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PLANNING NATIONAL ECONOMY IN POLAND.
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During the years of people's democratic power in Poland, great revolutionary social transformations—land reform, nationalisation of big and medium industry, transport and banks—were carried out and the monopoly of foreign trade established. Poland set out firmly on the path of socialist construction. Arising from this, socialist planning, as a method by means of which the people's democratic State guides the process of economic development and reconstruction of society, is acquiring a significance, which, every day, takes on added importance,

As far back as 1946, the nationalised industry took the road of planned economy on the basis of production plans for the different industries. On July 2, 1947, the Sejm enacted the law on the Three-Year Plan for Economic Rehabilitation (1947—49). Despite the imperfect organisation and planning methods at the time, this plan was successfully completed in two years and ten months, thanks to the efforts of the working people led by the Polish Workers' Party and, later, by the Polish United Workers' Party.

The successful fulfilment of the Three-Year Plan, the consolidation of people's power, the unification of the working class movement in December 1948, the strengthening and development, in the process of struggle for fulfilment of the Three-Year Plan, of the socialist sector of the national economy—all these factors made it possible to go over from rehabilitation to reconstruction of the national economy.

In December 1948, the First Congress of the Polish United Workers Party outlined the main principles of the new, Six-Year Plan—the plan for laying the foundations of Socialism in Poland. This plan advanced very big tasks in the matter of developing the productive forces and also in the sphere of reorganising the social structure of the national economy. The plan envisaged an increase in industrial output of more than two and a half times during the period covered by the Six-Year Plan (1950—55), and a 50 per cent increase in the output of agriculture.

Between December 1948 and July 1950, additional considerable hidden reserves were disclosed in the Polish national economy. These reserves were disclosed mainly as a result of the mass socialist emulation which led to a considerable over-fulfilment of the production targets and to an improvement, based on Soviet experience, in organising methods and in planning. The final figures of the Six-Year Plan exceeded, by far, particularly in the sphere of industrial output, the original targets fixed by the First Congress of the Polish United Workers' Party. Subsequent development, particularly the successful fulfilment of the programme for the first year of the Six-Year Plan and the successful progress of the programme for the second year, confirmed the correctness of this addition to the targets and showed that the reserves contained in our national economy are inexhaustible.

Daily guidance by the Party and its organs, as well as its mobilising of the working people for fulfilment and over-fulfilment of the planned programmes, help the planning organs constantly to perfect the organisation and methods of planning the national

economy. Without constantly strengthening and improving the guidance of the national economy on the part of the State, the results already registered would have been impossible; it would have been impossible to cope with the increasingly complex tasks of the plan.

I.

One of the main tasks of planning is that of ensuring a steady and rapid development of the productive forces and a steady rise in output in all spheres of the national economy. The task of socialist industrialisation—the basis for technical reconstruction and socialist transformations throughout the national economy—is now the centre of attention.

Realisation of the socialist industrialisation programme confronts the planning organs with a number of important tasks. It is necessary to elaborate rapid, mobilising and, at the same time, realistic rates of growth in industrial output, to establish a correct proportion between the different industries, and, above all, to ensure a more rapid development of heavy industry on which the development of the other industries and of the national economy as a whole, depends. The national economic plan must also ensure realisation of the industrialisation programme by means of strict calculation and correct utilisation of manpower, material and financial resources. Of invaluable assistance in solving these tasks is the Stalin theory of socialist industrialisation which determined the industrial development in the Soviet Union during the pre-war Five-Year Plans.

While carrying out the industrialisation programme on the basis of the aid of the great Soviet Union and the co-operation of the People's Democracies, and, above all, by mobilising our internal resources, we must ensure! **planned and adequate socialist accumulations—the main source of financing the industrialisation programme.** A correct distribution of the national income between accumulations, consumption and reserves is the most vital and responsible task of the planning organs, Tasks in the sphere of accumulations demand that financial planning and planning production costs in all branches of the national economy be raised to the proper level. The level of socialist accumulations depends on steady growth in output and lowering its production costs. Steady lowering of production costs is a law of socialist economy. However, as is the case with the realisation of all economic laws of Socialism, the lowering of production costs does not take place spontaneously, of its own accord, it calls for conscious efforts on the part of the workers and the respective leadership before it can be transformed from possibility into reality.

