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ECONOMIC COMMITTEE

THE POLISH ECONOMY

Note by the French Delegation

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THE POLISH ECONOMY

INTRODUCTION

BACKGROUND

Physical characteristics

1. By comparison with what it was in 1939, Poland geographically has shifted westward. Moreover, it now only covers 311,700 sq.km as compared with the pre-war 389,000 sq.km. In exchange for the 177,000 sq.km relinquished in the east to the USSR, it recovered 99,700 sq.km in the west from Germany.

Despite this reduction, Poland is still the sixth largest of all the European countries not counting the USSR and the second largest of the European Socialist countries, a poor second to the USSR but a great deal bigger than Rumania (217,500 sq.km) and Czechoslovakia (127,900 sq.km).

Its western boundary was set provisionally, under the Potsdam Agreements, at the Oder and the Lusatian Neisse. This boundary was recognized officially by the Democratic Republic of Germany and Poland in the Treaty of Zgorzelec (June 1950).

Its northern frontier is formed by the Baltic from the island of Usedom to Braniewo. Its frontier with the USSR up to Bug is a purely artificial one; from there it follows the Bug for 350 km, and then runs across rocky plateaux as far as the Carpathian mountains. To the south, its frontiers with Czechoslovakia follow the line of the Beskid, Tatra and Sudeten mountains.

2. From the general geographical viewpoint, Poland forms a transition between Central and Eastern Europe and looks across to the steppes. Most of the country moreover is made up of plain:

- the Silesian plain which is in fact a depression washed by the Oder and its affluents;
- Poznan between the Oder and the Warta;
- Pomerania between the Warta and the sea.

The mountains, other than the Tatras which do not reach great heights, are an extension of the Central European mountain ranges. They are all on the boundaries with Czechoslovakia and form the only rocky terrain in Poland.

3. The Polish climate is midway between the maritime climate of Western Europe and the continental climate of Eastern Europe. Oceanic influences are prevalent although they recede somewhat from the north-east to south-west.

Annual rainfall does not rise above 60 to 80 cm and is mainly a summer phenomenon.

4. Hydrography

Poland is above all the land of the Vistula, a plains river (1,070 km) which rises in the Beskids, bends in a huge loop eastward and then, beyond Warsaw flows back in a westerly direction to form a delta on the Baltic.

5. Vegetation

Vegetation in the high southern regions is similar to the vegetation in all mountain areas.

The hill country in the heart of Poland resembles prairie-land dotted with oak forests in the deep valleys.

To the north the distinctive features of plain land become increasingly common.

6. The coast

The 1945 frontier changes have given Poland a 500 km opening on the sea. The coastline itself, which is primarily flat and straight, is however simply the abutment of the Pomeranian marshes. The only ports of any importance are consequently those built in the natural harbours formed by the Oder estuary (Swinoujscie and Szczecin) and the Gulf of Gdansk (Gdyna and Gdnansk).

Economically-speaking, present day physical Poland is better balanced than in the past. It has gained a 500 km opening on the Baltic and has exchanged the Pripet marshes and the Bialowicza forest for the wealth of Silesia.

7. Population (Tables 1-2-3, diagram "Generation Pyramid")

In 1937 Poland had a population of 34,515,000. This fell, following the losses of the war years (6 million casualties) and as a consequence of population displacements (departure of 2.3 million Germans) to 23,930,000 in 1946. Since then it has remained fairly steady: 32,700,000 inhabitants by 31st December, 1970 and 32,852,000(1) by 31st December, 1971 making a density of 105 to the sq.km.

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- (1) The "minorities" are fairly considerable (estimated at 700,000) and comprise:
- Germans: 140,000 (officially 30,000) in the Wroclaw - Koszalin area
  - Biélorussians: 200,000 in the Bialystok area
  - Ukranians: 200,000 in the Silesian and Szczecin area
  - Serbes: 30,000 in Lusatia

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The population increase which was particularly pronounced in the post-war years slackened off towards the end of the **sixties** mainly as a consequence of the greater leniency in the abortion laws. The natural rate of growth which was 19.1% in 1950 has now settled down at about 8%. According to official forecasts, there should be over 35,000,000 Poles in 1980 and 40,000,000 before the year 2000.

Men account for 51% and women 49% of the total population.

The structure of the population by age shows:

- the youthfulness of the population: 26.2% of school age (up to 14); 8.6% of pensionable age (65)
- the size of the population of working age (15-65): 65.2% of the total.

The number of people actually working can only be given very approximately - about 16,000,000 - because of the very large number of private agricultural holdings which do not come into the statistics.

Poland has three principal labour problems:

- the size of the agricultural population: 45% of the total
- the need for new jobs which would make optimum use of the labour force: 300,000 new jobs per annum are planned of which 130,000 would be in industry, 130,000 in services and 40,000 in building
- lack of skills in the socialized sectors (official estimates for 1970 in percentage terms).

Higher Education	Secondary		Elementary Vocational	Primary
	Vocational	General		
5.4%	13.7%	5.6%	17.1%	58.2%

GENERAL FEATURES OF THE ECONOMY

8. The struggle for growth

Polish economic policy in the immediate aftermath of the Second World War consisted, first and foremost, of socializing the means of production:

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- nationalization of industry and of the financial institutions (in 1948, only 6% of industry was still in private hands)
- redistribution of the property of the big land-owners and expropriation of the German "Junkers"
- preparation of a collectivization campaign.

However, the traditional socio-political forces clustered round the Catholic Church prevented the extension of this policy. In 1955, State co-operatives and farms held 24% of land under cultivation and provided 19% of agricultural output. In 1956, four-fifths of the co-operatives were disbanded. The following table shows the present agrarian structure (in percentage terms):

	Private farms	Co-operative farms	State farms
Total areas	59%	0.9%	39.6%
Agricultural land	83.4%	1.3%	14.8%
Arable land	83.4%	1.3%	14.6%

9. The "Polish development model"

The Polish "model" which was clearly set out in the six-year plan 1950-1955, following on the implementation of the 1947-1949 reconstruction plan implied:

- the rejection of a market economy and the adoption of an administrative system subordinated to a "political centre"
- rapid industrialization following the conventional pattern: coal - steel - machinery(1).

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(1) As from 1950, 11.4% of industrial manpower was employed in the coal mines; 6.5% in metal; 17.8% in mechanical engineering

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The aim was threefold: greater overall growth through the allocation of resources to the more productive sectors, development of a well-rounded industrial structure, in so far as possible, and elimination of unemployment.

- about-turn in trade relations with the USSR and the COMECON countries(1).

The consequences of Poland's inclusion in a regional trading system of commercial bilateralism and of the non-convertability of currency have deprived Poland of certain advantages of international specialization.

10. Poland as an underdeveloped industrial country

Despite its raw material resources (coal reserves are estimated at 50 milliard tons and reserves of iron, zinc and lead ores are far from negligible) Poland did not enter the industrialized economy phase until 1969.

If a parallel is drawn between its degree of industrialization and its standard of living, the present situation seems paradoxical.

The various sectors of industry and construction account for 66% of the gross domestic product (GDP) and 56% of the GNP which is estimated at 15.5 milliard dollars.

Light industries (textiles, food, timber, paper) account for a bare 15% of overall industrial output and are very much overshadowed (about 58%) by the heavy sectors (energy, metallurgy, mechanical engineering). This predominance is confirmed by a high rate of investment (37.5% of the gross domestic product and 31% of the GNP).

Examination of the Polish economic table will show that the standard of living of the population remains extremely low (private per capita consumption is equal to \$290).

In addition, the structure of consumption seems poor: purchases, or home consumption of agricultural produce, foodstuffs and textiles account for about 70% of the total as compared with 46% in the other COMECON countries.

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(1) Soviet contribution to Polish foreign trade - 1937: 1% - 1948: 22% - 1957: 31% - 1971: 36%, forecast for 1975: 40%

Polish industry is "self-financed" since its domestic outlets are extremely limited and its manufactured goods are rarely of high enough standard to appeal to extremely selective outside markets. Polish exports to France, the United Kingdom, Italy and the Federal Republic in the period 1967-1970 were made up as follows: machinery and plant (2.2%), manufactured consumer goods (7.3%), fuel and raw materials (34.8%) and agricultural produce and foodstuffs (55.8%).

In addition to key-sector of Polish industrial development - mechanical and electrical engineering - seems to be acquiring an increasing number of machines but not using them to the best advantage.

Industrialization has not achieved what it set out primarily to do, namely, to meet social needs by roundabout ways of production. There are three reasons for this failure:

- the development of small private farms which does not lend itself to large-scale marketing
- stoppage or suspension of technological transfers from the West following the nationalization of foreign capital invested before 1939
- unsuitability of the decisions taken during the re-structuring of the economy.

11. The new economic policy

After the 1970 riots, the 1970 plan, together with the projected 1971-75 plan was overhauled. The Government showed immediate signs of its concern to improve the lot of the working people:

- salaries were raised (in December 1970, the minimum salary rose from 850-1,000 zlotys); the review of the 1971 plan pushed up increases in money wages from 1.5% to 4.2%; the 1971-75 plan provides for an increase of 18% which is more than in the whole of the previous decade;
- prices of foodstuffs were stabilized for two years
- the supply of consumer goods was extended (consumption to go up between 1971 and 1975 by 39%).

In addition there was to be a big increase in new housing:

- agricultural output was to be raised (20%) to improve supplies to the market.



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The Gomulka team had opted for what was to be a very relative "balance". The Gierek team seems to have decided to "press forward regardless" and to have accepted certain imbalances.

Its programme, a risky one, involves:

- a rise in real wages of 18%
- an increase in welfare benefits of 70%
- an increase in per capita consumption of 34%
- an increase in nationally-produced consumer goods of 48.4% and of imported consumer goods of 76%

with simultaneously the hope of greater productivity and optimum use of materials.

His caution notwithstanding, for Mr. Gierek development was the only solution for a country which had become one of the least dynamic in the Socialist camp. Even so, the health of the market will need to be buttressed by a reasonable balance between considerably increased revenue and local availabilities (both national and non-national - the inhabitants of Western Poland have, since the relaxation of frontier controls, tended to seek immediately in the GDR what they have been promised no earlier than in the middle future in Poland).

For the present, a number of steps are indispensable. Some of them have moreover been taken:

- approach to the USSR
- deliberate deficit in the balance of trade and, in particular, purchases (like the USSR) of cattle fodder from the West
- encouragement of savings.

There is a possibility however that the machine will run amok before the essential changes in structure have been put into effect. Poland's economic dependence on the USSR which had become even greater since December 1970, means that Mr. Gierek must prepare his basic reforms with considerable caution. These cover self-financing, the logical determination of prices, the respective responsibilities of the various planning bodies, and the organization and regulation of the volume of foreign trade.

The creation of an "economic model" which is better adapted to the country's structure and to the reactions of its inhabitants must remain one of the principal aims of the new Government.

The economic reform which started, very gradually, to come into effect on 1st January, 1973 will not be tantamount to a genuine economic revolution. Its interest is however manifest when seen in the context of a functional alignment of the central, political or economic, bodies which must inevitably centralize and of the enterprises whose expertise in matters of organization has in many cases yet to be demonstrated.

12. The Five-Year Plan

The 1971-1975 plan was not adopted until:

- 27th March, 1972 by the IVth Plenary of the Central Committee of the PZPR
- 8th June, 1972, by the Polish Diet.

From the planning point of view, this delay may seem excessive. In fact, one of the first objectives of the new leadership, after the events of 1970, was to set aside the Five-Year Plan which had been painstakingly drawn up by Mr. Gomulka's staff. It was to take more than a year, however, in which public opinion was gauged, the authorities considered other alternatives and changes, resulting from the VIth Congress, were introduced, before the Five-Year Plan could be put into its final form. It was on the strength of the results of 1971 on the one hand and of the first quarter of 1972 on the other hand that the Polish economic managers felt that they could set their sights higher than in the past.

