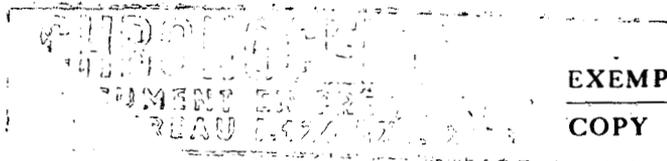


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ECONOMIC COMMITTEE

ECONOMIC REVIEW OF EASTERN COUNTRIES  
POLAND: THE ECONOMY SINCE 1971

Note by the Secretary

The attached study, prepared by the United Kingdom Delegation, has to be considered as the main contribution to the yearly review by the Committee of the Polish Economy, which will take place during the reinforced meeting planned for 5th and 6th December.

(Signed) M. van den BULCKE

NATO,  
1110 Brussels.

This document consists of: 20 pages  
Appendix of: 13 pages  
Annex of: 29 pages

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ECONOMIC REVIEW OF EASTERN COUNTRIES  
POLAND: THE ECONOMY SINCE 1971

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POLAND: THE ECONOMY SINCE 1971

I. INTRODUCTION

1. The purpose of this paper is to examine the economic developments in Poland after the workers' riots in December 1970 which led to the replacement of Gomulka by Gierek. Particular interest attaches to Poland in this period since, uniquely among the Warsaw Pact countries, its Party leadership has been strongly influenced by pressures from the population.

2. The immediate causes of the December riots were:

- (a) food shortages;
- (b) proposed introduction of a wage incentives system in industry which had already been tried out to some extent and had aroused resentment and suspicion, particularly in the shipyards;
- (c) the introduction in mid-December of sharp increases in the retail prices of basic foods and of fuels. (In particular, there was a rise of 17.6% in the price of meat and meat products.)

3. Gierek responded to the situation with a number of measures to placate the workers. At first he announced a freeze on food prices, arranged for substantial meat imports, dropped the intended reform of the wage system (except for some experiments already under way in selected enterprises), and released more purchasing power by raising minimum wages, family allowances and pensions. Then in March 1971 he rescinded the price increases introduced in the previous December. He has subsequently pursued a policy which seeks to combine rapid economic expansion with greater priority for the consumer.

II. OVERALL ECONOMIC GROWTH

4. According to Polish officials statistics produced "national income" (net material product) increased by 8% in 1971, 10% in 1972 and 11% in 1973. This compares with an average growth of 6% a year recorded for 1966-1970 and with the 7% a year envisaged in the 1971-1975 plan when it was finally approved in 1972. If adequate adjustments could be made to recalculate these figures on a basis directly comparable with Western statistics of GNP at factor cost, the rates of growth would probably be rather lower, though still high in comparison with those achieved by most Western developed countries(1).

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(1) We believe that Polish aggregate statistics in value terms tend to overstate the rates of growth achieved. We cannot be sure of the degree of overstatement, but it is unlikely that this has differed widely within a fairly short period. We therefore believe that the official statistics used in this paper provide a reasonably reliable indication of relative rates of growth in the Polish economy.

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5. Among the countries of the Warsaw Pact, the Polish rate of economic growth in 1971-1973 has been the second highest, after Rumania. This is in marked contrast to the relative growth in 1966-1970 when only the German Democratic Republic came below Poland in rate of increase of national income produced. (See Section II of Statistical Annex.)

6. The swift rate of growth in 1971-1973 is frequently applauded by the Polish leadership, but they also admit that it is accompanied by difficulties and tensions. At a Party Central Committee meeting in June 1974 the Prime Minister Jaroszewicz explained that the problems which the economy would face anyhow, even with a slower rate of development, were emerging earlier and gaining in complexity because of the rapid economic expansion.

### III. INDUSTRY(1)

7. The 1971-1975 plan for industry envisaged an average increase of 8.5% a year in gross production, with heavy industry growing at the rate of 8.6% a year and consumer goods output at 8.2%. Although the traditional Communist priority for heavy industry was to be maintained, this represented a significant shift in favour of the consumer since the growth rates recorded in 1966-1970 had averaged 9.3% a year and 6.6% respectively. In 1971-1973, however, the change was greater than had been intended. While the average growth claimed for heavy industry is 9.7% a year, that for consumer goods production is 10.7%. An increased rate of production of consumer goods was essential because of the rapid increase in the purchasing power of the population and a similar policy is to be pursued in 1974-1975.

8. The share of total investment absorbed by industry rose to 43% in 1971-1973, as against 39.4% in 1966-1970. This accords with the 1971-1975 plan which envisaged industry's share as 43.4% in the five-year period, although the sums invested have been greatly in excess of the plan targets(2). A very high rate of investment is held to be necessary for the modernization of industry and improvement of the quality of its products, as well as overall expansion. Among the industrial branches, light industry (which produces mainly textiles and clothing), the food industry and the engineering industries have been receiving a substantially increased share of investment. (See Table 10 of Statistical Annex.)

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- (1) Polish official statistics record a small amount of private industry, responsible for about 2% of gross industrial output, which is not considered in this section.
- (2) In June 1974 the Prime Minister Jaroszewicz forecast that industry would receive 45% of all investment in 1971-1975.

9. In 1971-1973 employment in industry grew by about 3% a year on average and gross output per employee by 6.6%, which compares with an average increase of 4.9% a year in 1966-1970. This higher productivity in 1971-1973 is held to be mainly attributable to technological improvements resulting from the completion in 1971-1973 of investment projects initiated in the latter half of the 1960s, plus a number of short-term projects initiated in 1971-1973. The 1974-1975 plan anticipates a further rise in labour productivity at the rate of 8-9% a year.

10. In 1971-1973 there has also been an improvement in the yield from industrial fixed capital. In terms of gross output this increased from 1.01 zloty for each 1 zloty of fixed capital in 1970 to 1.08 zloty in 1973. The corresponding figures in terms of net industrial output were 0.36 zloty in 1970 and 0.40 zloty in 1973.

11. While the statistical evidence indicates that Polish industry has achieved considerable success in 1971-1973 both in rapid expansion of output and improvement of productivity, the main question mark over its performance arises in connection with the quality of its products. This has been the subject of constant complaints, and also of protests by industrial ministries that now improved items are being put into production. In March 1974 an article in an influential Polish periodical(1) stated bluntly that "the discrepancy between the demand for modern, high-quantity goods and the ability to produce them" was growing every year. This suggests that there are at least grounds for official disquiet, although the problem is not readily susceptible to any reliable overall assessment.

12. Selected major sectors of Polish industry are examined individually in an Appendix and output of selected major industrial products (in physical units) is given in Table 3 of the Statistical Annex.

#### IV. AGRICULTURE

13. According to Polish official statistics 80.5% of the agricultural land in Poland was privately farmed in 1973, as against 83.4% in 1970(2). This high share of private agricultural holdings constitutes a major difference between Poland and the other countries of the Warsaw Pact where nearly all the land is held by large co-operative and state farms. The private agricultural sector in Poland provides over 80% of gross farm output and its response to new policies therefore greatly influences the availability of agricultural produce.

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(1) "Nowe Drogi", the theoretical and political organ of the Polish Communist Party's Central Committee.

(2) Corresponding figures for agricultural land privately owned are 74.9% in 1973 and 75.1% in 1970.

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14. In the 1960s a policy which aimed, as far as possible, at self-sufficiency in grain was accompanied by a lack of incentives to expand the livestock sector. As a result, the supply of meat remained almost constant while demand rose rapidly and this was an important factor in the situation that led to the overthrow of Gomulka in December 1970. Gierek, while maintaining self-sufficiency in grain as a Polish long-term aim, has given first priority to increasing livestock production. From 1971 onward a number of changes have been introduced which have resulted in improved agricultural performance, particularly in the livestock sector.

15. The main changes are as follows:

- (a) The policy of restricting grain imports was modified and quantities of grain sufficient to maintain the desired expansion of the livestock sector were allowed to be imported. This was essential since the arable area in Poland cannot be expanded significantly and while there is a policy of growing more wheat and barley, which have a higher yield per hectare, at the expense of rye and oats, this is unlikely to eliminate the need for grain imports in the foreseeable future.
- (b) Prices paid by the state for products purchased from the farms have been raised substantially. In addition, the farmers' incomes were increased after 1st January, 1972 when compulsory sales of some produce to the State at relatively low prices were finally abolished.
- (c) Farming has also become more profitable as a result of tax reforms whereby relief is given to the farmers who want to expand their farms or place new areas under cultivation. The burden of taxation was reduced, particularly for the larger farms.
- (d) Long-term contracts have been introduced between the State and the farmers. These enable the farms to plan ahead with both agreed outlets for their products and ensured supplies of necessary inputs from State organizations. The risk element in production is therefore reduced and greater specialization can develop. With the signing of a long-term contract other privileges are obtained, including reduced charges for veterinary services, animals delivered free of charge, long-term investment loans and priority in purchasing building materials.

16. The development of Polish agriculture is limited by the smallness of many of the farms: 65% of the private holdings are less than 5 hectares. This, and the tendency of the farmers to seek self-sufficiency (and therefore diversity in output) hinders the diffusion of knowledge. Only the larger farms can incorporate new methods and ideas into their systems. Several measures have

been introduced to alleviate this problem, including purchase of farms by the National Land Fund from private farmers who wish to retire and exchange their land for a pension. The land is then redistributed, part of it being incorporated in state or co-operative farms and part being sold or let to private farmers. However, this programme has been proceeding slowly and less than 1% of the land has been transferred away from the private sector each year.

17. In addition to gaining this gradual increase in land, the public sector is greatly favoured in the state investment programmes and in 1971-1973 it received over 70% of the total investment in agriculture. There is provision, however, for help to the private sector in overcoming its technical problems from the Agricultural Development Fund. This fund, which is to receive 20 thousand million zloty in 1971-1975, was established to accelerate investment in agriculture, mainly in machinery. Farmers who cannot afford the necessary outlays for modern equipment can now hire it from the State.

18. Overall growth of agricultural output in 1971-1973 was substantially higher than the average achieved in 1966-1970 and also of that envisaged in the 1971-1975 plan, particularly in the livestock sector (see Table 1a of the Statistical Annex). Increased deliveries of tractors, combine harvesters and fertilizers each year, and also favourable weather, have contributed to the steady increase in grain output. The potato crop, which fell in 1971, recovered in 1972 and 1973 and made a large contribution to the growth of the arable sector, especially in 1972. (See Tables 4 and 7 of Statistical Annex.)

19. The substantial price increases for livestock products since 1971 have given an impetus to livestock farming, especially pigs and poultry whose numbers increased by 6.3 million (almost 50%) and 6.6 million (7.5%) respectively in 1971-1973. Their short production cycles permit rapid adjustment to economic changes. Although a rise in cattle numbers was recorded in 1971 and 1972, the number sent for slaughter fell and there were successive reductions in beef output. In 1973, however, beef production was above the 1970 level. (See Tables 5a and 5b.)

#### V. LABOUR

20. In 1971-1975 the population of working age (men aged 18-64 and women aged 18-59) is expected to increase by about 1.6 million, approximately the same increase as in 1966-1970. A further high increment, about 1.4 million, is forecast for 1976-1980 but by the end of the 1970s the rate of increase will be declining sharply, with the total growth in 1981-1990 estimated at not much more than 1 million persons. This approaching demographic change is already being stressed by the Polish planners as a motive for seeking improvement in labour productivity.

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21. The 1971-1975 plan assumes a net increase in employment of 1.8 million persons in the five-year period and progress in 1971-1973 appears roughly in accordance with the overall plan. In terms of annual average employment (with part-time workers calculated at full-time equivalent) the total increase in the economically active population is recorded as 1,236 thousand in the three years, with a net decline of some 29 thousand in private occupations, almost all in private agriculture. It is claimed that no region now has a labour surplus and shortages have been mentioned in certain sectors of the economy, including rail and road transport and coal mining. In addition it has been admitted that there is an overall shortage of skilled workers. This was estimated at 270,000 in May 1974.

22. The majority of the labour force work a 46 hour week, but this is gradually being reduced to 42 hours. In 1973 the average manhours worked by each employee in industry were about 5% less than in 1970, amounting to a total of 1,963 hours including 75 hours overtime as against 2,062 hours including 67 hours overtime in 1970. A modest start has also been made in introducing a 5-day week, with 6 free Saturdays intended in 1974 and 12 in 1975.

