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SUBJECT "Iron Letters" for Polish Private Enterprises
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1. Introduction

a. Nationalization of Industry

In accordance with a decree issued on 3 January 1946 all industrial enterprises employing over 50 workers in one shift were nationalized. This task was carried out by the Voivodship Nationalization Commissions. The Main Commission for the Nationalization of Industry has since been considering applications appealing against nationalization. Approximately 3,000 appeals have been lodged, half of which were dealt with up to 1 January 1948. The remainder will be examined up to July 1948, when the task of nationalizing industry will be completed.

b. State Industry's Dependence on Help From Private Enterprises

- (1) Because small quantities of various industrial products are not manufactured by State factories, State industry is dependent on help from private enterprise. Particularly in cases of mass production, where there is need of auxiliary products not manufactured by State factories, reliance is placed on obtaining supplies through private workshops. These are, therefore, highly valued, the more so as the proprietor, usually being an expert in his trade, can be relied on to give apprentices the benefit of his experience.
- (2) In consideration of the above situation, Minc, on behalf of the Government, appointed Vice-Minister Szyr in January 1947 to organize a so-called "private sector" of industry. Many skilled workers, engaged on the free or black market, have been awaiting a chance to start on their own, and it has been Szyr's task to regulate the position of such highly trained men and to guarantee their employment, thus indirectly aiding State Industry.

2. Iron Letters

- a. These are letters of guarantee issued by the Government to private industrial enterprises stating that they will not be nationalized, requisitioned or closed down.

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CENTRAL INTELLIGENCE AGENCY

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- b. Private concerns can exist only if their proprietors have such a guarantee, as they are dependent on the State for the supply of the necessary raw materials.
- c. "Iron letters" can be received by enterprises only under the following conditions:
- (1) That the manufactured products are required by a branch of State industry, which places orders with the particular concern and controls the actual production.
 - (2) That the owner abides by the agreed scale of wages common to all similar workers in the same branch of industry.
 - (3) That the control of raw materials is exercised by the State.
 - (4) That the owner is not in direct control of the personnel. Workshops are allotted supervisors by the Department of Cadres in the Ministry of Industry and Trade. These men are members of the PPR and have the additional task of confidential investigation of, and reporting on, the employees.
 - (5) That the workshops from time to time are inspected by a local "Social Committee" (Komitet Społeczny) consisting of representatives from the political parties. Its task is to examine the relations between proprietor and workers, the keeping of social laws, etc.
- d. A so-called "Currency Amnesty" (Amnestja Dewizowa) is in force for owners of small enterprises. If a proprietor has stored foreign currency, he is entitled to use it for purchasing machinery and installations abroad. This currency is not changed into zloty but is transferred direct to the country in which the purchase is made.
- e. In accordance with the afore-mentioned conditions, the Minister of Industry and Trade issued on 9 December 1947 a special instruction concerning the issue of "iron letters", as follows:
- "Newly created enterprises are inviolable private property. A proprietor has the right to dispose of his property within the framework of the current regulations, and the State assures a proprietor the free development of his enterprise and support within the framework of the State Economic Plan".
- f. "Iron letters" are signed by Voivodes and the City Presidents of Warsaw and Lodz and, in exceptional circumstances only, by their deputies.

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