coal, Związek Kopalń Górnośląskich Robur Sp. z o.o.³² in Katowice founded Polskarob, Polsko-Skandynawskie Towarzystwo Transportowe in co-operation with the Swedes. Starting with three ships, the company expanded the number to five by the late 1930s³³. This helped achieve lower costs, while Robur's (and other Polish producers') involvement in the expansion of the port in Gdynia brought tax reliefs³⁴.

The construction of the port in Gdynia was a key factor in the export of coal, initially limited by the modest reloading facilities in Gdańsk³⁵. The expansion of the port itself would not have helped much, if not for the rail investments at the same time. High rail prices hindered expansion to new markets, while the modest throughput of the existing railways (150 thousand tonnes monthly towards the end of 1925) prevented transportation of larger quantities of coal. A solution came with the construction of the Coal Trunk-Line (Centralna Magistrala Węglowa) between Silesia and Gdynia. It was initially financed from the state budget, but the lack of capital and the significance of coal exports during the Great Depression prompted the government to approach the French. Consequently, an agreement was concluded under which the latter party supplied capital, and the newly founded Francusko-Polskie Towarzystwo Kolejowe SA was to operate the line assuring an appropriate throughput for coal. These conditions were advantageous for the French, but enabled earlier completion of the line, which immediately led to more effective rail transport (transportation costs fell by 4 zł per tonne). Traffic along the entire length of the line began in 1933, and the construction was completed by the end of the 1930s.³⁶

³¹ *Przyszłość eksportu węgla w Polsce w związku z zakończeniem strajku węglowego w Anglii. Memoriał Komisji Opiniodawczej przy Prezesie Komitetu Ekonomicznego Ministrów*, Warszawa 1927, pp. 6–7; B. Hajduk, *Skandynawowie w życiu gospodarczym Wolnego Miasta Gdańska 1920–1939*, [in:] J. Szymański (Ed.), *Polska–Szwecja 1919–1999*, Gdańsk 2000, p. 157; J. Szymański, *Polsko-skandynawska współpraca...*, pp. 73, 78.

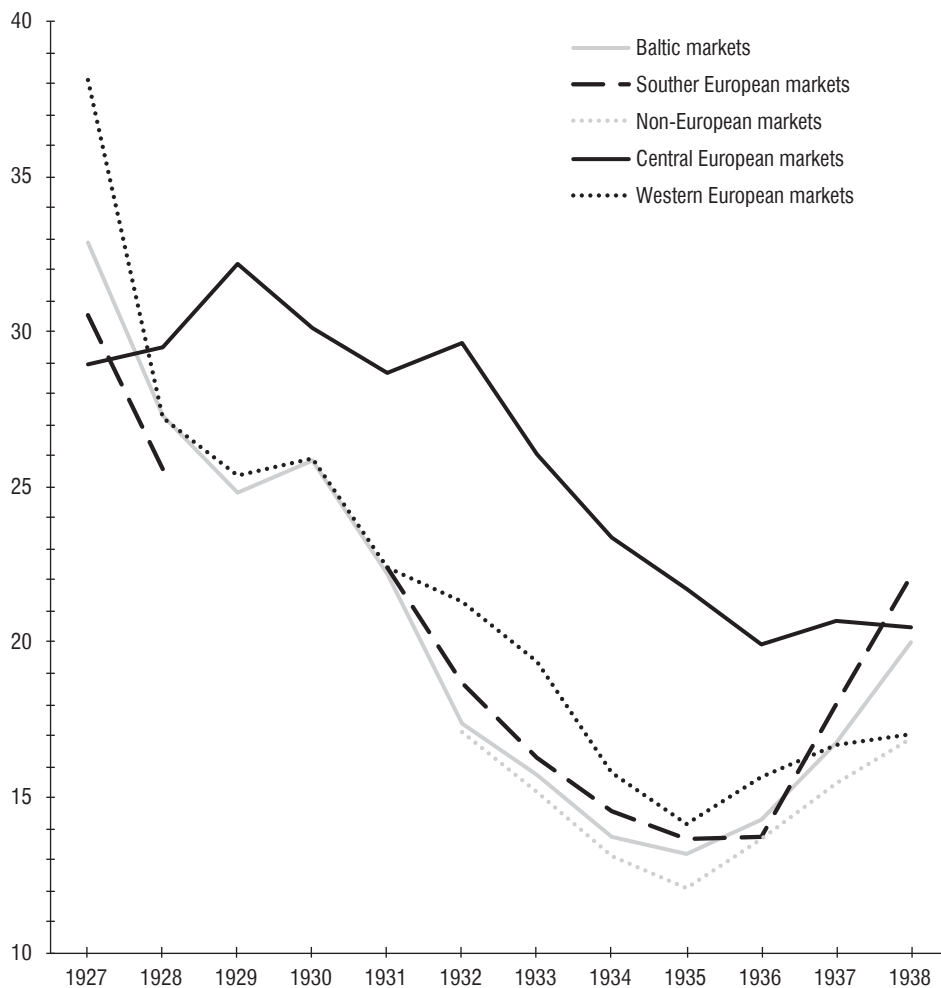
³² J. Jaros, *Historia górnictwa...*, pp. 160–209.

