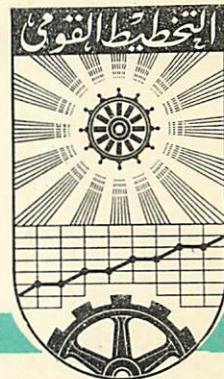


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NATIONAL BUDGETING
in
POLISH PRACTICE

by

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NATIONAL BUDGETING IN POLISH PRACTICE

The term of "national budgeting" is not used neither in Polish planning practice, nor-as far, as I am informed-in the planning practice of any other socialist country. In the last twenty years, however, this term has got a wide propagation in the world economic literature, being used as a name of financial plans (relating to the future) or of financial reports (relating to the past) enclosing the financial activity of the national economy as a whole, of all its sectors. Such plans and reports, under different names, are made in all socialist countries, forming a part of their economic planning systems. In the Soviet Union so-called "resuming" financial plans and reports are made since nearly forty years. In others socialist countries they are much since about twenty years. During this time, names adopted to these plans changed, and their construction has changed too. There is no common term, expressing their content adequately, and therefore I have used in the title of this paper the term of "national budgeting", although it does not reflect exactly the meaning of "resuming" financial planning, performed in the practice of the socialist economic planning. The differences between the national budgeting being realised in western countries and the resuming financial planning in socialist countries are not so great, if we consider only the methodological side of them, and not the role in the practical management of the national economy.

In the Polish practice the role of the national budget is played by two aggregate financial plans, with the system of supplementary tables, enclosing detailed figures of some items of aggregate plans. All these plans are established for annual periods and for quarterly periods. Annual national budgets are strictly connected with annual national economic plans, and thence they have the whole explanation in physical plans, especially in the plan of the creation and the appropriation of the national income, in the balance-sheet of production (input-output table), in the investment plan etc., as well as in annual operational financial plans (the annual state budget and in the annual credit plan).

The quarterly national budgets are not supported with fully elaborated physical plans; especially no aggregate physical plans are established for quarterly periods. Therefore, quarterly national budgets are based on sectorial (or branchial) estimates of the implementation of quarterly sections of annual plans' targets, physical as well as financial ones, and or quarterly operational financial plans (the state budget, the credit plan, the cash turnover plan).

The differences in the documentation available for the estimation of annual and quarterly national budgets are not directly reflected in the construction of their tables; the forms applied to national budgeting remain in both cases the same. But, of course, the methodology of calculating the same items in both cases must be different, and also the functions and the role of the national budgets in both cases are different.

The annual national budgets serve mainly to the purposes of verifying and adjusting the internal integration of the physical and financial plans and of the different operational financial plans, established for annual periods. The quarterly national budgets, being only aggregate economic plans established for short periods, serve mainly as the basis for operational governmental decisions assuring the implementation of annual targets. At the same time, the quarterly national budgets assure the internal coherence of operational quarterly financial plans.

The most important summarising part of the national budget in the Polish actual practice is the so-called "financial balance-sheet of the state". It is composed of following main items:

I. Monetary revenues:

- 1/ The gross benefit of socialist enterprises;
- 2/ The amortisation fund socialist enterprises,
- 3/ The monetary revenues of the state budget-the payments from the enterprises' gross benefit, from their amortisation fund and allocations of state's financial institutions deducted,
- 4/ The monetary revenues of the state's financial institutions,

- 5/ The reimbursment of bank credits granted to the private sector,
- 6/ The increase of private deposits on bank accounts and saving books,
- 7/ The increase of cash in circulation.
- 8/ The balance of foreign settlements.

II. Monetary expenditures:

- 1/ Current expenditures of the state budget,
- 2/ Expenditures of state's financial institutions,
- 3/ Expenditures of state enterprises' bonus funds and of cooperative funds,
- 4/ Bank credits granted to the private sector,
- 5/ Expenditures on investments,
- 6/ Expenditures on the increase of stocks and reserves ,
- 7/ Balancing item.

