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TRANSFORMATION OF POLISH AGRICULTURE FROM 1920 ON:  
A HISTORICAL PERSPECTIVE

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Transformation of Polish Agriculture from 1920 on:  
A Historical Perspective

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Bruce Van Voorst, Newsweek correspondent in a report from Poland entitled, "Caught between East and West," (Newsweek, June 15, 1970, p. 43) writes "And, perhaps most impressively there has been a genuine evening out of class distinctions from the prewar days when the Radziwill family owned more than a quarter of Poland's arable land." Without any reference to the actual<sup>1</sup> world data this information about land ownership in Poland by the Radziwill families, if true, left me with a paradox.

Such a concentration of economic power in the hands of one family should have had political consequences and the Polish state should have effectively protected the interests of Radziwill as well as other Polish landlords, but no such thing occurred. Instead, Poland successfully pursued a policy of transforming Polish agriculture between the first and second world wars, cutting down large estates and building up land estates and land-owning peasantry.

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<sup>1</sup>Collection of data on ownership of land in Poland by the several Radziwill family branches is not an easy task under present political conditions in Poland. I consider Van Voorst's numerical claim absurd and forego such an effort. To try would not justify the costs.

My purpose here is to present and evaluate efforts since World War I in transforming Polish agriculture into a more modern structure, to discuss and evaluate changes in this policy, both factual and intended, which were grafted onto the earlier program with the advent of communist rule in Poland. The communist transformation affected the structure of land ownership and the role of peasants, leaving Polish agriculture in decay.

### 1. Historical Background

The Polish republic emerging from World War I collected within its borders diverse regions. Some had once been Polish, but were lost to foreign powers well before partitions of Poland. Others were parts of the old Polish-Lithuanian kingdom at the time of partitions. All regions differed in climate and quality of soil. With the exception of Silesia, all were poorly endowed with natural resources. Foreign rule in these regions intensified racial and tribal cultural divisions. More important, depending on the nature of foreign rule, the regions underwent differing economic and political changes which contributed heavily to regional nonhomogeneity within the new Polish state.

Western provinces and upper Silesia were the most economically developed, Silesia being the industrial region and Western provinces the agricultural. The structure of agriculture in the latter region consisted of large estates either in Polish or German hands, that were efficiency minded, and peasant holdings from 10 to 25 hectares, mostly in Polish hands, which were the mainstay of it. Silesia has poor soil but rich natural resources. The large land holdings there were mainly German-owned. Polish ones were rather small. As Poles were primarily miners or industrial workers and only partially employed in agriculture,

the small size of their land holdings had no negative effects on the economy of the region. The small holdings helped to provide miners and workers with a steady side income in the form of cheaper foods, unaffected by business cycles.

Reunion of Western provinces with the remaining Polish regions caused a decline in the living standard of the country. The high German tariff wall against foreign foods was gone. Poland was a food exporter, rather than importer; thus its produce prices were determined in competitive world markets. This decline was compounded by the pattern of public spending, which favored the less developed regions. The Silesian workers and miners, although only part time peasants, suffered from the loss of closer markets in Germany for the Silesian industrial products. Such products became costly to export. It took more than a decade for Poland to build a harbor on the Baltic (Gdynia) and connect it with a good rail transport. Even then, transportation costs remained high.

The Central, Eastern, and Southern provinces were less developed and suffered severely from war damages during World War I and the succeeding Polish-Russian War. Their racial and national characteristics were also less balanced because of a higher admixture of ethnic minorities. Of the three regions, Central Poland was the most developed. Some of its soil was better even than in the rest of the country. There was some industry, and the land was more evenly divided between large and medium peasant holdings (5-15 ha.). Eastern provinces were the most backward. Large holdings, mainly in Polish hands, were on the average inefficiently managed. Peasant holdings were very backward. The

quality of soil varied from very good in Wołyń to very poor in Polesie.

In Southern provinces the problems were different. There was some industry in the western portion, but essentially this part of the Austro-Hungarian empire represented the less developed dual of that state. The structure of landholding was unusually bad. A lack of industrial development and emigration opportunities, along with a concomitant population explosion, forced Polish peasants to subdivide their holdings excessively.<sup>2</sup> Poverty, hunger and starvation were constant threats to peasants in this region. Perhaps the following Table 1 shows this trend best. Note, for example, that in 1930-31 the average acreage per head of population declined to 57 percent (44/77) of what it was in 1787.

TABLE 1 Indices of Fragmentation of Peasant Holdings in Southern Poland, 1787=100

Year	Population	Heads of population per holding	Heads of population per sq. km.	Average area of peasant holding
1787	100	100	100	100
1820	114	100	109	95
1950	135	95	125	77
1883	159	83	146	57
1930-1	226	77	178	44

Source: Dr. W. Styś, Rozdrobnienie Gruntów Chłopskich w b. Zaborze Austriackim od Roku 1787 do 1931, Lwów 1934, p. 302, also reprinted in Stanisław Gryziewicz, op. cit., p. 90.

<sup>2</sup>See also Stanisław Gryziewicz, "The Ownership of Land in Poland," a paper submitted to Mid European Studies Center, New York, copy available in microfilm at the Library of Congress, Washington.

Although the size of average peasant family (Table 1, col. 3) decreased, population pressure on the land rose substantially, and the average size of peasant holding declined to less than half (last column).

Its geographical shape added further problems to the new Polish republic. Peace treaties with the defeated Central Powers (Austro-Hungary and Germany) and the new communist regime in Russia left Poland nearly landlocked, with only a small strip of the Baltic shore. Most damaging to its economy was the loss of the mouth of the river Vistula. The major victorious powers created a "free" city of Dantzig (now Gdańsk). Moreover, the extreme Northeastern Polish provinces became completely landlocked. Because of a territorial dispute between the new Polish republic and the new Lithuanian state the traffic of goods from that area required a long and costly haul by rail to the Polish Baltic.

Very important was the relative shortage of Polish administrative and managerial personnel. The previous occupying powers, with the exception of Austria, which had permitted its Polish subjects self-government, restricted higher education of Poles to a trickle.

Together, all these conditions precluded a speedy process of economic development, the need for which was acute because of the high rate of rural growth. To accommodate this population swell, peasant leaders demanded a land reform, a division of large estates and creation of more small independent peasant holdings--policies naturally opposed by landlords. Socialists in the cities of Eastern Europe also looked upon such demands with misgivings. Land division denied validity

to the Marxian prognosis of inevitable concentration of wealth in capitalist countries.<sup>3</sup>

## 2. The Land Reform Act of 1920 and Its Execution

Renascent Poland had to face peasant demand for more land and found them politically and economically acceptable. First, the power of landlords was already waning. Second, a land reform made economic sense.

A picture of political realities materialized during the Bolshevik invasion of Poland in 1920. A broadly based government of national unity was formed under the premiership of Wincenty Witos, the leader of the largest peasant party. This government rushed through the Polish Sejm (parliament) the Land Reform Act, the execution of which took place over the next 19 years and during which most of the objectives of the law were reached.

Obfuscators of reality may stress that this law was enacted in a time of Bolshevik forces advancing on Warsaw. Behind the invading armies lurked a Soviet-type puppet government ready to take over the country and impose its own type of land reform. Probably the need to deflect the communist propaganda broke all resistance to land reform, even though some was not unreasonable at the time.

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<sup>3</sup>N. Georgescu-Roegen in "Economic Theory and Agrarian Economics," Oxford Economic Papers, v. 12, February 1960, pp. 2-9, notes that this bothered Marx himself and made him scornful of Eastern European peasants.

Marxists later nearly split on taking a position with respect to the Agrarian Question, but Marx's contempt for peasants affected his followers. Although now communists have learned to be more circumspect, it is hard to find a communist writer on agricultural problems who does not accuse peasants of natural backwardness. For example, Arthur Bodnar in Problemy Polityki Gospodarczej (Problems of Economic Policy); Warszawa: Książka i Wiedza, 1969, takes the position that only a bureaucratic decision may assure proper management of farms.

Transferral of ownership from a few landlords to masses of peasants has diverse effects. First, on the debit side, it establishes farms that may deviate from the optimal size. What is optimal in a farming operation is debatable question. Much depends on the quality of soil, climate, direction of production (grain versus livestock) and perhaps, most importantly, on factor proportions. Poor soil and harsh climate call for a larger size. Excessive rural population calls for labor-intensive operations, perhaps a switch to livestock production, which consequently lowers the optimal farm unit.