BASIC BALANCE

National income	+40%
Industrial output	+50.2%
Agricultural output	+19.3% - +21.2%
Foreign trade	+57%
exports	+55%
imports	+59%
Overall consumption	+39%
Investments	+45%
Productivity	+30%
Industrial costs	-4.4%
Real wages	+18%
Welfare benefits	+70%
New jobs	1.8 million
Building	+25.7%
Personal income	254 milliard zlotys
Market supply	+215 milliard zlotys

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TARGETS BY SECTOR

-	<u>INDUSTRY</u>	
	Electrical engineering	+75%
	Chemistry	+64%
	Metallurgy	+46%
	Light industry	+45%
	Mining industry	+43%
	Oil and electricity	+37%
	Food industry including meat	+37% 32.6%
-	<u>AGRICULTURE</u>	
	Vegetable crops	+19.9%
	Livestock	+22.8%
-	<u>TRANSPORT</u>	+42%
-	<u>SERVICES</u>	
	Socialized	+55%
	Private	+48%
-	<u>HEALTH</u>	
	Hospital beds	+19,600
	Nursing home beds	+ 7,500
-	<u>CULTURAL ACTIVITIES</u>	+25%

The principle of a "socio-economic development plan" is thus to be applied to Poland for the first time. Increases in the standard of living will no longer be conditional on variations in the growth indices but will themselves become the basic factors for five-year projections. The social aspects of the plan - income and wages, welfare benefits, employment, housing, education and health - will rank immediately after the "main factors of equilibrium" and ahead of purely economic factors affecting industry, agriculture and transport.

In the industrial sector, the most spectacular change has been the lowering of Group A targets (capital goods) to 51.2% instead of 52% and the raising of Group B targets (consumer goods) from 42% to 48.4%.

Investments will be considerably in excess of the level set at the Congress (+24 milliard zlotys) and will account for 24% of the GNP. This increase may seem to be in conflict with the policy of raising the standard of living. In fact it reflects the

larger share assigned to construction, the modernization of enterprises and the private sector (404 milliard zlotys as compared with 1,050 milliard for the socialized sector).

In addition the first half of the five-year investment programme was to be completed before the end of 1972 in order to consolidate the equilibrium of the market and the development of trade.

In the agricultural field, aims and costs seem to have been defined precisely at least with respect to the cattle fodder sector, which is of considerable importance for the general improvement of food supplies for the population:

- yearly requirements (in 1975): 5 million tons
  - imports
    - fodder 700,000 tons
    - grains 2.2. million tons
- making a total value of 950 million zlotys.

In the foreign trade sector, emphasis seems to have been placed above all on exports of capital goods, the reinforcement of co-operation with the USSR and a twofold increase by 1975 of machinery imports from the West.

Stock policy is to be overhauled. For the present, stocks are far too large and their composition is ill-suited to requirements.

THE SITUATION AT PRESENT

13. National income (Table 5)

In Poland, as in the USSR and in the other European Socialist countries, national accounts do not cover the same aggregates as in the Western countries. The notions of gross national product and gross domestic product are replaced by those of the "global aggregate social product" and the national income while retaining the name is not composed of the same elements as in the West. The aggregate social product consists of the value of all the material production of a country during a given year.

The national income is obtained by deducting from the aggregate social product all that has been consumed during the process of production, including depreciation. It represents the value of net material production and of productive services and appears in United Nations statistics under "Net Material Product (NMP)".

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It is generally shown in the official Polish statistics in the form of:

- the national domestic income: value of the country's production
- national income created: obtained by adding to or subtracting from the above increases or reductions due to the difference of prices in foreign trade
- distributed national income: which constitutes what is ultimately available to the country after account has been taken of the various losses.

An estimation by Western standards of Poland's national income must be tackled with caution; as regards absolute terms, some indication may be obtained from the fact that according to the Soviet experts per capita national income in 1966 was 80% of the per capita income of the USSR. It seems likely that there has been little variation in this percentage.

In relative terms, the rate of increase of created national income rose steadily by about 6.5% per annum up to 1967, soared by 10.45% in 1968, slowed down to 3.21% in 1969 and returned to its former level, 6.8% in 1970. However, within this context the five-year plan target of a 40% increase (or 8% per annum) will call for an accelerated rate of progress(1).

A breakdown of income at the formation stage shows that industry's contribution has been rising steadily (apart from the rather odd results in 1968) and now represents 54%, that construction now represents an unvarying 10% and that agriculture's contribution has been falling for sometime (16.2% in 1970).

At the distribution stage consumption accounts for about three-quarters of total national income. It comprises consumption by the population of its own produce, which has fallen slightly and consumption of material assets supplied free of charge which has risen slightly.

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- (1) Unofficial information for 1972 points to a GNP of 835,000,000 zlotys which would reflect an increase of 8% in 1972, as in 1971. This increase is not great enough, however, to permit the realization of Mr. Gierek's aim which is to bring the Polish standard of living rapidly up to the level achieved in Hungary and even in the GDR

- accumulation (investment and stock-building) accounts for the last quarter(1).

14. Finance

Currency

The monetary unit is the zloty which since 28th September, 1950 has in theory been worth 0.222168 grammes of gold. In fact however it is difficult to value the zloty, used only in a closed circuit, in terms of Western currencies.

The following rates were those most frequently applied before the last dollar devaluation:

- official or basic rate: 1 dollar = 3.68 zlotys
- special rate for non-commercial settlements:  
1 dollar = 24 zlotys
- tourist rate: 1 dollar = 36 zlotys
- PKO rate (exchange rate for Polish citizens receiving remittances from abroad):  
1 dollar = 72 zlotys.

Foreign trade settlements are transacted in convertible currencies in the case of trade with Western countries and transferable roubles in the case of trade within the COMECON. Export prices are fixed by reference to international prices and not to domestic prices and the currency-zloty ratio is not calculated until afterwards. The conversion between the official and domestic zloty is done on the basis of rates which vary according to the type of transactions and to the category of product and which, in principle, are kept secret.

A more rational definition of the zloty has been under consideration since 1st January, 1971. Despite certain disturbing signs (bidding by foreign trade agencies for currency at the rate of over 250 zlotys to a dollar), the zloty rate seems to be hardening and the "parallel market" rate is drawing closer to the PKO rate. However, even though Polish specialists agree that the official parity used for statistics in particular is completely unrealistic and that the most logical rate is the tourist rate, the alignment of rates seems still a long way off.

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- (1) The official results for 1971 and 1972 which have yet to be published in statistical form may reveal a marked change in the pattern

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The Poles are moreover very attached to the idea of convertibility within the COMECON. In other words, each debtor country should repay its creditors in convertible currencies based on a fair exchange rate calculated in relation to the transferrable rouble. The Poles do not believe that this can happen before 1975 while noting that the growth in the tourist trade will help to establish fairer exchange rates and to harmonize prices.

Budget (Table 6-6(bis))

The overall budget is known as the "State Budget": it is divided up into:

- the central budget which covers common State expenditures and part of the regional expenditures
- the regional budgets which are funded in part from the central budget and in part from the individual resources of each region.

In the past, the presentation of the budget often contained apparent contradictions owing to the confusion over the central budget expenditure which became income for the regional budgets. More recently, the presentation has been more carefully balanced but there is still some uncertainty as to the respective parts played by the central and regional budgets in "principal investments and major repairs".

The proportion of regional revenue in the regional budgets varies little: between 11%-12%.

The State budget which remained on a fairly even keel between 1966 and 1968 was increased very considerably in 1969 and 1970, (8.5% on average), and cut back fairly sharply in 1971 (by about 3.7%). The statistics also show that there was a fairly marked drop in the financing of the economy in 1971 but this should not be given too much importance in view of the changes which have been introduced in the financial system. Funds for certain projects have, since 1971, included a greater proportion of non-budgetary resources than in earlier years.

Defence Budget (Table 7)

Credits officially assigned to defence accounted for about 8% of the overall budget between 1963 and 1967. Since then they have remained consistently at over 9% of this budget. However, these funds represent only part of the effort made in this field. They do not cover defence expenditure in other branches particularly heavy industry, research and telecommunications.

Unofficial figures for 1972 and forecasts for 1973 are shown hereunder (in milliards of zlotys):

	1972	1973
Current expenditure	37.868	39.218
Investments	2	1.848
TOTAL	<del>==</del> 40	<del>==</del> 41

The modest increase in the grand total simply reflects the rise in the cost of living but the fall in the volume of investments should also be noted.

By comparison with overall national income, defence expenditure is equal to about 4% of the total. This percentage is smaller than in the USSR, Czechoslovakia and Yugoslavia but higher than in Hungary and in Bulgaria.

Investments (Tables 8, 9 and 10)

- Investment growth has varied considerably from one year to the next: 4.6% in 1964, 11% in 1967, 9% in 1968 and 1969, 5% in 1970 and 18% in 1971. These variations apply primarily to the socialized sector. In the private sector the rate of increase is steadier.
- The proportion of productive investments seems steady at 75% of the total (as compared with 68.7% in 1958).
- Agriculture and transport have benefitted from investment at the expense of housing. Investment in industry which had risen during the period 1961-1965 has fallen back to an average of 40% which is well below the contribution made by industry to the production of national income. Self-financing in the industrial sector is therefore considerable but difficult to quantify.

Wages - Standard of living (Table 11)

Average wages have risen in 5 years from 2,095 to 2,592 zlotys. It is to be noted:

- (a) that wages vary considerably between one sector and another;

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- (b) that during the period under review the biggest increases in gross wages have been in the socialized sector of agriculture - 27% - as compared with an average increase, in the industrial sector for example, of 23%. Despite this increase the agricultural sector is still the poor relation;
- (c) wages are padded out extensively by bonuses which, in some cases are equal to 30% of the basic rate;
- (d) that the majority of women work and that in most cases households therefore have two salaries to which must be added earnings obtained by doing jobs "on the side", a practice which is extremely widespread;
- (e) that the size of the State's contribution to services (rent, health, leisure) reduces proportionately the expenditure borne by the population under this head (approximately 17% of total expenditure for these three chapters)

Because of the artificial rate of exchange, no comparison can be drawn between wages earned by Polish workers and those paid in the West. At best, and in the absence of more recent information, some indication can be given of the situation in 1970:

- Average wage: 2,458 zlotys
- medium-size refrigerator 5,050 zlotys
- electric cooker 1,300 "
- man's suit 2,500 "
- motor cycle 9,000 "
- television set 7,800 "

Two points must be borne in mind in connection with the above figures:

- the lack of co-ordination between production and consumption;
- the fact that following the price freeze and the increase in wages, there has been a rise in the money supply which has been reflected in particular by increases in savings deposits: 12% between 1969 and 1970 and 15% between 1970 and 1971.

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THE SECTORS OF PRODUCTION

15. Energy (Table 12)

Coal remains the main source of energy and meets about 80% of domestic requirements. Poland ranks sixth among world producers. Production has been rising at a yearly rate of 2.5%, the consequence more of the modernization of the old mines than of the sinking of new mines which would be too costly.

The mines of Upper Silesia account for 88% of output. A new and extremely large field has been found in the Bug valley, between Chelm and Radzyn. Reserves are estimated at 40 milliard tons. Exports are rising strongly and in 1970 totalled 28.5 million tons of which one quarter went to the USSR and one fifth to the other COMECON countries.

With very small oil reserves (output covers a bare 6% of requirements) Poland imports 90% of its crude oil which is despatched via the Droujba pipeline. Between 1971 and 1975 it will take delivery of 47 million tons of Soviet crude. The recent agreements with the British Petroleum Company will not come into effect until after 1975 and even then Poland will continue to depend on the USSR for 85% of its petroleum requirements.

Natural gas is becoming increasingly important and in 1975 will meet 23% of energy requirements as compared with 15% in 1970. Despite national production of 4.4 milliard cubic metres per annum (13 milliard in 1975) Poland is currently importing a quarter of its natural gas requirements from the USSR.

As regards electricity, the Polish system is based on thermal stations which generate 95% of the country's electricity and are 50% lignite fired. Hydro stations have so far made a lesser contribution because of the country's topography but there are major reserves, 10 milliard KWH of which could be used economically. Per capita output totals 2,000 KWH as compared with 2,500 in the USSR and over 7,000 in the United States.

Since 1957 Poland has also been considering the construction of nuclear power stations but nothing has yet been done about it.

16. Industry (Tables 13, 14, 16, 17 and 18)

In 1970, industry provided employment for 4,200,000 people making approximately 42% of the population. It accounted for 53.8% of national income in 1970 (statistics) and for 58% in 1971 (estimates).

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Within the context of the economic reforms which have been set in motion, the general tendency is towards concentration and the creation of large enterprises with a wide range of rights which will give them autonomy in management.

Concentration will be in three forms:

- construction of large new enterprises;
- expansion of existing enterprises
- mergers of small enterprises.

In 1960 there were	6,754 industrial enterprises
in 1965	5,970
in 1971	5,077.

1,677 enterprises have been closed down including 610 between 1969 and 1971.

These closures were mainly in:

- |                                   |     |
|-----------------------------------|-----|
| - the food industry               | 679 |
| - light industry                  | 418 |
| - the building materials industry | 159 |
| - the timber industry             | 171 |

Simultaneously, the structure of employment has undergone a change and the average number of workers per enterprise has risen from 420 to 696.