The construction of this financial balance-sheet is not too transparent, and this document without supplementary documentation is poorly legible. The principle of its construction is to include all resources of monetary revenues and all directions of monetary expenditures of the socialist sector, no distinction being made of their internal redistribution among different financial systems within the socialist sector. That is why the gross benefit of socialist enterprises in the state financial balance-sheet is all included in one items only, although in practice it is distributed among enterprises and the state budget. In the same way, the amortisation fund is persented as one items only, although it may also be distributed among enterprises and the state budget.

But the principle of disregarding the internal redistribution of monetary revenues and expenditures within the so-cialist sector is not consequently adopted to the next two items of the balance's revenues side. Item 3/-monetary revenues of the state budget, after the deduction of payments executed by the socialist enterprises from their gross benefit and amortisation fund and by the state's financial institutions (banks, saving-banks, general insurance company) include not only revenues from the private sector, but also from the socialist sector, and namely local taxes and the payments to the social

insurance. In consequence, this item includes budgetary revenues from the private sector as from the socialist sector as well, preventing to establish a clear picture of the financial relations between the socialist and the private sectors.

The same confusion occurs in the item 4/- monetary revenues of the state's financial institutions, including payments on interests on bank loans and insurance premiums of both sectors. The following two items of the revenues side (5 and 6) reflect revenues received exclusively from the private sector, while in the item 7 (the increase of the amount of bank - notes in circulation) both sources of revenues are again mixed, because some small cash reserves are held by the socialist enterprises and institutions, although the preponderous part of cash is held by private persons and enterprises.

The last item of the revenues side of the state financial balance-sheet may have either positive or negative value, expressing in the first case the increase of the indebtedness towards foreign countries, in the second case the increase of claims on them. The balance of foreign settlements is here expressed in current zlotys (not in foreign currencies), and the balance of "budgetary differences" derived of exchange rates adopted to the overvaluation of foreign settlements included in to the enterprises' gross benefit.

Current expenditures of the state budget include all budgetary expenditures except the expenditures on investments and on the increase in stocks and material reserves. Here we observe again the amalgamation of the financial transactions with the private sector and the monetary expenditures of the socialist sector. Current expenditures of the state budget include namely wages, subsidies etc., paid to private persons, as well as state expenditures on material goods and services used in non-productive activity (administration, education, public health, national defence etc.,)

The expenditures of the state's financial institutions have the same confused character, including wages and salaries paid to private persons, as well as material expenditures bound with running their activity.

The expenditures of states' enterprises bonus funds and of cooperative funds (item 3) reflect that part of the gross (or net) benefit, which is distributed among workers of the socialist enterprises, and therefore may be considered as the adjustment made on item (1) of the revenues side (the gross benefit of socialist enterprises) in order to calculate the amount disposable for state expenditures. Bank credits granted to the private sector represent another part of state's purchase power, transferred to private persons and enterprisrs. All monetary revenues of the socialist sector, reduced by the current expenditures on collective consumption and by the transfers to the private sector, present the financial possibilities of the socialist sector to cover investment expenditures and purchases of goods to increase stocks.

The aggregation of different items being too far pushed, the financial state balance-sheet must be accompanied by supplementary tables, indicating in more detailed manner the financial relations within the socialist sector and between the socialist and the private sector as well. These supplementary tables include:

- 1/ The plan of the accumulation of the gross benefit in socialist enterprises (by branches) and its repartition among the state budget, development funds and bonus funds,
- 2/ The plan of the accumulation of the amortisation fund and its repartition (by branches),
- 3/ The credit plan, including detailed data on credits granted to the private sector and their reimbursment, as well as data on the increase in private deposits, savings accounts and the increase of the amount of bank-notes in circulation,
- 4/ Detailed data on budgetary revenues and current expenditures,
- 5/ The plan of the investment expenditures.

It is evident that in the normal planning procedure the detailed "supplementary" tables are established first, and only on their basis is then established the aggregate table of the state financial balance sheet in the above described from.