My opinion is that on the average the large estates were as grain producers above optimal size, and that the existing and planned peasant holdings were below the optimal size of a mixed grain-livestock farm unit. Polish data on this subject are scanty and even world data give no clear cut evaluations of optimal size for a farming unit in a given moment of time. I draw my conclusions on below optimality of peasant farms from evidence of a widespread structural unemployment in the rural areas of Poland in the 1930s. A large number of existing peasant farms was too small to permit the whole available working time of their owners.<sup>4</sup>

Further, one expects negative output and income effects from land reform. If the landlord estates are nearer optimal size than peasant

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<sup>4</sup> According to Poniatowski (see Gryziewicz, *op. cit.*, p. 3) in the early 1930s there should have been 7,320,000 gainfully employed in Polish agriculture at the time, but in fact there were 12,684,000 such persons. This means about 5 million adults plus their dependents could and should have been transferred to cities.

holdings the former will be more successful producers. Other things being equal, land division could thus result in lowering of the overall amount of the agricultural product. This may have occurred but was probably offset by increased labor inputs.<sup>5</sup>

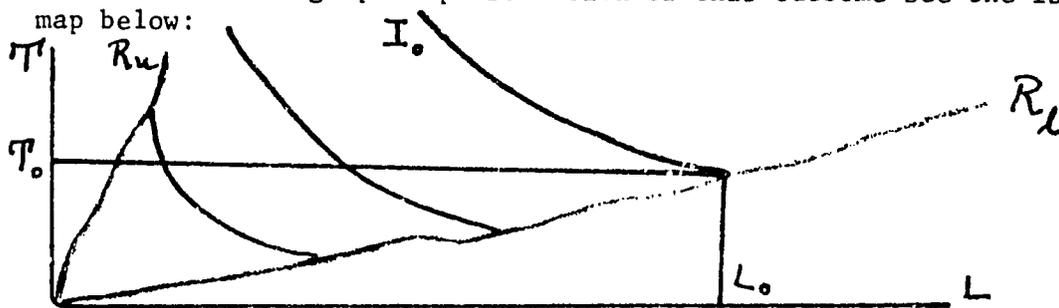
Two hypotheses may be proposed to explain this offsetting. One, less scientific, which I remember from newspaper articles, explains peasant behavior by "love of land." The land-owning peasant works more, beyond the limit for which the marginal value product of his labor falls and below the going market wage rate. This presupposes that the peasant would work less if he did not own his farm. The other I call the hypothesis of structural unemployment, of which even Karl Marx was aware.<sup>6</sup> According to this hypothesis, poverty and lack of other work opportunities forces the peasant to work longer, thus he makes his living from returns to land and capital alone. These returns in absolute terms are higher than the peasant would have under a standard maximizing behavior.<sup>7</sup>

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<sup>5</sup> Polish statistical data were at first scanty and only improved in quality and coverage with time.

<sup>6</sup> See Karl Marx, Das Kapital, v. III, part 2. (See also Polish edition Kapitał, (III, część 2, Warszawa, 1959, pp. 384-85).

<sup>7</sup> For a graphic presentation of this outcome see the isoquant



T stands for land ("terra"), L for labor,  $R_u$  for upper and  $R_l$  for lower ridge line, and I for the quantity produced.  $(T_0, L_0)$  represents the use of factors under the hypothesis of structural unemployment.

The two hypotheses are often undistinguishable, having the same consequences. But in the case of the peasant who willingly works beyond the point of the marginal value product of his labor, yet finds no remunerable employment, we may speak of a clear cut case of rural structural unemployment.<sup>8</sup>

On the credit side, since food products are highly income elastic in a poor country, most of an increase in income of the poorer peasants would be spent on higher food consumption. In Poland this could have meant a decline in marketable agricultural surplus both for city consumption and for export. Once more the data are scanty. My impression is that a decline in marketable surplus did not materialize for several reasons: peasant "love of land," deliberate speed of land reform and state help in financing new farm holds. The latter took form in the supplying of buildings, machinery and livestock, long-run credit prior to taking ownership and low interest on medium and short-run credit.<sup>9</sup>

If future industrialization were to relieve the Polish rural areas of excess labor, land ownership would have to change towards larger size farming units. Fortunately, Polish land reform had a lower floor of 100 ha. (for some specialty lines, 200 ha.) below which the reform

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<sup>8</sup>This was the case in many overpopulated Southern districts, where many owners of dwarf-size farms stood idle for a part of the year, unable to find additional city work. The estimate of structural unemployment offered in footnote 4 covers the whole of Poland, including districts in which the hypothesis of "love of land" cannot be distinguished from the hypothesis of rural structural unemployment. Inasmuch as "love of land" may have entered these estimates, they may be an overstatement of the rural structural unemployment at the time.

<sup>9</sup>The transfer was supervised and financed by the Agricultural State Bank (Państwowy Bank Rolny).

act did not apply. There was also no reason to believe that the Polish state would obstruct a market enforced reintegration on farms.

Still on the credit side, one notes orderliness of the reform. The landlords were to be fully compensated.<sup>10</sup> The transfer was to be made at a deliberate speed so that peasants took over farms that were fully equipped with buildings, livestock and implements. The less efficient estates were to get the axe first. Unlike the Russian experience, no reign of terror was unleashed. One should also note that the Polish land reform, unlike Lenin's, was a meaningful political act. Recipients received title to the land, becoming owners both de facto and de iure. This must also have been conducive to modernization of peasant operations in Poland.

The State tried to help by other means. Special attention was paid to the dwarf farms and land plots in a checkerboard form. From medieval times the trifold technique had been used in Eastern Europe, whereby the peasant owned three fields in three different parts of the village land. One was left fallow while the other two were planted with different crops, with a rotation of the fields each year. Abolishment of serfdom often ossified the structure and consecutive land divisions caused some peasant households to own many minute plots scattered over the village land. These checkerboard holdings were extremely wasteful. Scarce land was used for border strips (*miedza*) and for road access. Given the love Polish peasants had for their land, it also contributed heavily to border disputes and costly court litigation.

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<sup>10</sup> Because of low interest rates on bonds used to pay for land, this compensation turned out to be incomplete.

To integrate peasant holdings (komasacja), division of land was often combined with surveying and plot exchange. The Agricultural State Bank was obliged to help with integration services. The state also helped by creating model farms, seed and animal improvement farms (stud farms, certified seed stock farms, etc.).

These were the direct costs and benefits of the Polish land reform. There were indirect ones as well. First, the old Polish nobility, whether managing their land efficiently or not, traditionally had a rather high standard of living, including a decided propensity to spend at least part of their lives abroad, which contributed to the balance of payments problems. Their average propensity to save and invest was not great, thus they were not contributing to the new capital formation in amounts the developing new Poland needed.<sup>11</sup>

Polish peasants lived frugally, however, and the land reform could have increased the new capital formation in the country. Much, of course, depended on who received the land. The richer peasants invested in their land. The undernourished large estate worker or the small peasant probably used the increased income to feed his family or to better educate his children. The real capital formation thus need not have increased, but at least investment in human capital did. At the time this was not appreciated, but with the hindsight of present Western economists, one may claim that investment in human capital was perhaps the great achievement of Polish land reform.

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<sup>11</sup>Once more I refrain from quoting data because they are too scanty, but I believe my impression will not be strongly challenged by those who are familiar with the 1920s in Poland.

The execution of land reform in the interwar period had its tides and ebbs. It could not have been otherwise. The renascent Polish state faced formidable, often unmanageable problems which overtaxed resources of the nation. Besides what I have said earlier, here I must mention the runaway inflation of the early 1920s, the burden of the defense budget on a country facing renewed German and Russian imperialism and, above all, the Great Depression price gap between agricultural and industrial products.

Nevertheless, the land reform proceeded, although at an uneven pace. The large estates were slowly eliminated. Even national interests were sacrificed. In the East, especially in the southeast part (Wolyń and Podole), large Polish estates were divided primarily among the local Ruthenian (they themselves prefer the name Ukrainian) population.<sup>12</sup>

Let us now appraise the efforts at land reform in prewar Poland. Table 2 shows the data. The figures support the notion that in this period Poland made a substantial effort to change its land structure. Although there were still large estates left liable to land reform, it became clear that this reform alone would not solve the problem of overpopulation in Polish agriculture. There was not enough land left to go around. Figures for 1939 are lacking. Table 2 ends with the year 1938.

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<sup>12</sup>The National Party (Stronnictwo Narodowe) press vociferously condemned such transfers and singled out Governor (wojewoda) Józewski, of the Wolyń province as the main culprit of this policy, considered deeply inimical to Polish interests in the East. Ironically, in the new partition of Poland imposed by an agreement between Hitler and Stalin, Wolyń became a part of the Soviet Ukrainian Republic. The mass of newly independent Ukrainian peasants must have contributed substantially to the resistance toward communist collectivization drives during the period of German-Russian collaboration and after World War II.

TABLE 2: The Polish Land Reform, 1918-38

No.	Description	Units	Acreage in hectares
1.	Total area taken over by the land reform	--	2,654,800
2.	New peasant holdings formed	153,600	1,431,800
3.	Old peasant holdings enlarged	503,000	1,004,300
4.	New small holdings created (for working men, craftsmen, etc.)	73,000	57,000
5.	Special farms created (model farms, etc.)	3,900	89,700
6.	State and local government research farms	--	71,200

Source: Paul G. Kopocz, "An Approach to the Settlement of Property Ownership Disputes in the Liberated Areas," a paper submitted to the Mid-European Studies Center, New York, p. 16, copy available in microfilm at the Library of Congress, Washington.

If the main purpose of land reform in Poland was to buy time until the country became ready to industrialize, the purpose was accomplished. Any further delay threatened to harden the land tenure structure that was already showing excessive number of farms too small to be efficient.

According to P. Siekanowicz,<sup>13</sup> farms of roughly 2 ha. or less formed one quarter (25.5 percent) of total number of farms, while large farms comprising 50 ha. or more formed only 0.5 percent of the total number of farms. All farms below 2 ha. may be considered unviable, since they were economically too small to allow full use of the labor

<sup>13</sup>Paul Siekanowicz, "Poland: Part VIII, Land and Peasant, Government Law and Courts Behind the Iron Curtain, International Commission of Jurists, preliminary edition, edited by Vladimir Gsovski, 1955, p. 94.

of its owner.<sup>14</sup> Speedy industrialization of Poland on a large scale was needed.