Planned credits and planned expenditure and income for the different industries, the planning of production costs and, in the first place, planning for lowering costs of comparable production have so far been a weak point in economic planning in Poland. To overcome this, by means of **correctly organised business accounting and the entire system of accounting, corresponding to the requirements of socialist planned economy, is now one of the most important tasks.**

Speaking about financial planning, it is necessary to stress the role of the budget as the backbone of the entire financial system and the main instrument in the struggle for socialist accumulations. Right from the very outset, the budget has successfully played its role in financing the national economy, education, culture and health service in people's Poland. It concentrated considerable funds, from taxes and profits made by the socialised enterprises, and allocated them according to the tasks envisaged in the plan. In doing so, the principle of budget equilibrium, characterised by excess of income over expenditure,

is strictly observed. However, only at the beginning of 1951 did the State Budget in Poland acquire, in relation to structure and method, the consistent forms characteristic of a socialist budget.

II.

Carrying out the tasks of industrialisation requires, in addition to financial means, planning in relation to material-technical supplies. The development of new branches of production calls for growing quantities of raw materials, semi-manufactured goods and auxiliary materials, as well as machines and equipment. It is impossible to secure a steady flow of supplies to industry without correct accounting of its requirements, based on progressive rates of consumption of materials— without a widespread and really balanced method throughout the national economy as a whole, particularly a balance of materials and machines as the connecting links of the production programmes, without planned supplies, planned, import and export and a planned growth of reserves. As industrialisation proceeds and capital investments grow, the planning of material-technical supplies becomes an ever more complex task and demands that a number of difficulties be overcome.

One of the vital links ensuring effective and uninterrupted work and the development of industry is planned co-operation between industrial enterprises. The absence of these plans, or their inadequate level, often cause disproportion and failure to fulfil current programmes by some industrial enterprises.

The carrying out of a vast industrialisation programme calls, in addition, for appropriate reserves of manpower. This applies both to engineering-technical personnel and skilled workers and to unskilled labour. **In Poland's national economy, as in the other People's Democracies, there are still reserves of manpower.** Under capitalism, all these countries had a problem of overpopulation in the countryside; unemployment was a feature of the countryside, and, as a consequence, there was a mass influx of small and landless peasants to the towns; people emigrated in search of work and bread.

The land reform carried out by the People's Governments, and the policy of a worker-peasant alliance, radically changed the situation. Unemployment disappeared, overpopulation in the countryside was considerably reduced. True, there is still a serious manpower surplus in the countryside, but the improvement in the material conditions of the poor and middle peasants resulted in the abolition of poverty and hunger among the peasant masses. In the towns, too, unemployment has been abolished, and there is no longer the reserve army of labour characteristic of capitalism. As a result, certain difficulties are encountered in providing sufficient labour for some industrial enterprises and construction sites. Consequently, it is essential to plan labour requirements scientifically and the sources to meet this demand, to introduce planned methods of recruiting labour in the countryside and also planned utilisation of urban resources of labour by bringing into industry those who have no occupation, by bringing more women into the total labour force, etc. Experience shows that it is not enough to balance manpower on a national scale; it is also essential to do so on province and regional scales. In this connection, the first territorial balance-sheets for manpower were drawn up at the beginning of 1951.

Capital investments form a vital lever for industrial development. A correct process of capital construction depends, in large measure, on correct planning of capital investment

and financing construction. It is the duty of the planning organs to combat spontaneity in capital construction and anti-State tendencies which find expression in extreme inflation of capital investment programmes and in needless dispersal of funds; to work for economy of funds and lower construction costs, for the maximum productive value of capital investments. The planning of capital investments must ensure correct development of extended socialist reproduction, and the rapid progress of the socialist sector of the national economy.

Planned capital investments, the putting into operation of more and more production aggregates, and the manufacture of new items, urgently demand a more profound technical planning of preliminary work in manufacturing new kinds of production and in the new technological processes; planning of scientific-research work and measures for organisational-technical perfection of production. Production plans must be based on precise technical data, on progressive technical exploitation indexes, etc. The more profound role of the technical elements in planning production and in technical progress demands that the plans for the enterprises be based on the plans of the individual shops, which means that the method of inter-factory planning should be introduced into industry. **Insufficient inter-factory planning—the lack of unified organisation and unified method—is a weak point in national-economic planning in Poland.** To overcome this shortcoming is one of the tasks of industrial planning.

III.

The national-economic plan must ensure—in addition to a leading role for industry and fulfilment of the main task of industrialising the country—a correct proportion in the development of industry and agriculture, a growth in agricultural production that will meet the growing demands of the towns for food and the growing requirements of industry for agricultural raw materials, as well as essential stocks of agricultural products to add to the reserves. The difficulty of this task at the present stage is that the method of direct planning cannot be applied to a considerable section of agriculture—to the individual peasant farms. However, the State has at its disposal powerful means with which to exercise planned influence and regulation of the small commodity peasant economy. These means are: planned purchase of agricultural products, contracts, the policy of fixed and profitable prices for produce bought from peasants. State aid in organising rural cooperatives, planned supplies to individual farms of agricultural machines and fertilizers, planned ameliorative work, electrification of the countryside, veterinary services and plant protection, production and distribution of selected seeds and pedigree livestock, agro-technical measures, etc.