23. The most striking feature of the labour situation under the Gierek leadership has, however, been the extensive programme of pay awards. By the end of 1975 all the employees in the public sector, amounting to over 11 million persons, will have received pay increases which are quite apart from those obtained for higher productivity or on promotion. The minimum wage has been raised twice (from 850 to 1,000 zloty a month at the beginning of 1971, and to 1,200 zloty<sup>(1)</sup> a month in August 1974) and average monthly earnings rose from 2,224 zloty a month in 1970 to 2,780 zloty in 1973, an increase of 25%. The wages of the various occupational groups are being examined and raised successively and it is claimed that "old-standing flagrant disproportions" are being eliminated.

24. Since 1973 the programme of wage increases has been accompanied by the gradual introduction of a new wage system, with the process due to be completed by January 1976. This evidently embodies an attempt by the central authorities to curtail above-plan increases in earnings, since the new system limits the share that can be received as bonus payments and requires that an increased proportion (80% or more) should consist of the basic wage. There is evidence that introduction of these measures has led to stoppages and strikes by influential groups of workers, the most recent being among the dock workers at Baltic ports in July and August 1974.

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(1) Equivalent to about £25 at the official rate of exchange - or £16 at the concessionary rate allowed to tourists. The proportion of the labour force earning the minimum wage in 1970 was 2.2%; in August 1974 it was expected to be 0.9%.

25. It is difficult to assess the gravity of these disturbances since there have been indications that the labour situation has been liable to outbreaks of unrest during the whole period since the riots in December 1970. The Polish leadership appears to have remained conciliatory throughout and there has been no official acknowledgement of the problem. To date, the outbursts of dissatisfaction appear to have been localized, and somehow smoothed over, but the danger of labour unrest on a larger scale is no doubt a major factor deterring the Gierek leadership from any stronger measures to remedy the imbalance between retail supply and demand by either raising prices or restricting earnings.

## VI. INVESTMENT

26. Early in 1971 when Gierek was reviewing the mistakes of the former leadership he was critical of the high share of resources that had been devoted to investment, particularly in heavy industrial projects that were slow in coming into operation. This now seems ironic since his own period has been characterized by unprecedentedly rapid investment growth. While the average rate of increase in investment(1) was just over 8% a year in 1966-1970 and a slightly lower rate of growth was envisaged in the 1971-1975 plan, the increases recorded in 1972 and 1973 were over 23% a year and a further rise of about 20% is expected in 1974. Total investment in 1971-1975 was envisaged as a maximum of 1,250 thousand million zloty in the proposals announced in 1971, but this had already been raised to 1,454 thousand million zloty when the plan was approved in 1972. In June 1974 the Prime Minister Jaroszewicz forecast an eventual total of about 1,900 thousand million zloty for the five years.

27. To support this very large programme the share of investment in the construction sector was increased in 1971-1973 and there were also increased investments in transport development in order to meet the needs of new major industrial projects and other growing requirements generated by the high rate of economic growth(2). In January 1974, however, Jaroszewicz explained that years of under-investment in the transport sector could not be remedied in a short time. The main beneficiary of the 1971-1973 investment allocations was industry and this policy is expected to continue (see paragraph 8 above). The industrial investments in particular depend extensively on foreign equipment and technology and use of foreign credits. Imports of capital equipment in 1971-1973 included over 150 complete plants.

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(1) In Polish statistics, figures for "investment" include not only outlays which increase the value of fixed capital but also those augmenting the value of working capital (see Concise Statistical Handbook of Poland 1974, page 71).

(2) See Table 9c of Statistical Annex.

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28. The Polish Authorities view their investment growth as an undeniable achievement although they admit that there are many weaknesses in the investment process. In particular, they have repeatedly acknowledged that too many projects have been started at the same time and there is too strong a tendency to construct new plans instead of modernizing existing ones. The planners complain that draft plans submitted by ministries are overburdened with demands for investment that are excessive in relation to the production they propose to obtain and in March 1974 an article in a Party periodical stressed the need to counter autarkic development in industry which was absorbing investment to the detriment of other sectors. In October 1973 it was announced that limitations had been imposed on new investment in 1974, so that special permission would be needed for the commencement of projects which could not be completed within 2 years, and in June 1974 Jaroszewicz affirmed that in the second half of the year only the most necessary new construction projects would be started. It is clear that in 1974 the Polish leadership is seriously perturbed by the extent of the investment programme and the problems of preventing excessive expansion.

29. In view of the reliance on imports of foreign technology and equipment, part of this unease is probably attributable to the uncertainties of prices on the World markets and the rapid growth of the Polish foreign trade deficit (see further in Section VIII below). A more fundamental issue, however, is the threat posed to consumer interests. In terms of net outlays on fixed capital, the share of national income absorbed by investment has risen from about 22% in 1970-1971 to 27% in 1973 and any further increase in this proportion is likely to lead to a slower rate of consumption growth.

30. Apart from the comments published by Polish officials, it is difficult to judge the effectiveness of an investment programme which has expanded so rapidly in such a short period. The value of resources tied up in uncompleted construction projects was estimated to have grown by about 60%, from approximately 300 thousand million zloty to nearly 480 thousand million in 1971-1973, which compares with an average annual investment of about 300 thousand million zloty in the three years. Since it is usual for many projects to be scheduled for completion towards the end of a 5-year planning period, this increase would not appear excessive but a Polish study has stated that there was evidence of a large number of new projects being started with moderate outlays in their first year and insufficient funding during subsequent stages.

31. In terms of yield from fixed capital there was a gradual improvement in investment performance in 1971-1973, since the amount of national income produced per 1 zloty productive fixed capital rose from 0.35 zloty in 1970 to 0.38 zloty in 1973. To a considerable extent, however, this improvement would stem from investments made or at least initiated in the 1966-1970 period.

VII. THE CONSUMER

32. At the Party Congress in December 1971 Gierek stressed the need to offer the prospect of immediate, and not merely long-term, improvements for the consumer. Development policy, he affirmed, must not subordinate growth of living standards to the need for rapid economic growth. The national income statistics suggest that in 1971-1973 it has been possible to raise personal consumption levels significantly while at the same time allocating a greater share of resources for investment. (See Table 1b.)

33. By 1973 the monetary incomes of the population had already almost reached the level envisaged for 1975 in the 1971-1975 plan. Major factors in this increase were the programmes of pay awards (see paragraph 23 above), above-plan increases in labour productivity that caused considerable rises in earnings, improved social benefits, higher prices paid by the State for agricultural produce purchased from farms and above-plan growth in the agricultural sector. At the same time the official cost of living index had remained virtually static.

34. The price freeze introduced in February 1971 for basic foods has been maintained (apart from seasonal variations) and in July 1974 Gierek stated that it would continue throughout 1975. He explained that he was making the announcement early, in order to eliminate the rumours that have arisen each year. It is, however, probable that these price restrictions are circumvented to some extent in practice by various means, including dubious packaging techniques. The Authorities are evidently convinced that it is out of the question to raise food prices, at least in the near future, but the price restrictions have resulted in a disproportion between the prices for foods and those for consumer durables and have thus been partly responsible for a rapid growth in the demand for foodstuffs, particularly meat, which still cannot be satisfied. Per capita consumption of meat rose from 53 kg in 1970 to 62 kg in 1973 and is forecast to rise to 64 kg in 1974 (which compares with a target of 63 kg specified for 1975 in the 5-year plan). However, there are still reliable reports of acute meat shortages in the food shops and in September 1974 a meeting of the Polish Government Presidium was concerned with measures to ensure larger and more regular meat supplies.

35. The population's expenditure on goods and services has been increasing considerably more slowly than total monetary incomes and the failure of available goods and services to satisfy demand finds a partial, but not wholly reliable, reflection in the rapid increase in the sums held in private savings deposits. Allowance must be made for a voluntary element in these savings, since some are no doubt due to personal preference or are made in order to provide for future purchases of consumer durables, including small FIAT cars. However, the Polish Authorities recognize part of the increase is due to shortages of desired commodities and according to data from the Polish National Bank the population is also tending to accumulate considerable savings in cash. (See Table 11.)

36. Gierek has frankly admitted that there is a lack of adequate housing and in 1974 Poland is still a long way from solving this problem. It is claimed that although a decision was made to expand the housing programme in 1971, not much could be achieved in 1971-1972 because of previous shortcomings and neglect. In 1973 some acceleration was achieved. The average number of families per 100 dwellings fell to 111, as against 113 in 1971-1972. In 1974 the target for total investment in housing in 1971-1975 was raised from 208.8 thousand million zloty to 240 thousand million, but this increase does not keep pace with the above-plan growth of the total investment programme.

VIII. FOREIGN TRADE

37. Under the Gomulka régime Polish foreign trade policy was influenced by the party leader's rather cautious approach to contacts with the West. The prevailing guideline of balancing trade and even securing a small surplus meant great caution with respect to foreign debts and limitation of imports to base essentials which were largely destined for heavy industry. The detrimental effects of this policy on Polish agriculture are discussed in paragraph 14-15 above. Since 1971, under Gierek, there has been a new more active policy in foreign trade, coupled with a more receptive approach to foreign credits. Although foreign trade is seen primarily as a means of furthering the modernization of industry(1), it is also used directly and indirectly, to improve the living standards of the population through increased supplies of good quality consumer goods(2). While imports grew by 9% a year on average in 1966-1970, the rate of increase rose to 12% in 1971, 21% in 1972 and 33% in 1973(3).

38. At the same time there has been a dramatic change in the source of Polish imports. While there has been no great change in the direction of exports, with about 30% going to the Industrial West and 60% to CMEA, imports from the West accounted for only 27% in 1971 but had risen to 44% in 1973 and as a consequence CMEA's share fell to less than half. (See Table 14 of Statistical Annex.)

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- (1) Value of capital equipment purchased abroad in 1971-1973 is over \$7,000 million.
  - (2) The proportion of consumer goods in total imports is relatively low in comparison with other East European Countries, amounting to 5.5% in 1972 and 8.6% in 1973. Imported consumer goods were estimated to provide 10% of domestic market supplies in 1972.
  - (3) For every 1 million zloty of national income there were 1,100 zloty worth of imports in 1971: in 1974 this figure is expected to rise to 1,500 zloty.

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39. Polish foreign trade turnover reached \$14,295 million in 1973(1), with imports exceeding exports by \$1,474 million. There were deficits with both Communist and non-Communist trade partners. In 1974 the increasing foreign trade deficit is admittedly causing some concern to the Polish leadership, and there has been mention of a need for temporary restrictions on imports as well as a drive to increase exports, although it is not yet clear how this policy will be applied.

Trade with Communist Countries

40. The Soviet Union remains by far Poland's largest trade partner and accounted for 28% of Polish trade turnover in 1973 as compared with nearly 38% in 1970. The next largest trade partners are the GDR and Czechoslovakia who accounted for some 17% of total Polish trade. In the last 3 years Poland has been in deficit with her Communist partners, ranging from \$278 million in 1971 to \$130 million in 1972 and rising a little in 1973. With the individual countries, Poland has been in surplus for the last 2 years only with the Soviet Union and has recorded large deficits with the GDR and Czechoslovakia. Trade with Bulgaria and Rumania grew at rapid rates by 35% and 42% respectively in 1973.

41. The CMEA countries are Poland's principal suppliers of fuels, raw materials and semi-finished products; they are also the main market for Polish industrial products. Machinery and equipment and industrial consumer goods account for nearly three-quarters of total Polish exports to these countries. In realization of the CMEA "comprehensive programme" which was adopted in 1971 Poland has signed 23 multilateral agreements on industrial specialization with CMEA members, covering inter alia the manufacture of certain types of lorries, ocean-going vessels, farm machinery and some types of industrial equipment. Agreements have also been signed on development of the industry producing numerically controlled machine tools and the container transport system. There are also a large number of bilateral agreements, the more important of which cover deliveries of components for motor vehicle production, building and road-making machinery, and calculators. The share of output in Poland produced in accordance with "specialization agreements" or co-production ventures with other CMEA members is planned to rise from 3% in 1971 to 15% in 1975.

42. The increased demand for raw materials which arises from Poland's economic development programme can be met to some extent through joint raw material projects within CMEA. The first of these in which Poland participated was in 1956 - the construction of a cellulose and paper complex in Rumania - and undertakings in Poland in which other CMEA countries have collaborated include coal mines,

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(1) Calculations are made at the rate 3.32 zloty = \$1 in 1973, 3.68 zloty = \$1 in 1972 and 4 zloty = \$1 in 1971.

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a sulphur complex and copper mines. In June 1972 Poland, along with other CMEA members, signed an agreement on construction of the Ust Kinsk cellulose complex in the USSR and in June 1972 a similar agreement was signed on an asbestos complex. Poland has also agreed to help in building a large metallurgical complex based on the USSR's Kursk iron ores and in the construction of a pipeline from the Orengurb gas field.