In 1936, the Polish government took positive steps. Plans to build the Central Industrial Region (Centralny Okręg Przemysłowy) were put into action. C.O.P., as this region came to be known, was located at the right spot, covering Southern and the parts of Central Poland where farms were most overpopulated. The German invasion in 1939 put a stop to this venture.

### 3. The Second World War and the Following Transitional Period

The invasion set off its own revolution in the structure of Polish agriculture. Western provinces, upper Silesia and pieces of Central and Southern Poland were immediately incorporated into the Third Reich. The Polish population of these areas was sooner or later transferred to the remaining part of Poland under German occupation. From this remainder of Poland, now called General Gouvernement, Germany was to draw cheap labor for menial work.

Under the new German "resettlement" program Germans from the Reich and from countries at that time occupied by the Soviet Union moved in. Poles, including Polish peasants, were forcefully evicted at the same pace. Some estimates are that from Poznań province alone nearly one million persons were shipped to the General Gouvernement. Those expelled from other provinces incorporated into the Reich added substantially to this figure. Even in the General Gouvernement all

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<sup>14</sup>See fn. 4.

larger Polish estates received German trustees (Treuhand), and Polish peasants were expatriated in some districts (Zamość) to make room for German settlers.

The collapse of Germany saved Poland but the liberating Soviet armies brought with them a communist-dominated government which soon was recognized as Polish by the Western powers. To gain some support at least in the country, and imitating Lenin in the early state of the Russian revolution, this government declared a sweeping and radical land reform. Yet in many features it resembled the previous one.<sup>15</sup>

There were two sources of land to distribute: all Polish lands over 50 ha. were taken over and all lands belonging to Germans or to "traitors" were confiscated. The difference between taking over or confiscating was merely semantic. In neither case was there indemnity to the estate owner. "Traitors" meant not only people who collaborated with Germans or actively helped them, but also people who, either to save their lives or to gain somewhat better treatment from the Germans, signed the so-called "Deutsche Volksliste." On a regional basis one should distinguish two kinds of land subject to land reform: land taken over or confiscated in the areas that belonged to Poland prior to 1939, and lands confiscated in areas that were German before 1939 which came to be called "incorporated areas."<sup>16</sup> The difference was that in the former a strong independent peasantry existed. In the latter the state was the only socio-political force that mattered.

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<sup>15</sup>For a definitive work in English on the communist land reform in Poland and the following collectivization drive, see Andrzej Korboński, Politics of Socialist Agriculture in Poland: 1945-60, New York: Columbia University Press, 1965.

<sup>16</sup>At the Potsdam Conference the Great Powers decided to compensate Poland for the loss of Eastern provinces to Russia by allowing

In the old territories, 2,751,000 ha.<sup>17</sup>, excluding forest land, were taken from Poles or confiscated from Germans or "traitors." In the "incorporated areas" the state took over 9,438,000 ha., approximately 1/3 in holdings over 100 ha. (Junker estates) and the remaining 2/3 of less. Of this, 6,497,000 ha. of agricultural land was available for distribution.

Not all available land went to peasants, however, either to create new farms or to enlarge the undersized ones. Only 2,384,000 ha. in the old provinces and 3,686,000 ha. in the new ones were distributed.<sup>18</sup> Korboński shows that in the new and old provinces the state allocated 1,538,000 ha. to State Agricultural Farms (Państwowe Gospodarstwa Rolne, PGRs), and 144,000 ha. to other non-private uses. This represented 18.2 percent of the land available for distribution. Another 1,496,000 ha., representing 16.2 percent of the land, was left undistributed (fallow).

The distributed land had two uses: new peasant holdings were created or old ones enlarged. In the old provinces, 494,100 ha. were used to expand existing holdings and 1,890,300 ha. to create new ones.<sup>19</sup>

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Poland to take over German provinces east of the Odra and Nysa rivers and to expel the German population remaining there to make place for Poles resettled from territories ceded to the Soviet Union, in accord with the Yalta Agreements. Most of the German population had already fled these territories before the oncoming Soviet armies. The local population of Polish extraction in these territories was allowed to stay, its land not confiscated.

<sup>17</sup> See Korboński, op. cit., p. 97, Table 4.

<sup>18</sup> See Korboński, op. cit., p. 97, Table 4.

<sup>19</sup> See Korboński, op. cit., p. 96, Table 3.

In the process, 254,000 old farmholds were enlarged and 347,100 new ones created. In the new provinces, 3,685,700 ha. formed 466,300 new farmholds.

Such a vast fund of land gave the communist government unique opportunity to correct the structure of Polish agriculture. According to Gryziewicz,<sup>20</sup> the Central Planning Board in Warsaw estimated the actual agricultural population of Poland in 1946 to be 12,200,000 workers, an excess of 1,400,000 of the desired number of 10,800,000.

The opportunity to create viable peasant farms was missed, probably for ideological-political reasons. Korboński<sup>21</sup> shows that in the old provinces the new peasant holdings were only 4 ha. on the average, and expansion of undersized old peasant holdings only 1.9 ha. per holding. In the new provinces the average size was larger--7.9 ha. per new holding, but the land often was of poorer quality and yielded better crops only under intensive cultivation.

One suspects that the communist government harbored ideas of collectivization at this time. Although any such plans were vehemently denied, land titles were given to new farm owners very reluctantly and with much delay.

An interesting point may be mentioned here. No compensation was made for lands taken over by the State. Peasant settlers had to purchase them from the State, although usually on long term credit.

The primary agricultural problem immediately after the war was a return to normal production. Due to first German, then Russian

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<sup>20</sup>See Gryziewicz, op. cit., p. 5

<sup>21</sup>See Korboński, op. cit., p. 96, Table 3.

occupation, animals and machinery were extremely scarce. Within the prewar borders of Poland in 1939, there were 41 head of cattle per 100 ha. of agricultural land. Using postwar borders as a measure there were 48 head of cattle per ha. In 1948, however, the number was only 19. Similarly, the number of horses declined from 15 in 1939 to 8 in 1946. The new "incorporated" provinces were the most desolate. Of 3,500,000 cattle there in 1949, only 270,000 were left after the war. The number of horses in these areas declined to one-tenth that of the prewar figures.<sup>22</sup> U.N.R.R.A. deliveries made up only a small part of the losses.

With time and great hardship for the whole Polish population, production was, however, restored to higher levels. In 1947, compulsory farm products deliveries, introduced by the Germans and retained by the new State, were abolished. The transition period was coming to an end and time was thought ripe for the government to pursue a policy considered more appropriate to a communist state.

#### 4. 1950-56: The Collectivization Drive and Its Collapse

By 1950, the worst damages of the war were repaired. The economy was running, albeit haltingly, along the lines of the Russian NEP.<sup>23</sup> War rationing was abolished in 1948. What was perhaps most important, the regime felt itself secure, having crushed peasant opposition by

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<sup>22</sup>See Jerzy Tepicht, Problemy Teorii i Strategii w Kwestii Rolnej (Theoretical and Strategic Problems in the Case of Agriculture), Warszawa: Książka i Wiedza, 1967, p. 88.

<sup>23</sup>The New Economic Policy, pursued by Lenin. That policy was followed by forced industrialization, five-year plans and a collectivization drive.

terror and mass electoral fraud. The time had come for forced industrialization, plans and collectivization.<sup>24</sup>

Collectivization has several objectives. Ideologically, a communist state cannot permit any truly independent sector to exist in the economy, since challenging forces may arise from it. Collectivization also may fit some economic ideas. It increases the size of an average farming unit, presumably making it more optimal.<sup>25</sup> Finally, collectivization reverses the trend from concentration in agriculture, thus covering up the strongest proof against Marx's law of inevitability of concentration.

The Polish cooperative movement was already old when the new Polish republic was founded in 1918. Under foreign occupation, cooperative forms were successfully used by workers and peasants to improve their material status, to educate themselves and to retain their national identity. These successes made the cooperative movement popular. In the period between the world wars Polish cooperatives received large tax and other legal exemptions and grew spectacularly in numbers and membership. Several types developed. Some served only town populations or both town and country. Others served only the peasants.

The elaborate cooperative structure came under fire in 1950 when the Six Year Plan was drawn. According to Paul Siekanowicz:

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<sup>24</sup>The Russian pattern of change was considered sacrosanct, but it was hoped that in Poland the communist transformation would be speedier and less painful.

<sup>25</sup>The present sizes of collective farms in Russia seem to be far above optimal.