The ratio between enterprises and workers altered as follows between 1960 and 1970:

	Percentage of these enterprises in relation to the total number	Percentage of workers in relation to the total number
Fewer than 200 workers		
1960	59%	12%
1970	42%	6.5%
Between 200 and 1,000 workers		
1960	32%	32%
1970	41%	26%
Over 1,000 workers		
1960	9%	56%
1970	17%	67.5%

	Percentage of these enterprises in relation to the total number	Percentage of workers in relation to the total number
Over 1,000 workers		
1960	9%	56%
1970	17%	67.5%

"Large enterprises" (over 1,000 workers) are distributed as follows:

- by sector (percentage in relation to the total number employed in the sector):
  - foundries and rolling mills                      97%
  - fuel    96.9%
  - chemistry    80%
  - electrical engineering                              69%
  - light industry and energy                          69%
  - timber and paper                                      55%
  - foodstuffs    52%
  - construction materials                              47%
  
- by region (percentage of the total number of employed in the region):
  - Katowice    82%
  - Lodz (city)    76%
  - Cracow    71%
  - Opole    70%
  - Kielle     67%
  - Warsaw     66%
  - etc.

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Enterprises employing more than 5,000 are few in number: 103 (with a labour force of 817,000). They are distributed as follows:

electronics	33
fuel	27
foundries and strip mills	15
textiles	10
chemistry	7
foodstuffs	5 <sup>0</sup>
rubber	1

Concentration is above all a feature of two recently created sectors, electronics and petrochemistry, and of metallurgy which has traditionally comprised large units.

As regards turnover, 210 enterprises (i.e. 4% of the total) accounting for 44% of overall industrial output have a turnover in excess of 1 milliard zlotys per annum; 410 others which account for only 0.2% of total output have a yearly turnover of less than 10 million zlotys.

#### 17. Raw materials

Iron Ore: production has been falling steadily. From the level of over 3 million tons in 1967 and 1968 it dropped to 2,078,000 tons in 1971 and now only meets one fifth of requirements. Poland imports some 12 million tons per year from the USSR.

The reserves of the three principal deposits Czestochowa (voivodship of Katowice) Leczyca (voivodship of Todz) and Swietokrzyski (voivodship of Kielce) can be put at 90 million tons.

#### Copper

Production is large: some 9 million tons of ore. Following the rapid development of the Lubin basin, Poland now ranks 13th among world producers in terms of metal content.

#### Zinc

With an output of 265,000 tons of actual metal, Poland ranks 7th among world producers.

Lead

Output is relatively low: 67,000 tons placing Poland 16th among world producers.

Bauxite

Reserves are estimated at 5 million tons. Aluminium production is still limited: 100,000 tons.

Salt

Poland is rich in salt. Although the mines south of the Carpathian mountains are practically exhausted, those in the Lodz area have reserves of 500 milliard tons. Current yearly output is 2,800,000 tons.

Sulphur

The Tarnobrzeg deposit is one of the richest in the world. Reserves, having a content of 20-30% of native sulphur, are estimated at 100 million tons.

Poland also has far from negligible nickel, tin, vanadium and quartz deposits. Reserves of this last named mineral are sufficient to meet requirements for twenty years.

18. Metallurgy

The iron and steel industry employs approximately 175,000 workers. In 1971 it produced 12,738,000 tons of steel and 7,500,000 tons of cast-iron.

Non-ferrous metallurgy provides employment for 52,000. It accounts for 1.5% of the country's industrial output. The copper foundry at Glocow is one of the largest of its type in Europe. Zinc and lead metallurgy are the oldest in Poland.

The mechanical engineering industry has a labour force of 377,000. It accounts for 8.2% of overall industrial output and places Poland 11th among world manufacturers of machinery.

19. The chemical industry (284,000 employed) is an important one by reason of the volume of production (which puts Poland among the world's ten principal producers), its rate of development and the level of State investments. It will, however, depend for some time to come on imports from the West.

20. The electrical and electro-technical industry: labour force 217,000. Electronics is expanding rapidly in Poland where it is regarded as a young industry (see paragraph 16, industrial concentration).

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21. Construction materials industry: this employs 844,000 people and accounts for 10% of national income.

22. The food industry seems likely to develop rapidly as a consequence of the investments from which it has benefitted: 57 milliard zlotys which is an advance of 6 milliard on 1970. There are currently nine meat processing plants, ten abattoirs, eleven cold stores and thirty-one wheat silos under construction.

Emphasis is being placed on meat processing, the production of poultry and frozen foods.

Seven milliard dollars per annum are to be assigned to imports of machinery and up-to-date industrial plant.

Fishing industry: in 1969 Poland was the world's second largest builder of fishing boats. The latest statistics do not provide any detailed information on this important sector.

23. The defence industry

Poland is one of the satellite countries able to produce a complete range of conventional weapons. Three ministries in particular are concerned with this industry:

- the Ministry of Heavy Industry
- the Ministry of Light Industry
- the Ministry for the Chemical Industry.

A military section with wide powers which comes under the military department of the PKPG is closely associated with each of these ministries.

In enterprises where the entire output is not devoted to national defence, specialized production sections exist.

Production covers the whole range of light infantry weapons, artillery equipment, with calibres ranging from 57 mm to 155 mm and the corresponding ammunition.

Poland also possesses an excellent explosives industry.

On the other hand it is entirely dependent on the USSR for military aircraft.

24. Agriculture (Tables 19, 20, 21, 22, 23)

Poland is a land of plains with a climate that is less extreme than the continental climate of Eastern Europe. Large areas are covered by forests (approximately 27% of the total

surface area) and peat bogs. The fertile land is found on alluvial plains, like that of the Vistula, lake beds or drained marshes. A belt of loess and chernozem flanks the Carpathian mountains and is widest north of Cracow. Half the agriculture potential of Poland is located here.

The so-called arable land covers a little under half the total area.

#### Place in the Polish economy

Despite the great industrialization drive, Polish agriculture still plays an important rôle in the development of the economy, if only on account of the numbers of people employed on the land: 45% of the total economically active population.

Its share of the national income has been dropping steadily since 1965: from 21.1% at that time to 16.2% in 1971. Stock-raising accounts for the largest share (60%) of marketable products.

#### Structures

Poland is the only country in Eastern Europe where a very large proportion of private property still exists, despite periodic attempts by the authorities to convert it. There is no uniformity in the forms of land ownership, since three modes exist side by side: private, co-operative and collective ownership.

#### Privately-owned farms

This form of tenure accounts for 84% of the land under cultivation and characteristically consists of small, widely-dispersed holdings: the average holding is 5 hectares, and 1 million out of a total of 3.4 million holdings are under 2 hectares.

They own 82% of the cattle, 87% of the pigs, 83% of the sheep and 96% of the horses.

Despite the low level of mechanization (they own but one quarter of the stock of tractors) they achieve yields only slightly lower than those of co-operative or State farms.

#### Collective farms

Farm co-operatives or GROMADAS account for no more than 1.3% of the land farmed and 1% of the livestock. They own a mere 2.4% of the tractor stock. On the other hand, these farms generally obtain the highest yield per hectare.



State farms

They include all the farm land held by the various ministries and governmental and social institutions.

They farm 14.7% of the land used, and own 13% of the livestock. Although they use 28% of the stock of tractors with only a small acreage, yields are lower than those obtained by collective farms.

Other organizations

The "agricultural circles" play both an economic and a social rôle in all three types of farms mentioned above. They are responsible for:

the mechanization of labour on private farms, and for this purpose hold 42% of the tractor stock and a stock of farm machinery;

collective supplies of building materials and fertilizer;

training agriculture experts;

the study of the basic problems of rural families.

Farm machinery and tractor centres

Ever since their creation, the agricultural circles' function has been primarily to attend to repairs and to provide technical advice, but they still hold 2.2% of the tractor stock.

The present government policy of improving agricultural structures is directed first and foremost at increasing holdings in proportions that vary with the region: 7 hectares in the south-east, 20 to 30 hectares elsewhere. In this connection the national land fund plays a significant rôle, each year buying a large amount of land from aging or insolvent farmers; in 1971 it bought 117,000 hectares, namely 15,600 farms. Subsequently this land is leased or transferred to State farms, co-operatives, agricultural circles or to young individual farmers with specialized training. In 1971 sales of the latter type involved 54,000 hectares, in other words, land in Poland is being nationalized at the rate of approximately 0.8% per year.

The tax structure also favours large-scale farms by taxing land holdings on a sliding scale.

Furthermore the authorities have decided to abolish the category of small peasant farmers (over 1 million) who are employed in industry.

For the immediate future those in charge of agriculture believe that the first step in nationalization is to enlarge the holdings. This means instilling into the peasants a desire to regroup in order to make better use of the land. In this connection, agricultural circles will play an essential rôle while State farms will continue to perform their function as pilot farms while at the same time they will increase in proportion to the overall number of farms.

### Production

In two years production has gone up by 11%, including 7.5% in 1972 alone, but a heavy shortfall in cereals and meat is still a feature of Polish agriculture. In the former sector, production is slightly up on 1969, in the latter it has been stagnant for three years. Poland relies on the USSR to help it out with cereals (to the tune of 2 million tons per year on average).

Furthermore, agricultural products represent no more than 3.5% of exports whereas they account for 7.7% of imports. To improve the position, the State has increased the share of investments in agriculture.

Apart from internal production problems, the collection of farm produce remains one of the principal matters of concern. Negligence, corruption and incompetence were the hallmarks of the 1972 campaign. Plans are on foot to expand the rôle of the agricultural circles.

## 25. Foreign trade (Tables 24 to 35)

### General

As is the rule in Socialist countries, foreign trade is under State management in Poland. However, since 1st January, 1971 some organizational changes have been made. The principal objective of the reform, which is being introduced gradually, is to associate foreign trade activities more closely with industry and to achieve more intensified specialization by branch of activity(1).

(1) The Ministry of Foreign Trade now only exercises direct control over firms importing and exporting foodstuffs, raw materials equipment manufactured by several different producers and complete industrial plant. Nearly all the trade in industrial products and part of the semi-finished products is henceforth to be handled by certain technical ministries and industrial unions to which import and export centres have now been subordinated. The essential task of the Ministry of Foreign Trade is to co-ordinate the activity of the technical ministries, and the Unions of Industrial Sales in the field of foreign trade.

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Within the COMECON, the Poles specialize in raw materials, mining equipment, shipbuilding, plant for light industry, rolling stock, cars, agricultural and mining products.

26. Overall development(1)

In 1970, the last year of the Five-Year Plan, Polish foreign trade overall reached a volume of \$7,155 million (\$7,910 million in 1971).

In 1971 imports rose to \$4,038 million and exports to \$3,872 million.

The volume of Poland's trade with other countries is increasing steadily and exceeds the estimates in the Plan.

Annual average 1965-1967 = +8%

1968 = +10.4%

1969 = +11.3%

1970 = +12.7% (Plan 7.1%)

1971 = +10.6% (Plan 8.1%)

The overall trade deficit in 1970 has been reduced (from \$68 million to \$59 million following a sharp increase in exports to the industrialized Western countries and despite a substantial increase in purchases within the Socialist zone). In 1971, the trade deficit again showed a tendency to rise, reaching \$166 million.

The favourable balance on services (not made public but probably of the order of \$170 million as in 1969) to which should be added invisibles(2) gave Poland a balance of payments surplus for 1970.

Changes in the pattern of trade

In 1971, Polish foreign trade developed by and large along the lines forecast in the plan without, however, attaining all the goals.

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(1) Polish statistics are expressed in external zlotys (1 external zloty = \$0.25). For the sake of simplicity the figures have been converted into dollars in all the tables. But the dollar should not be regarded as an accounting currency. Only transactions with Western countries and some of the Third World countries are settled in convertible currency.

(2) Invisible earnings consist mainly of receipts from tourists and remittances from emigrants and Polish workers abroad

27. Imports

The pattern of Polish imports between 1965 and 1971 was broadly as follows:

- a certain stability in the import of fuel and energy (7.4% in 1965 and 6.4% in 1971) and in industrial chemical products (10.1% in 1965 and 11% in 1971) and of wood and paper (2.2% in 1965 and 3% in 1971)
- increase in the important of metallurgical and electrical engineering equipment (50.6% in 1965 and 54.3% in 1971) at the expense of agricultural products which dropped from 10.2% in 1965 to 7.7% in 1971.

Some of the most striking changes to be noted in imports between 1965 and 1971 are:

- a sharp rise in the import of iron ore (34.3%), crude oil (83% and 12.6% increase over 1970) and copper (20.6% and 40.3% increase over 1970)
- a sudden increase compared with 1970 in wheat imports (+73.8%) and passenger cars (+80.6%), whereas between 1965 and 1971 these imports increased by no more than 38% and 50.6% respectively.