National budgeting, including the construction the detailed and the aggregate financial tables, is the common task of the State's Planning Commission, of the Ministry of Finance and of the National Bank of Poland. Each of these institutions disposes of its own sources of necessary information and data, and their collaboration in the procedure of national budgeting allows to compare and mutually verify different estimates, especially during the implementation of annual plans, when no aggregate physical plans for short periods are available.

In the most general outline, the estimation of the quarterly national budget proceeds as follows:

- 1/ All "economical" ministries (ministries managing branches of the national economy; for ex. the ministry of mining and energy, the ministry of the heavy industry etc., prepare their estimates of the accumulation of the gross benefit by their enterprises in the coming quarter. These estimates are verified and corrected by the ministry of finance, which establishes the final estimate, indicating the repartition of the gross benefit among the state budget and enterprises.
- 2/ The ministry of finance prepares the estimates of the accumulation of the amortisation funds, of the other decentralised means for investments and compares them with the estimated physical implementation of investment targets in order to estimate budgetary expenditures on investments and the increase in bank credits on investments. The banks prepare their own estimates of the accumulation of decentralised funds and their utilisation, of the budgetary expenditures on investments and of the increase of bank credits on investments. On this basis, the final quarterly plan of investment expenditures is drawn up (after consultation with the ministry of construction and of the industry of construction materials).
- 3/ The ministry of finance, using the above mentioned plans, prepares its estimates of the implementation of the state budget in the

coming quarter, indicating especially; estimated budgetary revenues from the socialist and from the private sectors, current expenditures, investment expenditures, expenditures on the increase of stocks (if financed with budgetary funds) and the estimated surplus of the budgetary revenues over the budgetary expenditures.

- 4/ The National Bank of Poland (with the collaboration of other banks) drafts the cash turnover plan, which is strictly connected with the plan of monetary revenues and expenditures of the population, and the credit plan.^{1/} These two plans indicate such items of the state financial balance sheet as the credits granted to the private sector and their reimbursement, the increase of savings and cash reserves within the private sector (which is almost equal to the increase of the amount of bank-notes in the circulation), the increase of stocks within the socialist sector, the increase of enterprises own circulating funds, the increase of investment and short-term credits granted to the socialist sector.

In the preliminary stage, the state financial balance-sheet, composed of the data and estimates coming from different sources and established by different methods, is never balanced. In most cases the estimated revenues are greater than estimated expenditures, giving some "surplus". This surplus has no real economic meaning and indicates only, that some mistakes have been made in estimates. If the balance-sheet of monetary revenues and expenditures of the population is well balanced (and in most cases it is) - mistakes would be made in estimates concerning financial operations within the socialist sector. The main source of these mistakes in the quarterly plans is the lack of connection between the estimates of the enterprises gross benefit and the estimates of the increase of stocks.

In the simplified calculation of the processes of the creation and of the distribution of material products and of monetary revenues, the gross benefit of enterprises is the starting point, increase of stocks is the final

"1" The detailed description of the credit plan, will be given in another paper.

result. By the accurate calculation, the gross benefit augmented by the wages, the amortisation fund and costs forming payments to the state budget and financial institutions, ought to be equal to the value of all disposable final products. Deducting of the value of final products the individual and collective consumption, and of the gross benefit current expenditures of the state budget and financial institutions we ought to get in result the equality between state's funds on investments and on the increase in stocks on one hand and the invested and stored goods on the other. But this does not happen, because for short periods (quarters) no calculation of the whole production of material goods and their distribution is made. In the annual national budgets, of course, no difficulties of balancing occur, because annual physical plans are available. In quarterly national budgets, the starting point of the distribution of material goods-the gross benefit-and the final result-the increase of stocks-are planned independently. This is why the balancing item appears mainly on the expenditures' side of the state financial balance-sheet.

