

Harsh Reality. Living in Warsaw under Hyperinflation in 1923

1. Polish hyperinflation – Introduction

The Polish inflation of 1919-23 was a legacy of the financial policy pursued by the Central Powers at the time of the First World War. Its post-war development, however, was determined by the specific situation of Poland. The country regained its independence in 1918 and was only just beginning to create its structures and the economic system, and yet had to face the challenge of post-war reconstruction and the need to finance the war it waged against Bolshevik Russia. To cover all these expenses, the state took out loans with the Polish State Loan Bank which printed Polish marks for that purpose. Although inflation was deepening quickly as a result, it was used after the war to boost the economic situation. In 1923 inflation accelerated dramatically and the weak Polish economy slid into depression. Come autumn, the country found itself “in the abyss of hyperinflation, the very „heart of darkness”, destroying all foundation of social and state existence”¹, wrote Andrzej Wierzbicki, director of the largest association of industrialists.

In June 1923, after a short period of stability, the exchange rate of the Polish mark dived in response to the collapse of the German mark². From that moment on, the value of the Polish currency was on a downward spiral until the exchange rate crashed in October. On the last day of May 1923, there were 52,875 Polish marks to a dollar; on 31 December – 6,375,000³. In January 1924, the Polish currency hit rock bottom. On 10 January, one dollar could buy 10,250,000 marks⁴. The rate was expected to fall further to 15 or even 20,000,000 marks per dollar⁵, but the forecast never materialised. The process of the Polish mark losing value is illustrated by Table 1.

Table 1

Drop in the value of the Polish mark

¹ A. Wierzbicki, *Żywy Lewiatan. Wspomnienia*, Warsaw 2001, p. 336.

² W. Morawski, *Od marki do złotego. Historia finansów Drugiej Rzeczypospolitej*, Warsaw 2008, pp. 70-71.

³ J. Zdziechowski, *Finanse Polski w latach 1924 i 1925*, Warsaw 1925, pp. 12-13.

⁴ S. Karpiński, *Pamiętnik dziesięciolecia*, Warsaw 1931, p. 314.

⁵ F. Młynarski, *Wspomnienia*, Warszawa 1971, pp. 185-189.

Date	Wholesale price index (January 1914 = 1)	Growth rate (in %)	Dollar exchange rate index (January 1914 = 1)	Growth rate (in %)
31 I 1923	5,391	–	7,804	–
28 II	8,431	+ 56.4	11,494	+ 47.3
31 III	9,784	+ 16.0	10,051	– 13.6
30 IV	10,481	+ 7.1	11,700	+ 16.4
31 V	11,130	+ 6.2	12,563	+ 7.4
30 VI	18,623	+ 67.4	24,167	+ 92.4
31 VII	30,387	+ 63.2	40,000	+ 65.5
31 VIII	52,408	+ 72.5	59,206	+ 48.0
30 IX	72,278	+ 37.9	75,873	+ 28.2
31 X	276,487	+ 282.5	401,224	+ 428.8
30 XI	679,437	+ 145.7	872,897	+ 117.6
31 XII	1,423,007	+ 109.3	1,502,976	+ 72.2
31 I 1924	2,521,667	+77.2	2,267,063	+ 50.8

Source: E. Taylor, *Inflacja polska*, Poznań 1926, p. 23.

Rapidly growing prices and a fall in the value of real wages shrunk the internal market. It was not only the purchase power that decreased as people had to radically curb their spending. Seeing its income dwindle, the state, too, was forced to cut down on public procurement. This was because hyperinflation exacerbated the chaos in public finance. Although the budgetary deficit was contained, the printing of the Polish mark brought less and less advantages⁶. In addition, at the time of rising inflation, the role of direct taxes was diminished to the benefit of indirect levies. In 1923, only 9.2% of state income from public levies comprised direct taxes and charges⁷. On the other hand, all users of the Polish mark were subject to the so-called inflation tax which was especially painful to those who lived off their wages⁸.

With fewer customers willing to buy products, companies scaled down their activities which reduced demand for raw materials and investment goods. As early as March, industrial production started to gradually decline, first in the area of investment goods and then in the consumption sector. The downturn might have been slow at the beginning, but by October production was in ruins⁹. A little before that, in late summer, the so-called inflationary export bounty disappeared together with all its advantages. At the same time, the loan market ground to a halt – the quickly depreciating legal tender made it impossible to obtain easy credit in the

⁶ Z. Landau, J. Tomaszewski, *Zarys historii gospodarczej Polski 1918-1939*, Warsaw 1999, p. 103.

⁷ J. Tomaszewski, *Stabilizacja waluty w Polsce*, Warsaw 1961, p. 31.