43. Poland joined the CMEA International Investment Bank at its inception in 1971 and has paid 42.5 million transferable roubles (a third of it in hard currency) towards the paid up capital of 368 million roubles. From the bank she has been allocated credits totalling 48.6 million transferable roubles, including at least 26.7 million transferable roubles worth in hard currency, for various types of industrial plant.

Trade with the Industrial West

44. Trade with these countries reached \$5,693 million in 1973, with imports having risen by a massive 74% to reach \$3,493 million while exports rose by 32%. Poland therefore moved much further into deficit, from \$281 million in 1972 to \$1,293 million in 1973.

45. West Germany, which occupies a dominant position in this trade, achieved a 79% increase in turnover, including a doubling of her exports to Poland. In percentage terms there were even sharper increases in the exports from Belgium, the United States and Australia, and also rapid increases in exports from the Netherlands, Sweden and Italy. Poland's export drive showed itself in the growth of her exports to West Germany, Japan, Sweden, France, Denmark and Belgium.

46. In furtherance of the programme of industrial modernization, Polish firms have been permitted wider contacts with foreign firms and purchases of industrial technology have increased significantly. There have also been continuing purchases of licenses for production processes and the manufacture of various products. Priority now appears to be given to licenses and production machinery for the electronic and the food industries. Industrial co-production agreements are enabling Poland to develop additional skills, become more competitive in World markets and to broaden direct trade with the West without the heavy outlay in convertible currency that would otherwise be required. In 1971 the Poles claimed that \$15-20 million of their exports emanated from co-production agreements and while this represented less than 2% of total exports to the Industrial West, it amounted to one-fifth of the machinery and equipment exports and by 1975 this share should rise to one-third.

47. Like all the other Warsaw Pact countries, the Poles set great store on signing government to government framework agreements on long-term economic, industrial, scientific and technical co-operation. As a rule trade agreements have covered the period to the end of 1974, presumably because of uncertainties about the status of bilateral trade agreements with Common Market countries after that date. However, in 1972 Poland initiated a 10-year agreement with the United Kingdom and a trade and economic relations agreement with the United States. All these agreements place emphasis on industrial co-operation and co-production as a means of expanding goods exchange.

48. Nearly all Poland's recent production sharing ventures concern the engineering industries. In value terms the most important appear to be the agreement with FIAT (1971) to cover the production of a new small car (the FIAT 126) and that with Berliet (1972) which covers manufacture of buses. At least 6 agreements have been signed on co-operation in the manufacture of machine tools and several deals have been concluded in the building equipment sector, two of them with American companies. Many of these ventures are in their initial stages.

49. Polish policy on participation by foreign equity capital in joint ventures has not been made clear, although work on a foreign investment law such as those already enacted by Rumania and Hungary has been in progress and might be completed in time for the 1976-1980 plan(1). The Polish Authorities have maintained, however, that as an interim measure even in the absence of any published legal framework, joint venture proposals from Western firms could be presented and would be considered by potential Polish partners.

Financing Trade with the Convertible Currency Area(2)

50. Poland's visible trade account with the convertible currency area, from being in surplus in 1970 and 1971, reached a deficit of \$281 million in 1972 and a massive deficit of \$1,182 million was recorded in 1973.

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- (1) If this goes ahead, Poland is likely to permit up to 49% foreign shareholding in an equity venture and full or partial profit repatriation in convertible currency.
  - (2) Poland's trade and payments with all Communist and some developing countries are conducted for the most part through bilateral clearing accounts which cover all other types of transactions, such as earnings and expenditure on freight and other services.

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Trade with the Convertible Currency Area

	1970	1971	1972	1973	% increase in 1973 over 1972 (in current prices)
		(in million US \$)			
Turnover	1,805	2,028	3,171	5,478	73
Exports	953	1,081	1,445	2,148	49
Imports	852	947	1,726	3,330	93
Balance	+101	+134	-281	-1,182	

There are no comprehensive sources of information on Poland's receipts and payments in convertible currencies, but it is known that freight and insurance on merchandise have been providing her with an increasing net income and net revenue in convertible currency from tourism was around \$28 million in 1973.

51. Among East European countries Poland has consistently had a relatively high level of outstanding medium and long-term credits with NATO countries and by the end of 1972 (the latest period for which figures are available) the credit outstanding stood at \$783 million(1). Of this total some \$600 million was estimated to have been drawn. It is difficult to estimate Poland's credits from non-NATO countries. The main lenders are Japan, Sweden, Austria and Switzerland. The Japanese loaned \$100 million in June 1970 and this was followed by a further loan of \$200 million, when the first one had been fully utilized. These loans were organized by private Japanese banks. Sweden has also been active, in recent years, in the credit field and has been asked for \$120 million to develop Polish copper and coal mining, to be repaid in coal, two million tons per annum.

52. Following Hungary's example, Poland has had recourse to the medium/long-term Eurocurrency market on an extensive scale, largely since the beginning of 1973. A list of the 23 publicised loans is attached at Table 21 of Statistical Annex. To our knowledge she has since then raised loans totalling \$860 million from a variety of banks and only one has been co-managed by a Soviet bank in the West. Total Eurocurrency borrowing now stands at around \$1,000 million, double that of Hungary. Poland's capital repayments on this borrowing, a large part of which falls due in 1976 and after, together with her debt servicing (interest plus premium) will be a heavy drain on Poland's future convertible currency earnings.

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(1) Later information shows the total at the end of 1973 as almost \$1,380 million.

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53. As of Autumn 1972 the President of the United States determined that Eximbank lending to Poland could be resumed. Credits, matched by equivalent commercial credits, have so far together totalled over \$150 million. In addition Poland has been in receipt of United States commodity credit corporation credits amounting up to over \$120 million to finance her imports of certain types of agriculture produce.

54. The Poles claim to use established criteria in assessing their indebtedness and they have on occasion said they would not go above a debt service ratio of 20%. They have estimated that at their 1973 rate of borrowing, this limit would be reached in 1975.

#### IX. ECONOMIC REFORMS

55. Proposals for economic reforms in Poland, approved in 1965, were to have been implemented in 1966-1970 but in practice, although some measures were introduced piecemeal, no coherent reform programme developed. In 1971, after Gierek came into power, a large Party-Government Commission was set up to prepare a report on "Modernization of the System of Functioning of the Economy and the State" and at the end of the year the Resolutions of the 6th Party Congress outlined general policies for reform of the system of planning and administration. These were essentially similar to those agreed in 1965 since they envisaged improvement of central planning and management to be achieved by confining it to major economic issues, while at the same time the enterprises would gain greater independence and initiative in their day-to-day operational activities. The central authorities would exercise control more through economic and financial pressures, with only restricted use of mandatory directives.

56. In April 1972 the Party-Government Commission announced the completion of its report but no new programme was spelled out, not even in outline. The Commission's tone in discussing plans for reform was cautious and even defensive, while most of the changes it mentioned had already been anticipated and even codified in March 1972 in a Resolution of the Council of Ministers on the rights and duties of directors of key industrial enterprises. The Commission continued to function, working on problems of introducing reforms in the economy, and in October 1972 the Party Central Committee decided that from January 1973 a new system should be tried out by a group of large economic organizations including industrial associations and combines that between them produced about 20% of all industrial output and employed about 11% of the industrial labour force(1). All these organizations adopted the new system voluntarily.

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(1) At the end of 1973 there were 29 large economic units working under the new system and also some retail trade enterprises.

57. The main features of the reform are as follows:

- (i) the organizations introducing the new system receive fewer and less detailed directives from the central authorities although their major tasks and certain overall limits on their inputs are still defined;
- (ii) they therefore enjoy greater (though still limited) financial autonomy in matters of investment and research;
- (iii) although the total amount available for wages is controlled, the directors of organizations have some latitude in how they use savings achieved through increased efficiency: they can choose between increasing employment or making higher payments to the labour force;
- (iv) foreign trade and production are more closely integrated, with the large enterprises being permitted to deal directly with foreign customers and to use a proportion of their foreign currency earnings for purchases of equipment and licenses, etc;
- (v) the organization's performance is assessed on its net output and net profit: management pay depends on profit.

58. In 1974 the group of enterprises operating under the new system is expected to about double and in 1975 it is intended that 80% of industry should have gone over to the new conditions. In addition to industry the reforms are being extended in the construction sector, and in foreign and internal trade. Good results have been reported but in July 1974 Gierak attributed these primarily to a "freeing of simple reserves". He believed it was too early to assess the advantages and stressed that the reform was an ongoing process, requiring continual adaptation to changing circumstances. Jaroszewicz also recognized gains from the reforms, but he admitted that difficulties had arisen, particularly from the partial relaxation of control over wages and employment of labour, and indicated that adjustments were being effected.

59. The Poles have repeatedly emphasized the need for careful study of the experiences of other countries, "particularly of the Soviet Union" in introducing economic changes. While it is obviously politic to offer this reassurance to Moscow, the Polish reforms are in fact similar to those in the USSR, especially in their policy of gradual extension of the programme to successive

groups of enterprises and their reliance on mergers of enterprises into larger groupings as a means of streamlining the administration and achieving viable economic units. As in the USSR, although there is an obvious hankering after an integrated and comprehensive reform programme, the changes actually effected tend to be pragmatic. There are also marked reticences in the way the reforms are presented in public.

X. DEFENCE EXPENDITURE

60. The budgetary expenditure of the Polish Ministry of Defence increased by 5% a year on average in 1971-1973 and for 1974 the expenditure is planned at 45.2 thousand million zloty, an increase of 10% over 1973(1). As a share of total budgetary expenditure it has remained at around 10%. The proportion of GNP devoted to defence is estimated to have averaged about 4% in 1965-1970 and to have since fallen to about 3.5% in 1973.

61. No breakdown of the budgetary defence vote has been published but it is believed to cover expenditures on personnel, operations and maintenance and weapons procurement. It may also include expenditures on military research and development but even if these are excluded they are not likely to increase the expenditure by more than 10% since Poland, like the other NSWP countries, does not have a large military research and development effort.

62. As well as its armed forces Poland has some paramilitary forces with total manpower strength about 85,000 (17,000 Border Guards, 24,500 Internal Defence Troops, 34,000 Territorial Defence Troops and 9,500 Civil Defence Permanent Staff). From 1965 to 1971 the Border Guards were subordinate to the Ministry of Defence, but since 1st January, 1972 they have been transferred to the Ministry of Internal Affairs and their cost would probably now be paid by that Ministry. The other paramilitary forces remain subordinate to the Ministry of Defence and their cost is presumably included in its budget.

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(1) This large increase may be partly the result of the purchase from the Soviet Union of more sophisticated, and hence more expensive, military equipment such as the FISHBED J and the YAK 40 (CODLING) aircraft.

MAJOR SECTORS OF POLISH INDUSTRY(1)

FUEL AND POWER

1. Poland is able to supply most of its energy requirement from indigenous solid fuel. In 1970 coal provided over 82% of the energy balance and this proportion is expected to remain almost unchanged in 1975. Electric power production, which keeps pace with domestic consumption and allows for modest exports (1,835 million KW hours, about 2% of total output in 1973) is based almost entirely on thermal stations which consume roughly a quarter of all the hard coal produced and most of the lignite.

2. In 1973 Poland produced 157 million tons of hard coal and 39 million tons of lignite, making her the World's fourth largest producer. Just over 35 million tons of hard coal were exported and 5 million tons of lignite, with half of the exports going to the West and a quarter to the USSR. It would seem, therefore, that the coal industry has good prospects for future hard-currency export earnings, but these would be diminished if the USSR demands more Polish coal to pay for higher priced crude oil after 1975.

3. Crude oil production is relatively insignificant, amounting to less than 400 thousand tons a year in 1971-1973, while imports from the USSR rose from 8 million tons in 1971 to 10.5 million tons in 1973 when additional imports of over 1 million tons were also obtained from the Middle East. Although there are good possibilities of more Polish oil reserves being discovered in the Carpathian region in the South, and in the Baltic area, even the most optimistic forecasts do not suggest that domestic crude production could meet even one-fifth of Poland's oil requirements by 1980. It appears inevitable that Poland's main dependence must continue to be on Soviet crude, supplemented by increased amounts from non-Soviet sources. The Polish oil refining industry, however, has a rapid expansion programme which was originally intended to bring the total capacity to around 13-14 million tons in 1975 and 26 million tons in 1980, which was envisaged as roughly equivalent to Poland's overall consumption. Although this programme continues, it is reasonable to assume that the consumption estimates and possibly also the refinery construction programme may be revised downwards in view of the international oil crisis and possible difficulties over future supply from the Soviet Union.

4. In 1973 output of natural gas amounted to over 6 thousand million cu.m and it is planned to step up production to between 8-10 thousand million cu.m by 1975. Most of the gas is found in the Carpathian region but other important reserves have been discovered in Central Poland. In addition gas is imported from the

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(1) Data on output (in physical units) of certain important industrial products is given in Table 3 of the Statistical Annex.