28. Exports

The aim of Polish economic policy as regards exports is gradually to increase the share of capital goods and consumer goods of industrial origin while seeking to reduce the share of agricultural products.

There was a marked increase in the sale of machinery, plant and means of transport between 1965 and 1971, although the overall level aimed at by the Polish leaders was not reached. This shortfall was probably due to the difficulties encountered in marketing Polish exports in the West.

Polish statistics show that since 1960 the share of fuel and energy exports has dropped. Between 1965 and 1971, it dipped from 16.1% to 14%. There is however one exception; coal exports show an increase of 44% over the same period and of 5% between 1970 and 1971.

Note should be taken of the substantial increase in the export share of products of the metallurgical, electrical engineering and chemical industries which rose by 9.1% between 1965 and 1971; it was largely accounted for by increased exports of machine tools (+63.7%) and motor vehicles (+380%).

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As regards agriculture, the share of food industry products dropped from 15% in 1965 to 9.2% in 1971, and the share of agricultural products increased from 4.5% in 1965 to 4.7% in 1970, but fell back in 1971 (3.5%). These differences may be explained by the problems encountered by agriculture in Poland in 1971 and the rise in prices.

Geographical distribution

Little has changed in this connection. By and large the last Five-Year Plan did not entail any major changes between 1965 and 1971. The share of the Socialist countries rose from 64.7% to 65.27% whereas that of the Third World countries dropped from 8.7% to 7.1%. The share of the capitalist countries rose slightly (26.6% and 28.5%).

An analysis of the import figures reveals similar but more marked trends:

- the increase and decrease in the share of the Socialist countries (66.1% to 67.4%) and of the Third World countries (9.4% to 5.3%) respectively are more clear-cut
- purchases from Western countries were on the increase. They represented 27.3% in 1971 compared with 24.5% in 1965.

In the case of exports, fluctuations were very slight. There was a small decrease in the share of the Socialist countries which dropped from 63.2% to 63% and also in that of the Third World countries (8.1% to 7.1%) and a slight rise for the industrialized countries (28.7% to 29.9%).

In comparison with 1970, the outstanding developments in 1971 would appear to be:

- some worsening of the trade balance with the Socialist countries which showed a deficit that widened from \$207 million to \$278 million.

Likewise, although the trade balance with the Western industrialized countries was still favourable, it dropped from \$77 million in 1970 to \$55 million in 1971.

In the space of one year, imports from the Socialist countries increased by 10% to reach a figure of \$2,720 million, whereas exports to this area (\$2,442 million in 1971) rose by no more than 7.7%

With regard to trade with the Western countries, purchases (\$1,101 million in 1971) increased by 13.9% and exports (\$1,156 million in 1971) by 14.9%.

As regards trade with the Third World countries, there was a slight increase in Polish imports (€204 million and €215 million in 1970 and 1971 respectively). On the other hand sales for 1971 remained stationary at the 1970 figure of €274 million.

In this connection, it should however be noted that new outlets in Third World countries seldom constitute an immediate source of foreign currency for Poland. These sales usually take place under a clearing agreement or as part of a Polish loan arrangement.

29. Trade with the Socialist countries

Trade with the USSR has increased by 7.7%. In 1971 it represented 35.6% of the overall foreign trade of Poland and 54% of trade with the Socialist countries.

The GDR definitely established its position as Poland's second most important trading partner, which for some years previously had been contested by Czechoslovakia. In 1971, Polish - East German trade increased by 5.4% and its share of overall trade rose to 9.7% and accounted for 14.7% of the trade between Socialist countries. This share amounted to 9.3% and 14.3% in 1965, and to 9.4% and 14.3% in 1969.

Trade with the CSR (+9.5% in 1971) expanded more rapidly. Trade with Hungary (+20.0%) and to a lesser extent with Rumania (+4%) expanded rapidly and in a balanced manner.

In 1971, Bulgaria increased deliveries to Poland by 10.9%.

For various reasons, Polish trade with Yugoslavia and China tended to stagnate during the last five year period. Consequently these countries' relative share in Poland's trade with the Socialist zone declined. Overall, with Yugoslavia it dropped from 4% to 2.9% between 1965 and 1969, and with China from 1.5% to 1.1%. In 1971, however, there was an upward swing in Polish purchases from Yugoslavia (+29.6%) and purchases by China from Poland increased to a lesser extent (+4%).

Trade with Cuba, which had never amounted to very much, declined: sales dropped sharply from €8 million in 1969 to €4 million in 1970. But there would seem to have been an improvement in sales in 1971 when they were worth €8.8 million (+76.9% over 1970).

Trade with the industrialized countries of the West

Most of this trade takes place with the countries of Western Europe. The United States constitutes a very important market for certain Polish agricultural products, but sales to

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Poland are negligible for the time being. Canada primarily supplies cereals. With regard to Australia and New Zealand, trade is limited to a few Polish purchases of wool which are, moreover, tending to decline. Japan is the only non-European country that is making determined effort to break into this market.

In 1971, Poland succeeded in considerably stepping up its exports to the capitalist countries. Consequently, the trade balance with four of its five principal partners improved markedly (the United States being the sole exception). The most impressive trading results were obtained with Italy, the FRG and France respectively.

For the 1965-1971 period, France made the most rapid progress (+143% in 6 years) ahead of the FRG (+116%), Italy (+115%) and the United Kingdom (+56%). France, however, started off at a particularly low level.

In 1971, the United Kingdom was ousted by the FRG as Poland's foremost Western trading partner. Anglo-Polish trade recorded a deficit for Poland of \$42 million whereas trade with the FRG resulted in a surplus for Poland of \$3 million (\$42 million in 1970).

In 1970, imports from France and Italy declined compared with 1969. This trend was not confirmed in 1971 as far as Italy was concerned. The trade balance with France and Italy remained favourable, with a \$65 million and \$10.5 million surplus respectively.

In 1970, France yielded to the United States its position as Poland's fourth Western trading partner. Its share in overall Polish foreign trade dropped from 2.2% to 2%. Its share of purchases from Poland in 1972 also decreased (1.8% instead of 2.4%) but sales on the other hand increased (2.2% instead of 1.7%).

Behind the leading five - among the capitalist trading partners of Poland - come Austria, the Baltic Scandinavian countries and the Benelux.

Lastly, it is worth noting the headway made by Japan. Although only 19th in position, in the space of 5 years this country's trade with Poland has increased eightfold. Japan is making extensive efforts to enter the Polish market.

Contrary to the fears sometimes expressed by the Polish leadership in 1971 the best trade figures were obtained with the EEC, with a particularly high increase in exports of 19.5%.

Poland, furthermore, recorded a surplus balance of \$48 million.

30. Trade with the Third World countries

In 1971, there was no change in exports from Poland to the Third World compared with 1970 (\$274 million) whereas imports increased by 5.5%.

In 1970, there was a remarkable percentage increase in Polish sales to various countries in the Middle East and Latin America: Iraq +380%; Egypt +36%; Argentina +233%; Colombia +91%; Brazil +50%. On the other hand, deliveries to India and Mexico declined. The wide range of these variations is partly explained by the fact that exports of investment goods, erratic by nature, constitute a fairly substantial part of Polish exports.

In 1971, exports to these countries fell back almost to 1969 levels (except in the case of Brazil where they increased by 81.7%).

Iraq:	-5%
Egypt:	-59.3%
Argentina:	-17.1%
Colombia:	-491%.

As regards imports, there was an increase in goods originating from Egypt and Brazil, whereas imports from India, Pakistan and Argentina, after the increase in 1970, returned to the 1969 level.

Conclusion

The period 1966-1971 was marked by:

- a more rapid development (+70.5% in 6 years) than was forecast in the Plan (initial estimates +38%)
- widespread stability in the geographical distribution, the share of the capitalist countries in particular standing at a relatively high level
- considerable improvement in the pattern of exports(1) (except on Western markets).

Thanks to an increase in sales in 1971 Poland succeeded in correcting its adverse trade balance with the capitalist countries and even achieved a surplus of \$55 million.

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(1) In 1970 sales of machinery, equipment and means of transport and of consumer goods of industrial origin represented 54.2% of total exports compared with 46.7% in 1965

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According to the Minister of Foreign Trade (Mr. Olszewski) Poland's foreign trade goals remain unchanged.

With regard to the East, Poland has expressed a desire for greater integration, at production and trade level, in accordance with the directives of the 25th session of the COMECON in Bucharest.

As regards trade with the West, improvements should be made: although it may not be necessary to make any major change in the overall share, the structure however should be altered. Although imports of technologically advanced processes or factory plant are becoming ever more necessary, exports must be made more cost-effective by improving production programming for foreign customers and above all by improving the competitive position of Polish goods on strong currency markets.

PROSPECTS

31. Economic reform

The reform of management and planning methods was due to be applied on an experimental basis from 1st January, 1973. The experiment will have to be handled with restraint and caution to avoid the difficulties that were encountered by Hungary.

In fact, ever since 1971 the ground was being prepared for this reform with the change in the methods of drawing up plans, the land development plan (planning the growth of city centres, definition of priority development areas, development conditions of other zones and the managers' charter.

The reform is essentially based on:

- a strengthening of enterprises which will be given more financial freedom
- the intensive use of economic instruments with a view to maximizing the results achieved by increased production
- a more flexible wages policy, under which they will be geared to results.

The experiment will be under the control of the central authority, more specifically of the Planning Commission.

The experiment provides for thirty "unions" and enterprises of which as yet only five are known: MERA (electronics), UNITRA (electrical engineering), POLLENA (cosmetics), the union of shipyards and DELTA (aeronautics).

In the case of MERA which combines 25 enterprises with over 45,000 employees, the position is as follows: over the next three years, management will only have to fulfil three obligations:

to pay into the National Bank a certain percentage of the profits;

to pay into the Handlowy Bank (foreign trade) a certain percentage of its foreign exchange earnings, to keep the economy continuously supplied with the necessary plant and equipment, whether of Polish manufacture or imported.

Consequently, MERA has an almost completely free hand as regards investments, loans, employment, wages, foreign and domestic trade. But it is obvious that this degree of liberty is conceivable only for fast-growing associations or enterprises with established profitability(1).

In practice and leaving aside the cautious approach described above, the scope of any economic reform policy in Poland is limited by three factors:

- (1) The reactions of the population. The rationalization of the economy entails the introduction of practices which the population is not ready to accept: a realistic level for certain prices, payment by results, internal migrations, a change in labour conditions, elimination of certain parallel markets, etc.

It seems that the Poles have accepted the constraints of Socialism only on condition that they are left alone to pursue their own way of life on a par with the collectivist society, which has had disastrous consequences on the viability of the economy. It was against this the problem that the young technocrats in Mr. Gomulka's team foundered two years ago, although admittedly they showed so little tact that their action bordered on provocation. In the circumstances, Mr. Gierak would be well advised to adopt flexible and "painless" methods in his efforts to drive home to his fellow citizens the requirements of a modern economy in the last third of the twentieth century.

- (2) The State apparatus, made up of all the middle ranking officials connected with the Plan, the Ministries, the Unions, enterprises, the trade unions, the local authorities and the Party. In this context the situation is still very fluid.

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- (1) Simultaneously with the "experiment of the thirty" an interesting commercial experiment is being carried out in various establishments, in particular the CENTRUM department stores in Warsaw: closer link between the allocation of funds for wages and profits realized

The new methods of management and planning will undoubtedly entail the re-allotment of tasks at all levels. Already, despite the reluctance of some of its members, the Planning Commission is concentrating on long-and medium-term work, while the Ministries primarily concentrate on the implementation of the basic programmes relating to their sphere rather than on sectorial management. Although some measure of decentralization is apparently going to have to be introduced, it is still very difficult to identify the main beneficiaries: the still powerful industrial unions as demonstrated by the electronics union, large firms or consortiums, regional authorities with perogatives that are seemingly restricted to local investments, etc. The solution will no doubt be found by adopting the formula of the "large unit" that is financially independent and, depending on the case, includes unions, consortiums in the same or in complementary branches of production, and giant enterprises.

However, there is no doubt that there will be determined opposition from all the bodies currently enjoying perogatives that are likely to be curtailed in some way.

- (3) The third factor comes under the heading of methodology: it might be very dangerous to introduce principles into thirty units that are not applied elsewhere, particularly when it could lead to immediate consequences for the personnel: wages would seem to provide the best example. Although a simplified approach has been adopted throughout the economy (5 factors to be calculated instead of 18), tension still exists in certain areas. When the "experimental" enterprises are in a position to offer their workers considerably higher wages than the average in the sector, friction is likely to develop. The same problem could arise with regard to employment, investments, credits or the management of foreign exchange.