⁸ For the mechanism of inflation tax see Z. Landau, J. Tomaszewski, *Gospodarka Polski międzywojennej*, Vol. 1, Warsaw 1967, pp. 287-292.

⁹ *Ibidem*, pp. 102-103.

currency in circulation while creditors started asking for collateral as a form of protection from inflation-related losses.

Industry collapsing, managers had to lay people off. The unemployment rate rose sharply in March¹⁰. Even though it fell down in the summer due to seasonal jobs, it picked up its momentum in the autumn. Also rising was partial unemployment (not visible in statistics) which consisted in shortening the working week¹¹.

Even though we have access to economic indices, it is still difficult to establish a clear timeline for hyperinflation and the beginnings of the economic crisis in Poland. According to the popular definition offered by Phillip Cagan, hyperinflation begins in the month when the rise in prices exceeds 50 percent and continues for many months to come. Based on calculations by Wojciech Morawski, we could pinpoint the beginning of hyperinflation as June 1923 when the inflation rate amounted to 96.7 % and stayed at 89.2 % in July¹². However, even Morawski mentions the spring of 1923 as the starting point of hyperinflation. Other scholars suggested different demarcation lines – Jerzy Tomaszewski wrote about the autumn of the same year whereas Oskar Lange saw the beginnings of the crisis in July¹³. For the purposes of this paper, however, chronological boundaries are marked by political and economic events. My starting date is 30 June 1923, the day when the Treasury Minister in the centre-right government handed in his resignation after he failed to implement his reforms of the treasury and financial systems. As for the date concluding the period, I chose 1 February 1924 when the practice of printing the Polish mark for the needs of the Treasury was stopped. The value of money ceased to fall – since February, the exchange rate of the dollar stabilised at 9,250,000 Polish marks¹⁴ and the government managed to secure a positive balance of revenue over expenditure¹⁵. Even though it solved some problems, putting a stop to inflation did not bring about any dramatic improvement in the standard of living. The social consequences of hyperinflation were to be experienced for a long time yet.

2. Thematic scope and sources

¹⁰ Ibidem, p. 123.

¹¹ Idem, *Robotnicy przemysłowi w Polsce 1918–1939. Materialne warunki bytu*, Warsaw 1971, pp. 164-165.

¹² W. Morawski, *Od marki...*, p. 56.

¹³ See: W. Morawski, *Stabilizacja waluty w Polsce w latach dwudziestych na tle innych stabilizacji europejskich*, in: *Od Grabskiego do Balcerowicza. Systemy pieniężne w gospodarce polskiej*, ed. Z. Knakiewicz, Poznań 1997, p. 118; O. Lange, *Koniunktura w życiu gospodarczym Polski*, in: *Przewroty walutowe i gospodarcze po wielkiej wojnie*, Cracow 1928, pp. 347-437; J. Tomaszewski, *Stabilizacja...*, pp. 15-38.

¹⁴ J. Zdziechowski, *Finanse...*, p. 15.

¹⁵ J. Tomaszewski, *Stabilizacja...*, pp. 56-57.

The paper shows the impact of hyperinflation on the everyday lives of the inhabitants of Warsaw, focusing specifically on the situation of those population groups who earned their income. It analyses the problem of a drop in the value of real wages and the way households were managed. It poses the following fundamental questions. What were the costs of hyperinflation for the population of Warsaw? What strategies did Varsovians adopt to protect themselves against economic losses? What kind of an impact did financial hardship have on social relations? Hence, the paper follows in the tradition of historical research into everyday life adding a bottom-up perspective to the portrayal of the Polish hyperinflation, a dimension which is rarely present in the relevant publications by economists and economic historians.

The experience of inflation dominated everyday life in 1923. The period of hyperinflation may be called the “unreliable everyday”, to use a phrase by Zygmunt Bauman, which signifies a kind of reality which does not exude “safety, confidence in what is to happen and what cannot happen, what to do and what to avoid. [...] Peace and boredom”¹⁶. With hyperinflation the opposite is true. Fraught with many unknowns, it mars existence with uncertainty, challenges habits and belies tested strategies. It not only diminishes trust in the currency itself (which is rapidly losing value), but also undermines the authority of the state and disrupts social order.

The paper recreates the structures of everyday life on the basis of various source materials. It draws upon the available statistics, economic and sociological analyses as well as belles-lettres and memoirs. Most importantly, however, it makes use of everyday press articles which provide much more information about the situation of Varsovians than scarce private records of hyperinflation and the very limited and imperfect economic and social studies of that time. It reaches back to dailies and weeklies of varying nature, ideology and political standpoint. Left-wing press is represented by *Robotnik* (The Worker), the mouthpiece of the Polish Socialist Party; right-wing press – by *Kurier Warszawski* (The Warsaw Courier). There is interesting information to be found in sensationalist press such as *Ilustrowany Kurier Codzienny* (The Illustrated Daily) and *Kurier Informacyjny i Telegraficzny* (The Information and Telegraphic Courier). In addition to the dailies, I have also examined two weeklies – *Bluszcz* (The Ivy) for women and the satirical *Mucha* (The Fly) – as well as specialist economic journals – *Kurier Ekonomiczny* (The Economic Courier), *Przemysł i handel* (Industry and Trade) and *Gazeta Bankowa* (The Banking Gazette).