The Six Year Plan dealing with the Construction of Socialist Foundations for the years 1950-55 stated that 'the construction of socialist foundations means voluntary transformation of a majority of the middle sized farms into united farms--i.e., socialist productive cooperatives'...it also stated that the government 'shall create conditions for inclusion of a considerable number of farms into the socialist cooperative system.'<sup>26</sup>

In line with this instruction, the earlier statute of October 29, 1920, was changed by the statute of May 21, 1948. The previously voluntary superstructure of Polish cooperatives was substituted by the "Peasants Self-Help Union." Siekanowicz notes:

A cooperative, as defined by the new Communist legislation is "an association of an unlimited and changing membership, jointly engaged in economic activities within the framework of the national economic plan, for the purpose of raising the economic and cultural level of its members as well as for the benefit of the people's state" (Statute of December 20, 1949, D.U. No. 65, Law 524, Sec. 1)...<sup>27</sup>

To lower peasant resistance to joining collectives, various types of collectives were permitted, all except Type II patterned on respective Soviet Union forms. Type II had its prototype in a Bulgarian form of the early '50s. By 1951 there were four types.<sup>28</sup>

- (1) Type I, Land Tillage Association,<sup>29</sup> Zrzeszenie Uprawy Ziemi (ZUZ)
- (2) Type Ib, Agricultural Cooperative Team, Rolniczy Zespół Spółdzielczy
- (3) Type II, Agricultural Producers' Cooperative,<sup>30</sup> Rolnicza Spółdzielnia Wytwórcza (RSW)

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<sup>26</sup>See Siekanowicz, op. cit., p. 97.

<sup>27</sup>See Siekanowicz, op. cit., p. 98.

<sup>28</sup>Związek Samopomocy Chłopskiej, Statuty Spółdzielni Produkcyjnych, Wydanie II, Warszawa, 1951.

<sup>29</sup>Korboński, op. cit., p. 169, translates the terms as Association for Land Cultivation.

<sup>30</sup>Korboński translates as Producers' Association.

(4) Type III, Agricultural Cooperative Union, <sup>31</sup> Rolnicze Zrzeszenie Spółdzielcze (RZS)

Type I collectives pool only land and certain operations, such as plowing, threshing, etc. Each member (and family) is obliged to contribute a certain number of workdays proportional to the area pooled, and seed for such land. If he owns machinery or draft animals he must lend them to the association for compensation agreed in advance with its assembly. Harvested crops are divided among members according to the area pooled and its fertility, after deduction has been made for rental of machinery, draft animals and other costs as they may occur.

This particular association resembles in many respects the Soviet Union Joint Tillage Association (TOZ). The remaining three groups resemble more closely the organizational features of the Soviet "artel," the typical form of Soviet kolkhozes.

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Type Ib collectives were established in 1950 to "enable peasants to move gradually from the lowest to the highest form." In this type the livestock and draft animals are no longer peasant owned, but remain only in the "personal detention of the member." Carriage and harnessed horses as well as any farm machinery the peasant owns must be made available to the collective for compensation (computed as chattel workdays). The number of days of compulsory work is set by the general assembly of the collective. The net income is to be shared: four-fifths according to the amount of computing days and

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<sup>31</sup>Korboński translates as Producers' Union. I hope my translations retain more the Polish flavor of such names.

<sup>32</sup>See Korboński, op. cit., p. 170.

chattel workdays, one-fifth according to the size of land contributed and its fertility.

Members of Type II collectives contribute their chattel to the collective farm and receive 20-25 percent of collective net earnings in proportion to the size and fertility of the land contributed, 10-15 percent according to their contribution in the form of chattel and 60-70 percent according to computing days. Net earnings here means earnings after deduction of costs. The minimal compulsory work is 100 days per annum.

Type III collectives are the "highest" form in Poland and resemble most closely the Soviet kolkhoz. Members contribute land, livestock, machinery and most of their farm buildings, retaining in private ownership only a house, a few farm buildings, a garden plot not exceeding 1 ha., a few animals, such as poultry, sheep, hogs and no more than two cows. They also have a right to a share in the cooperative's income and this share is inheritable. Each member is obliged to work on the collective farm no less than 100 days per year. After deducting about 30 percent for the cost of running the collective farm, the income is divided among members according to the quality of their labor (i.e., computing days).

Although Polish collectives resembled their Soviet models closely, a striking difference was the amount of land allowed to private farming. The garden plot was larger, as was the number of livestock. The differentiation of the "artel" type kolkhoz into the three forms in Poland was tacit recognition of strong objections among Polish peasants to collective farming.

The four kinds of collective farms became a mold for the metal of Polish independent peasantry. But first this metal had to be melted. The Six Year Plan in the "Socialist Foundations" preamble announced that the State "shall create conditions" to allow taking possession of a large number of farms by the socialist productive cooperative system. At the same time, the concepts of class warfare were to be extended to rural districts.

In 1948, R. Zambrowski, one of the secretaries of the Polish United Workers' Party (Polska Zjednoczona Partia Robotnicza-PZPR), which is the successor to the Polish Communist Party dissolved in the late '30s by Stalin, declared:

Determining this line of action we took up our position on the basis of the fundamental principle of Marxism-Leninism, which was confirmed by the rich experience of the Soviet Union. This principle proclaims that the transitory phase between capitalism and socialism regardless of the form under which the working people, headed by the working class, exercise authority, whether accepting the form of the Soviet System or that of People's Democracy, is a phase of ever more intense class conflict.... The class conflict has a particularly intense character in the rural districts where there is a large class of wealthy rural capitalists and where a base for capitalistic development still exists in the shape of small scale peasants.<sup>33</sup>

The idea of a class struggle in the rural areas was based on the Soviet experience. As in the Soviet Union, the peasants were to be classified as kulaks, medium peasants (średniaki) and small (poor) peasants (biedota). The first category, representing capitalism, was to be restricted economically, isolated socially and politically, and finally liquidated.<sup>34</sup>

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<sup>33</sup>Gryziewicz, op. cit., p. 42.

<sup>34</sup>See Korboński, op. cit., p. 184. The term "liquidated" is

The medium peasants were an ambiguous group. As working men, their place was within the alliance of city workers and rural poor peasants. On the other hand, their relative wealth permitted them to think of themselves as capitalists.<sup>35</sup> But if they joined co-operatives and gave up individual farming their "socialization" would be assured, according to Party thinking.

The peasant classification proved too simple, however. First, who were the kulaks? According to Minc<sup>36</sup> the only criterion for defining a kulak was his employment of hired labor. Neither the acreage of his farm nor his income nor equipment was supposed to matter. But this definition had little relation to realities in the rural areas.

At first, the delineation was made clear. Owners of farms over 14 hectares were to be treated as kulaks.<sup>37</sup> This would set the number of kulak households around 132,000.<sup>38</sup> Unfortunately, the 14 ha.

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a confusing one to any communist apparatchik. It covers a wide class of events from disappearance by natural causes to outright murders (judicial or by the state security forces). No wonder communications between the top Party officials and field Party apparatchiks were bedeviled by the interpretation of this word. Later, when top officials wanted to stop persecution of kulaks because of its disastrous consequences on food production, they were unable to do so as long as the idea of class struggle in the rural areas was not itself abandoned.

<sup>35</sup>Lenin discussed the "dual nature" of this group as potential enemies of the "working class." Following the modern analysis of the latter term (see Milovan Djilas, The New Class, New York: Frederick A. Praeger) one should interpret the term "working class" as "the class of professional Party apparatchiks."

<sup>36</sup>See Minc, Nowe Drogi, II, No. 11, Sept.-Oct. 1948, p. 158.

<sup>37</sup>Thad. Paul Alton, Polish Postwar Economy, (New York: Columbia University Press, 1955), pp. 200-201, sets the dividing line at 15 hectares.

<sup>38</sup>The 1950 census shows the following distribution of peasant households that could be classified as kulaks: 10-14 hectares=246,300 farms, 14-20 hectares=92,700 farms, and over 20 hectares=39,900 farms. Source: Rocznik Statystyczny, 1960, p. 207.

delineation was itself arbitrary. Given differences in fertility of soil and diligence and efficiency of individuals, poorer peasants were often branded as kulaks and wealthier ones passed as sredniaks. A problem of distinguishing between "weak kulaks" and "strong medium peasants" arose and was usually resolved by pulling the limit of 14 ha. downward. Also, as collectivization progressed, negative attitudes among peasants towards the communist regime stiffened, spreading even to the biedota.

A kulak could farm his land for whatever it was worth or give his land in trusteeship to the State, which was then supposed to have it run by the PCRs (State Agricultural Farms). As the latter were understaffed and underequipped, this usually meant that most kulak land lay fallow by owner's choice or State's inability to cultivate it.

Medium peasants were supposed to be forced into collectives by economic means only. Political means (force) were sometimes employed, but usually occurred against top Party policy. To understand the amount of economic force released on the peasants we have to consider it in some detail.

The term "economic means" covers a whole spectrum of State policies influencing the profitability (economic performance) of the farm. Such policies affected either the farmhold revenues and costs directly or indirectly by affecting first the parameters of the revenue or cost function. Only the most important "economic means" will be considered here.

Taxation. A land tax was made progressive, the progression tied not to the income but to the acreage of the individual farm. There

was further discrimination between forms of operation, cooperatives subject to a tax rate less progressive with respect to the acreage per member, and smaller to begin with. This tax had to be paid in agricultural produce, not in money, so that its impact was not diminished despite the creeping inflation experienced in Poland at that time.

Compulsory deliveries. Certain agricultural products were to be sold to the State at prices much below what the State paid for deliveries above this norm, and much below what the peasant could get for the produce by selling it in towns and cities. Black market prices were considerably higher whenever conditions propitious to black marketeering occurred.