In this respect, an important role is played also by the possibility for direct planning of work and capital investments by the State in the State farms which account for nearly 10 per cent of the crop area, as well as for planning State technical and material assistance to producer cooperatives of which there are, at present, nearly 3,000.

With all these levers in its hands, the **State can stipulate goals in the sphere of agriculture and can rally the working peasantry for their attainment.** Correct regulation of agricultural production requires the compiling of a number of production and consumer balance sheets of vital agricultural products, balance sheets for land utilisation, fertilizers, fodder and traction power, as well as labour balance sheets in agriculture.

Planned regulation of agriculture requires that the resistance of the kulaks to measures

initiated by people's rule aimed at defending the interests of the poor and middle peasants, at restricting kulak exploitation and creating the pre-requisites for the socialist reorganisation of the countryside, be overcome.

IV.

Planned home and foreign trade ranks among the vital questions of planning in the specific conditions of People's Democracy. Planned trade must ensure the maintenance of proportion between the mass of goods and the rising purchasing power of the population, correct proportion in distributing the mass of goods between residents of town and countryside, an adequate structure and adequate assortment of the mass of goods, and also a correct development of the socialist trading network, guaranteeing correct distribution of the mass of goods.

The struggle for developing socialist trade, for dislodging the remnants of capitalist elements in the sphere of retail trade for complete elimination of speculation, is the basic factor in planning trade during the transition from capitalism to Socialism. Faulty planning may become a source of serious shortcomings in distributing goods, temporarily weakening the regulating influence exercised by the State on the market and of intensifying speculation. Hence, the active and mobilising role of planning in socialist trade, especially in respect to production of consumer goods. The task of securing a sufficient quantity and due assortment of goods, and high quality, is the basic task of the trade planners, who, on the basis of the balance of income and expenditure of the population, on the market balance of consumer goods, on the basis of an analysis of the prevailing situation and consumption trends, must display initiative and stimulate the growth of production.

Unfortunately, our trading organisations do not always play this role; survivals of the rationing system, when certain links of the trading system are distributing bureaux rather than organs of developed socialist trade, make themselves felt far too often. **One of the conditions for overcoming the difficulties, which sometimes appear on the market, is to raise organisation and planning of socialist trade to a high level.**

Planning foreign trade is another important question. The economy of the People's Democracy depends substantially on the foreign trade turnover, on imports and exports. But, in this respect, our position differs from that of the Soviet Union during the years of socialist construction. We are not alone; we can rely on aid from the Soviet Union and on the co-operation of the other countries of People's Democracy. Approximately 60 per cent of Poland's foreign trade is conducted with the Soviet Union, the People's Democracies, the German Democratic Republic and People's China. The system of long-term trade agreements which constitute a co-ordinating element in our long-term national economic plans, makes it possible to plan a considerable part of our foreign trade with sufficient realism and precision.

The turnover with the capitalist countries can only be planned to a certain degree and only due to the existence of the State monopoly of foreign trade; in regard to this trade there are serious elements of uncertainty and risk. Despite this, the policy of economic discrimination and blockade, consistently pursued by the American imperialists and forced by them on their European satellites, cannot seriously affect the fulfilment of our plans.

Our planning is based on the closest possible cooperation with the U.S.S.R. and the People's Democracies and also on maximum attention to the basic task; that is, of ensuring the independence of our national economy in relation to the capitalist world. This

requires increased planning in order to extend the raw materials base in the country, to accelerate reconstruction of heavy industry, particularly such branches as machine-building, ferrous and non-ferrous metallurgy and the chemical industry.

V.

Fulfilment of these and the other important tasks confronting us in the sphere of planning the national economy, demands a steady advance in the organisation of planning.

The organisation and methodology of planning were improved in the struggle against alien “theories” and sabotage. Deviations from the general line of the Party, reflecting the ideological pressure of hostile social classes, are expressed in the theory and practice of planning in the form of enemy ideas and saboteur activities.

Hostile elements—bourgeois economists and Right-wing Socialists—striving—to hamper the development and consolidation of the socialist sector of the national economy, sought, time and again, to distort the content of our Three-Year Plan. They tried to counterpose cooperation to the State, to query the socialist character of State industry and co-operation, to conceal the class differences and contradictions between the capitalist economy based on exploitation and the small-scale enterprises of working peasants and handicraftsmen. They sought to disrupt the alliance between the working peasantry, particularly the middle peasants, the handicraft workers and the working-class, and to subordinate them to the political leadership of urban and rural capitalists. Employing in planning the pseudo-bourgeois method of calculating the national income, they sought deliberately to belittle the significance of the working class in creating the national income and to undermine its leading role. Bourgeois economists and Right-wing Socialists, operating in the central planning organs, utilising the pseudo-reactionary theory of “balance of sectors”, sought to prevent the socialist sector from gaining greater weight in the national economy: In the sphere of co-operation they sought to preserve, as long as possible, bourgeois traditions and survivals.