¹⁶ Z. Bauman, *Codziennosc nasza niecodzienna...*, in: *Barwy codzienności. Analiza socjologiczna*, ed. M. Bogunia-Borowska, Warsaw 2009, p. 77.

3. Warsaw and its inhabitants in the face of hyperinflation

In 1923, Warsaw had a population of 960,381 people¹⁷. The largest population group in the city was made up of workers employed in different sectors of the industry, but the lifestyle and the nature of the Polish capital was mainly influenced by members of the intelligentsia such as white-collar workers, representatives of free professions and public servants. Blue-collar and white-collar workers, that is the people who obtained most of their income from wages and salaries, accounted for 63.2% of the total working population. Self-employed people who did not hire extra labour force (mainly merchants and craftsmen) accounted for 17%¹⁸, while the share of the group classified as bourgeoisie is estimated at 2.1% of the total¹⁹. This last small group exerted a major impact on the economic life of the country.

Triggering mechanisms of income and wealth redistribution, inflation was a major force shaping post-war relations. It created a sort of social ladder with different professional groups located lower or higher on its rungs depending on how well they coped with the devaluation of the Polish mark. The key demarcation line divided those who drew profit from the growing inflation and those who suffered losses. Very roughly, the group of „winners” was made up of those who had access to more flexible income and resources which were not depreciated (industrialists, entrepreneurs, bankers, real estate owners). The „losers”, on the other hand, were those who earned more stable wages (public servants as well as blue-collar and white-collar workers)²⁰. In Poland, a special role in the redistribution of the national income was played by the State Treasury responsible for spending budgetary funds. The so-called inflation tax was levied on the entire population, but was especially painful for the working man (a fact postulated by T. Szturm de Sztrem²¹), whilst the profits went to the state and the economic community benefiting from unadjusted loans.

Rising inflation deepened social inequality and aggravated antagonisms which often went beyond the simple division into winners and losers. It intensified conflicts between social groups and enhanced different stereotypes such as the dishonest, greedy Jew or the selfish peasant paying no regard to the public good. As inflation turned into hyperinflation,

¹⁷ „Statistical Yearbook for Warsaw 1923 and 1924”, Warsaw 1926, p. 17.

¹⁸ M.M. Drozdowski, *Skład i struktura społeczna ludności Warszawy międzywojennej*, in: *Warszawa II Rzeczypospolitej*, ed. M.M. Drozdowski, Vol. 1, Warsaw 1968, p. 35.

¹⁹ B. Poznańska, *Skład społeczno-zawodowy i narodowościowo-wyznaniowy burżuazji Warszawy w okresie międzywojennym 1918–1939*, in: *Warszawa II Rzeczypospolitej*, ed. M.M. Drozdowski, Vol. 4, Warsaw 1972, p. 143.

²⁰ The influence of inflation on the distribution of wealth is discussed in: Z. Landau, J. Tomaszewski, *Gospodarka...*, Vol. 1, pp. 287-292.

²¹ T. Szturm de Sztrem, *Żywiłowość w opodatkowaniu: podatek inflacyjny*, Warsaw 1924.

practically everyone started to incur losses (with the exception of a small group of stock market profiteers). Industrialists and bankers suffered because of the slump in the loan market and the disappearance of the so-called inflationary export bounty; entrepreneurs and merchants grappled with the problem of price calculation and the difficulty to purchase goods; white-collar and blue-collar workers were more and more affected by the drop in the real value of wages and the reduction of full-time equivalents. The Warsaw daily newspapers, however, reflected the shift only slightly and kept depicting the social groups in a way more suited to the reality of inflation than hyperinflation.

4. **Everyday hardships – income and the cost of life**

The wage situation in 1923 resulted from a number of factors which had previously left their mark on earnings. The war and the German occupation reduced wages in the Polish territory to a very low level indeed – in 1918, the wages of workers and public servants were below 40% of their real value in 1914. The years 1918–1921 saw a marked increase in both the nominal and real value of wages which approached their pre-war levels in mid 1921. However, ever since that moment, a discrepancy could be observed – the nominal value of wages kept increasing, but their real value was falling down and suffered from constant fluctuations as a consequence of accelerating inflation.