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USSR, through the Brotherhood pipeline, with deliveries amounting to 1.7 thousand million cu.m in 1973 and planned to rise to around 2 thousand million cu.m in 1975, some part of which will be carried by a new gas link running from the USSR to Eastern Poland. Over 80% of the natural gas is used in the Polish chemical industry.

CHEMICAL INDUSTRY

5. The major policy trends discernible in the Polish chemical industry between 1971-1975 are as follows:

- (a) Under the new leadership there has been considerable emphasis placed on consumer needs and on the production of chemical products which directly raise living standards.
- (b) Poland plans to be self-sufficient in most chemical goods by 1980 in order to reduce her dependence on imports and to earn as much foreign currency as possible through the sale of chemical products abroad.

6. The main basis for the planned rapid expansion of the chemical industry between 1971-1975 was the investment ploughed into the industry under the 1966-1970 plan when Poland imported Western plant on credit. However, the Poles are hoping to obtain plant and technical know-how in the future by concluding "buy back" terms with Western companies. For instance, the Swiss Inventa firm has agreed to take up to 10,000 tons of a caprolactam spread over a four year period as part payment for the construction of a synthetic fibres plant at Pulawy which is due on stream in 1975.

7. Priority areas in chemical production in 1971-1975 are as follows:

(a) Plastics

The plan requires that output should almost double, reaching 431 thousand tons by 1975, and it is hoped to raise production to 1 million tons by 1980. Polish interest in foreign co-operation and technology for the plastics industry seems to have been spread evenly between the CMEA and the West. Recently Poland, the GDR, Bulgaria and the USSR have joined forces in the development of technology for PVC production and last year an agreement was concluded for Poland to obtain PVC from Hungary in exchange for deliveries of polyester fibre to the Hungarian textile industry in 1976-1980. On the Western side, Poland has placed a \$10 million order with West Germany for a factory to make PVC soles which is under construction at Jaslo in South East Poland and due to come on stream in 1974. In addition, Japanese

equipment and production methods are being used in a polypropylene section under construction at Plock. The Poles have also been keen to establish industrial co-operation agreements with American companies under which products would be supplied not only to the home market but also to countries in Eastern and Western Europe, but these negotiations may well run into difficulties.

(b) Artificial Fibres

In 1971-1975 production of artificial fibres is planned to increase by just over 60%, including an increase of 135% for the synthetic fibres. Perhaps the most significant development has been in the field of nylon manufacture. A large part of the feedstock from a caprolactam plant currently under construction at Pulawy by a Western consortium of British, Swiss and Italian firms will supply a nylon textile and yarn combine which is being built by the Japanese Mitsui firm, also at Pulawy.

(c) Fertilizers

In 1971-1973 output of nitrogen and phosphorous fertilizers increased very rapidly, but while production of nitrogen fertilizers is sufficient to supply Polish agriculture and provide a surplus for export that of phosphorous fertilizers still hardly equals agricultural consumption. The bulk of the potash fertilizers requirement is imported although there are plans to develop the available Polish resources to a maximum extent.

(d) Pharmaceuticals

It is planned to increase production by an average of 11.8% per annum. In 1973 exports of pharmaceutical products brought in \$128 million out of a total of \$615 million earned through the sale of chemicals abroad. By 1975 it is hoped to export a quarter of all pharmaceutical products to the West.

(e) Sulphur

Production of sulphur in Poland has increased from 0.4 million tons in 1965 to 2.7 million tons in 1970 and 3.5 million tons in 1973. In 1973 exports were sent to the USSR (449,000 tons) and the UK (425,000 tons).

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IRON AND STEEL INDUSTRY

8. Several important features can be noted about the Polish Iron and Steel Industry between 1971-1975:

- (a) Production of iron ore continues to decline (2.07 million tons in 1971, 1.65 million tons in 1972, 1.44 million tons in 1973) and Poland still continues to depend almost entirely on the USSR to provide the bulk of her supplies (11.09 million tons in 1973 out of a total of 13.66 million tons of iron ore imported). Under an agreement signed in 1974 the Soviet Union will step up its exports of iron ore concentrate to Poland by 2.5 million tons in exchange for Polish plant and machinery due to be delivered in the period between 1975-1978. It is significant that discussions have been going on with Chile for future supplies of iron ore although no quantities have been mentioned. That Poland should be seeking alternative sources of iron ore supply is almost certainly a result of the rapid expansion that will take place in the iron and steel industry's capacity at the end of the current Five Year period and during the next and also concern over the volume of ore the USSR will supply.
- (b) Production of crude steel has continued to grow at a steady pace during the present Five Year period. In 1971 it was 12.7 million tons, in 1973 14.05 million tons and by the end of 1975 it is estimated that output will rise to 15.1 million tons. Yet in spite of this growth and the considerable emphasis that has been given to investment, Poland still expects to be a net importer of steel at least until the end of 1975. In 1973 Poland exported a total of 1,401 tons of steel mainly to the USA and Western Europe but in the same year imported almost twice as much (2,782 tons).
- (c) One important development during the period is that more attention is being paid to the production of high quality steel for which specialized Western technology is necessary. Recently a Franco-West German consortium won a contract to build what will be the country's largest and most modern steel rolling mill at Katowice with an annual capacity of 850,000 tons.

9. Poland's main steel making plants include:

Lenin Works at Cracow: responsible for producing a third of the country's steel output; by 1975 the plant will have a capacity of 5.5 million tons and probably double that amount in 1980. A rolling mill section for the production of car bodies has just been completed with Japanese and Swedish assistance which would be a valuable contribution to Poland's automobile industry.

Bierut Works at Czestochowa: which specializes in the production of plates for the shipbuilding and machine industries. It is hoped to produce 700,000 tons of plate in 1974.

Moreover, there are other major steel plants under construction: at Katowice which is due to come into operation in 1976 with an initial steel making capacity of 4 million tons and a 3.8 million ton capacity for semi-finished products; and at Zaglebie Dabrowskie where the "Centrum" plant will have a capacity of between 4 and 5 million tons in 1976.

NON-FERROUS METALS INDUSTRY

10. Among Poland's most important non-ferrous metals are:

(a) Copper

Poland is a major producer of copper ores and in 1973 output of refined copper at 156 thousand tons had more than doubled as compared with 1970. She became a net exporter of copper in 1972 (importing 32 thousand tons and exporting 50 thousand) and there was a similar excess of exports over imports in 1973. The bulk of the exported copper went to West Germany and the UK. The main copper smelting plant at Glogow is being enlarged to process 160 thousand tons of copper by 1975 and work has started on another plant in the same area. In 1973 a copper rolling mill came into operation at Szopienice. The Poles are seeking help from the West, Japan and the United States in particular, in modernizing the industry. They are anxious for arrangements that would secure advanced technology and also markets in the hard currency area for semi-finished products.

(b) Zinc

In 1973 Poland mined just over 4 million tons of zinc-lead ores and in addition over 1 million tons were obtained through processing waste piles. A significant increase in production can be expected after 1977 when a new mine at Olkusz with projected capacity of about 2 million tons comes into operation. Zinc production in 1973 was 235 thousand tons and net exports about 90 thousand tons, over a third of which went to the USSR.

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(c) Aluminium

In 1973 Poland imported 243 thousand tons of alumina, the largest amount being supplied by Hungary (130 thousand tons) and the United States (72 thousand tons). Output of primary aluminium is about 100 thousand tons a year.

THE ENGINEERING INDUSTRIESMachine Tools

11. Poland manufactures a wide range of metal-cutting tools of mainly standard types and conventional design, and in 1972, with a total production estimated at \$208 million, ranked as the eleventh highest world producer of machine tools. A variety of highly automated machines of advanced types, including numerically-controlled lathes, drills, milling machines and machining centres, plus jig grinders and spark erosion machines, have recently been developed, largely with Western European equipment and technology. Thus the engineering works at WROCLAW, which is responsible for 76% of the output of the machine tool industry, now produces multi-spindle automatic lathes under licence from Gildemeister (FRG), and the POREBA works at ZAWIERCE manufactures heavy lathes in co-operation with the West German firm Waldrich, of Siegen. The conclusion in May 1973 of an agreement with Swindell-Dressler (US) for the construction of a new foundry at KOLUSZKI has significantly increased the potentialities of the industry. In Spring 1974 the first contingent of Polish engineers arrived in Pittsburg to work with Swindell-Dressler on completing the design engineering and equipment purchasing.

Bearings

12. Poland's biggest producer and exporter of bearings is the Roller Bearings Works at KRASNIK, the output of which was worth about 30 million foreign exchange zloty in 1973. Bearings are also manufactured in significant quantities at a recently modernized factory in POZNAN - currently producing 6 million bearings, worth nearly one million foreign exchange zloty, per year - and at the ISKRA Works in KIELCE, where three automated lines each capable of producing half-million bearings per month were installed by Nippon Seiko in Summer 1973.

Tractors

13. Poland's development as the chief Eastern European producer of agricultural tractors has hitherto been based upon a co-operation and production agreement concluded with Czechoslovakia in 1961. Production is centred on the Ursus works, Warsaw, which

was extensively modernized in the mid-1960s, and three models - the C330 30 hp tractor, the C355 50 hp tractor, and the C385 75 hp tractor - are currently manufactured in series. A fourth model, the Ursus 1201, was first produced in 1973, and production of 120 hp and 150 hp tractors is scheduled to begin in 1974. In 1973, a total of 49,500 models was produced, mainly C330s but including 3,500 C385s. The target for 1974 production is 54,500 tractors; that for 1975, 61,000 tractors. Exports have increased rapidly over recent years - to France, Greece and Spain as well as to CMEA countries - and in May 1974 a contract for the delivery of 3,000 C385 tractors and spares was signed with Long Manufacturing Inc. of Tarboro, N. Carolina. Nevertheless the value of these exports does not match that of those types of tractors and spares which Poland needs to import, and the Czechoslovakian agreement has not given Poland a unified range of models capable of making a major impact upon hard currency markets. In this context the agreement concluded with Massey Ferguson Perkins in August 1974 after protracted negotiations is of considerable significance in that it will enable the production in Poland of a unified range of high quality models and components, thus helping Poland to consolidate the position of the leading tractor producer and supplier in CMEA after the USSR, and establish a basis for competition in world markets. As a result of the agreement, a total production of some 75,000 tractors and 90,000 diesel engines is reportedly hoped for by 1980. (See also paragraph 20 below.)

#### Agricultural Machinery

14. Although Poland produces a wide range - nearly 400 types - of agricultural machinery, output is considerably below domestic demand and product design and quality are deficient by current Western standards. These factors also inhibit Polish participation in the CMEA programme, under which she specializes in the production of small grain combines, potato harvesters, binders, grain drills, pesticide sprayers and fertilizer spreaders. The Plock Harvesting Machine Factory manufactures Bizon and Super Bizon combines, powered by Leyland diesel engines produced in Poland under licence and capable of harvesting a variety of grain, leguminous, oleaginous and fodder crops. In all some 2,500 combines were produced in 1973, and following the current modernization of the PLOCK factory, annual manufacturing capacity is expected to rise to about 4,000 machines by 1975, and about 8,000 by 1978. Shortages of spares, especially for grain combine harvesters, remain a recurrent problem, although a central spares factory/depot was reportedly under construction at SKLECZKI near KUTNO during 1973/1974. In January 1974, a £10.4 million agreement was concluded with GKN Contractors (UK) for the supply of plant (forging presses up to 2,500 tons; horizontal forging machines, furnaces; induction billet heaters) to a new factory at JAWOR which will produce agricultural machinery components.

Motor Vehicles

15. The Polish motor vehicle industry was considerably expanded in the later 1960s as a result of the extensive acquisition of licences from foreign firms. The most important of these were from Leyland, for the manufacture of a range of diesel engines which have been made at Kielec since 1967; from FIAT, for the series production at Zeran of the FIAT 125P since 1968; and from Zahnradfabrik of Wilhelmshaven (FRG) for the manufacture of gearboxes, in 1969. These agreements have provided the basis for many of the industry's more recent developments, while paving the way for further contracts with foreign manufacturers which have again increased future production capabilities. In 1973 the Polish motor industry produced about 115,000 cars; 30,000 medium and heavy capacity lorries: 43,000 delivery vans(1); and 6,700 buses.