Compulsory deliveries were a tax in kind, and their rates on individual farmholds increased steeply with acreage owned. Cooperatives were once more privileged both by a lesser rate and a lesser, if any, progression depending on the average acreage per member. Heavy financial and prison penalties were inflicted on those who delayed deliveries or were unable to meet this tax.

Public machine centers<sup>39</sup> were to charge differentiated prices for

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<sup>39</sup> These resembled the Soviet Machine and Tractor Stations (MTS), but there were two types of public machine centers: GOMs and POMs. A GOM was the lowest of government (gromada) centers. The machinery in it was of a simple kind, usually horse-powered, and often taken over from various agricultural cooperatives of the old type (pre-war II agricultural circles--Kólka Rolnicze, etc.). POMs (State Machine Centers) were newly organized State stations equipped with tractors and in most respects resembling the Soviet MTS. They supervised accounting, in general operations and in politics of collectives. The latter activities substituted for lack of a superstructure in the new collective movement.

services to individual peasants. Rates for cooperatives were less extortive.

Special restrictions on kulaks. POMs were forbidden to service kulak farms. Also, sale of supplies of scarce commodities--especially of implements, fertilizers, and building materials--were restricted for kulaks. Further, kulaks were forbidden to join collectives or divide their farms, either by selling them or willing them to their descendants or relatives. The latter required permission which, if applied for, was usually refused.

The measures on kulaks were near prohibitive. High tax rates made their operations non-profitable. Restrictions on sale of fertilizer and implements prevented kulaks from operating efficiently.

Other restrictions, or inducements to join a collective.<sup>40</sup> These were innumerable. Among them: peasants joining collectives received release from payments on land acquired under the postwar land reform, cuts in land tax rates, and in quotas of compulsory saving plan.

It is perhaps illuminating to consider in more detail the main vehicle of the collectivization drive: compulsory deliveries.<sup>41</sup> I shall cover only deliveries of grain here. The statute on compulsory delivery of cereals covered deliveries of rye, wheat, barley, oats, and mixed cereals. The quota of such deliveries was fixed for the whole State by the Council of Ministers and then apportioned to provinces, districts, and villages.

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<sup>40</sup>See Alton, op. cit., p. 202.

<sup>41</sup>See Siekanowicz, op. cit., pp. 102-107.

In the assessment of an individual farm, the rate of compulsory deliveries was differentiated according to the average fertility of soil. There were six classes of farms, each with three sections--altogether 18 categories. Fertility alone could weigh double. In the fertile zone 0.5 ha. would count 1 assessed hectare. In the infertile zone the ratio was 1 to 1. The rate was highly progressive. Farms in the 14th category would have to deliver about 7 times per assessed ha. more than those assessed at 1 to 1.99.

Collective farms and their members were privileged. If the land of a collective farm was divided by the number of members who joined it and the rate compared with rates on similar acreage individual farms, one would find that rates for collectives were reduced by about 20 percent. There was also an upper limit on progression for collective farms. The progression was cut to zero above the 12th category. In areas of larger farms, joining a collective meant a substantial rebate on compulsory deliveries.

Heavy punishment fell on those who failed to fulfill their quotas. First, they were charged 10 percent more for any amount undelivered on time. In addition, they were liable to fines and prison penalties. One must here mention that such failures could also fall under the provisions of the Decree of June 13, 1946<sup>42</sup> (special penal law for persons committing economic offenses permitted imposition of prison penalties up to five years) and of the Decree of November 16, 1945 (allowing summary procedure in such cases with penalty up to life imprisonment or even death). I leave out the details on compulsory

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<sup>42</sup>See Siekanowicz, op. cit., p. 109.

TABLE 3: Number of Kolkhoz Type Cooperatives  
1949-1956

Cooperative Type	1949	1950	1951	1952	1953	1954	1955	1956	
								Sept. 30	Dec. 31
I	22	276	301	290	272	303	314	n.a.	n.a.
Ib	...	...	176	506	1,465	2,007	2,221	n.a.	n.a.
II	79	647	726	921	1,422	1,604	1,596	n.a.	n.a.
III	142	1,276	1,853	2,761	4,613	5,408	6,658	n.a.	n.a.
Total	243	2,199	3,056	4,478	7,772	9,322	9,790	10,510	1,534

Source: for 1949-55, Rocznik Statystyczny, 1956, p. 154;  
for 1956, ibid., p. 138.

deliveries of meats, milk, poultry, etc., which had similar "progressive" features.

With farm income distribution and legal discrimination against him, many farmers had no choice but to join collectives. Korboński<sup>43</sup> quotes the following statistics of registered cooperatives as of December 31 each year (unless otherwise stated). (See Table 3 above).

These figures show that the number of collectives rose substantially through September, 1956, and declined sharply thereafter. The overall failure of this drive is underscored by the low effectiveness of it. At its peak, this collective sector cultivated about 10 percent which, after accounting for cultivation by State farms (mainly PGRs) or land remaining fallow, left over 60 percent of the cultivated land as private individual peasant holdings.

<sup>43</sup>See Korboński, op. cit., p. 172, Table 5.

A closer analysis of data shows that the drive faltered even earlier. Although absolute numbers of collectives were increasing through September, 1956, the percentage increase decreased from 1953<sup>44</sup> on. Collectives and State farms performed well below individual farms. The official index<sup>45</sup> (1949=100) shows that total agricultural production per head of population for 1953 declined to 96.8, but the collective sector consistently led in the decline. Its index declined to 87.7.

The head of the State and First Secretary of the Party, Bierut, publicly acknowledged the problem in a speech in October, 1953.<sup>46</sup> He noted the failure of the agricultural sector, the uneven growth of other sectors of the economy, and placed the blame on inadequate State aid to agriculture. In general, he noted a "disproportion" in growth rates of producer as compared with consumer goods. Bierut berated the Party aktiv for underestimating the importance of individual peasants. By forcing collectivization the Party obviously had created a major depression in the agricultural sector and now the signal was to ease the pressure in hope of improving productivity. At the same time, it was hoped, the existing gains in "socialization" of agriculture could be consolidated.

It did not work that way. The Polish peasant looked upon the tactical retreat as an admission of defeat. Resistance to collectivization stiffened. Concurrently, the local and provincial Party aktiv

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<sup>44</sup>See Korboński, op. cit., p. 218.

<sup>45</sup>See Rocznik Statystyczny, 1961, p. 172.

<sup>46</sup>See Korboński, op. cit., p. 219.

misread the national signal. Perhaps past experience had taught them that they would be blamed for any decline in further "socialization." In any event, there was not much change in their attitudes, although outright force and pressure was used less blatantly than before.

The political basis of this collectivization drive failed completely. Poor peasants in a fast developing nation (industrialization was proceeding swiftly) found work in various industries. They kept their small farms for side income and did not join collectives en masse.<sup>47</sup> Smaller medium peasants felt that they were better off farming individually. Richer medium peasants considered collective operations only the lesser of two evils, and joined only after their livestock was slaughtered or sold. Once within a collective their will to work hard was sapped. What incensed all farmers--small, medium and kulaks alike--was the treatment afforded kulaks and the poor farming practices in collectives and state farms. Poor farmers, who had flocked to the Communist Party just after World War II, now left it en masse.<sup>48</sup> A united peasant front thus joined with the Roman-Catholic Church in opposition to the communist regime.

The collective drive was also an economic failure. First, the agricultural product per head declined. From the very low postwar

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<sup>47</sup> See Korboński, *op. cit.*, p. 180, Table 7, based on *Statystyka Rolnictwa, 1946-1957* in *Statystyka Polski*, XLVI, p. 457.

<sup>48</sup> Korboński, *op. cit.*, p. 190 states that in some provinces peasant membership in Party's rural organizations declined from 50 percent to 8 percent. In fact, by 1953, 40 percent of the Party membership were bureaucrats, white collar workers, intellectuals and members of armed forces, militia and security police. The social base of the Party had thus become precariously narrow.

level, production should have increased as livestock was restored to prewar levels and new implements and machinery were supplied. The communist regime, aware of the Russian experience, expected some decline but thought it would be small and temporary. Instead, the decline was deep and long-lasting.

Second, the surplus<sup>49</sup> squeezed from agriculture for use in the industrialization drive turned out to be disappointingly little,<sup>50</sup> consequently adversely affecting the industrial plan. Either the workers in the cities would have to be pressured more or some planned investment foregone.<sup>51</sup> No wonder that, despite careful planning, subsequent inflation alienated city workers.

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<sup>49</sup>This surplus included: compulsory and voluntary savings, direct and indirect taxes, hidden taxes in form of compulsory deliveries, proceeds from sale of land acquired by the State in land reform, etc.

<sup>50</sup>Tepicht, op. cit., pp. 88-89, argues that Poland entered a middle stage of economic development after World War II. In the early stage surplus from agriculture (investment, taxes, etc.) finances industry. In the middle stage agriculture contributes less and in a later stage industry subsidizes or finances agriculture.

He then computes the surplus taken from Polish agriculture in the late '40s and early '50s and concludes that they were in the magnitude of 20 percent of the total agricultural product. This he claims as proof that Polish agriculture was not exploited, but simply very poor, due to war devastation and quality of land. Tepicht's estimates are suspected as being too low because of the prices he uses. He should have paid attention to black market prices as better representing the relative scarcities.