Although there is no cause for undue pessimism unfortunate consequences could result from the introduction of rational economic machinery in a traditionally State-managed economic system where all manner of very special practices exist.

The Party-Government Commission (or "SZYDLAK Commission") which had prepared the draft reform in 1971 and at the beginning of 1972, could perform the function of co-ordinating the experiment at the time of its implementation. At all events, its future is very uncertain. It is supposed to be divided into six

commissions (manpower utilization; research; international co-operation; organization and financing of enterprises; the rôle of planning, prices and credit; the rôle of economic ownership whether public, private or co-operative) but no information is available regarding their constitution. There is consequently every reason to fear that when the slightest difficulty arises the authorities will eliminate the most innovative elements from the current experiment. Besides, the names of the thirty experimental units will not be officially published unless good results are achieved in the next few months. This excessively pragmatic approach however has another much more serious disadvantage: no overall prices policy has been framed. The "SZYDLAC Commission" had established six categories, ranging from administered prices to unrestricted prices. Nowhere has this been taken into account and the experiment will probably flounder on this obstacle.

Recently, the attempt to open the frontiers with the GDR failed because German prices were more competitive and a large deficit in Poland's balance of payments quickly developed. Furthermore, the Government had to bow to popular pressure to maintain the freeze on the prices of basic foodstuffs while at the same time keeping open the possibility of increasing other prices without any overall strategy. Lastly, multiple exchange rates for the zloty still prevail and range from one for one to nearly five to one, etc. This all goes to prove that there is a certain lack of hard facts.

In the short term, the 1972 results were considered to be satisfactory and led the Government to set its sights higher for 1973, the crucial year of the Five-Year Plan: improvement in the well-being of the people, larger share for investments in the national income, more contact with the outside world are the main characteristics of the 1973 Plan.

But the current policy of expansion cannot be put into effect unless the very basis of the Polish economy undergoes some change. The leadership is aware of this need and has undertaken to carry out a thorough-going overhaul of the country's economic machinery and methods before the next five-year plan.

In this connection, the experiment of the "thirty units" could constitute a preliminary test of the practical possibilities of restructuring the Polish economy.

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STATISTICAL TABLES

TABLE NO. 1

POPULATION AT 31ST DECEMBER, 1971

	Total in thousands	Percentage of the total population	Density per sq.km	Overall increase since 1960 (in percentage terms)
Grand Total	32,852	100	105	+10.3
City of Warsaw	1,326	4.0	2,974	+17.6
City of Cracow	595	1.8	2,586	+21.9
City of Lodz	765	2.3	3,571	+ 6.6
City of Poznan	476	1.4	2,169	+15
City of Wroclaw	531	1.6	2,323	+21.2
<u>Voivodships</u>				
Bialystok	1,179	3.5	51	+ 0.7
Bydgoszcz	1,930	5.8	92	+11.1
Gdansk	1,487	4.5	135	+19.1
Katowice	3,730	12.3	391	+12.5
Kielce	1,895	5.7	97	+ 0.3
Koszalin	803	2.4	44	+14.8
Cracow	2,196	6.5	143	+ 9.3
Lublin	1,932	5.8	78	+ 6
Lodz	1,674	5.1	98	+ 3.7
Olsztyn	981	3	47	+ 9.4
Opole	1,062	3.2	111	+12
Poznan	2,206	6.7	82	+ 9.3
Rzeszow	1,773	5.3	95	+10
Szczecin	908	2.9	71	+17.6
Warsaw	2,523	7.6	86	+ 7.3
Wroclaw	1,987	6	105	+ 8.4
Zielona Gora	893	2.6	61	+13.8

Source: Concise Statistical Yearbook of Poland - 1972

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STATISTICAL TABLES

TABLE NO. 2

BREAKDOWN OF THE POPULATION BY AGE GROUP AND SEX

(June 1971)

Age Group	Total (in thousands)	Percentage of total	Men (in thousands)	Women (in thousands)
Total comprising	<u>32,749</u>	<u>100</u>	<u>16,834</u>	<u>15,915</u>
0 to 4 years old	2,565	7.8	1,258	1,307
5 to 9 years old	2,686	8.2	1,317	1,369
10 to 14 years old	3,314	10.2	1,625	1,689
15 to 19 years old	3,470	10.5	1,701	1,769
20 to 24 years old	3,016	9.3	1,486	1,530
25 to 29 years old	1,953	6.0	973	980
30 to 34 years old	2,128	6.4	1,066	1,062
35 to 39 years old	2,244	6.8	1,125	1,119
40 to 44 years old	2,272	6.9	1,159	1,113
45 to 49 years old	2,022	6.2	1,078	934
50 to 54 years old	1,338	4.2	721	617
55 to 59 years old	1,447	4.4	797	650
60 to 64 years old	1,493	4.5	818	675
65 to 69 years old	1,173	3.6	667	506
70 and over	1,628	5.0	1,033	595

Source: Concise Statistical Yearbook of Poland - 1972

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POLAND

STATISTICAL TABLES

TABLE NO. 3

BREAKDOWN OF THE ECONOMICALLY ACTIVE POPULATION

(in thousands)

	1950	1960	1965	1968	1969	1970	1971	in %
<u>Total economically active population(1)</u>	5,066	7,344	8,611	9,616	9,956	10,119	10,371	100
<u>Non-socialized sector</u>	313	336	351	434	445	442	418	4
<u>Total, socialized sector comprising</u>	4,753	7,008	8,260	9,211	9,515	9,672	9,953	100
Agriculture	352	388	491	552	570	580	591	5.9
Forestry	92	150	173	181	178	178	174	1.7
Industry	1,936	2,949	3,460	3,866	4,007	4,072	4,201	42.3
Construction	501	783	858	969	1,007	1,005	1,055	10.6
Transport and tele-communications	453	656	788	879	911	933	959	9.6
Trade	480	708	788	853	872	880	855	8.6
Communal services	94	215	282	334	341	359	371	3.7
Teaching, sciences and culture	247	471	598	696	723	746	776	7.8
Health	138	308	381	421	438	452	488	4.9
Administration, Justice	298	195	205	205	206	204	203	2.0
Financial institutions	47	58	71	78	80	80	80	0.9
Other	115	113	165	177	182	187	200	2.0

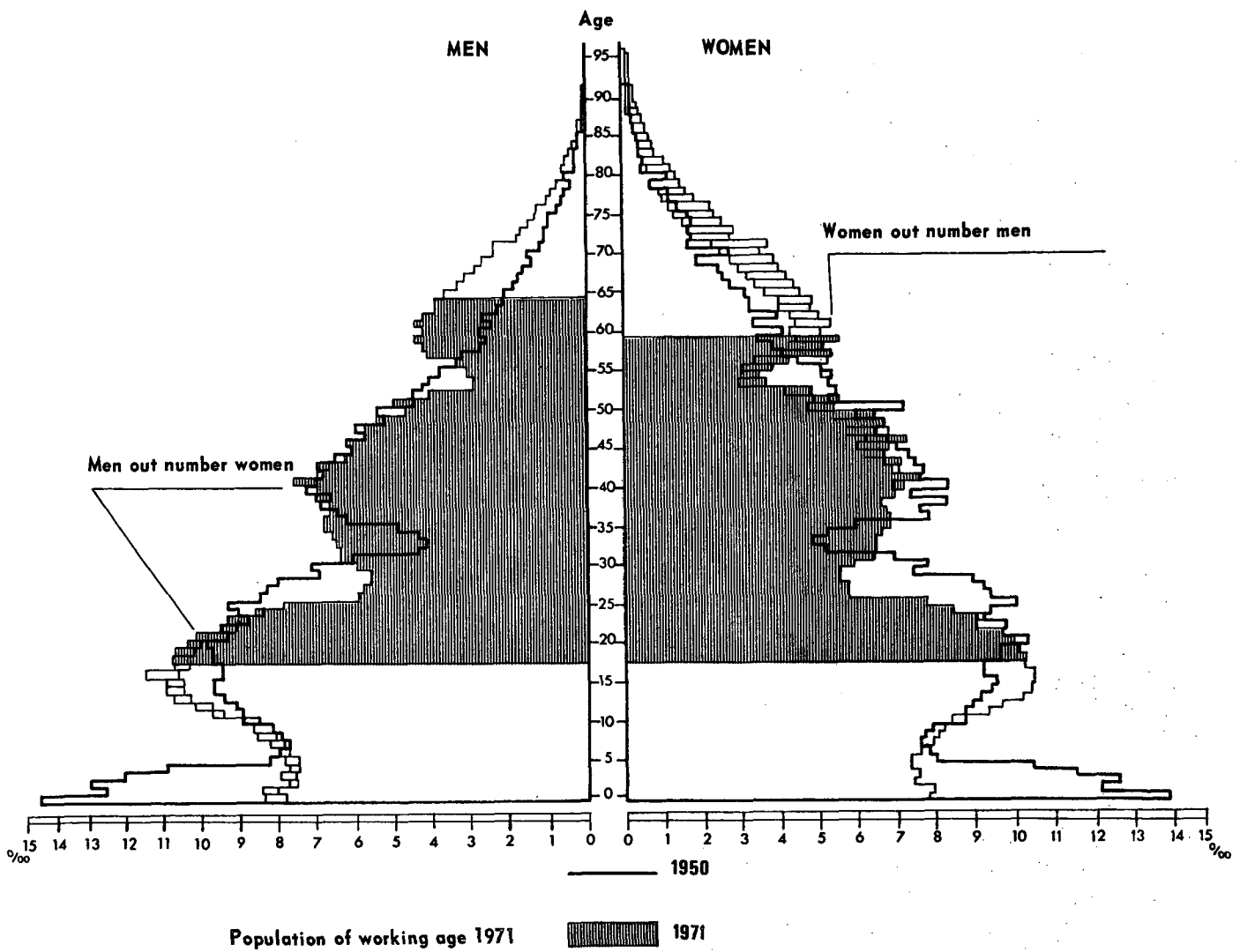
Source: Concise Statistical Yearbook of Poland - 1972

(1) Not including employment on private agricultural holdings. For the years 1950-1965 inclusive, at 31st December; for the years 1970 and 1971, yearly averages

DECLASSIFIED/DECLASSIFIEE - PUBLIC DISCLOSED/MISE EN LECTURE PUBLIQUE

POLAND  
AGE PYRAMID PER 1,000 INHABITANTS  
Position as at 31st December, 1971

ANNEX 4





POLAND

STATISTICAL TABLES

TABLE NO. 5

NATIONAL INCOME

(at current prices)

	1965	1966	1967	1968	1969	1970
<u>Trends in National Income</u> (in milliards of zlotys)						
Created national income	531.3	567.2	605.6	668.8	691.1	738.4
Internal national income	526.2	558.8	591	653.8	673.9	716.4
Distributed national income	527.6	566	596.8	655.6	686.2	725.5
<u>Formation of National Income</u> (in percentage terms)						
- <u>By sector (internal NI)</u>	100	100	100	100	100	100
{ industry	51.6	51.9	51.7	50.2	53	53.8
{ construction	8.9	9.0	9.6	9.5	9.8	9.9
{ agriculture	21.1	20.7	19.7	20	16.6	16.2
- <u>By type of ownership</u> (created NI)	100	100	100	100	100	100
socialized sector	76.2	76.3	77.5	77	80	80.9
private sector	23.8	23.7	22.5	23	20	19.1
<u>Breakdown of National Income</u> (in percentage terms)						
Distributed NI	100	100	100	100	100	100
- <u>Consumption</u>	<u>74.1</u>	<u>73.4</u>	<u>74.2</u>	<u>73.3</u>	<u>74.6</u>	<u>74.2</u>
consumption by the population	64.9	64.1	64.5	63.5	64.1	63.8
other consumption	9.2	9.3	9.7	9.8	10.5	10.4
- <u>Accumulation</u>	<u>25.9</u>	<u>26.6</u>	<u>25.8</u>	<u>26.7</u>	<u>25.4</u>	<u>25.8</u>
net investment (consumer durables)	17.6	18.2	19.8	19.9	20.2	19.8

Source: Concise Statistical Yearbook of Poland - 1972

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POLAND

STATISTICAL TABLES

TABLE NO. 6

INCREASE IN STATE BUDGET

(in milliards of zlotys)