They sought to deprive economic planning of its socialist character and thus deprive it of content and effectiveness in order to paralyse the role of the State as organiser of the national economy. Pursuing this aim, they sought to prevent assimilation of the methods of socialist planning on the basis of Marxism-Leninism, on the basis of Marxist political economy and the planning experience of the Soviet Union. Instead, they sought to transplant onto Polish soil bourgeois methods of forecasts and estimates.

Currying favour with the American imperialists, bourgeois economists and Right-wing Socialists sought to subordinate Poland’s national economy to international capital, With this aim in view, they spread the idea that it was impossible to restore Poland’s economy without U.S. aid, seeking to prevent the consolidation of economic relations between Poland and the Soviet Union. Under the pretext that extension and building of industrial enterprises were inadvisable in the period of rehabilitation, they tried to cut capital expenditure for heavy industry.

Striving to slow down industrial development, the enemies in the planning organs sought to shape planned assignments to make them correspond to the “narrow places”, instead of mobilising the efforts of the masses in order to overcome these “narrow places”. With a view to suppressing the activity of the working people in the struggle for over-fulfilling production assignments, the enemies, operating in the planning organs, advocated the “theory” that planned assignments should not be exceeded, since, they alleged, this

would undermine economic equilibrium.

Due to the vigilance of the Polish Workers' Party, the wrecking activities of the bourgeois economists and Right-wing Socialists in the planning organs were smashed. These hostile "theories" were exposed and smashed at the conference of the leading Active of the Polish Workers' Party and Polish Socialist Party, held in February 1948. This marked a turning point in the development of planned national economy in Poland.

After the removal of the bourgeois economists and Right-wing Socialists from the leading planning organs, after the reorganisation of this apparatus and the establishment of the State Economic Planning Commission, the way was cleared for uninterrupted perfecting and improving the organisation and methods of Socialist planning in Poland on the basis of the theory of Marxism-Leninism, Marxist political economy, the Stalin theory of socialist construction and Soviet planning experience. The opportunist influences in planning were not, however, fully overcome at once. Only after overcoming the Right-nationalist deviation in the Polish Worker's Party, the removal of Gomulka and his adherents from the leading Party organs and the establishment of a correct Party policy in relation to the countryside, was the way opened for a sharp, resolute struggle against the opportunist tendencies in planning.

VI.

The shortcomings which still exist in planning are being steadily eliminated, and planning improved year by year. The steady development of Poland's national economy and the rapid rate of development testify, in particular, that, in the main, socialist methods of planning the national economy have been assimilated. Poland's socialist planned economy, as is the case with the economies of the other People's Democracies, developing along the lines indicated by the great Soviet Union, clearly demonstrates its unquestionable superiority over the chaotic, unplanned economy of the capitalist States which never emerges from a state of chronic crisis.

If Poland's planned national economy is steadily developing, rectifying mistakes and overcoming shortcomings, this is due to vigilance on the part of the Party and to the use of criticism and self-criticism. It results, above all, from the fact that Poland's young planning apparatus can draw on the rich treasury of the planning experience of the Soviet Union, guided in its work by the counsel of Lenin and Stalin—the geniuses of mankind.

The taking over of Soviet planning experience and its application in Polish conditions are effected in various ways. Soviet literature and newspapers, tremendously popular among Polish planning workers, are invaluable in this respect. The number of translations of Soviet economic literature is growing continually. The "Book and Knowledge" Publishing House is printing an economic library. In 1949, the Polish Economic Publishing Houses printed 16 translations of Soviet books on questions of economy, and 60 in 1950.

Most valuable, however, is direct personal contact between Polish specialists and Soviet economists, engineers, technicians and managers, exercised within the framework of the agreement on scientific-technical cooperation between Poland and the Soviet Union. This contact, in the form of expert advice and consultations, is most significant for direct exchange of experience, for the assimilation of the latest achievements of Soviet organisation and methodology of planning.

Transmitting experience in the sphere of planning is one form of the invaluable aid rendered by the advanced country of victorious Socialism to the countries of People's

Democracy building Socialism, including Poland. Soviet planning experience enables us to avoid many mistakes and to accelerate the building of Socialism in our country. This obliges us, relying on the Soviet example, to work still better to improve the organisation and methods of our planning, to work for the full utilisation of the reserves of our national economy in the interests of our people and for multiplying the forces of the world camp of peace, democracy and Socialism.