<sup>51</sup>The standard theory of economic development is that at the beginning of industrialization the needed funds to finance it must come mainly from rural savings and from taxes on agriculture. This dependence on financing from the rural surplus may in time weaken and later, because of slow progress of innovation in agriculture, a reverse financing of agriculture by the cities surplus becomes a must. See Gale Johnson, "The Role of Agriculture in Economic Development," in Marion Clawson (ed.), Natural Resources and International Development, (Baltimore: The Johns Hopkins Press, 1964), pp. 5 and 11.

Communist writers later tried to justify failure in providing adequate surplus from agriculture to finance industrialization. War damages and poor soil in Poland were held responsible. They did not see that the contemporaneous collectivization drive was a man-made depression. The agricultural product was much smaller because of the drive than it would have been without it. The rural areas were deprived by substantially more than the 20 percent estimated by Tepicht, and the excess over that 20 percent was pure waste. Peasants lost, but nobody gained.

In the years following 1953 the economic situation was permitted to drift and deteriorate further. No strong corrective measures were taken. The reasons were mainly political. Stalin's death and the quarrel among his successors distracted Soviet Russia's attention from its sister parties in the satellite countries. This permitted the latter a more independent look at their policies of the past and they often did not like what they belatedly saw. At least among the upper echelons of the Polish comrades there was a furious revaluation which fragmentized the top of the Party. Suddenly, in 1956, the economic crisis revealed its revolutionary potential. In the spring bread issue riots erupted in Poznan. Some repressive measures were revoked. The freeing from jail of Gomułka and Cardinal Wyszyński were perhaps among the most significant.

Peasants now started to press their case with more vigor than ever. From the beginning membership in collectives was supposedly voluntary. Gomułka was known to support this voluntary approach, but in the past it was dangerous to express a desire to withdraw from a collective.

Unexpectedly, mass applications for withdrawal from or even for disbanding whole collectives appeared.

At the end of September the State officially acknowledged the failure of the collectivization policy. It openly admitted that the government was receiving applications for withdrawals from the cooperatives on a much larger scale than in the past. The Party decided to permit some withdrawals as a sop to the "voluntary" nature of membership in collectives and hoped that formal obstacles to withdrawals would prevent the movement from becoming a massive one. The peasants, however, saw in the decision signs of weakness. They disregarded formalities required by the regime and within two weeks the whole cooperative sector collapsed.

The Eighth Plenum meeting, on October 19, 1956, elected the new Politburo, headed by Gomułka, but the change came too late to save collectives. All the Gomułka regime could do was to sanction peasant actions. Thus, the period of forced collectivization in Polish agriculture came to an end and the communist attempt to transform Polish agriculture along the Soviet Union line was buried in October, 1956.

#### 5. 1956 to 1970: Gomułka Presides over A Stagnating Agriculture

The political and economic upheaval in Poland in 1956 is too surprising to be left without explanation. At least a short analysis of its political background may help to explain events.

The Communist Party came to Poland and took power with the help of Russian bayonets. Brutal force and terror was used to impose and secure Party rule. In the process, a powerful centralized government

was created, its whole might used to transform the country politically, socially and economically. This revolution from above was supposed to justify itself to the Polish people by its "beneficial" results.

These results were not, however, adjudged beneficial either in the cities or in the country where people were deeply alienated. Conditions for a successful new revolution arose from below and the Poznań riots in 1956 were the first alarm. The leadership of the Party had the choice of giving up communism, but that would not be permitted by the Russians;<sup>52</sup> or it could retreat tactically, enough to persuade Poles that the system intended to reform itself. A wholesale change of personalities at the top of the Party could also help to calm the country or it could call on "fraternal" communist parties, mainly that of the Soviet Union, for help<sup>53</sup> in pacification if riots spread into outright revolution.

The final alternative appealed to the Party leadership, but it carried another danger, well supported by previous experience. What if Big Brother came to help, but evaluated the Polish leadership as inadequate and decided to exchange it for a new one--Moscow born?<sup>54</sup>

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<sup>52</sup>The impossibility of this choice was made clear by the suppression of the Hungarian uprising in 1956 and the invasion of Czechoslovakia, more than a decade later.

<sup>53</sup>The right and duty of communist parties to do so was later formalized in the so-called Brezhnev doctrine, and applied to the Czechoslovakian case.

<sup>54</sup>In the late '30s Stalin called a meeting of the leadership of the Polish Communist Party to Moscow and exterminated all who came. Only those who were in Polish prisons (for example, Gomulka) survived the massacre. When the communists took over Poland in 1945, many leading positions in the bureaucracy and armed forces went to Soviet citizens who were then given Polish citizenship. Specifically, Marshal Rokossowski, of Ruthenian descent, was made commander of Polish Forces and acted as the de facto Russian viceroy in Poland until his recall during Gomulka's regime.

It was the second alternative that was adopted and Gomułka was chosen to execute it.

When acceding to power Gomułka faced the collapse of the collective sector and he could do little else but sanction it. Repercussions of the collapse affected the fate of machine and tractor stations (MTSs). GOMs were completely disbanded, their machinery and implements (often old) sold to collectives and individual farms. Some POMs were also disbanded. The remainder survived by training tractor drivers, running repair shops, and serving PGRs and what was left of collectives. A new line of their competence were transport services (mainly transporting agricultural produce for the State).

In January 1957, the Communist Party (PZPR) and its rural satellite, United People's Party (Zjednoczone Stronnictwo Ludowe - ZSL), approved<sup>55</sup> "Directives Concerning Farm Policy." These "Directives" gave ZSL more freedom to act on its own, but their primary objective was to define the long-run communist policy with respect to Polish agriculture. "Socialization" remained the policy, but in a somewhat undefined far future. Promotion of the kolkhoz type of cooperatives was played down. Older cooperative forms suppressed at the time of the collectivization drive were now resurrected. Further, steps to cut the losses of the old policy were also taken. The post-World War II land reform had long been finished de facto but not de iure. Authorities often balked at giving legal titles to the new owners of land. Settlement of these matters was now hastened. Moreover, settlers in the new provinces (which had an abundance of uncultivated land in State hands although

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<sup>55</sup> See Korboński, op. cit., pp. 267-68.

often of low fertility) were permitted to enlarge their farms up to 15 ha. Compulsory deliveries were cut down and prices for agricultural products paid by the State about doubled. The progression on land tax was also cut severely. In July 1957, an act regulating the sale of land was issued (Dz. U. 1957, No. 39, item 172) which legally abolished restrictions on division of farms among family members. The purpose was to increase the cultivated area<sup>56</sup> and at the same time legalize widespread practice.

It was a very discomfoting time for the Party. Cities were "socialized," but the country was becoming a stronghold of independent peasantry. No other communist country in the Soviet Union's sphere of influence had such a structure. Consciences in Moscow and among domestic communists obviously needed easing. At the Ninth Plenum meeting in May 1957, Gomułka took pains to explain this deviation from the communist norm. He even drew on Lenin's famous thesis that small commodity production begets capitalism "every day and every hour." According to Gomułka, Lenin's thesis was applicable to Russia at the time of the Bolshevik Revolution but not to Poland in 1957. Here the existence of a powerful "socialized" sector guaranteed that capitalism could not revive.<sup>57</sup> But the Twelfth Plenum meeting in October 1958 condemned the theory of "permanent coexistence" of a socialist sector in the cities and private agriculture.<sup>58</sup> Leaving the development of agriculture to the forces of free play with no government intervention was branded as "revisionist."

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<sup>56</sup> See Korboński, op. cit., p. 284.

<sup>57</sup> See Korboński, op. cit., p. 282.

<sup>58</sup> See Korboński, op. cit., pp. 286-87.

The same Plenum offered kulaks somewhat better treatment than in the past. They were permitted to subdivide their landholds, thus escaping the brand of kulak. Kulaks could also join all forms of cooperatives as long as leadership positions of such cooperatives remained in the hands of medium and small peasants. This had a negative side, since it furthered the trend toward too small, non-optimal landholdings and to a numerical decline in the more progressive, innovative kulaks among Polish peasants.

One of the older forms of the Polish cooperative movement, the Agricultural Circles (Kółka Rolnicze) was revived and strongly pushed by the State in hope of bringing more "socialization" to the country. The origin of Circles goes back to Prussian rule in the Western provinces. An overwhelming pressure was exerted by the Prussian State and voluntary German associations (especially Ostmarkenverein) to buy up land from Poles and resettle it with Germans. Polish peasants resisted by banding together in loose associations: Agricultural Circles. The Circles grew further and expanded during the interwar period to other Polish territories. Although Circles before the second world war were non-political, they were an effective school for democratic leadership. In fact, the last Polish prime minister in exile, Mr. Mikołajczyk, was a circle leader in Poznań province before the war.

Circles were to be "socialization" substitutions for the discredited POMs. Only collectives and Circles would from now on be permitted to buy tractors and tractor-powered machinery. Other activities were also permitted. The growth of Circles is shown in Table 4.

TABLE 4: Numbers and Membership in Agricultural Circles, 1956-67

Year as of Dec. 31	1957	1958	1959	1960	1961	1962	1963	1964	1965	1966	1967
Numbers	11620	16470	21075	23135	25514	27909	30022	31387	32616	33568	34168
Members in thousands	390,6	571,9	722,1	803,5	907,9	1,063,4	1268,9	1471,7	1680,4	1918,8	2118,4

Source: Rocznik Statystyczny, 1968, Table 68(337).