	1965	1966	1967	1968	1969	1970	1971
<u>REVENUE</u> (Total)	<u>300</u>	<u>323.3</u>	<u>326.7</u>	<u>329.7</u>	<u>357.6</u>	<u>389.6</u>	<u>403.1</u>
- Turnover tax and tax on unproductive transactions in the socialized sector(1)	142.4	157.1	171.8	191.9	209.3	225.7	
- Payments from the profits of enterprises in the socialized sector(1) and (2)	68.0	59.4	53.5	56.7	61.2	69.9	
- Taxes and rates from the non-socialized sector	10.0	10.0	10.3	10.7	10.8	10.6	10.2
- Personal taxes and contributions	19.7	21.9	25.2	21.4	23.5	24.9	26.2
- Loans and investments	11.3	14.5	3.8 (3)	4.5 (3)	5.0 (3)	6.4 (3)	5.8 (3)
- Social insurance	32.1	35.0	38.4	18.7 (4)	19.8 (4)	20.8 (4)	22.8 (4)

- (1) The figures also cover payments by enterprises for social and cultural services
- (2) Including income tax paid by financial institutions and co-operative organizations
- (3) Not including increases in personal savings which as from 1967 have been deposited by the General Savings Bank into the National Bank of Poland
- (4) Since 1968, this figure has not included pensions which are now paid directly into the pension fund

	1965	1966	1967	1968	1969	1970	1971
<u>EXPENDITURE (Total)</u>	<u>288.9</u>	<u>318.3</u>	<u>322</u>	<u>326.4</u>	<u>351.5</u>	<u>379.3</u>	<u>392</u>
<u>Financing of the Economy</u>	<u>160.3</u>	<u>179.4</u>	<u>175.6</u>	<u>186.7</u>	<u>185.6</u>	<u>182.5</u>	<u>145.2</u>
							(1)
- Industry		35	38.5	36.7	25	24.3	34.7
- Construction		4.3	5.3	7.7	8.2	7.4	3.0
- Agriculture		20.5	26.2	27.2	30.1	27.9	21.1
- Transport and telecommunications		15.3	17.1	16.6	17.7	18.9	19.9
- Internal and external trade		61.0		75.7	70.1	81.7	44.9
- <u>Social and cultural services</u>	<u>83.4</u>	<u>92.3</u>	<u>98.5</u>	<u>(83.2)</u>	<u>(89.1)</u>		
- Science	2.9	3.6	4.1	4.4	4.4	4.3	7.0
State education		31.1	32.2	34.1	36.3	37.2	38.6
Health	21.3	21.9	23.9	29.8	31.9	33.2	33.4
Social insurance	30.8	32.5	34.8	14.9	16.5	16.6	19.9
<u>National defence</u>	<u>23.2</u>	<u>25.2</u>	<u>26.4</u>	<u>30.3</u>	<u>33</u>	<u>35.7</u>	<u>37.2</u>
<u>Administration</u>	<u>14.7</u>	<u>14.5</u>	<u>15.9</u>	<u>16.7</u>	<u>17.6</u>	<u>17.5</u>	<u>19.4</u>
<u>Public Debt</u>		<u>6.9</u>	<u>5.4</u>				
<u>Other</u>	<u>7.3</u>						

(1) Following changes made in the financial system as from 1971, there have been modifications both between budgetary income and expenditure and between certain sectors, particularly foreign trade and industry. Since 1971, funds for certain projects have been drawn to a greater extent from non-budgetary sources than in previous years

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POLAND

STATISTICAL TABLES

TABLE NO. 6(BIS)

STATE BUDGET

Milliards of zlotys	1965	1966	1967	1968	1969	1970	1971
<u>I. Overall Revenue</u>	<u>300</u>	<u>323.3</u>	<u>326.7</u>	<u>329.7</u>	<u>357.6</u>	<u>389.6</u>	<u>403.4</u>
Central Budget	259.7	285.8	287.9	288.9	314.9	344.1	354.7
Regional Budgets (own revenue)	40.3	37.5	38.8	40.8	42.7	45.5	48.7
<u>II. Total Expenditure</u>	<u>288.9</u>	<u>318.3</u>	<u>322</u>	<u>326.4</u>	<u>351.5</u>	<u>379.3</u>	<u>392</u>
Including investments and major repairs	72.9	68.7	67.4	59.7	54.8	50.5	53.7
<u>1. Central Budget</u>	<u>209.6</u>	<u>233.7</u>	<u>235.2</u>	<u>236.1</u>	<u>253</u>	<u>279</u>	<u>280</u>
- investments and major repairs	43.5	39.6	40.7	33.1	26.1	23.2	20.8
<u>2. Regional Budgets</u>	<u>79.3</u>	<u>84.6</u>	<u>86.8</u>	<u>90.3</u>	<u>98.5</u>	<u>100.3</u>	<u>112</u>
- investments and major repairs	29.4	29.1	26.7	26.6	28.7	27.3	32.9

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POLAND

STATISTICAL TABLES

TABLE NO. 7

BUDGET

(in milliards of zlotys)

Year	Total State Budget	Defence Budget	Percentage of defence appropriations
1961	233.5	17.0	7.2
1962	250.0	18.4	7.3
1963(1)	251.2	20.7	8.2
1964	274.2	21.9	7.98
1965	288.9	23.2	8.0
1966	318.3	25.2	7.91
1967	322.0	26.4	8.19
1968	326.4	30.3	9.28
1969	351.5	33.5	9.24
1970	379.3	35.7	9.41
1971	392.0	37.2	9.48

- (1) In 1963 - Creation of missile units  
 - New conscription law extending the period of call-up of certain categories of military personnel  
 - Implementation of the system of home defence

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STATISTICAL TABLES

TABLE NO. 8

INVESTMENTS

(at current prices in milliards of zlotys)

	1965	1966	1967	1968	1969	1970	1971
<u>TOTAL</u>	139.2	150.3	167.2	181.8	197.7	207.1	244.7
<u>Socialized Sector</u>	<u>124</u>	<u>133.4</u>	<u>148.2</u>	<u>161.3</u>	<u>175.3</u>	<u>182.2</u>	<u>216.2</u>
- Industry	55.9	58.7	65.8	72.4	80	80.4	98.3
- Construction	5.1	5.8	6.9	7.6	8.8	8.4	8.7
- Agriculture	15.5	16.9	18.1	19.7	21.3	21.2	23.3
- Forestry	0.5	0.6	0.6	0.7	0.8	0.8	1.1
- Transport and telecommunications	15.3	17.1	19.5	20.1	21.8	25.4	31.9
- Trade	4.4	5.1	6.1	6.4	6.0	5.0	5.5
- Communal services including housing	18.0 13.2	19.2 14.2	21.5 15.6	23.5 17.3	25.2 18.2	27.4 20	33.5 24.4
- Education, science culture	6.3	6.3	6.5	6.8	8.0	8.6	7.2
- Health	2.3	2.7	2.9	3.3	3.5	3.8	4.4
- Miscellaneous	1.3	1.7	1.6	1.8	2.0	2.4	2.5
<u>Private Sector</u>	<u>15.2</u>	<u>16.9</u>	<u>19.0</u>	<u>20.5</u>	<u>22.4</u>	<u>24.9</u>	<u>28.5</u>
- Agriculture	6.9	7.8	8.9	9.8	10.8	12.2	14.3
- Communal services including housing	8.1 8.1	8.9 8.8	9.8 9.7	10.5 10.4	11.3 11.1	12.5 12.3	14 13.8

POLAND

STATISTICAL TABLES

TABLE NO. 9

INVESTMENTS

(in milliards of zlotys) at current prices

	1960	1965	1966	1967	1968	1969	1970	1971
<u>Investments in agriculture</u>	<u>11.3</u>	<u>22.4</u>	<u>24.7</u>	<u>27.0</u>	<u>29.5</u>	<u>32.1</u>	<u>33.4</u>	<u>37.6</u>
Private sector	4.5	6.9	7.8	8.9	9.8	10.8	12.2	14.3
Percentage of investment in agriculture in relation to aggregate investments	11.9	16.1	16.4	16.1	16.2	16.3	16.1	15.3

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STATISTICAL TABLES

TABLE NO. 10

BREAKDOWN OF INVESTMENTS

(in percentages of the total  
calculated at 1971 prices)

	(1961-1965)	(1966-1970)	1971
<u>TOTAL</u>	100	100	100
<u>Productive Investments</u>	71.4	75	75.7
<u>Non-Productive Investments</u>	28.6	25	24.3
<u>Breakdown by Sector</u>	100	100	100
Industry	40.3	39.3	40.2
Construction	3.1	4.0	3.6
Agriculture	13.8	16.1	15.4
Forestry	0.4	0.4	0.5
Transport and telecommunications	10.3	11.2	13.0
Trade	2.8	3.2	2.2
Communal services	3.7	3.6	3.8
Housing	18.1	15.5	15.6
Education, science, culture	4.7	3.8	2.9
Health	1.8	1.8	1.8
Miscellaneous	1.0	1.1	1.0

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POLAND

STATISTICAL TABLES

TABLE NO. 11

AVERAGE GROSS MONTHLY WAGE IN THE SOCIALIZED SECTOR(1)

	1960	1965	1966	1967	1968	1969	1970	1971
<u>General Average</u> (in zlotys)	<u>1,683</u>	<u>2,013</u>	<u>2,095</u>	<u>2,195</u>	<u>2,296</u>	<u>2,382</u>	<u>2,458</u>	<u>2,592</u>
Agriculture	1,340	1,632	1,721	1,808	1,918	1,962	2,074	2,186
Forestry	1,176	1,471	1,506	1,576	1,637	1,689	1,738	1,873
Industry	1,853	2,194	2,267	2,355	2,456	2,564	2,642	2,787
Construction	1,946	2,378	2,486	2,630	2,756	2,858	2,986	3,113
Transport and telecommunications	1,617	2,023	2,066	2,154	2,342	2,412	2,479	2,643
Trade	1,412	1,728	1,813	1,928	1,989	2,039	2,094	2,226
Communal services and housing	1,584	1,845	1,916	2,039	2,159	2,268	2,342	2,484
Education, science	1,494 (3)	1,780 (3)	1,929 (3)	1,984 (3)	2,025 (3)	2,073 (3)		
Culture(2)		1,806	1,935	2,094	2,185	2,237	2,277	2,306
Health, welfare services, physical education(2)	1,304	1,543	1,586	1,713	1,766	1,807	1,841	1,963
Public services and judiciary	1,556	1,965	2,082	2,225	2,298	2,370	2,395	2,440
Finance and insurance	1,557	1,833	1,933	2,205	2,256	2,283	2,423	2,447

- (1) Excluding the wages of apprentices and those working at home  
 (2) These figures only relate to full time workers  
 (3) All three headings

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STATISTICAL TABLES

TABLE NO. 12

PRODUCTION OF ENERGY

	1960	1965	1966	1967	1968	1969	1970	1971
Coal (in 1,000 tons)	104,438	118,831	121,979	123,811	128,600	135,000	140,000	145,000
Lignite (in 1,000 tons)	9,327	22,600	24,500	23,900	26,878	28,500	32,800	34,500
Coke (in 1,000 tons)	11,900	14,500	14,800	15,200	15,700	16,200	16,500	16,800
Crude Oil (in 1,000 tons)	194	339	400.4	450	475	438	424	420
Refined Oil (in 1,000 tons)	876	3,517	3,705	4,098	5,720	6,850	7,471	8,331
Natural Gas (in millions cu.m)	549	1,378	1,396.1	1,568	2,556	3,919.7	5,182	5,383
Electricity (in milliards KW/H)	29.3	43.8	47,360	51,266	55,504	60,061	64.5	71
Installed power (in MW)	6,315.7	9,671.8	9,920	10,933	11,592	12,900	13,891	14,814

Forecasts for 1975

Coal (in 1,000 tons)	206,000 tons
including hard coal (in 1,000 tons)	167,000 tons
lignite (in 1,000 tons)	36,500 tons
coke (in 1,000 tons)	20,500 tons
Crude Oil (in 1,000 tons)	1,400 tons
Refined Oil (in 1,000 tons)	14,000 tons
Natural Gas (in 1,000 cu.m)	8,000 to 13,000
Electricity (in milliards KW/H)	97,000
Installed power (in MW)	25,000

POLAND

STATISTICAL TABLES

TABLE NO. 13

METALLURGICAL INDUSTRY

Branches of Industry	1960	1965	1966	1967	1968	1969	1970	1971
<u>Iron and Steel</u> (in 1,000 tons)								
Iron ore	2,182	2,861	3,053	3,077	3,050	2,821	2,554	2,078
Cast Iron	4,563	5,760	5,855	6,581	6,840	7,028	7,296	7,497
Steel	6,681	9,088	9,850	10,500	11,000	11,300	11,795	12,738
Sheeting	4,422	6,130	6,578	6,954	7,327	7,600	8,136	8,721
Steel Pipe	366	508	544	633	657	671	723	847
<u>Non-Ferrous Metallurgy</u> (in 1,000 tons)								
Copper ore	1,760	2,356	2,508	2,500	3,043	4,385	6,552	9,037
Zinc-lead ore	2,461	2,688	2,774	2,885	3,003	3,221	3,583	3,851
Electrolitic copper	21.7	37.4	39.8	42.2	43.6	54.7	72.2	92.7
Zinc	176	190	193	196	203	208	209	220
Refined copper	39.7	41.4					54.5	60.2
Aluminium	26	47.3	55.2	92.3	93.5	96.8	98.8	100