Naturally, the appearance of this non-balanced gap invites the planning organs to review their estimates. In most cases, they succeeded to diminish the balancing gap up to an insignificant size, but it must be underlined that the establishment of the fully balanced national budget is impossible without a well-balanced input-output table of the whole material production. For the time being, such tables for quarterly periods are not yet drawn up in Polish planning system.

The estimates of the final production (i.e. of consumption goods and investment goods), are as a rule very correct, as well as the estimates of their use in consumption and in investments. The estimates of the production of raw materials and semi-finished products, and especially the estimates of intermediate consumption in the production of final goods, are less certain, and this is why the increase of stocks is the weakest point in quarterly national budgeting in Poland. Furthermore, the forms used actually for presentation of the national budgets, and especially their legibility, are far from perfection.

The improvement of actual methods of short-term national budgeting, if it were not be limited to the rather easy introduction of more legible tables and forms, would require the use of electronic machines, which would allow to collect, aggregate and transform very quickly current information about economic developments, coming from dispersed sources. The first attempt of applying electronic techniques for transforming economic data for purposes of national budgeting, especially in connection with credit planning, will be made by the National Bank of Poland. The system will be based on data on monetary settlements, performed by the bank offices, and at the first stage of its adoption will allow to establish aggregate reports on monetary flows uniting different groups of economic units. At the next stage of its adoption, a system of estimation of future developments of monetary settlements on the basis of statistical reports will be elaborated.

Electronic systems of transforming data allow to obtain reports of different degrees of aggregation. For the purpose of presenting general results of the monetary activity of the whole national economy in a transparent form, a high degree of aggregation is needed. It is actually proposed to prepare the general table of the financial activity of the national economy in the following form, based on "input-output" principle.

The Financial Balance-Sheet of the National
Economy.

		1	2	3	4	5	6	7	8	9	10	11	12	TOTAL
I	1	P ₁₁	P ₁₂	E ₁₃	C ₁₄	C ₁₅	G ₁₆	B ₁₇	A ₁₈	A ₁₉			b ₁	P ₁
	2	P ₂₁	P ₂₂		C ₂₄	C ₂₅	G ₂₆	B ₂₇	A ₂₈	A ₂₉			b ₂	P ₂
II	3	P ₃₁			C ₃₄	C ₃₅	G ₃₆	B ₃₇			K ₃₁₀	K ₃₁₁	b ₃	P ₃
III	4	U ₄₁	U ₄₂	U ₄₃			G ₄₆	B ₄₇					b ₄	U ₄
	5	U ₅₁	U ₅₂	U ₅₃			G ₅₆						b ₅	U ₅
IV	6	V ₆₁	V ₆₂	V ₆₃	V ₆₄	V ₆₅	V ₆₆				K ₆₁₀	K ₆₁₁	b ₆	G
V	7	D ₇₁	D ₇₂	D ₇₃	D ₇₄	D ₇₅	D ₇₆						b ₇	B
VI	8	S ₈₁			S ₈₄						K ₈₁₀	K ₈₁₁	b ₈	A ₈
	9		S ₉₂			S ₉₅	S ₉₆	S ₈₇			K ₉₁₀	K ₉₁₁	b ₉	A ₉
VII	10						M ₁₀₆			M ₁₀₉			b ₁₀	M
	11	R ₁₁₁					E ₁₁₆	R ₁₁₇	R ₁₁₈	R ₁₁₉			b ₁₁	R
VIII	12	a ₁	a ₂	a ₃	a ₄	a ₅	a ₆	a ₇	a ₈	a ₉	a ₁₀	a ₁₁		
TOTAL		P ₁	P ₂	P ₃	U ₄	U ₅	G	B	A ₈	A ₉	MR			

The horizontal lines includes figures of monetary revenues of respective sectors, the vertical ones those of monetary expenditures.