The principle function of Circles was to offer services of modern machinery to members, but they had only a temporary monopoly. In 1966, Intercircle Machine Bases (Miedzykół/Bazy Maszynowe--MBMs) <sup>Kowe</sup> were organized. The state probably came to mistrust Circles, since later it began pressing Circles to transfer administration of MBMs to POMs. Rocznik Statystyczny, 1968, Table 61 (337) gives the following information on MBMs as of December 31 each year:

<u>Year</u>	<u>1966</u>	<u>1967</u>
<u>MBMs administered by</u>		
Circles	344	741
POMs	185	353

Finally, in 1959, Agricultural Development Fund (Fundusz Rozwoju Rolnictwa) was created to promote investment in Polish agriculture. The main supply of funds, however, was to come from agriculture itself.

The State was to pay to the Fund the difference between the price it paid for compulsory deliveries of agricultural products and the prices it would have paid had it contracted them under a voluntary delivery plan. In other words, Polish agriculture (primarily the individual peasant sector) was taxed to permit the State to finance development of Polish agriculture in general.

The State was now willing to advance faster towards the goal of socialization of agriculture, but this advance was to be more cautious than in the early '50s. Unfortunately for the State, the problem was deeply complicated by crisis and decay in agriculture. The growing city population demanded an improved standard of living, which in a poor country like Poland basically means more food. Immediately after the 1956 revolution, a return to private production and good climatic conditions increased food production, but the rate of increase was not sustained. I offer the data in Table 5.

These data show rise of production per inhabitant. Collapse of collectives and return to freer individual farm operations is reflected in the higher figures after 1956. In the '60s even higher levels were reached, but the yearly figures, even if trusted, show large variances. Events at the end of 1970 further the distrust.

Absolute and per ha. increases in production in the '60s, if true, can be explained by several factors. The State and individual farmers increased their investment in agriculture substantially. The State also produced and sold more fertilizer, more implements, and more building materials.

TABLE 5: Global Agricultural Production, 1946-67  
Selected Years, <sup>a/</sup>1950-52=100

Year	1946	1950	1955	1956	1957	1958	1959	1960	1961	1962	1963	1964	1965	1966	1967
Total	49,6	104,6	109,9	118,0	122,9	126,5	125,4	132,1	145,8	133,7	139,1	140,8	151,7	160,0	164,0
per ha	49,6	104,5	110,0	118,1	123,0	126,7	125,5	132,3	146,6	134,8	140,8	142,3	155,2	163,6	167,7
per in- habitant	52,4	106,5	101,9	107,3	109,7	111,2	108,4	112,5	123,1	111,5	114,6	114,3	121,8	127,6	129,8

Source: Rocznik Statystyczny, Table 2(278).

<sup>a/</sup> An index. Global agricultural production is the sum of gross value of plant and animal production priced up to 1959 at estimated own cost for the year 1956. From 1960 it is based on own cost estimate for 1959 and indices are then spliced. The make-up of these indices probably results in an overestimate of growth.

TABLE 6: Investment in Agriculture, in Billions  
of Złoty, in 1961 Prices, 1956-67

Year	1956	1957	1958	1959	1960	1961	1962	1963	1964	1965	1966	1967
Total by	12,0	13,2	13,9	14,6	15,4	16,4	17,3	18,9	22,3	26,0	28,7	31,7
indivi- dual farms	4,6	6,9	7,7	8,4	7,9	8,1	7,3	7,5	8,2	9,1	10,4	11,8
Circles	-	-	-	,2	,9	1,3	1,3	2,0	2,5	3,1	3,1	3,9
State farms (PGRs etc.)	3,3	3,2	3,2	3,0	3,3	3,0	4,3	4,4	5,3	6,4	7,1	7,4
Collectives	,8	,2	,2	,2	,2	,2	,2	,3	,4	,6	,8	,8
Total per ha of agri- cultural land	,6	,6	,7	,7	,8	,8	,9	,9	1,1	1,3	1,4	1,6

Source: Rocznik Statystyczny, 1968, Table 95 (371).

Investment in agriculture in 1961 prices in millions of zŁoty is given in Table 6. This table shows that State investment increased heavily over time, but its chief beneficiary were PGRs. This increased productivity (although not profitability) of this form of State enterprises. The skew distribution of State's investment proves that a communist state is not economizing on costs.

Other State activities may have helped also. Specifically, the State several times increased prices paid for agricultural products; major one in grain prices came in 1965. A network of State and collective sale and purchase enterprises was expanded. In 1966, the State entered future markets by agreeing to contract future crops at given prices. It was hoped that by 1970 50 percent of agricultural marketable surplus would be bought that way.<sup>59</sup> Those who sold to the State in turn acquired a "right" to purchase industrial feeds at supposedly 40 percent below State cost. This subsidy in 1967 cost the State 4.7 billion zŁoty and was expected to increase in 1970 to 7 billion zŁoty.

Unfortunately, a communist apparatchik presumes that those ruled cannot do anything right on their own. This contempt permeates even supposedly objective scientific studies. Effectiveness of a policy is equated with the "possibility of using broad administrative pressures."<sup>60</sup>

Consider the 1963 decree on "agrominima", which permits the State to enforce approved lines of agricultural production in a given locality. Also, bureaucrats may prescribe the minimal use of artificial fertilizers.

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<sup>59</sup> See Bodnar, op. cit., p. 216.

<sup>60</sup> See, for example, Bodnar, op. cit., 207. True, Marx and Lenin did not invent bureaucracy, but the claim that what communists do is "scientific" permits each communist bureaucrat to claim infallibility. Communists once in power turn with gusto into paper-pushers.

Thus, the decree interferes with a peasant's judgment as his own manager. Although the objective of modernizing Polish agriculture seems commendable, the peasant must consider State fixed prices for whatever he buys or sells. Given these, he must maximize his net returns. Agrominima, by forcing his hand, must make his operations less rewarding. Rigid and massive /applications of directives and laws in a communist country cause the total excess burden to be high. As this means low productivity (or high costs), communist writers in turn explain them away as a result of stubborn peasant resistance to modernization. Then they call for more interference, creating an ever-expanding vicious circle.

The plight of Polish agriculture was compounded by efforts to accelerate "socialization" in the '60s. The main vehicle was to be the State Land Fund (Państwowy Fundusz Ziemi--PZF). It administered State lands taken over during the first postwar land reform and not allocated to State farms (including PGRs), to collectives or to individual peasant farms.

After the collapse of collectivization in 1956 some of the cooperative lands, if donated by State, returned to PFZ. In the '60s, PFZ responsibilities were enlarged. It was to acquire farm land from the private farming sector to be passed on to State farms, to remaining collectives, or to other State or public uses. Where this land would not fit such purposes, it was to be used to enlarge individual farms which were considered too small by the communist administration, or to create new individual farms.

The legal basis was now supplied.<sup>61</sup> In 1962, a decree permitted

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<sup>61</sup>See Bodnar, op. cit., p. 219.

the State to take over private lands for compensation or for old age pensions.<sup>62</sup> In 1963, a new inheritance law forbade division of farm land without permission from the State. In 1967, a decree regulated payments of old age pensions and other compensation for land taken over by the State. Another decree that year permitted forceful expropriation of individual peasant holdings in cases of backward cultivation practices. A third decree permitted forced integration of checkerboard farm plots where this pattern of land holding persisted. Thus, old and new ills were "remedied" and "socialization" of Polish agriculture advanced.

By 1966, 1.8 million ha. of private land was without qualified heirs. This represented 455,000 farms. In addition, there were 52,000 farms, owning 470,000 ha. which were considered badly mis-managed. Of the latter, 200,000 ha. were already being processed for takeover by the PFZ.<sup>63</sup>

The transfer of private lands turned out to be more difficult than expected. First, such lands may have been unsuitable for any PGR or collective. Small plots, especially in checkerboard pattern, would be one case. Second, often there was no PGR or collective in proximity. Third, where a PGR was close the takeover of the land was extremely costly to the State. To make PGRs at least productive, if not paying

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<sup>62</sup>Bodnar, op. cit., p. 217 notes the aging of the rural population. Those over 60 years represented 11 percent in 1959, 16.5 percent in 1960, and 22.5 percent in 1966. Those below 24 years declined during this period.

This aging occurred mainly in the category of peasants owning over 2 ha. of land. In the category of landholders from .1 to 2 ha. there was a rejuvenation but the family heads in this group usually worked in industry and their land brought only side income as a garden plot.

<sup>63</sup>See Bodnar, op. cit., p. 216.

operation , the State had to invest heavily. The amount of required investment was, on the average, about double the price of land. No wonder nearly 50 percent of State investment was in PGRs. Passing such land to collectives, when these were close, was less costly but also left the land as unproductive as before the State take-over. Consequently, "socialization" of Polish agriculture was a rather slow process; by 1965, PGRs had increased their acreage only by 200,000 ha.<sup>64</sup>

Table 7 shows the land transfers to and from PFZ since 1957, and it shows that the acreage in PGRs increased by more than 200,000 ha. There were other changes as well. Land taken from individual farming was allocated to PGRs, but some PGR land was allocated to collective farms and other non-private uses. A conscious State policy tried to save collective farms from complete disappearance and endowment of public land to them was of major help.