In order to adjust wages to the growing cost of living, a sliding wage scale was introduced. Statistical commissions calculated the rate at which the cost of living rose and the indices they published were used to regulate the amount of nominal earnings. Importantly, the adjustment complied with provisions in collective bargaining agreements adopted in different companies, provisions which were sometimes very divergent. Whether such agreements were honoured or not depended to a large extent on the good will of entrepreneurs. White-collar workers were in a worse position, which was especially true for the large group of civil servants who were only covered by the sliding scale from February 1923²².

Warsaw applied the calculations made by the Commission for the Study of the Cost of Living at the Central Statistical Office which announced the price growth index once a month. The calculations are shown in Table 2. Nevertheless, the indexation of wages went only so far to protect them from falling down. At the time of runaway inflation, the moment and

²² T. Szturm de Sztrem, *Place zarobkowe w okresie dewaluacji pieniężnej*, Warsaw 1924, p. 35.

frequency of payment played a key role. The most popular way of remuneration was payment in arrears which was the most disadvantageous for workers.

Table 2

Indices of the growth in the cost of living in Warsaw

Month	Half-monthly periods	Monthly periods	Month	Half-monthly periods	Monthly periods
June 1923	–	+ 47.99	November	+ 51.06	+ 132.14
July	–	+ 57.42		+ 53.67	
August	+ 32.23	+ 72.09	December	+ 65.89	+ 171.4
	+ 30.12			+ 62.60	
September	+ 24.45	+ 41.83	January 1924	+ 89.62	+ 149.77
	+ 13.97			+ 31.72	
October	+ 83.25	+ 205.86	February	– 1.93	– 2.16
	+ 66.91			– 0.23	

Source: list compiled on the basis of information from “Kurier Warszawski” and “Robotnik”.

In 1923, the system of wage indexation developed during inflation ceased to be adequate for the living conditions under hyperinflation. The ever higher amounts of money Varsovians brought home each month could buy less and less. S. Karpiński, president of one of the Warsaw banks in 1923, wrote the following entry in his diary under 2 August: „I paid a million for a pair of shoes and 5.5 million for clothes. The salary I got from the Bank in July was 15 million”²³. Prices of goods, including necessities, rose each day and the cost-of-living allowances could not offset the losses suffered as a result of inflation. This is why real wages were subject to sharp fluctuations. According to calculations made by T. Szturm de Sztrem, the index of real wages in the industrial sector in the second half of 1923 looked as follows:

Table 3

Index of real wages in the industrial sector in the second half of 1923 calculated in marks of a pre-war purchasing power (year 1914 = 100)

June	79.8	October	60.9
July	69.8	November	86.7
August	80.4	December	84.5

²³ S. Karpiński, *Pamiętnik...*, p. 299.

September	97.8		
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Source: J. Tomaszewski, *Stabilizacja...*, p. 18.

Any attempts to adapt the sliding wage scale to the reality of hyperinflation were doomed, the calculations made by the commission giving rise to more and more controversy. From August on, the Statistical Commission started calculating the growth in the cost of living every two weeks, but it only produced a temporary improvement. The calculations were increasingly imprecise. The figure of 132.14% calculated for November invited the following comment in *The Worker*: „This is of course valid for the most modest, almost starvation budgets. [...] But if you take the price of bread as the index [...] than the ratio will be even more striking: on 15 November, the price for 1 kilogramme of bread was set at 59,000 Polish marks by the commission [...], while on 30 November, the official price of bread was 160,000 Polish marks, which means it rose by almost 200%”²⁴.

On 6 December 1923, the Parliament passed an act on taxation adjustment which was to enter into force on 1 January 1924. The practice of calculating some public levies on the basis of a unit with a fixed value (the reference zloty) triggered the process of adjusting other regulatory liabilities as well²⁵. Even though the introduction of a fixed measure of value was welcomed, the calculation of prices was still the biggest cause for concern. The adjustment of taxes, excise duties and railways tariffs led to further price increases while the calculation of product value provided sellers with new opportunities to abuse the system²⁶.

Wages were adjusted more slowly even though the Central Trade Union Commission demanded, as early as mid-December, that a relevant act be adopted by the Parliament²⁷. From January, the requirement to calculate wages on the basis of the fixed measure of value was introduced for different groups and included in collective agreements²⁸. Wage adjustment stoked conflicts between workers and entrepreneurs as the latter tried to use the adjustment to reduce wages and were unwilling to pay cost-of-living allowances to adjusted remuneration. Employers justified the practice by the worsening situation in the industrial sector²⁹. In spite of such difficulties, the real value of workers' wages increased in the first half of 1924³⁰.

²⁴ „Robotnik”, 4 XII 1923, p. 2.

²⁵ „Kurier Warszawski”, 30 XII 1923, p. 9.