16. The car factory at Zeran, completely modernized prior to production of the FIAT 125P, manufactured some 72½ thousand models of this type in 1973: annual output is scheduled to reach 95,000 in 1974 and 110,000 in 1975. The factory is also preparing to participate in co-production of the Zastava 101, a Yugoslav version of the FIAT 128. Automobiles with an engine capacity of less than 1,000 cc are produced by the Small-Capacity Car Works with branches at Bielsko-Biala and Tychy where the Syrena 105 has been manufactured as an interim measure pending full scale production under licence of FIAT 126 and 127 cars. Some 1,500 FIAT 126 models were manufactured in 1973, the first year of their production in Poland, and the beginning of what is intended as mass motorization - unit output at Bielsko-Biala being planned to reach 150,000 per year by 1978. Electrical components for the FIAT 126P, amounting to 25% of the overall value of the finished car, are to be supplied by Hungarian firms to Bielsko-Biala from 1974 onwards, at a rate, initially of 10-12,000 sets of components, which is expected to reach 150,000 sets by 1978. In exchange, Poland will export 4% of the total FIAT 126P output to Hungary from 1975 onwards. Poland has been a significant producer of light vans since the early 1960s; the Zuk factory at Lublin and the Nysa Works have an annual production capacity of some 25,000 and 15,000(2) vehicles respectively. Small-scale manufacture of two new models, the Syrena R-20 van (based on the Syrena car chassis) and the Tarpan jeep (based on a Warszawa chassis) have recently gone into production, at the Bielsko-Biala and Poznan-Antoninek factories respectively, and it is hoped to produce some 10,000 of the latter vehicle yearly by 1978.

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(1) This figure includes mini-buses based on vans.

(2) This figure includes mini-buses; 5,863 were produced in 1973.

17. Heavy trucks are manufactured by the Jelcz works at Wroclaw where overall output, which amounted to about 5,000 vehicles in 1973, is scheduled to increase to 10,000 by 1980. The works has manufactured the 8 ton Jelcz 315 truck, capable of moving an 18 ton capacity trailer, since 1968; the 11 ton Jelcz 316 truck since 1970; and the Jelcz 317 tractor truck, designed for use with 17 ton capacity semi-trailer for container haulage, since late 1972. All of these vehicles incorporate diesel engines produced in Poland under Leyland licence. In 1973 the works produced a pilot batch of heavy 3 way-tipping 6 x 4 trucks, the Jelcz 640 W, manufactured in co-operation with Steyr of Austria as a result of an agreement concluded in 1972.

18. An extension to this agreement, dated February 1973, provides for the manufacture at Jelcz of Steyr axles for incorporation into new models scheduled for introduction during the next Five Year plan. Medium trucks are manufactured at Starachowice, where since 1968 the Star 28 (diesel-engined) and Star 29 (petrol-engined) 5 ton 4 x 2 trucks, and the Star 660 M2 4 ton 6 x 6 cross-country vehicle have been produced in series. The overall annual production of the Starachowice works, including that of various specialist vehicles, currently amounts to about 25,000 vehicles. As from 1975, manufacture of the current Star models will be phased out to make way for series production of the Star 200 6 ton 4 x 2 truck with high compression 150 hp engine, and subsequently of its improved version, the Star 244. A cross-country version, the Star 266, will replace the 660 in series production. In addition, an agreement of April 1974 provides for co-operation between Volvo and the Starachowice works in the eventual manufacture of a new light lorry, and for the assembly in Poland of the F89 container trailer lorry from Swedish components.

19. Bus production(1) is shared between the Sanok and Jelcz factories. The Sanok factory, which has a planned output of 2,500 vehicles in 1974, currently concentrates on manufacture of the recently designed Autosan 9 bus in urban, inter-city, and tourist versions. The Jelcz works at present manufactures 2,600 "043" buses annually under Skoda licence, but production of this model will be gradually discontinued in favour of vehicles constructed under licence from Berliet as the result of a ten year agreement, signed in 1972, whereby the French firm supplies rear axles, front suspensions and gearboxes for Polish buses and other heavy vehicles, in exchange for Polish manufactured transmission shafts. It was hoped that 50% of bus components would be Polish-manufactured by 1974, and the total annual output of buses produced under licence - mainly the PR 110 model, is scheduled to reach 5,000 by 1980.

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(1) Excluding the mini-buses produced at the Nysa Works.

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Engineer Mobile Equipment

20. Within CMEA, Poland specializes in the production and export of hydraulic and mechanical excavators, truck-mounted cranes, and front loaders. Poland claims to be the world's eighth largest producer of construction machinery and equipment and exports of these products totalled approximately \$165 million in 1973. The Bumar Union of the Construction Equipment Industry controls approximately 85% of the industry and has three main divisions. The Huta Stalowa Wole group specializes in crawler tractors, heavy mobile cranes, truck mixers, fork lift trucks and power-drive components: Bumar Warynski in hydraulic excavators; and Bumar Labedy in small and medium size mobile hydraulic cranes, and drag line excavators. In addition the Bumar Fadroma plant in WROCLAW concentrates on the manufacture of wheeled loaders. A number of important co-operation agreements have been concluded with Western manufacturers in recent years, and may be expected significantly to increase both quality and volume of production. Mobile cranes of 40-ton lifting capacity have been produced in three design version in co-operation with Jones Cranes (UK) since 1966, and a 35-ton hydraulic crane of advanced design in conjunction with Coles Cranes (UK) since 1973. In 1974 Bumar aims to build and sell about a hundred of the latter type of crane, whilst exporting to Coles about £1 million worth of various components. The ZREMB works in WROCLAW, one of the largest producers within CMEA of low-loading trailers for the transport of engineer equipment and prefabricated building sections, was due in 1974 to commence assembly of heavy trailers with capacities of 50 to 100 tons, as a result of an agreement with the French firm NICOLAS. In April 1974, an agreement was concluded between Bumar, Fadroma, and Kockums of Sweden for the future joint production of dumpers with carrying capacities of between 16 and 18 tons. The first models are scheduled for delivery in 1975. In 1972, three important agreements, all with US firms, were signed for the production to Western standards of heavy earth-moving equipment in Poland for marketing in Western Europe. Thus the Bumar WARYNSKI Excavator Works, Warsaw, contracted to produce 3 types of large hydraulic excavators under licence from the Koehring Co. of Milwaukee: the Stalowa Wola Metallurgical Works' subsidiary plant at RADOM, to manufacture Clark heavy duty housings and planetary reduction systems for driven and steered axles; and the STALOWA WOLA Works, to produce five basic models of crawler tractors, loaders and pipelayers from 140 to 205 hp under licence from International Harvester. These agreements are beginning to bear fruit - Stalowa Wola, for example, is scheduled to produce over 100 complete crawler tractors under licence from International Harvester in 1974, and there are plans for the inauguration of a new crawler tractor manufacturing programme at IH's Doncaster Works based on deliveries of Polish produced components for final assembly in the UK.

THE AIRCRAFT INDUSTRY

21. In terms of total output Poland has the largest aircraft industry in Eastern Europe, but its capacity has been under-utilized since 1961 when a Soviet policy decision led to the cessation of combat aircraft production. In 1970 the industry was faced with dissolution, but with the advent of the Gierek régime a technological and production co-operation agreement was signed with the USSR and plans were formulated to develop it and give it a much more prominent position in the Polish economy. At present Poland is producing nearly 700 aircraft a year, half as many again as Czechoslovakia, her nearest rival in Eastern Europe. Most of these (see table below) are small piston-engined aircraft and light helicopters, built under Soviet licence, and the bulk of them are exported to other COMECON countries, mainly the USSR. Poland has three airframe factories - at Mielec, Lublin/Swidnik and Warsaw/Okecie; and 2 aero-engine factories - at Kalisz and Rzeszow.

POLAND: AIRCRAFT CURRENTLY IN PRODUCTION

<u>AIRCRAFT</u>	<u>TYPE</u>	<u>FACTORY</u>
An-2(COLT)	Piston-engined biplane. General utility aircraft which can seat up to 12 passengers. There are also versions for troop transport, ambulance and agricultural work.	Mielec
Mi-2(HOPLITE)	Light utility helicopter; twin-turboshaft engines, Passenger, agricultural ambulance, search, freight and pilot-training versions.	Lublin/Swidnik
Ts-11 Iskra	Jet Trainer. First jet aircraft of Polish design.	Mielec
P2L-101 Gawron	Piston-engined monoplane, utility, ambulance and agricultural versions	Warsaw/Okecie
P2L-101 Wilga	Piston-engined monoplane. General purpose aircraft much used by aeroclubs, one version is used for para-troops training. Can be supplied with a US continental engine.	Warsaw/Okecie

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<u>AIRCRAFT</u>	<u>TYPE</u>	<u>FACTORY</u>
P21-106 Kruk	Piston-engined monoplane; agricultural duties.	Warsaw/Okecie
MO15	Turbofan biplane. Designed in collaboration with the Antonov Design Bureau in the USSR for agricultural duties. Deliveries could begin in 1975.	Mielec

22. The future of the industry will continue to depend on the degree of control exercised by the Soviet Union and on that country's import requirements, but meanwhile, some modest progress is being made in providing indigenous designs and the industry has hopes of finding markets for these outside the bloc, particularly in the developing countries. Following the signing of the co-operation agreement with the USSR, Poland may be planning to go in for aircraft of more advanced types than she is at present producing. Before she can do this she will require foreign assistance - particularly in the field of aeroengines - and if she has a choice she will almost certainly turn to the West for the necessary technology.

SHIPBUILDING INDUSTRY

23. During the present plan period the Polish shipbuilding industry has asserted its position as one of the world's leading shipbuilding and ship exporting nations. This is largely the result of a decision apparently taken after the 1970 "troubles" to concentrate on building ships for export to the West at the expense of exports to the USSR. Output has increased from just over 5,000,000 deadweight tons (dwt) in 1970 to well over 800,000,000 deadweight tons (dwt) in 1973, while the volume and value of exports has more than doubled in the same period. However the share of exports going to the USSR has declined from 60% in 1970 to 40% in 1973.

24. This success has been accomplished against a background of growing specialization in world shipbuilding. When the bulk of exports were destined for the USSR the emphasis was on building small and medium-sized general cargo and fishing vessels. However, since 1972 Polish yards have begun producing cellular container ships and packaged timber carriers, large bulk carriers and 105,000 dwt ore-bulk-oil carriers. Future plans include 17,300/22,000 dwt Roll-on/Roll-off ships, LPG tankers, and chemical carriers. Adaptations of basic classes are being made to meet specific customer needs, e.g. the B521 55,000 dwt bulk carrier, is being adapted to carry cars for its Swedish owner.

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25. Modernization plans are underway at Gdansk and Gdynia and the latter should have the capacity to build 200,000 dwt vessels by 1976 (400,000 dwt vessels if constructed in two halves). Advances are being achieved both by native skill and by importing advanced technology from Sweden and Finland - both in the shipyard and the ship-building fields.

26. The very success of the industry may possibly be leading to a further round of labour troubles, with shipyard works determined to maintain their privileged and lucrative position as leading hard currency producers.

POLAND: The Economy since 1971

Statistical Annex

(Polish official statistics unless otherwise indicated)

I Background Data

Area - 312,677 sq Km

Density of population 107 per sq Km. (December 1973)

Population

	1970	1971	1972	1973
Total (millions, end year)	32.7	32.9	33.2	33.5
Percentage urban population	52.3	52.8	53.1	54.2
Population of working age (men 18-64 years, women 18-59 years, millions, end year)	18.3	18.6	18.9	19.3
Birth rate (per 1,000 population)	16.6	17.2	17.4	17.9
Death rate ( " 1,000 " )	8.1	8.7	8.0	8.3

National Income (net material product)

947.8 thousand million zloty in 1972 at current prices. According to Polish official estimates this was slightly over 8 per cent of the combined national income of the CMEA countries, and the next largest after the USSR. On a per capita basis Poland came fourth, after the USSR, GDR and Czechoslovakia, and on the same level as Hungary.