The table includes the following sectors:

- 1) Socialist enterprises ,
- 2) Private enterprises,
- 3) Foreign trade; horizontally importation, vertically exportation,
- 4) Socialist unites of non-productive services, not included in the state budget,
- 5) Private units of non-productive services,
- 6) The population (individual households),

- 7) The state budget,
- 8) Funds financing investments and the increase in stocks' in the socialist sector,
- 9) Funds financing investments and stocks' increase in the private sector,
- 10) Horizontally the increase of cash reserves, vertically the increase of short term credits granted.
- 11) Horizontally the increase of bank deposits, vertically the increase of long-term (investment) credits granted,
- 12) Balancing quantities.

The system of sub-accounts will allow to disaggregate the data included in the aggregate financial balance-sheet, especially the items of socialist enterprises, of the foreign trade and of the funds financing investments and the stocks' increase, where the disaggregation by branches of the national economy is needed.

It is presumed, that the financial coefficients, calculated upon financial reports established in this form, indicating the relationships between the different sectors and operations, will allow to establish estimate of the future financial activity, starting of some preliminary data, as for example the estimated value of the material production in the socialist and private sectors. On the basis of these coefficients it will be possible to estimate items where no preliminary or direct estimates are made, and to verify the internal coherence of the estimates directly made.

APPENDIX to the paper;

NATIONAL BUDGETING IN POLISH PRACTICE .

This appendix includes a numerical example of national budgeting, aiming to compare methods of national budgeting used by western countries with those used in Poland, and namely:

- 1) A standardised system of national accounts ,
- 2) The financial balance-sheet of the state and supplementary financial tables used at present in Poland,
- 3) The financial "input-output" table, proposed as a method of national budgeting for the five-years plan 1966-1970.

In order to give all the details of the numerical example and make it as clear as possible, more detailed accounts have been introduced (instead of normally used in the standardised system "consolidated" accounts), and have received following numbers:

I. The socialist sector-material production (SMP).

- 1) The production account .
- 2) The income account .
- 3) The capital account-investments .
- 4) The capital-account-stocks .

II. The socialist sector-foreign trade (SFT).

- 5) The production account .
- 6) The capital account .

III. The private sector (P)

- 7) The production account
- 8) The capital account .
- 9) The income account .

IV. The socialist sector-non productive services (SNS)

- 10) The production account .

V. The state budget (SB)

11) The income account .

12) The capital account .

VI. The banking system (SCr).

13) The income (allocation) account.

The following operations have been entered in the above mentioned accounts (the numbers of operations are marked on the accounts too).

<u>Number</u>	<u>Content</u>	<u>Sum</u>	<u>Numbers</u> <u>D-t.</u>	<u>of accounts</u> <u>C-t</u>
1	The value of exported goods	100	5	1
2	The industrial intermediate consumption of materials	200	1	1
3	Goods sold for collective consumption	60	11	1
4)a	Goods sold for individual consumption	280	9	1
4)b	Goods sold for private investments	30	8	1
5	Goods sold for budgetary (non productive) investments.	50	12	1
6	Goods sold for productive investments	60	3	1
7	Goods sold for the formation of stocks	70	7	1
8	The value of imported goods	120	1	5
9	The value of goods supplied by the private sector.	100	1	7
10	The amortisation of capital goods in socialist enterprises.	50	1	3
11	The payments to the social insurance system	50	1	11
12	Wages paid by socialist prod. enterprises	170	1	9
13	The gross benefit of SMP	310	1	2
14	The turnover tax.	230	2	11