³³ W. Olszewicz, *Węgiel...*, pp. 30–31; J. Szymański, *Polsko-skandynawska współpraca...*, p. 85–89; A. Staniszewski, *Po dwóch stronach...*, pp. 328–329.

³⁴ M. Widernik, *Magistrala węglowa...*, p. 257; Z. Szmidtko, „Skarboferm”..., pp. 282–286.

³⁵ “The Swedes continued to complain that the loading in Gdańsk and Gdynia was disorganised, that ships had to wait three weeks for their turn, causing great losses, that the ships could not be adequately secured to protect them from waves, so that loading was impossible under stronger winds, that the weight of the coal was not precise, that the office distributing the coal and wagons was biased etc.”: A. Wysocki, *Na placówce dyplomatycznej...*, p. 142; cf. W. Gessner, *W sprawie zwiększenia eksportu węgla drogą morską*, Warszawa 1928; B. Dopierała, *Wokół polityki...*, pp. 264–265.

³⁶ M. Widernik, *Magistrala węglowa...*; W. Olszewicz, *Węgiel...*, p. 18–20; Z. Landau, J. Tomaszewski, *Gospodarka Polski międzywojennej*, vol. IV, *Lata interwencjonizmu państwowego*, Warszawa 1989, p. 488; Ustawa z dnia 27 kwietnia 1931 o oddaniu “Francusko-Polskiemu Towarzystwu Kolejowemu”, Spółce

Graph 1. Average Prices Obtained in Export 1927–1938 (in złotys)³⁷

Source: Rocznik Handlu Zagranicznego Rzeczypospolitej Polskiej 1927–1928; Rocznik Handlu Zagranicznego Rzeczypospolitej Polskiej i Wolnego Miasta Gdańska 1929–1938.

Akcyjnej w paryżu, kolei Herby Nowe – Gdynia z odnogą Siemkowice – Częstochowa do eksploatacji oraz o udzieleniu poręki państwowej, DzU 1931 no. 40 item 350.

³⁷ The markets were divided as in Table 4. In 1936 and 1938 exports to the USSR were omitted. In 1938, they were negligible; in 1936 they amounted to 16 million zł (0.93 million tonnes), with an average price of 17.36 zł per tonne, between those obtained on the Western and Central European markets.

Table 5. Volume of Import from Poland and Great Britain by Denmark, Sweden and Norway, 1929–1931 (thousands of tonnes)

	Imports from Poland			Imports from Great Britain		
	1929	1930	1931	1929	1930	1931
Denmark	1 766	1 609	1 989	2 195	1 921	1 590
Sweden	2 578	2 161	3 277	2 336	1 767	1 074
Norway	604	578	868	1 444	1 202	647
Total	4 948	4 348	6 134	5 995	4 890	3 311

Source: W. Olszewicz, *Węgiel i morze*, Toruń 1932, p. 23.