Gross National Product (Western estimate)

54.6 billion US dollars in 1972 (in terms of US purchasing power at 1971 prices)

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II Economic Growth of the Warsaw Pact Countries  
(CMEA statistics, percentage average annual growth)

a) Total National Income Produced

	1966-70	1971-73
Bulgaria	9	8
Czechoslovakia	7	5
GDR	5	5
Hungary	7	6
Poland	6	9
Romania	8	11
USSR	8	6

b) Per capita National Income Produced

	1966-70	1971-73
Bulgaria	8	7
Czechoslovakia	7	5
GDR	5	5
Hungary	6	6
Poland	5	8
Romania	6	10
USSR	7	5

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III Polish Economic Statistics

Table 1a Main Economic Indicators  
(percentage annual growth)

	1966-70 average	1971	1972	1973	1974 Plan	1971-75 Plan <sup>x</sup> average
National Income Produced	5.9	8	10	11	9.5	7.0
National Income Distributed <sup>xx</sup>	5.7	10	13	15	9.3	7.1
Gross output of Socialised Industry including -	8.3	8.3	10.7	11.3	11.1 <sup>xxx</sup>	8.5
Heavy Industry	9.3	8.3	9.6	11.3	n.a.	8.6
Consumer Goods Production	6.6	8.2	12.8	11.2	n.a.	8.2
Industrial Labour Productivity	4.9	4.9	5.8	8.2	8.1	5.4
Gross Agricultural Output including -	1.8	3.6	8.4	7.8	4.3	3.6-3.9
Arable	2.0	1.1	7.8	6.4	2.4	3.2-3.7
Livestock	1.6	6.6	9.0	9.3	6.5	4.1-4.2
Gross Investment	8.2	7.7	23.7	23.2	11.0	7.9
Net Investment outlays on fixed Assets	9.0	10.6	27.7	27.3	n.a.	n.a.
Foreign Trade: Imports	9.0	11.9	21.4	33.1	16.9	9.7
Exports	9.7	9.2	17.1	17.8	18.9	9.2
Monetary Incomes of the population	7.3	10	over 14	13	8.8 <sup>+</sup>	7.8

x As approved in June 1972

xx National income distributed differs from National income produced by the foreign trade balance and by losses. Its significantly faster growth in 1971-73 is attributable to the rapid growth of imports.

xxx By May 1974 the annual plan had been raised to require a 13 per cent growth, in order that additional purchasing power might be absorbed.

+ In June 1974 an increase of over 14 per cent was forecast.

n.a. - not available

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Table 1b

National Income Distributed  
(thousand million zloty, 1971 prices)

	1970	1971	1972	1973	1975 Plan*
All consumption	552.2	594.7	648.8	719.5	770
growth index (1970=100)	100	107.7	117.5	130.2	139.4
% of national income	72.1	70.7	68.4	65.5	71
of which,					
personal consumption	470.4	503.4	547.5	609.1	656
growth index (1970=100)	100	107.0	116.4	129.5	139.4
% of national income	61.4	59.8	57.7	65.4	61
Capital Formation	213.8	247.1	300.5	380.6	311
growth index (1970=100)	100	115.5	140.6	178.0	145.6
% of national income	27.9	29.3	31.6	34.5	29
of which,					
Net investment outlays on fixed assets	167.0	184.8	235.9	300.2	246
growth index (1970=100)	100	110.6	141.3	179.8	167.4
% of national income	21.8	21.9	24.8	27.3	23
Total National Income Distributed	766.0	841.8	943.9	1100.1	1080
growth index (1970=100)	100	110	124	144	141

\*Approximate figures calculated from percentages specified in the plan.

Table 2    Socialised Industry : Gross Production by Branch

a)    Structure of Industry (% of total, in 1971 factory prices)

	1970	1973	1975 Plan
Fuel & Power Industry	10.5	9.5	9.5
Metallurgy	10.8	10.7	11.0
Engineering Industry	25.8	28.4	29.9
Chemical Industry	9.0	9.3	9.5
Building Materials Industry	4.2	3.9	3.9
Timber & Paper Industry	5.1	4.8	4.7
Textile & Clothing Industry	13.6	12.9	12.9
Food Industry	17.8	17.4	15.6
Other	3.2	3.1	3.0

b)    Percentage Annual growth.

	1971	1972	1973	1971-75 Plan annual average
All Industry	8.3	10.7	11.3	8.5
Fuel & Power Industry	6.0	7.6	6.5	6.5
Metallurgy	8.9	8.2	11.2	7.9
Engineering Industry	8.6	11.5	12.7	11.8
Chemical Industry	8.9	12.2	13.0	10.4
Building Materials Industry	7.2	9.2	6.7	7.4
Timber & Paper Industry	5.7	7.2	10.9	6.5
Textile & Clothing Industry	6.1	9.3	9.4	6.4
Food Industry	7.3	11.0	9.9	5.5

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TABLE 3 OUTPUT OF SELECTED MAJOR INDUSTRIAL PRODUCTS

	1970	1973	1974 Plan	1975 Plan	1975 Planned Increase over 1970 (%)
Coal, hard (mil tons)	140	157	162	167.2	19.3
Coke (" " )	16.5	17.7	n.a.	18.8	18.6
Electric power (thous mil KW hours)	64.5	84.3	91.5	96	48.8
Crude Steel (mil tons)	11.8	14.1	n.a.	14.7	24.6
Rolled Products (" " )	8.1	9.9	10.5	n.a.	
Steel pipe (thous tons)	723	1,012	n.a.	1,070	47.8
Copper, electrolytic (thous tons)	72.2	156	206.5	182	152.1
Zinc (" " )	209	235	230	234	12.0
Lead (" " )	54.5	68.4	n.a.	67.0	22.9
Bearings (Mil)	51.4	74.9	n.a.	90.5	76.1
Machine tools (thous)	36.3	44.5	n.a.	n.a.	
Passengers cars (thous)	64.2	113 <sup>+</sup>	142.5	154.0	140.1
Buses, including mini buses (" )	9.0	12.6	n.a.	13.6	51.7
Lorries (" )	40.9	57.4	n.a.	n.a.	
Sea-going vessels, from 100 dwt (thous dwt)	518	742	737.8	963.3	85.8
Television sets (thous)	616	796	n.a.	900	46.1
Radios (" )	987	1,151	n.a.	1,250	26.7
Nitrogen fertilisers* (thous tons)	1,030	1,364	1,475	1,526	48.2
Phosphorous fertilisers " "	599	813	890	982	63.9
Plastics (" " )	224	333	387	431	94.3
Artificial Fibres (" " )	138	178	194.5	223.5	61.8
Cement (mil tons)	12.2	15.5	17.4	18.0	47.8
Coniferous timber (thous m <sup>3</sup> )	5,375	5,842	5,900	5,660	5.3
Cellulose (thous tons)	470	591	n.a.	665.5	41.4
Paper (" " )	764	941	n.a.	998.7	30.7
Cotton fabrics (Mil m.)	881	868	872.5	979.9	11.3
Woolen fabrics (" )	99	107	117.3	116.5	17.8
Footwear <sup>∅</sup> (mil pairs)	107	121	130.7	140.9	31.3
Products of livestock slaughtering (thous tons)	1,312	1,892	n.a.	1,708	30.2
Butter (" " )	127	182	n.a.	169	32.9
Sugar (" " )	1,388	1,641	n.a.	1,870	34.8

+ Plus 2.4 thousand classed as "specialised."

\* in terms of nutrient content

∅ excluding rubber shoes

TABLE 4a

MAJOR CROPS  
(million tons)

	1966-70 average	1971	1972	1973
grain	17.0	19.9	20.4	21.9
of which -				
wheat	4.3	5.5	5.1	5.8
rye	7.5	7.8	8.1	8.3
barley	1.7	2.5	2.8	3.2
oats	2.9	3.2	3.2	3.2
Potatoes	47.9	39.8	48.7	51.9
Sugar beet	13.6	12.6	14.3	13.7
Oil seeds	0.5	0.6	0.4	0.5

TABLE 4b

YIELDS  
(centners per hectare)

	1966-70 average	1971	1972	1973
grain	20.1	23.5	24.0	26.5
of which -				
wheat	23.2	26.5	25.1	29.6
rye	18.3	21.1	23.0	24.2
barley	23.0	27.3	27.1	29.2
oats	20.5	24.0	23.6	24.1
Potatoes	176	149	183	194
Sugar beet	324	299	327	307
Oil seeds	17.5	15.8	15.3	16.0

TABLE 5a

LIVESTOCK  
(As of June, thousands)

	1970	1971	1972	1973 Plan		1974 Plan	1975 Plan
					of which, privately owned		
Cattle	10,843.5	11,076.3	11,452.5	12,192.2	9,777.0	12,700	12,000-12,300
of which, cows	6,081.8	6,041.0	5,993.2	6,065.3	5,387.3	6,200	6,300
Pigs,	13,446.1	15,242.8	17,346.8	19,781.9	17,000	21,500	16,800-17,200
of which sows	1,504.9	1,758.6	2,032.5	2,173.6	2,007.2	n.a.	n.a.
Sheep	3,199.2	3,179.7	3,109.9	3,050.0	2,463.8	n.a.	n.a.
Horses	2,585.2	2,501.3	2,422.0	2,373.1	2,311.0	2,241	2,300
Poultry *	87,600	88,900	92,900	94,200	n.a.	n.a.	n.a.
of which, hens	76,700	77,700	80,500	81,700	n.a.	n.a.	n.a.
* as of December							

TABLE 5b

LIVESTOCK PRODUCTS

	1970	1971	1972	1973
Meat (thousand tons, deadweight)	2,185	2,215	2,485	2,739
of which -				
beef	465	456	439	478
pork	1,279	1,313	1,590	1,771
Milk (thousand million litres)	14.5	14.7	15.3	15.7
Eggs (millions)	6,941	7,080	7,475	7,505
Wool (tons)	8,939	9,063	8,963	8,720

Table 6

Average Prices Paid for Agricultural Products (Zlotys)

- a) by socialized purchasing centres - contractual
- b) " " " " - non-contractual
- c) in free market transactions

		1970	1971	1972	1973	% rise 1973 over 1970	Centralised Purchases as % of total Production in 1973
Wheat (per 100 kg)	a)	396	407	396	407	3	38.8 (wheat)
	b)	385	387	392	406	5	
	c)	461	467	461	468	1.5	
Rye (per 100 kg)	a)	299	304	297	304	2	25.1 (Rye)
	b)	298	303	296	304	2	
	c)	363	370	355	356	- 2	
Barley (per 100 kg)	a)	364	387	376	381	5	25.1 (Barley)
	b)	297	338	359	363	22	
	c)	362	366	361	368	2	
Potatoes (per 100 kg)	a)*	104	122	138	139	34	10.1 (Potatoes)
	b)*	86	99	122	135	57	
	c)	119	142	150	155	30	
Cattle, excluding calves (per kg)	a)	15.06	16.70	18.21	19.77	31	91 (cattle, excluding calves)
	b)	12.19	12.54	13.57	14.12	16	
	c)	12.34	13.71	14.05	15.06	22	
Calves (per kg)	a)**	12.40	13.28	19.39	23.37	88	67.4 (calves)
	b)	17.60	18.68	19.39	23.36	33	
	c)	17.95	19.96	21.02	22.89	27.5	
Pigs (per kg)	a)***	22.87	27.71	27.88	27.94	22	84.1 (pigs)
	b)***	19.62	24.50	25.51	25.83	32	
	c)	23.70	28.01	28.96	29.27	28.5	

\* - excluding early potatoes, edible

\*\* - all purchases by socialised purchasing centres : in 1970 and 1971 includes compulsory purchases

\*\*\* - butcher hogs; contractual prices for bacon pigs were as follows (in zloty per kg): 1970 = 26.02, 1971 = 29.62, 1972 = 30.04, 1973 = 30.34

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Table 7   Inputs of Agricultural Machinery and Fertiliser

	1970	1971	1972	1973	1974 Plan	1975 Plan
Tractors (thousands)	27.2	32.8	38.7	41.0	47.6	about 45
Combine harvesters (thousands)	2.0	2.0	1.7	2.3	n.a.	n.a.
Fertiliser* (thousand tons, in terms of nutrient content)	2416.3	2571.7	2887.3	3046.6	3290	3750
Fertiliser Consumption per hectare of arable land (Kg)	123.6	131.8	149.1	157.6	173	193

\* For harvest of that year

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Table 8 Economically Active Population (annual average, excluding apprentices)<sup>1</sup>

	1970	1971	1972	1973	Change in 1971-73
<u>Total</u> (thousands)	15,175	15,482	15,947	16,411	+ 1,236
% increase		2.0	3.0	2.9	
of which -					
Socialised Sector (thousands)	10,325	10,664	11,138	11,590	+ 1,265
% increase		3.3	4.4	4.1	
Non-Socialised Sector (thousands)	4,850	4,818	4,809	4,821	- 29
including - private agri- culture	4,408	4,395	4,381	4,380	- 28
<u>Occupations</u> <sup>2</sup>					
Agriculture (thousands)	5,165	5,174	5,184	5,212	+ 47
% of total economically active	34.0	33.4	32.5	31.8	
Industry (thousands)	4,276	4,390	4,555	4,680	+ 404
including - socialised sector	4,072	4,200	4,367	4,488	+ 416
Construction (thousands)	1,075	1,119	1,191	1,312	+ 237
including - socialised sector	1,005	1,055	1,123	1,237	+ 232
Transport & Communications (thousands)	940	967	998	1,007	+ 67
including - socialised sector	933	960	992	1,001	+ 67

1. Does not include employees in Units of the Ministry of Defence and Ministry of Internal Affairs that are supported from the budget.
2. Excludes outworkers and agents paid out of commission.