15	The income tax paid by SMP	40	2	11
16	Bonuses paid by SMP	10	2	9
17	The development fund for investments	10	2	3
18	The development fund for stocks increase	20	2	4
19	Wages paid by SFT	10	5	9
20	The balance of budgetary differences in the foreign trade.	5	5	11
21	The foreign loan	5	5	6
22	The intermediate consumption within the private sector.	100	7	7
23	Income from the private sector	100	7	9
24	Non-productive services sold to the population.	50	9	10
25	Non-productive services sold to the state budget.	10	11	10
26	Transfer of the foreign loan to the state budget.	5	6	11
27	Wages paid by SNS	20	10	9
28	Income tax paid by SNS	40	10	11
29	Consumption credits granted to the population .	15	13	9
30	The reimbursment of con. credits	10	9	13
31	Taxes paid by the population.	30	9	11
32	Wages paid by the state budget	80	11	9
33	Savings of the population	35	9	8
34	Investment credits granted to P.	45	13	8
35	The reimbursment of invest. credits by the private sector.	30	8	13
36	The increase of deposits on private accounts and sav. books.	20	8	13
37	Budgetary subsidies for investments	140	11	3
38	The surplus of budgetary revenues over current expenditure.	110	11	12

39	The net surplus of budgetary revenues over all expenditures.	60	12	13
40	Short term credits granted to SMP	50	13	4
41	Investment credits granted to SMP	10	13	3

The transaction are booked on separate accounts as follows:

1: SMP-the production account

(2)	200	(1)	100
(8)	120	(2)	200
(9)	100	(3)	60
(10)	50	(4a)	280
(11)	50	(4b)	30
(12)	170	(5)	50
(13)	310	(6)	210
		(7)	70
TOTAL	<u>1000</u>	TOTAL	<u>1000</u>

2: SMP-the income account

(14)	230	(13)	310
(15)	40		
(16)	10		
(17)	10		
(18)	20		
TOTAL	<u>310</u>	TOTAL	<u>310</u>

3: SMP-the capital account-investments

(6)	210	(10)	50
		(17)	10
		(37)	140
		(41)	10
TOTAL	<u>20</u>	TOTAL	<u>210</u>

4: SMP-the capital account-stocks

(7)	70	(18)	20
		(40)	50
TOTAL	<u>70</u>	TOTAL	<u>70</u>

5: SFT-the production account

(1)	100	(8)	120
(19)	10		
(20)	5		
(21)	5		
TOTAL	<u>120</u>	TOTAL	<u>120</u>

6: SFT-the capital account

(26)	5	(21)	5
TOTAL	<u>5</u>	TOTAL	<u>5</u>

7: P-the production account

(22)	100	(9)	100
(13)	100	(22)	100
TOTAL	<u>200</u>	TOTAL	<u>200</u>

8: P-the capital account

(46)	30	(33)	35
(35)	30	(34)	45
(36)	20		
TOTAL	<u>80</u>	TOTAL	<u>80</u>

9: P-the income account

(4a)	280	(12)	170
(24)	50	(16)	10
(30)	10	(19)	10
(31)	30	(23)	100
(33)	35	(27)	20
		(29)	15
		(32)	80
TOTAL	<u>405</u>	TOTAL	<u>405</u>

10: SNS-the production account

(27)	20	(24)	50
(28)	40	(25)	10
TOTAL	<u>60</u>	TOTAL	<u>60</u>

11: SB-the income account

(3)	60	(12)	50
(25)	10	(14)	230
(32)	80	(15)	40
(37)	140	(20)	5
(38)	110	(26)	5
		(28)	40
		(31)	30
TOTAL	<u>400</u>	TOTAL	<u>400</u>

12: SB-the capital account

(5)	50	(38)	110
(39)	60		
TOTAL	<u>110</u>	TOTAL	<u>110</u>

13: SGr-the income(allocation) account.

(29)	15	(30)	10
(34)	45	(35)	30
(40)	50	(36)	20
(41)	10	(39)	60
TOTAL	<u>120</u>	TOTAL	<u>120</u>

In the system of national budgeting adopted in Poland at presents the above-mentioned transactions are presented by following financial plans:

The Financial balance-sheet of the state:

I. Monetary revenues.

1) The gross benefit of the socialist enterprises.	315
2) The amortisation fund .	50
3) The revenues of the state budget-payment from gross benefit excluded.	120
4) The monetary revenues of the state financial institutions.	-
5) The reimbursement of bank credits granted to the private sector.	40
6) The increase of private deposits.	20
7) The increase of cash circulation.	
8) The balance of foreign settlements .	5
TOTAL	<u>550</u>

