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SUB-COMMITTEE ON SOVIET ECONOMIC POLICY

RECENT ECONOMIC DEVELOPMENTS IN THE EUROPEAN
SATELLITE COUNTRIES AND PROSPECTS FOR THE FUTURE

Note by the Chairman

1. The attached note has been prepared by the Economics Directorate on the basis of official reports on the fulfilment of the economic plans for 1963 and other material on the European satellite countries. It follows the general outline of the report last year on the same subject (AC/127-D/128(Revised) which, together with similar studies on the Soviet Union and Communist China, was discussed in the Council on 9th October, 1963 (C-R(63)58).

2. The note is submitted for comment to the delegations, who may also wish to supplement it with further information.

(Signed) A. VINCENT

OTAN/NATO,
Paris, XVie.

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RECENT ECONOMIC DEVELOPMENTS IN THE EUROPEAN
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THE FUTURE

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(rates of increase)

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RECENT ECONOMIC DEVELOPMENTS IN THE EUROPEAN
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PART A: GENERAL SURVEY

General performance

1. According to the official plan fulfilment reports, the slackening of the pace of economic expansion in the Eastern European satellites of the Soviet Union continued in 1963(1). High rates of increase of 6 to 8% were claimed only by the agrarian countries, Roumania and Bulgaria(2); the agricultural-industrial countries, Hungary and Poland, seem to have settled down at increase rates around 5%, whereas the highly-industrialised Soviet Zone of Occupation of Germany, with an expansion of merely 3%, compares rather unfavourably with most of the industrialised Western countries. The national income of Czechoslovakia, which was not planned to rise in 1963, proclaimed to be a "year of reorganization," even declined. It is generally considered that bad economic performance was the principal reason for a reshuffling of the government in autumn 1963.

2. The industrialised countries of the region, especially Czechoslovakia, Hungary and the Soviet Zone of Occupation of Germany embarked upon a reorganization of all branches of their economies and a radical rethinking of their economic theory.

Industrial production

3. Whereas until 1962 rates of growth of gross industrial output were usually above those planned in nearly all countries of the region, in 1963 this tendency was continued only in Roumania and Poland as far as the original plans were concerned. The other countries had taken the precaution of revising their initial targets downwards after the harsh winter, so that they could later boast of having fulfilled them at a little over 100%. In Czechoslovakia's industry, where production actually decreased in 1963, bad management, power shortages and a lack of labour discipline were blamed. Increase rates for industrial production in all countries under review have steadily fallen during recent years, but most markedly in 1963, as can be seen from Table II (see Annex).

Labour productivity

4. Increases in labour productivity were markedly lower in 1963 than in previous years in all countries except Roumania. A decrease in productivity was for the first time announced by

(1) See Annex, Table I

(2) Albania, which is no longer a satellite of the Soviet Union, will only be mentioned in the tables.

Czechoslovakia, and the situation in Bulgaria does not seem to have been much brighter. Better "material incentives" are expected to improve the situation. Labour shortages, however, continue in the Soviet Zone and, to a lesser degree, in Czechoslovakia, whereas Poland and Hungary seem determined to release "non-productive" labour, even at the cost of causing unemployment.

Investment

5. The development of state fixed capital investment seems to have been rather unsteady in most parts of the region; Hungary, which has seen a rather smooth development of all branches of its economy during the last years, and Roumania were the only countries to come close to meeting their targets. Investment in Bulgaria appears to have stagnated in 1963, and will be reduced by 7.5% in 1964. Czechoslovakia could not fulfil its 1963 target of minus 6%, but plans to compensate for this by an ambitious 14.6% increase in 1964.