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TABLE 9a

Investment  
(thousand million zloty)

	1966-70* Annual Average	1971	1972	1973	1974 Plan	1971-75 Plan* Annual Average
All	200.4	245.3	303.8	374.7	416 <sup>+</sup>	290.8
Industry	78.9	98.1	132.0	166.4	194	126.3
Agriculture of which, private	32.2 10.6	38.3 14.7	44.6 16.6	52.8 20.3	na 26.8	40.8 22.4
Construction	8.0	8.5	11.8	20.6	19.1	8.5
Transport & Communications	22.4	31.8	33.9	38.4	42.3	33.1
Housing & Communal Services of which, private housing	38.3 11.5	47.4 13.6	54.6 13.9	63.8 16.0	72.7 7.7	53.1 6.8
Science	1.1	1.3	2.2	3.1	2.9	2.2
Education, culture, health	10.1	10.8	13.2	14.9	18.8	13.2
Other (including forestry, trade)	9.3	9.1	11.5	14.7	na	13.6

\*In 1971 prices: other years in actual prices of each year, but the difference between 1971 and 1973 prices for investment is slight.

+In June 1974 the Prime Minister Jaroszewicz forecast that investment in 1974 would amount to about 450 thousand million zloty.

TABLE 9b

Investment and Gross Addition to Fixed Assets  
(thousand million zloty, 1971 prices)

	1966-70 Annual Average	1971	1972	1973	1974 Plan	1971-75 Plan Total
Investment	200.4	245.3	303.5	373.8	416	1,454
Increase in Fixed Assets	162.3	118.8	216	254	266	1,350

Table 9c

Structure of Investment  
(percentage of total)

	1966-70	1971-73	1971-75 Plan
Industry	39.4	43.0	43.4
Agriculture	16.1	14.6	14.0
of which, private	5.3	5.5	7.7
Construction	4.0	4.4	2.9
Transport and Communications	11.2	11.3	11.4
Housing and Communal Services	19.1	17.9	18.3
of which, private housing	5.7	4.6	2.3
Science	0.6	0.7	0.8
Education, culture and health	5.0	4.2	4.6
Other (including forestry, trade etc)	4.6	3.9	4.3
<u>Total</u>	100	100	100

In 1971-73 "productive" investment (ie outlays for creating or increasing the value of fixed assets used in production of commodities or material services) amounted to 77.5 per cent of total investments, as compared with 75 per cent in 1966-70.

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TABLE 10

INVESTMENT IN SOCIALISED INDUSTRY  
(thousand million zloty, 1971 prices)

	1970	1971	1972	1973	Percentage of Total		
					1970	1972	1973
Fuel & Power Industry	23.6	26.9	31.8	37.9	26.6	24.1	22.7
% annual growth		14.0	18.1	19.2			
Metallurgy	11.5	13.7	15.5	16.7	13.0	11.8	10.0
% annual growth		19.1	13.6	7.7			
Engineering Industry	18.2	20.2	28.6	38.3	20.5	21.7	22.9
% annual growth		11.0	41.3	33.9			
Chemical Industry	11.4	11.1	14.9	18.3	12.9	11.3	11.0
% annual growth		-2.6	33.9	22.8			
Building Materials Industry	7.0	7.1	9.8	12.5	7.9	7.4	7.5
% annual growth		1.4	38.5	27.6			
Timber & Paper Industry	3.2	3.4	4.7	6.0	3.6	3.6	3.6
% annual growth		6.3	38.8	27.7			
Light Industry	5.7	6.9	11.1	15.0	6.4	8.4	9.0
% annual growth		21.1	61.3	35.1			
Food Industry	7.0	7.6	14.0	20.1	7.9	10.6	12.0
% annual growth		8.6	83.1	43.6			
Other	1.0	1.0	1.4	2.2	1.1	1.1	1.3
				57.1			
Total *	86.6	97.9	131.8	167.0	100	100	100
% annual growth		13.1	34.6	26.7			

\* Excludes small amount (in region of 100 mln zloty a year) not attributable to industrial enterprises and establishments.

DECLASSIFIED/DECLASSIFIEE - PUBLIC DISCLOSED/MISE EN LECTURE PUBLIQUE

TABLE 11                      MONETARY INCOMES OF POPULATION  
(thousand million Zloties)

	1970	1971	1972	1973	Plan 1974	1975 Plan
Total Money Incomes Index (1970=100)	564 100	623 110	713 126	815 144	887 <sup>+</sup> 157	818 145
Including - Wages (public sector) <sup>++</sup> Index (1970=100)	315 100	345 109	387 123	423 137	482 153	446.5 141.7
Monetary Social Benefits Index (1970=100)	53 100	62 117	67 126	75 141	83 157	90 172
Cost of Living Index (1970=100)	100	99.8	99.6	99.9		
Private Consumption of Goods and Services (from monetary incomes) Index (1970=100)	484 100	523 108	570 118			
% of Money incomes	86	84	80			
Additions to Savings Deposits	11.6	19.1	33.4	43.2		
Increase in Cash in Hand *	0.3	7.8	8.5	16.7		
Increase in Savings & Cash resources Index (1970=100)	11.9 100	26.9 218	41.9 352	59.9 503		
% of money incomes	2	4	6	7		

+ In June 1974 forecast total was 929 thousand million Zloties.

++ Net including apprentices.

\* Data from Polish National Bank (Finance 3. 1974 pages 1-11)

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TABLE 12      PER CAPITA CONSUMPTION OF FOOD, FABRICS & FOOTWEAR

	1970	1971	1972	1973	Plan 1975
<u>Food</u>					
Meat (Kg) <sup>*</sup>	53.0	56.1	59.3	62.1	63.0
Fish (Kg)	6.3	6.4	6.8	7.2	7.3
Cereal products (Kg)	131	128	127	126	123
Sugar (Kg)	39.2	39.6	40.9	42.4	43.1
Eggs (Units)	186	193	196	202	204
Milk & Milk products (litres, excluding milk made into butter)	262	266	263	264	270
Butter (Kg)	6.0	6.3	6.5	6.7	6.9
Other fats (Kg)	14.8	14.5	14.7	15.6	16.4
<u>Fabrics and Clothing</u>					
Fabrics      -      cotton (metres)	21.8	21.5	22.1	21.3	24.3
wool ( " )	2.4	2.5	2.5	2.4	2.6
Footwear (pairs)	3.9	4.0	4.2	4.0	4.8

<sup>\*</sup>Per capita consumption of meat in the USSR was 48 Kg. in 1970 and 52 Kg in 1973. USSR consumption in 1973 included fish - 16.2 Kg., eggs - 194, cereal products 145 Kg., sugar 40.8 Kg.

Among East European countries only the 9DR has a higher level of meat consumption than Poland - 74 Kg. per head in 1973.

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TABLE 13

HOUSING

	1970	1971	1972	1973	1971-75 Plan annual average
Dwellings Built (thousands)	194.2	190.6	205.5	225.6	216
(thousand sq.m.)	10,552	10,632	11,339	12,613	12,100
Average useful floor space per head (sq.m.)		13.5	13.7	13.9	n.a.
Average number of households per 100 dwellings		113	113	111	n.a.
Share of housing built by housing co-operatives - % of dwellings	49	49	50	45	n.a.
% of floorspace	39	38	40	36	n.a.
Share of privately built housing - % of dwellings	27.6	28.4	25.2	24.7	n.a.
% of floorspace	41.7	42.7	39.3	39.3	n.a.
Investment in housing (thousand million zoloty, current prices)	32.3	37.9	42.1	47.7	41.8 *
of which, private	12.3	13.6	13.9	16.0	6.8
Investment in housing as % of total investment -	15.6	15.4	13.9	12.7	14.4

n.a. not available

\* Investment in housing planned as 208.8 thousand million zloty in 1971-75, an increase of 34.2 per cent over the total for 1966-70; forecast total allocation in 1971-75 quoted as 240 thousand million zloty, an increase of 56 per cent, by Jaroszewicz in June 1974.

Table 14  
Foreign Trade

VALUE

PERCENTAGE SHARE

1971	Turnover	Import		Export	Balance		Turnover	1971	
		(in million US \$)						Import	Export
All Countries	7910	4038	3872		- 166		100.0	100.0	100.0
Communist Countries	5163	2721	2443		- 278		65.3	67.4	63.1
of which: CMEA	4903	2602	2301		- 301		62.0	64.4	59.4
Other Communist	260	119	141		+ 22		3.3	2.9	3.6
Non Communist countries	2747	1317	1430		+ 113		34.7	32.6	36.9
of which: Industrial West	2257	1102	1155		+ 53		28.5	27.3	29.8
Developing Countries	489	215	274		+ 59		6.2	5.3	7.1
1972								1972	
All Countries	10,257	5330	4927		- 403		100.0	100.0	100.0
Communist Countries	6394	3262	3132		- 130		62.3	61.2	63.6
of which: CMEA	6090	3103	2987		- 116		59.4	58.2	60.6
Other Communist	304	159	145		- 14		3.0	3.0	2.9
Non Communist Countries	3863	2068	1796		- 272		37.7	38.8	36.4
of which: Industrial West	3314	1815	1499		- 316		32.3	34.0	30.4
Developing Countries	550	253	297		+ 44		5.4	4.7	6.0
1973								1973	
All Countries	14,295	7862	6432		- 1474		100.0	100.0	100.0
Communist Countries	7966	4062	3903		- 159		55.7	51.7	60.7
of which: CMEA	7627	3886	3740		- 146		53.3	49.4	58.1
Other Communist	339	176	163		- 13		2.4	2.2	2.5
Non Communist Countries	6329	3800	2529		- 1271		44.3	48.3	39.3
of which: Industrial West	5693	3493	2200		- 1293		39.8	44.4	34.2
Developing Countries	636	307	329		+ 22		4.5	3.9	5.1

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TABLE 15

TRADE WITH COMMUNIST COUNTRIES

		Turnover	Imports	Exports	Balance
Albania	1972	21.6	11.0	10.6	- 0.4
	1973	23.9	12.9	11.0	- 1.9
Bulgaria	1972	223.4	108.6	114.8	+ 6.2
	1973	334.1	176.5	158.6	- 17.9
Czechoslovakia	1972	824.5	460.8	363.7	- 97.1
	1973	1102.6	597.9	504.7	- 93.2
Yugoslavia	1972	212.2	111.9	100.3	- 11.6
	1973	241.4	132.3	109.1	23.2
GDR	1972	1016.6	600.9	415.7	-185.2
	1973	1385.2	726.4	658.8	- 67.6
Rumania	1972	188.6	92.5	96.1	+ 3.6
	1973	297.7	180.7	117.0	- 63.7
Hungary	1972	391.5	228.2	163.3	- 64.9
	1973	455.3	261.4	193.9	- 67.5
USSR	1972	3407.3	1591.2	1816.1	+224.9
	1973	3998.9	1916.4	2082.5	+166.1
China	1972	61.9	33.9	28.0	- 5.9
	1973	66.9	33.8	33.1	- 0.7
North Vietnam	1972	11.9	4.0	7.9	+ 3.9
	1973	16.8	2.0	14.8	+ 12.8
North Korea	1972	18.0	9.3	8.7	- 0.6
	1973	13.8	7.7	6.1	- 1.6
Mongolia	1972	8.1	4.0	4.1	+ 0.1
	1973	9.9	6.2	3.7	- 2.5
Cuba	1972	7.8	5.6	2.2	- 3.4
	1973	17.9	7.8	10.1	+ 2.3

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Table 16

TRADE WITH MAJOR WESTERN PARTNERS

	Turnover	Imports   Exports		Balance
		1972		
		in million US\$		
Austria	182.2	112.7	69.5	- 43.2
Belgium	98.4	57.1	41.3	- 15.8
Federal Republic of Germany	740.6	442.4	298.2	-144.2
Denmark	81.3	41.5	39.8	- 1.7
Finland	68.7	26.2	42.5	+ 16.3
France	259.7	146.3	113.4	- 32.9
Netherlands	127.0	79.8	47.2	- 32.6
Norway	71.7	27.1	44.6	+ 17.5
Sweden	162.9	96.7	66.2	- 30.5
Switzerland/Liechtenstein	170.2	109.6	60.6	- 49.0
United Kingdom	433.6	247.3	186.3	- 61.0
Italy	313.2	128.0	185.2	+ 57.2
Japan	111.9	86.1	25.8	- 60.3
Canada	39.7	15.4	24.3	+ 8.9
United States	237.9	109.9	128.0	+ 18.1
Australia	30.9	27.2	3.7	- 23.5