British exporters took Polish competition in Scandinavia (Table 5) seriously. Already in 1927, a delegation from the United Kingdom went to Silesia, in 1928 economic pressure was exerted to improve the position of British coal in Denmark³⁸, and in 1930 another delegation tried to assess the situation in the Scandinavian countries themselves³⁹. A true turning point came when the Bank of England went off gold in September 1931. The pound lost over 40 per cent of its value, and British coal became more competitive. Moreover, Great Britain used its position as a major importer from Scandinavian countries, as well as the threat of limiting access to its market via the Imperial Preferences system proposed at Ottawa in 1932. As a result, Scandinavian countries joined the informal Sterling zone and signed agreements, giving British exporters 80 per cent of coal imports to Denmark, 75 per cent to Finland, 70 per cent to Denmark and 47 per cent to Sweden. As a consequence, Polish coal mostly disappeared from these markets. Sweden remained an exception, with imports from Poland amounting to an average of 2.4 million tonnes annually in 1933–1938, partially owing to a trade treaty in 1933, and a coal agreement in the following year⁴⁰.

The rivalry with the United Kingdom took place during the Great Depression. The fall in demand worldwide threatened the balance of trade in many countries, causing a rise in protectionism. Consequently, the volume of world trade fell rapidly, as did prices, particularly of food and raw materials. Poland was affected particularly hard. Domestic demand for coal plummeted, exacerbating the need for new export markets to support continued extraction and prevent unemployment⁴¹. Likewise, the stability of the Polish currency under the Gold Exchange Standard depended on sufficient exports.

³⁸ J. Szymański, *Stosunki... ze Szwecją...*, p. 53.

³⁹ A. Staniszewski, *Po dwóch stronach...*, p. 344; M. Kaliszuk, *Rokowania węglowe...*, pp. 684–685.

⁴⁰ A. Jałowiecki, *Rozwój zbytu*, p. 22–23; J. Szymański, *Stosunki... ze Szwecją...*, p. 64.

⁴¹ *Ibidem*, pp. 37–39, W. Gessner, *W sprawie zwiększenia...*; A. Jałowiecki, *Konkurencja węglowa...*, p. 54.

The first reaction to these difficulties was a reorganization of coal exports. The Polish Coal Convention of 1931 (Polska Konwencja Węglowa, a successor of Ogólnopolska Konwencja Węglowa) was supplemented by a further Export Convention (Konwencja Eksportowa) from the same year, established with government support. It covered additional markets: Scandinavian and Baltic countries, the Netherlands, Belgium, France and Italy. Diagram 1 demonstrates that its actions were rather effective, as the prices obtained on these markets fared relatively well. In 1934, the Export Convention was incorporated into the Polish Coal Convention⁴².

The second consequence of the importance of coal exports was dumping – exporting at a lower price than the one achieved on the domestic market, at times even below production costs. The losses were partly compensated by state authorities (in the case of Scandinavia a special fund was created in 1932⁴³). As Andrzej Jałowicki explained:

Overseas markets acted like a kind of a safety valve. Sales below extraction costs allowed fixed costs to be spread out over a greater quantity of coal, thereby reducing average costs per tonne. This way, profits grew on convention markets, where prices were higher, and these profits more than covered the losses from dumping⁴⁴.

Dumping resulted in higher domestic coal prices, which indirectly had a negative effect on the entire economy, resulting in higher production costs in the industry.

The third aspect of the foreign trade policy, particularly after the loss of Scandinavia, was the search for new markets. One direction was Western Europe, especially France, Belgium and The Netherlands⁴⁵. Exports to France rose consistently from 1928, and in the first half of the 1930s reached 1 million tonnes annually⁴⁶. The first substantial export to Belgium took place in 1931, and steadily increased (in 1931–1935 amounting to a total of 1.4 million tonnes, and in 1936–1938: 1.5 million tonnes). It was similar in the Netherlands, although here the volume was not as large. The second direction of expansion were Mediterranean markets⁴⁷, in particular Italy, which had already imported Polish coal in the previous decade (the total export exceeding 2.5 million tonnes in 1926–1928). In 1931 it once again became an important importer, buying 2.5 million tonnes of Polish coal up to 1933. Exports to Greece or Yugoslavia were of lesser significance (usually below 100 thousand tonnes annually to each of these

⁴² A. Jałowicki, *Konkurencja węglowa...*, p. 81–82; J. Jarosz, *Zarys dziejów...*, p. 333; J. Szymański, *Stosunki... ze Szwecją...*, p. 51.

⁴³ A. Staniszewski, *Po dwóch stronach...*, p. 347. Cf. Z. Landau, J. Tomaszewski, *Gospodarka Polski międzywojennej*, vol. III, pp. 364–366, 392.

⁴⁴ A. Jałowicki, *Konkurencja węglowa...*, p. 83.