²⁶ „Robotnik”, 1 I 1924, p. 5.

²⁷ Ibidem, 21 XII 1923, p. 3.

²⁸ For example, bakeries started calculating wages in zlotys from 21 I: „Kurier Warszawski”, 11 I 1924, morning supplement, p. 3.

²⁹ „Robotnik”, 1 II 1924, p. 1; 28 II 1924, p. 2.

³⁰ Z. Landau, J. Tomaszewski, *Gospodarka...*, Vol. 2, Warsaw 1971, p. 97.

At the time of hyperinflation, Varsovians incurred higher costs not only in terms of the rising cost of living, but also the increased transaction costs related to everyday shopping. The time spent looking for hard-to-find products or visiting various shops to compare prices added to the cost of purchased products and increased their value in the eyes of consumers.

What was especially time-consuming was queuing up for necessity goods. Queues were part and parcel of hyperinflation-stricken Warsaw. Sensationalist press reported in July: “Sugar queues have become so commonplace in the recent weeks that, today, there is no store in Warsaw before which large crowds of women would not gather since the small hours”³¹. Errands which involved long waiting were often entrusted to people who had time to spare, that is the old and the unemployed³². But in some situations, governmental regulations made purchasing a product conditional on presenting the passport³³ – such was the case of sugar whose rations had to be collected by Varsovians in person, a provision which caused serious problems for the working population. The additional time and energy put into trade transactions is sometimes called the shoe leather cost.

Inflation also gave rise to calculation problems. S. Karpiński wrote in November: “The constant calculations and additions of the cost-of-living allowance mars our work at the office”³⁴. Companies and institutions struggled to calculate allowances and recalculate capital. Each Varsovian, regardless of his level of education, had to face the problem of multi-million transactions. Inflation taught the „common cook” as well as a member of the intelligentsia to do their sums³⁵. The very figures posed problems – people tried to tell the difference between a billion and a trillion with the press offering helpful tips³⁶. Tiresome mathematical operations were a necessity adding time and energy to the costs of hyperinflation

5. Adaptation strategies – household budgets

Confronted with rising prices and a drop in the real value of wages, Varsovians had to make serious changes in the structure of their household budgets and the way they satisfied their needs. Planning everyday expenses posed many difficulties. Z. Kaliciński remembered

³¹ „Kurier Informacyjny i Telegraficzny”, 18 VII 1923, p. 1. Also on the same topic: „Robotnik”, 2 VIII 1923, p. 1; 2 IX 1923, p. 3.

³² „Kurier Warszawski”, 13 I 1924, p. 10.

³³ Ibidem, 7 IX 1923, morning supplement, p. 2.

³⁴ S. Karpiński, *Pamiętnik...*, p. 304.

³⁵ R. Sygietyński, *Refleksja finansowa III*, „Przemysł i Handel”, 45, 1923, p. 668.

³⁶ „Kurier Warszawski”, 1 IX 1923, evening issue, p. 6.

how his father would collect his wages and then „take a sheet of paper and a pencil, arrange banknotes in little stacks and then count, write, sum up”³⁷.

How extensive the changes had to be depended most of all on the initial situation in a household. A small number of Varsovians did not have to modify their budgets at all – the resources they had gathered allowed them to maintain their previous standard of living. Cuts and reductions could only be made by those families which still earmarked some of their funds to satisfy higher order needs and had a complex structure of consumption. This was not the case of households whose income only sufficed to afford the basics, let alone those where people lived at the minimum subsistence level. At most, they could resort to reducing starvation diets.

Wherever possible, people tried to consume more rationally, a practice best seen on the example of summer vacations taken by the intelligentsia. In spite of the growing pauperization, the group found it hard to compromise on their ingrained code of social behaviour. Consequently, efforts were made to cut down on costs rather than give up leisure trips altogether. High prices in well-known spas made smaller places more popular and foreign destinations were losing out to domestic ones³⁸.

Most often, however, summer vacations were simply taken out of the budget. This was due to the shrinking discretionary fund, that is those resources which were set aside for additional and spontaneous expenses related mainly to tourism and culture. Books and newspapers were among the first items to go in the austerity drive. This raised fears of society becoming barbarised. The Warsaw Courier offered the following comment: „Purchasing anything new becomes a luxury. Black marketeers don't buy books because they don't want to – the intelligentsia, because they can't afford them”³⁹. People tried to compensate for the losses and find new ways of satisfying higher order needs. Władysław Berkan, a worker returned from Germany, wrote in his résumé: „I used to subscribe to about fifteen different newspapers, but now have to do with just one. And if the newsagents keep raising prices like that, I will stop at reading the free-of-charge copy of *Postęp* (Progress) on the tram”⁴⁰. Yet another way to read gratuitously was to consult newspapers in cafes. Budget cuts sometimes encroached on education, especially when children were forced to go to work to help their parents.