	Turnover	Imports   Exports		Balance
		1973		
		in million US\$		
	293.2	197.7	95.5	-102.2
	196.9	129.1	67.8	- 61.3
	1466.1	988.0	478.1	-509.9
	128.3	64.2	64.1	- 0.1
	84.1	31.1	53.0	+ 21.9
	458.5	266.7	191.8	- 74.9
	208.8	141.4	67.4	- 74.0
	109.3	46.6	62.7	+ 16.1
	297.0	192.4	104.6	- 87.8
	289.9	220.6	69.3	-151.3
	633.3	375.6	257.7	-117.9
	461.5	205.2	256.3	+ 51.1
	160.4	117.8	42.6	- 75.2
	64.6	30.4	34.2	+ 3.8
	504.9	314.7	190.2	-124.5
	82.1	74.2	7.9	- 66.3

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Table 17a

COMMODITY BREAKDOWN BY GROUPS OF COUNTRIES AND PERCENTAGE SHARE BY GROUP OF COUNTRIES

EXPORTS	All Countries	1971			All Countries	1972			All Countries	1973		
		Communist	Industrial West	Developing Countries		Communist	Industrial West	Developing Countries		Communist	Industrial West	Developing Countries
		(m. \$)				(m. \$)				(m. \$)		
Power and Energy (%)	543	292 54	241 44	10 2	669	393 57	278 42	8 1	814	465 57	337 41	12 2
Metallurgical Industry (%)	312	157 50	121 39	34 11	354	189 51	147 42	27 7	466	213 46	230 49	23 5
Electrical Machinery (%)	1640	1353 82	143 9	144 9	2064	1690 82	217 11	157 7	2670	2196 82	325 12	148 6
Chemical Products (%)	352	224 64	83 24	45 12	452	296 65	102 23	54 12	616	372 60	180 29	64 11
Mineral Products (%)	35	11 31	21 60	3 9	40	11 28	26 65	3 7	53	15 28	35 66	3 6
Wood and Paper Industry (%)	111	41 37	67 60	3 3	133	47 35	83 62	3 2	183	53 29	126 69	4 2
Light Industry (%)	351	254 72	78 22	18 5	439	309 70	109 25	20 5	594	388 65	173 29	34 6
Consumer Goods (%)	357	70 20	273 76	13 4	459	87 19	350 76	22 5	576	104 15	536 79	36 6
Other Industrial Branches (%)	22	12 55	9 41	1 4	29	16 55	12 41	1 4	39	22 56	16 41	1 3
Agricultural Products (%)	134	22 21	103 77	3 2	268	111 41	155 58	2 1	291	74 25	214 74	3 1
Forestry Products (%)	14	-	14 100	-	18	-	18 100	-	28	-	27 96	1 4



Table 18a

TRADE BY COMMODITY

EXPORTS

Commodity	(Unit)	1971	1972	1973
Hard Coal	(m. tons)	30.3	32.7	35.5
Lignite	(000 tons)	3561	4106	4968
Coke	(000 tons)	2398	2269	2780
Rolled Ferrous Products	(000 tons)	1208	1154	1183
Copper	(000 tons)	29.1	49.8	40.3
Zinc and Rolled Zinc Products	(000 tons)	90.1	96.7	95.6
Machinery for Textile Industry	(m. US \$)	28	35	39
Excavators	(m US \$)	47	60	57
Rail Coaches	(No)	220	260	280
Freight cars	(No)	5743	5921	5749
Lorries and Road Tractors	(000')	17.1	16.6	14.7
Ships	(000 dwt.)	382	529	609
Equipment for Fuel & power Industry	(m US \$)	21	31	48
Equipment for Chemical Industry	(m US \$)	41	53	50
Sulphur	(000 tons)	2064	2487	2865
Nitrogen Fertilisers	(000 tons)	848	917	1028
Pharmaceutical Products	(m US \$)	85	110	128
Furniture	(m US \$)	46	55	65
Clothes	(m US \$)	132	156	198
Footwear	(000 pair)	15137	16713	18952
Bacon and raw meat	(000 tons)	68.6	68.1	67.8
Eggs	(million)	457	554	474
Sugar	(000 tons)	92	326	392
Usable cattle	(000)	236.6	290.5	295.5

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TABLE 18b

TRADE BY COMMODITY

IMPORTS

Commodity	(Unit)	1971	1972	1973
Crude Oil	(000 tons)	7,987	9,703	11,140
Natural Gas	(milliard m <sup>3</sup> )	1.49	1.50	1.71
Petroleum Products	(000 tons)	2,267	2,332	3,079
Iron Ores	(000 tons)	12,430	12,548	13,668
Pig Iron	(000 tons)	1,552	1,471	1,498
Rolled Ferrous Products	(000 tons)	930	1,249	1,739
Manganese ores	(000 tons)	401	505	525
Zinc Concentrates	(000 tons)	110	161	126
Alumina	(000 tons)	225	231	243
Ball Bearings	(m US \$)	24.7	28.8	46.4
Equipment for textile industry	(m US \$)	28.3	69.2	98.8
Computational and Office Machinery	(m US \$)	36.2	54.7	81.4
Passenger Cars	(000')	31.8	33.9	47.3
Ships	(000 ' dwt)	128	154	110
Phospherites and Apatites	(000 ' tons)	2,466	2,864	2,525
Potash fertilisers	(000 tons)	2,191	2,108	2,422
Natural and Synthetic Rubber	(000 tons)	104.4	85.8	97.9
Man Made Fibres	(000 tons)	45.7	47.8	45.4
Pharmaceutical Products	(m US \$)	39.4	56.7	69.2
Cellulose	(000 tons)	211	186	167
Cotton	(000 tons)	145	157	144
Wool	(000 tons)	18.3	22.0	19.9
Raw Meat	(000 tons)	150	55	52
Rice	(000 tons)	74	70	54
Tea, Coffee, Cocoa	(000 tons)	64	75	69
Wheat	(000 tons)	1,910	1,274	1,620
Other Grains	(000 tons)	883	1,669	1,464
Citrus Fruits	(000 tons)	95.5	122.4	127.6

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Table 19a

POLISH-SOVIET TRADE

POLISH EXPORTS	1972			1973		
	UNITS	VOLUME	VALUE m. \$	UNITS	VOLUME	VALUE m. \$
TOTAL			1817			2092
of which: machinery and Equipment			624			815
of which: machine tools			27			23
Power Equipment			26			28
Electrical Engineering Equipment			56			72
Cranes			13			7
Food Industry Equipment			14			19
Chemical Industry Equipment			32			50
Wood Industry Equipment			15			22
Excavators			47			36
Instruments and Laboratory Equipment			18			17
Agricultural Equipment			30			36
Railway Equipment			81			103
Ships and Ships' Equipment			94			203
Hard coal	(m tons)	9.7	177	(m tons)	10.0	201
Sulphur	(000 tons)	130.8	4	(000 tons)	458.2	17
Zinc	(000 tons)	39.5	13	(000 tons)	38.3	14
Chemicals, dyestuffs, paints			56			60
Seeds and Planting material			39			11
Woollen Fabrics			21			23
Clothes			130			152
Knitted clothes			18			27
Leather goods			16			18
Footwear			50			57
Furniture			38			40
Medicaments			84			93
Soap, Perfume, cosmetics			24			26
Goods for cultural and household purposes			60			59

SOURCE: SOVIET FOREIGN TRADE 1973

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Table 19b

POLISH - SOVIET TRADE

Soviet Exports	(Units)	1972			1973	
		Volume	Value m.£		Volume	Value m.£
Total			1588			1944
of which: Machinery and Equipment			331			467
of which: machine tools			23			35
mining equipment			22			28
petroleum drilling equipment			13			16
roller bearings			15			19
tractors and spare parts			22			44
trucks and parts			34			38
aircraft			37			57
Hard Coal and Anthracite	(m. tons)	1.2	22	(m. tons)	1.2	23
Oil and Oil Products	(m. tons)	11.1	221	(m. tons)	12.3	288
Natural Gas	(m m <sup>3</sup> )	1.5	25	(m m <sup>3</sup> )	1.7	32
Iron Ore	(m. tons)	10.6	108	(m. tons)	11.1	123
Pig Iron	(m. tons)	1.4	73	(m. tons)	1.5	82
Rolled Ferrous Products	(m. tons)	0.6	87	(m. tons)	0.6	94
Aluminium	(000' tons)	48	27	(000' tons)	40	25
Potassium Salts	(000' tons)	1650	39	(000' tons)	1876	49
Cotton	(000' tons)	95.8	77	(000' tons)	90.0	80
Grain	(m. tons)	1.18	85	(m. tons)	1.07	97
Medicaments			14			18
Goods for household and cultural purposes			27			37

SOURCE: SOVIET FOREIGN TRADE 1973

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POLAND: OFFICIALLY GUARANTEED CREDITS FROM NATO COUNTRIES    (8 million)

TABLE 20

Year	New Credit granted		Repayments	Credit Outstanding		Exports* To Nato Countries	Debt Service Ratio
	Total	Of Which Over 5 years		Total	Of Which Over 5 years		
1965	125.3	12.9	103.3	341.3	82.5	457.5	22.6
1966	162.6	36.0	101.5	397.9	114.0	520.8	19.5
1967	235.3	142.2	140.5	488.2	251.6	540.4	26.0
1968	214.5	59.6	111.7	585.1	304.7	569.8	19.6
1969	154.7	79.8	149.4	585.4	352.6	610.6	24.5
1970	110.9	31.4	108.2	631.6	407.4	731.4	14.8
1971	106.1	24.9	134.8	584.0	362.2	854.5	15.8
1972	345.8	233.2	138.0	782.6	540.6	1083.1	12.7
1973							

\* Exports are given on the basis of information available from Western statistics on NATO countries' imports c.i.f. reduced by 10% in order to obtain an estimate of Polish exports f.o.b.

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Table 21

POLAND : EUROCURRENCY BORROWING (KNOWN)

YEAR	BANKS INVOLVED	VALUE (in m \$)	(premium)	TERM
1969	B.O.L.S.A.	20		3-5yrs
1970	B.O.L.S.A.	25		3-5yrs
1970	BOLSA and Sumitomo	10		-
1972	Deutsche Bank	6.3		-
1972	Commerzbank	6.3		5 years
1972	West German banks	10		8 years
1972	Belgian banks	70		-
1972	Lazards/Morgan Grenfell	20		10 years
1973	Bankers Trust	20		7 years
1973	Banque de Suex et de L'Union des mines	30	$\frac{5}{8}$	7 years
1973	Kjobenhauns Handelsbank/ Manufacturers Hanover Ltd	60	$\frac{1}{2} - \frac{3}{4}$	10 years
1973	Credit Lyonnais/BCEN	50		10 years
1973	Loeb Rhoades/Sanwa/Tokai	60		med.
1974	Credit Commerciale de France	75	$\frac{1}{2} - \frac{5}{8}$	8yrs
1974	Loeb Rhoades/Commerzbank	30	$\frac{5}{8} - \frac{3}{4}$	7yrs
1974	Banque Nationale de Paris	75	$\frac{3}{4}$	8yrs
1974	Banque of Nova Scotia	150	$\frac{3}{4}$	8yrs
1974	Credit Commercial de France	70	$\frac{5}{8} - \frac{3}{4}$	7yrs
1974	West German banks	40		med.
1974	Belgian Banks	100		med.
1974	US and Canadian Banks <sup>*</sup> [not completed]	nearly 100		
1974	Hong Kong Bank	10		short/medium
	TOTAL OF ABOVE	931.3		

\* Not included in total

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Table 22

POLAND LOANS FROM EXIMBANK

Date	Amount (M.\$)	Other Participants	Total Loan (M.\$)	Interest Rate
2/73	8.9	First National Bank of Chicago	17.8	6
4/73	1.989	Chase Manhattan	3.978	6
5/73	2.6	Continental Illinois	5.2	6
6/73	0.696	Morgan Guaranty Trust	1.392	6
7/73	1.1	Security Pacific National Bank	2.2	6
7/73	22.3	Morgan Guaranty Trust	44.6	6
8/73	13.5	Morgan Guaranty Trust	27.0	6
8/73	0.567	United California	1.134	6
9/73	2.68	Undesignated	5.36	6
10/73	0.692	Undesignated	1.384	6
12/73	1.039	Wells Fargo	2.078	6
12/73	10.5	Undesignated	21.0	6
12/73	0.827	Undesignated	1.654	6
12/73	4.378	Chemical Bank	8.756	6
2/74	0.487	Morgan Guaranty Trust	0.974	6
3/74	1.359	Security Pacific National Bank	2.718	6
5/74	0.510	Undesignated	1.02	7
6/74	0.495	Undesignated	0.990	7
6/74	0.591	Fidelity Bank of Philadelphia	1.182	6

Total of Above:

150.420

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