⁴⁵ M. Kaliszuk, *Rokowania węglowe...*, p. 687.

⁴⁶ Z. Szmidtko, „Skarboferm”..., pp. 261–262.

⁴⁷ *Ibidem*, pp. 270–280.

countries in the 1930s). The countries outside Europe formed the third group of new markets, with exports growing after 1932. These markets included Argentina (in 1936 achieving a maximum import level of 260 thousand tonnes), French North African colonies, and Egypt. Acquisitions outside Europe did not make up a high percentage of the market, but they were also a type of safety valve. Prices obtained in these countries were low (Diagram 1), with dumping used to enter new markets. In Poland these tactics were referred to as “pioneering work”. Although it was advantageous for individual exporters, it lowered the combined profits of the Polish industry⁴⁸. According to Jerzy Jaros “from the end of the British strike in 1926 to the end of 1938 Poland obtained 700 million zł less for exported coal than what English exporters achieved for the same amount of coal”⁴⁹.

On the new markets Poland had to compete with Great Britain, Germany, Turkey and coal from today’s Donetsk basin (then called Stalino). England posed a particular threat with its inexpensive freight, and a series of further trade treaties with France, Lithuania, Estonia and Latvia in 1934⁵⁰. This once again led to cut-throat competition (in 1934 Polish coal even appeared on the British market) and prompted both parties to enter negotiations. Finally, in December 1934 a coal agreement was signed in London, regulating market access. It determined the export level of Polish coal at 21 per cent of British results, provided the latter did not exceed 35 million tonnes annually. If they did, Poland could export an additional 10 per cent of the British surplus. While “the licensed quotas did not include exports of Polish coal to Czechoslovakia and by land to Austria, Hungary and Germany, nor exports of British coal to Ireland and the Americas”⁵¹, the agreement considerably restricted Polish export potential, preserved the *status quo* in Scandinavia, and, more generally, British dominance. It did not directly lead to higher prices. Consequently, it was strongly criticized. However, Jan Szymański, analysing its role in the wider context of Poland’s relations with Great Britain, proves convincingly that it “rescued” Polish exports of other products to this market, and allowed a trade arrangement to be signed in 1935⁵². Nevertheless, it had a negative impact on the coal market. Economic recovery allowed a new version of the agreement to be signed in 1937. It placed considerably fewer restrictions on Polish exports⁵³.

⁴⁸ A. Jałowiecki, *Konkurencja węglowa...*, p. 84.

⁴⁹ J. Jaros, *Zarys dziejów...*, p. 333.

⁵⁰ M. Kaliszuk, *Rokowania węglowe...*, p. 687.

⁵¹ *Ibidem*, p. 691.

⁵² J. Szymański, *Stosunki... ze Szwecją...*, p. 66; Z. Szmídtke, „Skarboferm”..., pp. 267–270, 289–295.

⁵³ M. Kaliszuk, *Rokowania węglowe...*, pp. 692–697; A. Jałowiecki, *Rozwój zbytu...*, pp. 30–31; *idem*, *Konkurencja węglowa...*, p. 184; J. Szymański, *Szwecja w polityce zagranicznej Polski 1918–1939*, [in:] J. Szymański (Ed.), *Polska–Szwecja 1919–1999*, Gdańsk 2000, pp. 107–108.

The rivalry between the United Kingdom and Poland should be seen against the background of wider changes on the world coal market. Because of technological development and changes in the economy, the importance of coal as an energy resource was decreasing (Table 6). In Europe, the use per resident fell from 310 kg in the 1920s to 270 kg in the next decade⁵⁴. At the same time, coal extraction was on the increase, causing both a fall in demand in the countries which supplemented their production by import,⁵⁵ and an increased supply on the world market. Of particular significance was the increase in extraction by the Third Reich (which also improved its coal situation after taking over the Saar Basin in 1935⁵⁶). Because of the fall in demand and increase in supply prices inevitably dropped, exacerbating economy-wide deflationary tendencies. In 1935 coal prices hit rock bottom – only 40 per cent of the pre-crisis average, a level like that of other raw materials and agricultural products. This shows Polish dumping in a different light⁵⁷.