³⁷ Z. Kaliciński, *O Starówce...*, p. 28.

³⁸ *Nasze życie: wrzesień-październik*, „Bluszcz”, 1923, 40, pp. 382-383.

³⁹ „Kurier Warszawski”, 13 VIII 1923, morning supplement, p. 3.

⁴⁰ W. Berkan, *Życiorys własny*, Poznań 1924, p. 317.

People also gave up all amenities and investment in home furnishings – furniture “one owns has to suffice as long as the new one doesn’t get cheaper”⁴¹. After the July increase of telephone tariffs, the press reported the wholesale phenomenon of people giving up their phones not only in private flats, but also in offices and pharmacies⁴². In August, it was noticed that many consumers postpone the repair of their gas installations as a way to avoid gas bills⁴³. People tried to reduce the cost of buying clothes, too. One way to curb consumption in this area was to use old objects kept for a rainy day. And so they would repair and darn damaged items of clothing and wore down those which have already finished their useful life⁴⁴. If new clothes had to be obtained, they were bought in second-hand street markets offering them at bargain prices⁴⁵. The Fly often included cartoons depicting a member of the intelligentsia or a worker in tatters⁴⁶, visibly not able to afford new shoes or clothes. A lot of Varsovians could not replace the clothes they had since 1914 so their appearance was not very far from the one shown in the cartoon.

In order to be less reliant on paid services, people either substituted many of them with home work or simply gave them up. In August, for example, after yet another increase in ticket prices, the number of people travelling by tramways dropped significantly⁴⁷. At the time of high prices, W. Berkan cut down on barber services – he would shave at home and have his hair washed by his wife⁴⁸. However, the savings thus generated entailed opportunity costs in the form of the time and energy necessary to perform the necessary activities.

By cutting spending on higher order needs it was possible to rebalance household budgets. The share of basic goods and services, especially food, increased as a sign of the society getting poorer. Yet, economies had to be made even in this category. The Ivy, whose target readership was made up of well-to-do women, offered recipes for cheap ginger bread and biscuits⁴⁹. Still, the recipes suggested in the periodical were beyond the reach of many Varsovians. One of the readers of a sensationalist daily wrote: „With prices at such exorbitant levels, I have very modest expenses: breakfast for 5.000 marks, lunch for 10.000 marks and supper for 5.000 marks, which makes up 20.000 marks per day or 600.000 marks per month”. The person earned 575,190 marks at the time. The low cost of food, which he could not afford

⁴¹ Ibidem.

⁴² „Kurier Informacyjny i Telegraficzny”, 25 VII 1923, p. 1.

⁴³ Ibidem, 1 VIII 1923, p. 3.

⁴⁴ W. Berkan, *Życiorys...*, p. 316; „Kurier Informacyjny i Telegraficzny”, 23 VII 1923, p. 1.

⁴⁵ „Kurier Informacyjny i Telegraficzny”, 27 VII 1923, p. 2.

⁴⁶ „Mucha”, 55 (1923), 29, p. 4.

⁴⁷ „Kurier Warszawski”, 13 VIII 1923, p. 3.

⁴⁸ W. Berkan, *Życiorys...*, p. 318.

⁴⁹ *Przepisy kuchenne*, „Bluszcz”, 1923, 26, p. 218.

anyway, were due to the fact that he dined at his relatives'⁵⁰. The pauperized white-collar workers were also saved by collective catering establishments run by social welfare organisations which used post-war supplies from American food aid campaigns⁵¹.

The need to slash household budgets radically combined with the difficulty in satisfying basic needs made people focus on the material aspects of everyday life and their own problems. Care for the public good was pushed to the background. A journalist writing for The Warsaw Courier deplored the fact that there are no people willing to help the Women's Work Club, a charity organisation⁵². Concluding the description of the economies he made, W. Berkan said: „What do I care for others! At a time like that, everyone tries to save himself as best he can. [...] Those [...] who have to limit themselves and draw on their old juices are the most numerous”⁵³.

Members of those households which operated at the subsistence level put all their time and energy into satisfying the needs from the lowest section of Maslow's pyramid and reducing the deficiencies. This is aptly put by The Fly in its Ode to the Stomach: *„Żołądku mój jedyny. Przy tym Nowym Roku / Życzę ci, bym cię zgubił na ulicy w tłoku, / Bo powiedz, kiedy marka nasza całkiem kona, / Kiedy dolar przeklęty sześć i pół milona, / Kiedy mąka miliony, pustki w mojej chacie, / Powiedz drogi żołądku, czym napelnię ja cię?”* (O my dear stomach. It is my New Year's wish / That you should get lost somewhere in the throng / As the mark is on its death bed/ And there are six and a half million to the cursed dollar/ As flour is worth millions and the pantry is empty/ Tell me, my dear stomach, how should I fill you?)⁵⁴. The poem was published on 28 December 1923 – trade was already in the doldrums due to the reduced shopping activity and Warsaw, suffering from high prices, was additionally hit by winter problems with food supply.

