

TO THE EDITOR:

Professor Prybyla's interesting article on "Private Enterprise in Poland Since 1957," in the March, 1962, issue of the *Slavic Review*, sheds a great deal of light on the political and economic aspects of the existence of the private sector in Poland, and perhaps correctly emphasizes the uncertainty surrounding its continued existence in the long run.

The data he presents in support of his thesis, however, are not entirely comparable, and thus tend to misrepresent the decline in the private sector. The private sector in industry and handicrafts, on the basis of comparable data in the yearbooks, showed a tendency to decline, though very slightly, only after 1958, not in 1958, as shown in Professor Prybyla's data, and even in 1960, for which year data have now become available, has maintained itself relatively well.

The data in Table A (see below) show the true trend, I believe, better than Professor Prybyla's data. In his Tables 2, 3, and 4, he uses data for industrial handicrafts only in 1958 and 1959, while the data for the years

TABLE A
NUMBER OF ESTABLISHMENTS, EMPLOYMENT, AND APPRENTICES IN PRIVATE
SMALL INDUSTRY AND HANDICRAFTS: 1956 TO 1960

(All data refer to December 31. Data for handicrafts include
handicrafts registered in guilds)

Establishments, employment, and apprentices	1956	1957	1958	1959	1960
ESTABLISHMENTS					
Industry.....	4,490	7,998	9,756	9,984	8,734 ^a
Handicrafts.....	96,652	131,737	135,992	134,474	133,733
Industrial.....	83,004	110,867	112,827	109,657	106,304
Nonindustrial.....	13,648	20,870 ^b	23,165	24,817	27,429
EMPLOYMENT					
Industry.....	11,048	24,185	27,126	28,739	22,951 ^a
Handicrafts.....	141,314	209,495	227,084	226,690	223,258
Industrial.....	118,050	169,898	180,413	177,258	169,997
Nonindustrial.....	23,264	39,597 ^b	46,671	49,432	53,261
APPRENTICES					
Handicrafts.....	20,372	35,043	43,378	46,763	43,387
Industrial.....	N.A.	N.A.	N.A.	36,655	32,706
Nonindustrial.....	N.A.	N.A.	N.A.	10,108	10,681

^aExcluding industrial activities of social organizations, in which average employment in 1959 amounted to 3,300 persons (*Rocznik Statystyczny, 1961, p. 79*).

^bResidual.

N.A.—Not available.

Source: Small industry: 1956 and 1957: *Rocznik Statystyczny, 1959, p. 122*.

1958 and 1959: *Rocznik Statystyczny, 1960, p. 136*.

1960: *Rocznik Statystyczny, 1961, p. 129*.

Handicrafts: 1956, 1958 and 1959: *Rocznik Statystyczny, 1960, p. 455*.

1957 and 1960: *Rocznik Statystyczny, 1961, pp. 143, and 436-437*.

Apprentices: 1956: *Rocznik Statystyczny, 1957, p. 107*.

1957: *Rocznik Statystyczny, 1958, p. 117*.

1958: *Rocznik Statystyczny, 1959, p. 141*.

1959: *Rocznik Statystyczny, 1960, p. 455*.

1960: *Rocznik Statystyczny, 1961, p. 436*.

1956 and 1957 include nonindustrial handicrafts as well. Also, the data on the number of apprentices in handicrafts in 1959 include only those apprentices being trained in industrial establishments and exclude those in nonindustrial handicrafts, which the data for other years include. The data on employment in small private industry in Table A differ from those given by Professor Prybyla in Table 3 because data in Table A relate to the same date as the data on the number of establishments, December 31. Professor Prybyla's data on establishments in private industry are end-of-year data, while those on employees refer to an annual average number.

I have added two tables containing supplementary data that shed further light on the problem discussed. Table B gives data on industrial and nonindustrial handicrafts in two branches, "construction, building materials, and mineral extraction," and "other," for the years 1956 and 1958 to 1960. Table C supplements data on retail trade given by Professor Prybyla by adding the number of other establishments in the private sector in catering, personal services, and transportation.

As is shown in Table B, the number of establishments and employment in "construction, building materials, and mineral extraction" has been steadily increasing in recent years. In the remaining activities the number of industrial handicraft establishments has been declining, but the number of non-industrial handicraft establishments and employment in them have been increasing.