Table 6. Main Sources of Energy in the World, 1913–1937 (per cent)

Year	1913	1929	1937
Hard coal	86	72	66
Crude oil	6	14	17
Others	8	14	17

Source: J. Jaros, *Zarys dziejów górnictwa węglowego*, Warszawa–Kraków 1975, p. 244.

The partial economic recovery of the second half of the 1930s contributed to a price increase (Diagram 1), and the growth in Polish coal sales until the beginning of World War Two⁵⁸, despite administrative problems stemming from the Polish exchange control system introduced in 1936⁵⁹. The geographical structure did not change significantly, although the role of Baltic markets decreased, while exports to Western Europe (particularly France) increased. The period also saw an increase in bunker coal sales⁶⁰. In 1931–1933 they constituted merely 3–4 per cent of the exported coal

⁵⁴ A. Russek, *Polska w światowej gospodarce...*, p. 4.

⁵⁵ A. Jałowiecki, *Rozwój zbytu...*, p. 22.

⁵⁶ M. Kaliszuk, *Rokowania węglowe...*, p. 694.

⁵⁷ J. Jaros, *Zarys dziejów...*, p. 246.

⁵⁸ Z. Landau, J. Tomaszewski, *Gospodarka Polski międzywojennej*, vol. IV, pp. 496–498.

⁵⁹ Z. Szmidtko, „Skarboferm”..., pp. 73–74.

⁶⁰ In official foreign trade statistical publications (Rocznik Handlu Zagranicznego) for the year 1928 the item “bunker coal” appears with a breakdown into purchasing countries, replaced in the years 1929–1930 by “Supplies for sea-faring ships” without a breakdown into goods; only after 1931 official statistics clearly indicated the volume of this export, see: W. Olszewicz, *Węgiel...*, p. 18; A. Jałowiecki, *Konkurencja węglowa*, p. 28.

tonnage, and systematically grew, reaching 15 per cent in 1938. In 1931–1938 these exports totalled 5.7 million tonnes, with prices lower than on other markets.

Conclusion

The interwar period was particularly bad for exporters of raw materials, with prices falling more rapidly than those of industrial goods. The export problems of Polish coal should, therefore, be regarded in a wider context of the worsening terms of trade of peripheral economies.

Throughout the period Polish coal producers faced a constant decrease in exports to Central Europe, initially the most important market, as well as the increase in overseas exports. This evolution was mainly due to “external causes”, which “accounted for constantly deteriorating conditions for Polish exporters”⁶¹. From this point of view the relative stability of exports (even if thanks to dumping, however advantageous to the Polish balance of payments), is evidence of both the flexibility of Polish exporters and the efficacy of generous state assistance.

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⁶¹ A. Jałowiecki, *Rozwój zbytu...*, p. 20–21.

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Import and Export of Polish Coal in the Interwar Period

The article analyses the evolution of geographical and price evolution of Polish exports of coal, and explains the much smaller imports. Using detailed statistical data, it shows how state intervention (via support for and control of cartelisation of the sector) influenced prices achieved by Polish exporters. More generally, it places the Polish coal policy within the wider set of balance-of-payment supporting measures.

Keywords: Poland 1918–1939, coal, coal industry, Polish foreign trade in interwar period.

Importation et exportation de charbon polonais dans l'entre-deux-guerres

L'article analyse l'évolution géographique et l'évolution des prix des exportations polonaises de charbon et explique les importations qui sont beaucoup plus petites. En utilisant des données statistiques détaillées, l'auteur montre comment l'intervention de l'État (via le soutien et le contrôle de la cartellisation du secteur) a influencé les prix obtenus par les exportateurs polonais. De manière plus générale, l'auteur place la politique polonaise du charbon dans le cadre plus large de mesures de soutien de la balance des paiements.

Mots-clés: Pologne 1918–1939, charbon, industrie du charbon, commerce extérieur polonais entre les deux guerres.

Импорт и экспорт польского угля в межвоенный период

В статье анализируется эволюция географических и ценовых изменений в польском экспорте угля и объясняется значительно меньший импорт. Используя подробные статистические данные, указывается, как вмешательство

государства (посредством поддержки и картелизации сектора) повлияло на цены, достигнутые польскими экспортерами. В общем, это ставит польскую угольную политику в рамках более широкого набора мер по поддержке платежного баланса.

Ключевые слова: Польша 1918–1939, уголь, угольная промышленность, польская внешняя торговля в межвоенный период.