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STATISTICAL TABLES

TABLE NO. 14

MANUFACTURE OF MACHINERY AND METAL CONSTRUCTION

	1960	1965	1966	1967	1968	1969	1970	1971
Steam boilers	111	95	80	97	104	125	146	107
High pressure internal combustion engines (units)	4,100	12,200	8,800	11,300	13,500	13,200	15,300	17,100
Metal cutting machinery (units)	25,400	34,500	35,600	35,500	33,000	33,500	36,000	38,800
<u>Plant</u> (in 1,000 tons)								
- metallurgical	21.7	40.1	38.3	44.0	43.2	43.6	47.4	46.3
- mining	129	164	167	164	175	189	108	118
- chemical	29.1	57.3	51.0	51.5	57.8	62.4	71	76.2
- for the food industry (1,000 tons)	27.7	43.2	45.9	47.8	54.5	57.4	56.9	48.6
Textile machinery (1,000 tons)	10.3	17.0	14.9	15.9	16.3	17.4	18.6	20.2
Agricultural machinery and equipment (1,000 zlotys) (1971 prices)	1,958	3,504					5,354	6,067
Ball bearings (millions of units)	12.0	34.1	38	39.6	42.2	45.4	51.4	56.9
Transformers of over 20 KVA (1,000 units)	8.4	13.6	14.2	14.1	13.9	15.4	15.5	17.0
High tension cables (1,000 Km)	20.8	39.6	41.9	55.5	65.1	67.5	74.6	79.6
Radio sets (1,000 units)	627	624	623	613	787	892	987	893

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	1960	1965	1966	1967	1968	1969	1970	1971
Television sets (1,000 units)	171	452	412	495	560	600	616	631
Computers (units)		32			53	63	61	56
Railway engines (units)	182	391	450	353	388	438	426	380
Tourist cars (units)	12,900	26,400	29,200	27,700	35,100	40,700	65,200	86,200
Lorries (1,000 units)	19.8	26.9	40.9	46.3	35.1	40.7	40.9	46.3

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STATISTICAL TABLES

TABLE NO. 15

CHEMICAL INDUSTRY: PRINCIPAL ITEMS OF PRODUCTION

	1960	1965	1966	1967	1968	1969	1970	1971
Production in 1,000 tons								
Sulphuric acid	685	1,062	1,139	1,213	1,314	1,516	1,901	2,255
Soda ash	533	614	621	627	637	641	657	682
Caustic soda	174	224	247	275	307	324	326	331
Nitrogen fertilizer	270	394	462	594	759	938	1,030	1,081
Phosphate fertilizer	207	344	364	382	474	534	599	705
Synthetic rubber	20.2	39.2	37.5	40.1	40.8	48.1	61.7	66.2
Plastics	55.4	118	132	161	199	240		
Tyres (1,000 units)	46.1	69.1	71.4	68.9	80.0	97.2	110	110
Chemical Fibres	77.8	103.9	109.5	121.3	124	131	138	151
Polyvinyl chloride	28.3	67.7	81.1	90.3	112	121	(1) 85.0	(1) 93.8
Detergents	0.7	5.0	6.5	9.5	9.0	9.6	11.2	13
Pharma- ceuticals(2) (million zlotys)	1,296	3,164					5,544	6,411

(1) Polyvinyl chloride - by comparison with 1965 when Poland produced 26,400 tons

(2) Including medicinal herbs. In comparable 1971 prices

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STATISTICAL TABLES

TABLE NO. 16

CONSTRUCTION MATERIALS

	1960	1965	1966	1967	1968	1969	1970	1971
Cement (1,000 tons)	6,600	9,573	10,040	11,138	11,593	11,830	12,200	13,100
Tiles (1,000 units)	100,000	99,100	10,400	99,100	87,000	81,600	82,900	81,000
Bricks (1,000 units)	3,489	3,516	3,560	3,647	3,704	3,636	3,660	3,795
Lime (1,000 tons)		2,874	3,101	3,280	3,295	3,356	3,586	3,811
Plate glass (1,000 sq.m)	22,500	32,600	37,400	41,500	42,800	44,900	48,500	48,900

TIMBER, PAPER AND CELLULOSE INDUSTRY

	1960	1965	1966	1967	1968	1969	1970	1971
Timber planks (1,000 cu.m)	6,548	6,807	6,923	6,905	7,197	7,010	6,818	6,998
Furni- ture (1,000 zlotys 1971 prices)	4,566	7,920					11,849	13,015
Cellu- lose (1,000 tons)	291	348	398	427	461	464	470	478
Paper (1,000 tons incl. news- print	504	638	657	672	681	702	764	839
	77.1	78.7	73	83.3	87.2	86.7	87.9	87.5

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POLAND

STATISTICAL TABLES

TABLE NO. 17

TEXTILE, CLOTHING AND FOOTWEAR INDUSTRY

Main Items of Production

	1960	1965	1966	1967	1968	1969	1970	1971
Cotton fabrics (millions of m)	667	811	845	824	835	846	881	906
Silk fabrics (millions of m)	112	126	128	139	146	152	156	162
Wool fabrics (millions of m)	78.9	90.8	91.5	90.1	94.5	98.9	99.0	98.6
Hosiery (1,000 tons)	18.8	25.4	27	28.4	30.3	32.5	35.6	38.5
Made-up cotton (millions of m)	217	341	348	315	319	356	395	415
Footwear (millions of pairs)(1)	82.4	112	111	115	125	134	141	146
including leather and leather soled footwear	39	52.9	52.6	57.6	63.2	68.4	62.2	62.0

PER CAPITA CONSUMPTION

	1960	1965	1966	1967	1968	1969	1970	1971
Cotton fabric (m)	22.4	25.8	26.6	25.8	25.8	26.0	26.8	27.7
Wool fabric (m)	2.7	2.9	2.9	2.8	2.9	3.0	3.0	3.0
Silk fabric (m)	3.8	4.0	4.0	4.4	4.5	4.7	4.8	5.0
Footwear(1) (pairs)	2.8	3.6	3.5	3.6	3.9	4.1	4.3	4.5

(1) Including rubber



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STATISTICAL TABLES

TABLE NO. 18

CONSUMER GOODS

FOOD INDUSTRY

Production

	1960	1965	1966	1967	1968	1969	1970	1971
Flour (1,000 tons)	6,360	6,578	6,394	6,300	6,288	6,324	6,414	6,339
Meat (1,000 tons)	981	1,208	1,286	1,313	1,296	1,362	1,312	1,402
including pork	716	884	953	921	869	900	878	971
Milk (1,000,000 litres)	965	1,185	1,216	1,277	1,343	1,416	1,506	1,608
Butter (1,000 tons)	94.6	105	118	119	124	118	127	128
Sugar (1,000 tons)	1,381	1,354	1,549	1,760	1,569	1,405	1,385	1,575

These figures relate exclusively to the output of the food industries and not to aggregate agricultural output.

Per Capita Consumption

	1960	1965	1966	1967	1968	1969	1970	1971
Butchers meat (in kg)	33	38.4	40.6	41.1	40.1	41.9	40.0	42.8
Salt water fish (fisheries) in kg	5.7	8.9	10.0	10.0	11.9	11.9	13.8	15.2
Sugar (in kg), refined	46.5	43.0	48.9	55.1	48.9	55.1	42.2	48.1
Cigarettes (units)	1,483	1,920	1,866	1,832	1,988	2,103	2,109	2,357

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STATISTICAL TABLES

TABLE NO. 19

AGRICULTURE

LAND USE

I. OVERALL BREAKDOWN (in thousands of hectares)

June 1971

	TOTAL	Agricultural Land					Forest
		Total	Arable land	Orchard	Prairy	Pasture	
Total in %	31,267.7	19,507.8	14,980.2	296.4	2,519.1	1,712.1	8,578.1
		100	76.7	1.5	12.9	8.9	
including private farms	18,380.5	16,197.4	12,479.0	272.8	2,093.9	1,351.7	1,545.3
agricultural associations	169.1	111.8	273.6	1.3	21.5	16.3	2.8
collective farms	283.4	258.6	203.2	2.8	31.3	21.3	9.0
State farms	12,434.7	2,940.0	2,224.4	20.5	372.4	322.7	7,021.0

II. BREAKDOWN OF CULTIVATED LAND (in percentage)

	Total	Grains	Potatoes	Industrial Crops	Fodder	Vegetables
1960(1)	100	63.6	17.3	4.1	9.3	0.9
1965(1)	100	55.7	18.3	6.4	14.2	1.5
1969(1)	100	57.6	18.0	5.2	14.2	1.5
1971(1)	100	56.5	17.9	6.0	13.9	1.5

(1) Excluding berries, fertilizer, seed, etc.

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STATISTICAL TABLES

TABLE NO. 20

CROPS

Output (in millions of tons)

	1960	1965	1966	1967	1968	1969	1970	1971
<u>Grains (total)</u>	<u>14,265</u>	<u>15,461</u>	<u>15,209</u>	<u>15,664</u>	<u>17,314</u>	<u>17,887</u>	<u>15,399</u>	<u>18,943</u>
comprising								
wheat	2,303	3,338	3,556	3,857	4,567	4,710	4,608	5,453
rye	7,878	8,202	7,661	7,645	8,438	8,166	5,433	7,841
barley	1,310	1,445	1,398	1,394	1,478	1,948	2,149	2,449
oats	2,774	2,476	2,594	2,768	2,831	3,063	3,209	3,200
<u>Potatoes</u>	<u>37,850</u>	<u>42,665</u>	<u>45,798</u>	<u>48,214</u>	<u>50,280</u>	<u>44,935</u>	<u>50,301</u>	<u>39,928</u>
<u>Sugar beet</u>	<u>10,260</u>	<u>12,314</u>	<u>13,620</u>	<u>15,521</u>	<u>14,800</u>	<u>11,321</u>	<u>12,742</u>	<u>12,557</u>

Yields

(in quintals per hectare) 1971

	TOTAL	Private farms	Collective farms	State farms
<u>Grains</u>	<u>23.7</u>	<u>23.3</u>	<u>26.4</u>	<u>26</u>
wheat	26.5	26.4	27.6	27
rye	21.1	21.0	22.5	22.4
barley	27.2	26.7	29.1	28.9
oats	24.1	23.7	27.1	27.1
<u>Potatoes</u>	<u>150</u>	<u>150</u>	<u>151</u>	<u>146</u>
<u>Sugar beet</u>	<u>299</u>	<u>305</u>	<u>262</u>	<u>265</u>

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STATISTICAL TABLES

TABLE NO. 21

LIVESTOCK PRODUCTION

(thousands of head) June 1971

BREAKDOWN BY TYPE OF LIVESTOCK

	CATTLE	PIGS	SHEEP	HORSES
<u>In aggregate</u>	<u>11,076.3</u>	<u>15,242.8</u>	<u>3,179.7</u>	<u>2,501.3</u>
including private farms	9,061.9	13,265.6	2,637.9	2,419.1
collective farms	149	144.1	40.5	6.9
State farms	1,855.3	1,824.2	491.6	75.1

BREAKDOWN OF LIVESTOCK NUMBERS  
(thousands of heads)

June of the relevant year

	1960	1965	1966	1967	1968	1969	1970	1971
Cattle including cows	8695.1	9947.2	10390.8	10767.5	10940	11048.9	10843.5	11076.3
pigs	5884.7	5920.3	6013.6	6142.5	6193.8	6250.2	6081.8	6041
sheep	12615.6	13779.1	14251.1	14232.6	13911.4	14356.5	13446.1	15242.8
poultry(1)	3661.5	3060.6	3164.2	3321.2	1580.9	3238.6	3199.2	3179.7
horses	71900	80300	81000	73300	84300	85500	87600	88900
	2805	2554.4	2589.7	2642.8	2672.6	2633.2	2585.2	2501.3