After 1956 the few surviving collectives faced the problem of change in membership. The component of previously landless hiredhands and small peasants became large compared to the remaining former middle peasants. Endowing such collectives with state land was supposed to prevent "middle" peasants from leaving collectives, but that policy failed. In the 1960s collectives no longer shared class composition with the individual peasant sector. Collectives had become a non-peasant group of former landless large estate workers and *biedota*<sup>65</sup> (small peasants).

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<sup>64</sup>See Bodnar, *op. cit.*, p. 219.

<sup>65</sup>Tepicht, *op. cit.*, pp. 116-17 quotes interesting statistics. The membership of collectives stabilized numerically in '60s. There were 21,150 in 1961 and about the same number in 1965, but the class origin changed. In 1965, about 225,000 ha. were owned by collectives, of which only 42.5 percent was brought in by individual members. The remaining 57.5 percent came from the State.

TABLE 7: Turnover in PFZ Land, 1957-67  
(Thousands of ha.)

Description	1957 <sup>a</sup>	1958	1959	1960	1961	1962	1963	1964	1965	1966	1967
Balance as of January	613,5 <sup>b</sup>	705,4	866,6	889,2	973,2	920,3	947,2	1007,5	1016,9	1053,5	1068,2 <sup>c</sup>
Increase during the year from	500,6	350,4	277,6	233,6	152,9	214,5	224,6	171,8	229,9	167,7	170,7
Private farms on a/c of corrections	--	50,2	44,1	36,2	41,1	68,3	72,6	73,9	68,4	62,8	71,1
from collectives	--	192,4	76,2	157,6	81,6	136,7	145,0	92,8	157,3	101,4	94,1
from State farms	381,1	16,0	9,7	--	--	--	--	--	--	--	--
	--	91,8	97,6	39,8	30,2	9,5	7,0	5,1	4,2	3,5	5,5
Disposed finally	408,7	187,2	205,0	149,6	205,8	187,6	164,3	162,4	193,3	139,3	148,4
to private ownership											
new farms	133,7	57,1	38,3	37,6	29,5	25,2	22,2	24,7	49,9	38,1	40,0
existing farms (enlargement)	219,0	55,0	27,1	22,0	18,5	13,4	11,2	13,2	22,8	17,7	15,6
to socialized uses											
collectives	17,2	43,5	36,9	28,8	24,8	7,9	7,7	10,8	19,8	9,7	12,9
State farms	38,8	11,2	35,2	26,7	39,7	79,4	76,5	69,0	64,9	48,5	59,7
non-agricultural uses	--	22,4	67,5	34,5	73,3	61,7	46,7	44,7	35,9	25,3	20,2

Source: Rocznik Statystyczny, 1968, Table 97, p. 259.

a. Changes in this column represent the period from Sept. 30, 1956 to Dec. 31, 1957.

b. As of Sept. 30, 1956.

c. As of January 1, 1967. The figures for Dec. 31, 1966, differ slightly by corrections.

d. This row accounts for reclassification of rights from private to public use. It includes land without users and various corrections as to ownership of land in five large cities.

Polish agriculture had reached an impasse by the end of the '60s. The public sectors (both PGRs and collectives) were not paying their way<sup>66</sup> and modernization of PGRs was very costly to the State. General funds had to be diverted from industrialization and other uses, when the development theory called for the opposite. The private sector of Polish agriculture was also barely paying and it remained starved for investment goods. Individual peasants had to trade at State manipulated prices under relatively poor terms. The State made some effort to change these terms by increasing prices paid for food products, but private sales usually commanded higher prices, suggesting that the agricultural terms of trade stayed artificially low. On the real side of investment, the State increased deliveries of implements, machinery and building materials, but supply was tied to bureaucratic delays and rigidities, opening the way to graft and extortion by officials. Additionally, dwarf and near-dwarf individual peasant households were clearly suboptimal,<sup>67</sup> hence had higher costs, but for ideological reasons

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<sup>66</sup>Tepicht, *op. cit.*, pp. 105-110, complains that individual peasant farms had undue advantage over PGRs. The over populated private sector willingly produced at wages below the standard. This permitted peasants to undersell PGRs.

Western countries where small farms prevail also face low grain prices. A part of additional peasant labor is offered to society free. At the same time, such producers are extremely poor, which Tepicht considers unfair because their production does not enter price mechanism and formation of values. Karl Marx already noted this in *Das Kapital*, v. III, part 2 (See Polish edition *Kapitał*, v t. III, cześć 2, Warszawa, 1959, pp. 384-85). Then Tepicht quotes Gale Johnson and his use of the term "sale prices" for such a situation.

For economists' understanding of the problem, see also fn. 7.

<sup>67</sup>Władysław Bienkowski, *Kryzys Rolnictwa* (Crisis in Agriculture), Biblioteka Kultury, Tom 193, Paris: Institut Litteraire, 1970, p. 7, speaks of 80 ha. as the present optimal size of an agricultural establishment. This may well hold for grain factories, but livestock farms, if intensively run, may be smaller. The Polish private farms, however, were restricted by law to less than 50 ha. and de facto farms over 20 ha. barely exist.

any tendency towards integration into large units was either constrained or made legally impossible.

Gomułka's rule (October 1956 to December 1970) was a period of stagnation in the Polish agriculture. To cure the sick rural sector required strong measures in the economic and political sphere, but only half measures were forthcoming. The government was forced to call on the industrial sector to come to the rescue. As the latter was itself mismanaged, any possible surplus was low and diversion soon had negative repercussions on industrial growth. Thus, agricultural stagnation propagated itself onto industry. When Gomułka tried to repress the demand for food products in the cities--a half measure at best--by increasing consumer prices <sup>20 percent</sup> on average riots erupted and toppled Gomułka's government. My historical review ends with this event.

#### 6. Lesson from the Polish Experience

There are several interesting lessons that the Polish experience as here discussed may offer. The first is that it is a misleading cliché to claim that Poland, prior to the communist take-over after the second world war, was completely dominated by landlords. with the economic and socio-political structure of the country stagnating. In fact, the power of the landlords before the war was waning. Specifically, they were neither able to stop nor later to revoke, the land reform of 1920. The trend to independent small peasantry was irresistible.<sup>68</sup>

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<sup>68</sup>A famous pre-World War I Polish poet, Stanisław Wyspiański, wrote a symbolic play, Wesele (Wedding), in which a peasant's daughter marries a landlord's son. One of the guests states: "Chłop potęgą jest i basta (Peasant is a power, period)." At the time this was not obvious, but became so after the first world war when the new Polish State instituted land reform.

This trend also belied Marx's claim of inevitability of concentration in capitalist countries. Distribution of wealth and incomes became more equitable. Consequently, the direction of rural production changed. Large estates were mainly grain factories. Peasant holdings tended towards mixed grain-livestock production. In turn, food consumption in Poland became richer in proteins and less starchy, which must have improved the health of the population. Consumption patterns also changed. The landlord tradition of visiting foreign countries used foreign exchange earnings. Peasants took their consumption usually in the form of domestic food products. Investment patterns changed also. Peasants invested (among other things) in what is now known as human capital, i.e., education. An undeveloped country is often very short of this form of capital.

Second, from the economic development point of view, Polish land reform in the 1920s and '30s aimed at relieving overpopulation at times when emigration outlets dried up and the country as a whole was too short of managerial, technical and administrative skills to attempt industrialization. The excess of rural population stayed on the land and did not form a slum-dwelling city proletariat to be manipulated by professional revolutionaries or foreign agents. The reform did create conditions for growth of rural structural unemployment, but not all of this was bad. Agricultural products were cheaper, permitting Polish exports (including both city and agricultural products) to compete in world markets.

Third, industrialization, when it became possible, could have been financed heavily from agricultural surplus (rural savings and rural

only taxes). Perhaps/as little as 20 percent of the agricultural product was extracted for this purpose under communist misrule, which attempted forced collectivization at the same time. Brutal police methods, coupled with the placement of discouraging road blocks for individual peasants, must have resulted in a large excess burden, wherein the peasants lost but the country did not gain.

Fourth, optimal size in agriculture is an important factor in keeping costs down, but it need not be overwhelming. Bureaucratic interference has had highly negative effects on costs. Forced collectivization, although it may have produced more optimal-sized farms, resulted in a smaller rural product than a "natural" market would have brought.

Fifth, state interference in the country's price structure and in the management of individual peasant farms resulted in rural underinvestment. Further, the outflow of rural excess population to cities took with it young people in such numbers that the present peasant farm owners are over-aged. A state of rural crisis has arisen. Food production in Poland will continue to stagnate. Only a program of heavy investment of city surplus in the Polish agriculture, now combined with vast improvement in agricultural terms of trade will check the steeply rising costs and restore productivity gains in agriculture. It is doubtful whether such a program is politically feasible in present day Poland, with its industrial sector also badly mismanaged.

The basic inefficiency of the Polish communist system is clearly related to its Marxist ideology, which, being of a religious nature, cannot be tampered with. Accession of Gierek to power does not change anything. In fact, one expects from it less than from Gomułka's

accession in 1956. Then, at least, the top echelons were in ferment and producing new ideas. In 1971, one sees no such signs. The future of Polish agriculture and of the whole Polish economy as well looks very bleak. I predict another decade of stagnation, probably more food riots, more changes at the top and more bloodshed.

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