The trend in private noncompetitive activities and services is also apparent if we turn to the number of establishments in trade, services, and transportation (Table C). The decline in the number of private trade and catering establishments goes hand in hand with a fairly rapid rise in the number of such establishments in the socialized sector. In services, the number of private establishments has considerably increased. In private transportation, the decline is due entirely to the reduction in the number of horse-drawn carriers, but there was a sizable rise in private establishments using automotive transportation.

It should be noted, moreover, that data on the private sector in the yearbooks refer only to licensed crafts and trades. Several thousand unregistered craftsmen were reported to be operating alongside those who have been licensed. The total number of service establishments in urban areas was reported to be around 34,000, a much higher number than that given in the yearbooks. (See Jozef Gabjan and Kazimierz Wieckowski, "Opodatkowanie prywatnej gospodarki," *Finanse*, XII, No. 10 [Oct., 1961], 24-25.) In addition, the private sector includes private activities of persons in the liberal professions. The magnitude of these categories may be established from the number of such taxpayers reported in the *Rocznik Statystyczny*, 1959, page 367, and *Rocznik Statystyczny*, 1961, page 404. They show a steady increase in both the liberal professions and services.

These data would reinforce Professor Prybyla's point that the private sector can best be maintained in those activities which supplement the socialist sector and where the need is considerable, rather than in activities which would be competitive. They do not alter Professor Prybyla's arguments that the private sector remains a "foster child" in the Communist countries.

TABLE B

INDUSTRIAL AND NONINDUSTRIAL HANDICRAFT ESTABLISHMENTS, AND EMPLOYMENT
BY BRANCH OF ACTIVITY: 1956 AND 1958 TO 1960(All data refer to December 31. Data for handicrafts include
handicrafts registered in guilds)

Year and branch of activity	Number of Establishments		Employment	
	Industrial	Nonindustrial	Industrial	Nonindustrial
1956				
Construction, building materials and mineral extraction.....	1,292	6,932	1,978	11,962
Other.....	81,712	6,716	116,072	11,302
1958				
Construction, building materials and mineral extraction.....	2,584	14,342	4,690	29,638
Other.....	110,243	8,823	175,723	17,033
1959				
Construction, building materials and mineral extraction.....	2,782	15,707	4,896	30,607
Other.....	106,875	9,110	172,362	18,825
1960				
Construction, building materials and mineral extraction.....	2,912	18,005	4,961	33,085
Other.....	103,392	9,424	165,036	20,176

Source: 1956 and 1960: Based on *Rocznik Statystyczny, 1961*, pp. 143, and 437-439.1958: Based on *Rocznik Statystyczny, 1960*, p. 152, and *Rocznik Statystyczny, 1959*, pp. 139-140.1959: Based on *Rocznik Statystyczny, 1960*, pp. 152, and 456-457.

TABLE C

NUMBER OF PRIVATE ESTABLISHMENTS IN TRADE, CATERING,
SERVICES, AND TRANSPORTATION

(All data refer to December 31)

Establishment	1955	1956	1957	1958	1959	1960
TOTAL.....	26,746	33,277	48,047	46,197	46,197	44,007
Retail trade.....	14,059	15,150	25,330	23,535	21,816	20,276
Catering establishments.....	479	755	2,233	1,718	1,399	1,118
Hotels and boarding houses	94	92	105	120	144	131
Services.....	3,224	3,141	4,140	4,609	5,309	5,686
Freight transportation.....	2,359	7,597	7,892	7,029	7,581	6,700
Automotive.....	449	387	604	657	641	673
Horse-drawn.....	1,910	7,210	7,288	6,372	6,940	6,027
Passenger transportation.....	6,531	6,542	8,347	9,186	9,948	10,096
Automotive.....	5,095	5,318	7,115	8,077	8,986	9,334
Horse-drawn.....	1,436	1,224	1,232	1,109	962	762

Source: 1955 to 1959: *Rocznik Statystyczny, 1960*, p. 458.1960: *Rocznik Statystyczny, 1961*, p. 440.

They do not support, however, his conclusion of a rapid deterioration in the private sector activities in Poland.

Plans for 1965 count on doubling the volume of services of handicrafts for the population, either by increasing the number of such establishments and their employment or by shifting some handicrafts from production to service activities (see Gabjan and Wieckowski, p. 24).

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