(1) In December of the relevant year

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STATISTICAL TABLES

TABLE NO. 22

ANIMAL PRODUCTION

	1960	1965	1966	1967	1968	1969	1970	1971
Meat(1) (1,000 tons)	1,756	2,015	2,086	2,136	2,160	2,260	2,207	2,225
including								
beef	236	345	354	420	453	484	471	457
pork	1,177	1,306	1,345	1,314	1,286	1,325	1,279	1,304
milk (milliards of litres)	12.1	12.9	13.8	14.1	14.2	14.4	14.5	14.6
eggs (millions of units)	5,589	6,264	6,253	6,340	6,315	6,700	6,941	7,080
wool (tons)	9,042	7,500	8,016	8,662	8,849	8,842	8,939	9,077
fish (in 1,000 tons)	19	21	22	23	26	25	22	23

(1) Deadweight, including fat

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STATISTICAL TABLES

TABLE NO. 23

AGRICULTURAL AIDS

Tractors (in thousands of units)

	1960	1965	1966	1967	1968	1969	1970	1971
TOTAL	62.8	124.1	136.7	152.7	168.4	189.5	213.6	240.8
Private farms	13.3	16.1	16.5	17.9	23.9	30.0	43.7	60.2
Agricultural associations	6.9	45.6	54.0	64.2	70.9	81.9	91.9	101.5
Collective farms	2.1	3.8	4.4	5.2	5.4	5.9	5.9	5.8
State farms	28.6	50.3	54.0	57.9	61.3	65.1	66.1	68
Machine and tractor stations	11.9	8.3	7.8	7.5	6.9	6.6	6.0	5.3

Chemical Fertilizer (1,000 tons of pure ingredient)

	1959/ 1960	1964/ 1965	1965/ 1966	1966/ 1967	1967/ 1968	1968/ 1969	1969/ 1970	1970/ 1971
TOTAL	<u>744.6</u>	<u>1106.7</u>	<u>1302.8</u>	<u>1581.7</u>	1829	2141.3	2416.3	2571.7
Nitrogen fertilizer	251.3	386.5	433.2	513.3	604.8	701.1	785	822.4
Phosphate fertilizer	180.4	324	353.8	407.8	450.8	525.6	595.4	635.1
Potassium fertilizer	312.9	396.2	515.8	660.6	773.4	914.6	1035.9	1114.2
Plant protection products	<u>45</u>	<u>65.7</u>	<u>75.0</u>	<u>60.4</u>	<u>56.3</u>	<u>59.6</u>	<u>53.7</u>	<u>47.7</u>

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STATISTICAL TABLES

TABLE NO. 24

OVERALL POLISH FOREIGN TRADE

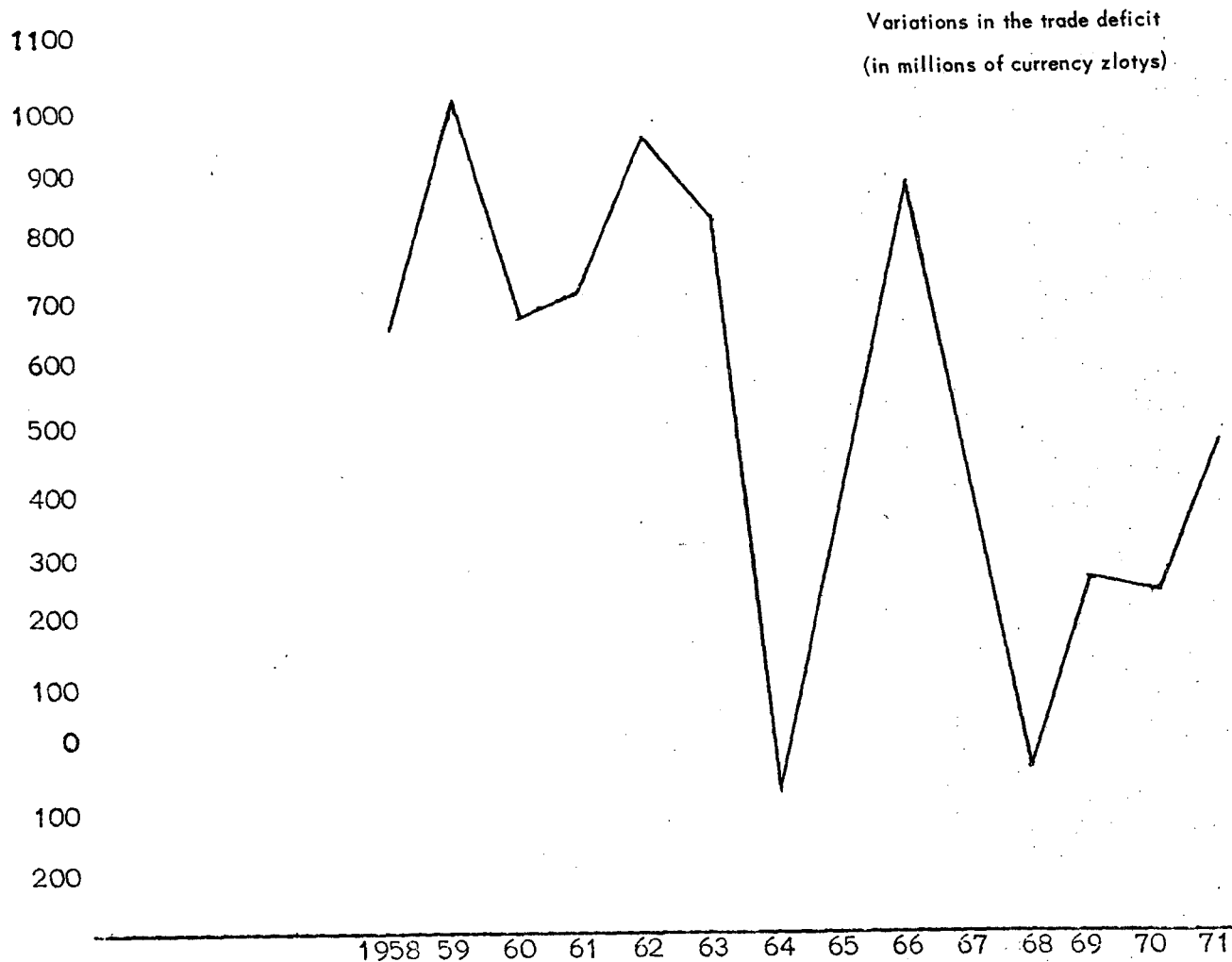
	1955	1960	1965	1969	1970	1971	1972
TOTAL	1,852	2,821	4,568	6,352	7,155	7,910	8,550 (plan)
Imports	932	1,495	2,340	3,210	3,607	4,038	-
Exports	920	1,326	2,228	3,142	3,548	3,872	-
Balance	- 12	- 169	- 112	- 68	- 59	- 166	-

Value in \$ million

POLAND

STATISTICAL TABLES

TABLE No. 25



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	1971	
	\$ million	%
Fuel and energy	260	6.4
Industrial Production		
- Metallurgical	666.25	16.4
- Electrical engineering(1)	1,528.75	37.9
- Chemical	442.75	11.0
- Timber and paper	121.25	3.0
- Light	284	7.0
- Food	272.25	6.7
Agricultural production	310.25	7.7
TOTAL	4,038	

(1) Including complete indust

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POLAND

000 tons  
illions of units  
illions of dollars  
ousand cubic metres  
ousand metres  
ousand pairs

	1971
Cooking coal	1,263 m.t.
Briquettes	6 "
Crude oil	37,894 "
Natural gas	22,633 m.t.
Petroleum products	22,430 "
Iron Ore	9,401 "
Manganese Ore	103 "
Zinc concentrates	225 "
Aluminium oxide	34 "
Copper	3.1 "
Tobacco	11,910 "
Wheat	616 "
Barley	63.3 "
Coffee, tea, cocoa	149.9 "
Meat	74 "
Rice	95.5 "
Citrus fruits	145 "
Cotton	18.3 "
Wool	45.7 "
Artificial fibres	45.2 "
Raw hides	32,996 m.p.
Leather footwear	
Phosphorus and apatites	12,466 m.t.
Potassium fertilizer	12,191 "
Natural rubber	60.8 "
Synthetic rubber	33.6 "
Cellulose	211 "
Pharmaceutical products	149,425 m \$
Motor vehicles:	
cars	21,800 U
utility vehicles	25,900 U

POLAND

	1971	
	§ million	%
Fuel and energy	542.75	14.0
Industrial Production		
- Metallurgical	312	8.1
- Electrical engineering(1)	1,640	42.3
- Chemical	352	9.1
- Timber and paper	111.25	2.9
- Light	350.75	9.1
- Food	356.75	9.2
Agricultural products	134.25	3.5
TOTAL	(3,872)	

(1) Including complete indus

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POLAND      thousand tons  
                  million units  
                  millions of dollars  
                  thousand cubic metres  
                  thousand pairs  
                  thousand metres

	1971
Coal	30,300 m.t.
Lignite	3,561 "
Coke	2,398 "
Petroleum products	1,058 "
Iron and steel	1,157 "
Zinc and zinc sheeting	90 "
Brewery barley	78 "
Fresh meat	45.3"
Bacon	42 "
Hams and canned meat	52.6"
Butter	5.9"
Sugar	82.7"
Eggs	457 mln U
Resinous woods	701 m.m <sup>3</sup>
Sulphur	2,064 m.t.
Dyes	7,690 t.
Nitrogen fertilizer	847.9 m.t.
Pharmaceutical products	85 mln \$
Mechanical shovels	46.5 mln \$
Machinery and plant for the textile industry	28 mln \$
Plant for the energy indu	20.7 mln \$
Plant for the food indust	9 mln \$
Goods wagons	5,743 U
Motor cars	220 U
Passenger vehicles:	
- utility vehicles	17,100 U
- passenger vehicles	26,400 U
Shipping	382,000 DWT
Machine tools for metallu	6,354 U
Wool cloth and similar	7,800 m.m.
Cotton and cotton type c	86,200 m.m.
Linen cloth	19,300 m.m.
Leather footwear	15,137 m.p.
Wooden furniture	45.7 mln \$

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	1971
<u>TOTAL</u>	<u>7,910</u>
Socialist countries	5,163 (65.27%)
Market economy, industrialized countries	2,257 (28.5%)
Third World	489 (6.2%)
<u>IMPORTS</u>	<u>4,037</u>
Socialist countries	2,720 (67.4%)
Market economy, industrialized countries	1,101 (27.3%)
Third World	215 (5.3%)
<u>EXPORTS</u>	<u>3,872</u>
Socialist countries	2,442 (63%)
Market economy, industrialized countries	1,156 (29.9%)
Third World	274 (7.1%)
<u>BALANCE</u>	- <u>164</u>
Socialist countries	- 278
Market economy, industrialized countries	+ 55
Third World	+ 59

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POLAND

	Balance			
		1969	1970	1971
USSR	3	- 79	-110	- 38
GDR	3	- 42	- 72	-148
Czechoslovakia	5	+ 28	- 47	- 38
Hungary	0	- 2	+ 4	- 30
Yugoslavia	9	+ 10	+ 5	- 5
Bulgaria	5	+ 16	- 14	+ 12
Rumania	9	+ 6	+ 7	- 3
China	5	- 4	+ 2	+ 16

POLAND

	Balance		
	1969	1970	1971
FRG	8 1	+ 42	+ 3
United Kingdom	9 45	- 39	- 42
Italy	4 4	- 40	+ 65
United States	3 43	+ 35	+ 25
France	3 46	- 28	+ 10.5
Austria	4 13	- 4	- 12
Sweden	2 6	+ 14	- 2
Netherlands	2 9	- 8	- 19
Denmark	2 1	- 1	- 23.5
Switzerland	2 0	- 9	- 11.5
Japan	13	+ 9	- 15

(Listed in order of t

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POLAND

	70	1971
A. <u>COMMON MARKET</u>		
Imports	4	448
Exports	5	496
Balance	<u>1</u>	<u>+48</u>
B. <u>EFTA</u>		
Imports	3	447
Exports	1	371
Balance	<u>2</u>	<u>-76</u>
C. <u>UNITED STATES AND CANADA</u>		
Imports	0	91
Exports	6	122
Balance	<u>6</u>	<u>+31</u>



POLAND

Country	Balance		
	1965	1970	1971
India	18	- 2	+ 13.5
Brazil	7	+ 2	+ 19
Egypt	17	+ 10	- 9
Pakistan	6	- 5	0
Argentina	13	- 8	- 6

(Listed in order of

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POLAND

Country	
USSR	8
GDR	0
CZECHOSLO	1
FRG	2
UNITED K	0
HUNGARY	9
YUGOSLAV	8
ITALY	7
UNITED S	3
RUMANIA	<u>2</u>
BULGARIA	2
<u>FRANCE</u>	0
AUSTRIA	4
DENMARK	3
NETHERLAN	1
SWEDEN	0
SWITZERL	0
JAPAN	9
INDIA	9
EGYPT	6