II. Monetary expenditures

1) Current expenditures of the state budget	150
2) Expenditures of the state financial institutions	-
3) Expenditures from bonus' funds	10
4) Bank credits granted to the private sector	60
5) Expenditures on investments	260
6) Expenditures on the stocks' increase	70
TOTAL	<u>550</u>

The balance sheet of monetary revenues and expenditures of the population (private sector)

I. Monetary revenues

1) Wages and salaries	280
2) Bonuses	10
3) Social insurance and budgetary subsidies	-
4) Revenues from the sale of products to the socialist sector	100
5) Bank credits granted	60
TOTAL	<u>450</u>

II. Monetary expenditures	
1) Purchase of goods	310
2) Purchase of services	50
3) Taxes	30
4) The reimbursement of bank credits	40
5) The increase of monetary savings	20
TOTAL	<u>450</u>

The credit plan

A. The active side.

I . The increase of credits grnated to socialist enterprises

1- Short term credits	50
2- Long term credits .	10

II. The increase of credits grnated to the private sector.

1- Short term credits	5
2- Long term credits .	15

TOTAL

80

B. The passive side

I . The change of deposists on enterprises' accounts	-
II . The change of deposits on private accounts	20
III. The change on foreign accounts	-
IV . The change on state's account	60
V . The change of banks' own funds	-
VI . The change of cash in circulation	-

TOTAL

80

The following supplementary financial plans are attached to the financial balance sheet of the state and to the credit plan.

The plan of the gross benefit.

I . The accumulation of the gross benefit:

1- The inside accumulation (by branches)	310
2- The results of the foreign trade	5
TOTAL	<u>315</u>

II. The allocation of the gross benefit .

1- The turnover tax	230
2- The income tax	40
3- The balance of budgetary differences on the foreign trade.	5
4- The bonuses fund .	10
5- The development fund: on investments on own floating funds.	<u>10</u> <u>20</u>
TOTAL	<u>315</u>

The plan of financing the stocks' increase

The stocks' increas	70	The increase of own floating funds	20
		Bank short term credits	50
	<u>70</u>		<u>70</u>

The plan of financing investments

The expenditures on investments.	260	The amortisation fund	50
		The development fund	10
		Budgetary subsidies	190
		Bank long term credits	10
	<u>260</u>		<u>260</u>

When comparing the system of the national accounts with the financial plans used in Polish present practice, we observe that almost all the details of accounts are included in these plans, although the connection between different items of the plans may seem to be in this system not as clear, as it is in the system of national accounting.

The same transactions may be presented in the table of the financial balance sheet of the national economy (pattern proposed for the period of the five-years plan 1966-1970).

The financial balance-sheet of the national economy.

		1	2	3	4	5	6	7	8	9	10	11	12	TOTAL
I	1	200	—	100	—	—	280	60	330	30	—	—	—	1000
	2	100	100	—	—	—	—	—	—	—	—	—	—	200
II	3	120	—	—	—	—	—	—	—	—	—	—	—	120
III	4	—	—	—	—	—	50	10	—	—	—	—	—	60
	5	—	—	—	—	—	—	—	—	—	—	—	—	—
IV	6	180	100	10	20	—	—	80	—	—	5	—	—	395
V	7	320	—	10	40	—	30	—	—	—	—	—	—	400
VI	8	80	—	—	—	—	—	190	—	—	50	10	—	330
	9	—	—	—	—	—	15	—	—	—	—	15	—	30
VII	10	—	—	—	—	—	20	60	—	—	—	—	—	80
	11	—	—	—	—	—	—	—	—	—	—	—	—	—
VIII	12	—	—	—	—	—	—	—	—	—	—	—	—	—
TOTAL		1000	200	120	60	—	395	400	330	30	80			

The contents of horizontal and vertical lines—see the paper on the national budgeting in Poland, Pages 10-11.