6. Adaptation strategies – extra sources of income

The drop in the value of real wages forced Varsovians not only to curb their household spending, but also to look for new sources of income. A one-off inflow of cash could be ensured by the sale of unnecessary object such as the tailcoat sold by the hero of the novel

⁵⁰ „Kurier Informacyjny i Telegraficzny”, 23 VII 1923, p. 1.

⁵¹ „Kurier Warszawski”, 3 X 1923, morning supplement, p. 2.

⁵² Ibidem, 2 VII 1923, evening issue, p. 5.

⁵³ W. Berkan, *Życiorys...*, p. 318.

⁵⁴ *Do żołądka*, „Mucha”, 55 (1923), 52, p. 4.

Przedwiośnie (The Coming Spring)⁵⁵. The extensive classified advertisements section of The Warsaw Courier, where typical ads by shop, company and workshop owners prevailed, also featured adverts by private persons. As the indicated hours when a potential transaction could take place were most often in the afternoon, we may assume that such ads were published by working people. A lot of the ads were about the sale of furniture and clothes. For example, the following offer was made at the beginning of August: „For sale: double bed, sturdy with nickel bars, net and mattresses. Kopernika 16/2 Street; from 5-7 p.m.”⁵⁶. In addition to the sale of chattel, extra income could be obtained by pawning objects, which gave the owner a chance to buy them back once the financial situation in the household got better. However, the options to sell or pawn things were limited, especially in the society which had come out of a war and had struggled with economic problems for a number of years.

Another way to improve the household budget was to look for additional earnings and find work for every family member. Many public servants looked for a second job, a tendency described by Stefan Kozłowski in his study on bank employees⁵⁷. Wives and children were also forced to undertake paid work. The share of women in the total working population in 1918–1923 was the highest in the entire interwar period⁵⁸. Even though the professional activity of Warsaw women increased in the second half of the 19th century⁵⁹ and was often a necessity at the time of war, undertaking paid work by women who had children was a limited phenomenon – the dominant proletarian family model was traditional⁶⁰. This is why, at the time of hyperinflation, wages earned by women and children were perceived as a sad necessity and a sign of pauperization⁶¹.

In the intellectual milieu, women's work was more common, especially in the creative and progressive circles, but even there earning money by wives and mothers was often seen as an economic necessity. Newspapers describing the story of Leon Brześciński, who was made redundant, mention the fact that his wife found employment only when her husband was laid off, but her earnings were not enough to support the family of three⁶². The reason is that work

⁵⁵ S. Żeromski, *Przedwiośnie*, Wrocław-Warsaw-Cracow 1982, pp. 268-269.

⁵⁶ „Kurier Warszawski”, 7 VIII 1923, evening issue, p. 14.

⁵⁷ S. Kozłowski, *Warunki bytu pracowników bankowych w Polsce w latach 1920-1927*, Warsaw 1928, p. 26.

⁵⁸ Z. Landau, J. Tomaszewski, *Robotnicy...*, p. 248.

⁵⁹ M. Nietyksza, *Przemiany aktywności zawodowej kobiet. Warszawa na przełomie XIX i XX wieku*, in: *Kobieta i społeczeństwo na ziemiach polskich w XIX wieku*, ed. A. Żarnowska i A. Szwarc, Warsaw 1995, pp. 99-114.

⁶⁰ W. Mierzecki, *Praca zarobkowa kobiet w środowisku robotniczym w Polsce międzywojennej*, in: *Równe prawa i nierówne szanse. Kobiety w Polsce międzywojennej*, ed. A. Żarnowska i A. Szwarc, Warsaw 2000, pp. 109-110.

⁶¹ „Kurier Informacyjny i Telegraficzny”, 14 VII 1923, p. 2.

⁶² *Ibidem*, 7 VII 1923, p. 1.

performed by women did not bring as much profit as men's work, women's pay being lower than men's in most sectors of the economy⁶³.

Inflation forced people to rationalise their household budgets and created new forms of saving wherever it was possible. The rapidly depreciating Polish mark could not hold value effectively, which explains the disappearance of the traditional form of saving through putting aside part of the income. In their flight from the mark, people looked for alternative means of hoarding such as non-depreciable goods, foreign currencies and corporate stocks⁶⁴. Playing the stock market could be a very lucrative activity at the time, the boundary between saving and getting profit from speculating in stock being blurred. The records and memories of the period often mention the "stock market rush" among Varsovians. Józef Świdrowski recounts: „At the time of advanced inflation, stock market speculation was rife. [...] Joint-stock companies mushroomed and people bought stock without asking about the value of the companies or their line of business. One day, I skipped school and went to Warsaw [...] to buy stock”⁶⁵. This caused concern as currency depreciation made its impact on the way people treated work – it made them believe that it was possible to achieve success quickly and without much effort. As was noticed by E. Taylor, new models of wealth emerged: „It made the unscrupulous profiteer successful. Thus was the most bitter fruit of inflation born – the <moral inflation>, which permeated the entire social structure and cast its shadow on the post-inflation period”⁶⁶.

Press reports of crimes related to inflation and social pauperization other than profiteering are equally numerous. The unprecedented scale of money circulation and the common avoidance of the mark created conditions for various forgeries. People forged banknotes, shares in stock market companies and cut diamonds⁶⁷ which were popular as a way of hoarding value. Once prices of tobacco increased, counterfeit cigarettes hit the market⁶⁸.

As it was impossible to obtain resources to satisfy basic needs and the access to many goods was limited, some people resorted to stealing. The especially popular form of theft took place at railway sidings where loaded railway wagons were parked. At the beginning of

⁶³ Working conditions for women in the industrial sector are discussed in: Z. Landau, J. Tomaszewski, *Robotnicy...*, pp. 248-250.

⁶⁴ *Oszczędności prywatne*, „Bluszcz”, 33-34, 1923, pp. 286-287.

⁶⁵ J. Świdrowski, *Moja droga w świat. Wspomnienia 1906–1939*, Warsaw 1980, p. 108.

⁶⁶ E. Taylor, *Waluta*, in: *Bilans gospodarczy dziesięciolecia Polski Odrodzonej*, ed. S.L. Zaleski, Vol. 2. Poznań 1929, p. 243. See also: E. Taylor, *Inflacja...*, p. 272-286.

⁶⁷ „Kurier Informatywny i Telegraficzny”, 31 VII 1923, p.1; „Kurier Warszawski”, 15 XI 1923, morning supplement, p. 6;

⁶⁸ „Kurier Warszawski”, 12 VII 1923, morning supplement, p. 4; 31 VII 1923, p. 8.

September, The Warsaw Courier reported that there were organised groups robbing trains in the area of Warsaw⁶⁹. Theft supplied households in the necessary goods whilst the sale of stolen products offered an additional source of income. We could venture a thesis that stealing basic necessities from the trains at the time of the general frustration caused by reports of illegal exports may be interpreted as an act of social justice. On the other hand, the lack of response from the authorities may suggest that there was more tolerance for such offences. Moral qualms related to the breach of social norms and breaking the law had to give way in the face of harsh reality.

7. Conclusion

As we take a closer look at the economic strategies adopted by Warsaw consumers and entrepreneurs, we can clearly see that, faced with everyday hardship, they pushed their individual interests to the fore focusing on the overriding objective of obtaining hard-to-find products and offsetting losses caused by the quick drop in the value of money. Moral and social considerations were usually given less importance. The practices described above also created conflicts and made the society very polarised, which is why the state tried to influence the worker-employer and consumer-seller relations by putting in place various regulations (cost-of-living index, wage indexation, price control, anti-speculation laws). Such steps, however, could not cope with the quickly changing reality of hyperinflation. The government itself, hardly able to contain the worsening economic situation and embroiled in political infighting, only exacerbated social tensions. The trust in parliamentary democracy and the belief in its efficacy were put to the test as the condition of the reborn state was subjected to increasing criticism.

The economically motivated conflict between the government and the society reached its turning point on 6 November in Cracow when striking workers were attacked by the army. 32 people died. The events showed the frustration of the general public caused by the difficult material situation and the resistance to the policies of the centre-right government. They reverberated across Poland and in Warsaw where they compounded the feelings of anxiety and threat. They also added fuel to the criticism levelled by the opposition contributing to the fall of the government in December 1923.

⁶⁹ Ibidem, 2 IX 1923, p. 9.

The analysis of the history of Polish hyperinflation and people's everyday problems on the example of Warsaw showed that 1923 was a difficult year for the entire population. The experiences shaped social attitudes in the future. Fear of currency depreciation was to explode in 1925 when the zloty started to lose value during the so-called Second Polish Inflation. This triggered a full-blown panic in the market which was totally inadequate given the scale of the problem. Also, at the time of the Great Depression, the fear of inflation influenced the decisions taken by the Polish government to consistently pursue a policy of deflation. On the other hand, the undermined trust in the state and parliamentary democracy was to bear fruit in 1926 when a coup d'état put in place an authoritarian regime.

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