Agriculture

6. The year 1963 was less disappointing for Eastern European agricultural planners than 1962, when gross output had fallen considerably in three countries and stagnated in one. However, only Czechoslovakia appears to have reached its high targets for 1963, and made good the losses of 1962. The Soviet Zone of Occupation of Germany has not yet recovered from the sharp fall in 1961 following forced collectivisation. Hungary reported increased agricultural output figures for the first time in years, and seems to have regained its 1959 level. Roumania also appears to have nearly recovered from the 1962 losses and, with a fairly good harvest, was able to return a "loan" of 400,000 tons of wheat from the Soviet Union. Roumania is the only country which has not been obliged, as a consequence of the Soviet Union's failure to meet its export obligations, to negotiate grain imports from the West. The organizational reforms introduced in Bulgarian agriculture on the Soviet pattern were not successful.

Foreign trade

7. In foreign trade and tourism there were interesting developments in 1963, especially in the direction of contacts with the West. Hungary, the Soviet-occupied Zone of Germany and even Bulgaria seem to be eager to develop their trade relations with "non-Socialist countries," in the case of the Soviet Zone mainly, it seems, for political reasons. Czechoslovakia has started a vigorous campaign to attract tourists. In the case of Hungary, tourist traffic seems to have developed both ways, with over half a million Hungarian visitors abroad.

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PART B : COUNTRY ANALYSIS

I. SOVIET ZONE OF OCCUPATION OF GERMANY(1)

Population: 17.1 million
Area: 107,834 sq. km.

General Performance

1. The most industrialised Communist country and predominant trading partner of the Soviet Union, the Soviet Occupied Zone of Germany reports an increase in 1963 net material product of 3%, the lowest achieved so far and well behind the original target of 5.5%. The economic plan for 1964 provides for a more realistic increase of only 3.8% over 1963, to reach a total sum of East Marks 82.7 billion(2).

Industry

2. According to the official plan fulfilment report, gross industrial production in 1963 reached EM.83.3 billion(3), an increase of 4.9% against an original target of 6.4%. However, as this target was reduced considerably after the severe winter in 1962/63, the planners can now claim a 100% fulfilment.

3. The electrical and chemical industries expanded most rapidly, the latter by 6.8%. Within this branch, the production of plastics increased fastest, with a polyethylene output of 3,000 tons (+187%). Nitrogen and phosphorous fertilisers did not reach their targets. The production of potassium products, for which the Soviet Zone is the world's largest exporter, reached 1.7 million tons (+4.6%).

4. Other output figures included: steel alloys, 14,213 tons (+23%), diesel fuel, 1.7 million tons (+12.8%) and lignite, 254 million tons (+3%). The construction plan was only 97% fulfilled.

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- (1) The use of the word "country" in connexion with the Soviet Zone of Occupation of Germany does not imply that it is being considered as an independent state like the other Eastern European countries under review.
 - (2) 100 East Marks (EM) = official rate: \$45.0; tourist rate: \$23.8. When making comparisons with Western countries, it should be borne in mind that the currencies of the countries under review are heavily over-valued at the official rate of exchange.
 - (3) That this figure is larger than that for net material product is explained by the fact that being a gross aggregate it contains a large element of double counting.

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5. In 1964, industrial production is planned to increase by 5.7% to EM. 88.1 billion. Above-average growth rates have been planned for metallurgical products (8%), electrical equipment (7.8%), engineering (7.7%) and chemical products (7.5%). Oil-processing is to increase by no less than 40.3% as a result of the putting into operation of the Schwedt chemical works, the terminal of the COMECON pipeline, the Polish part of which was completed in November 1963.

Productivity

6. With a declining labour force such as that of the Soviet Zone, an increase in output can only be obtained by means of a more than proportional increase in productivity(1). The 1963 increase in productivity (6.5%) fell short of the planned 7.2%. The 1964 plan provides for another increase of 6.5%. The introduction of a forty-hour week which, according to the original Seven-year Plan, was to be gradually introduced by 1965, seems to have been abandoned, and increases in wages compensating for the reductions imposed after the erection of the Berlin wall do not seem to be envisaged for some time to come.

Investment

7. The amount of state capital investment in 1963 was given as EM. 16.4 billion, a claimed increase of 2.5%(2) which was far below the original 9% target that had been adopted on Soviet insistence. The planned sum for 1964 of EM. 17.9 billion would again represent a 9% increase target which the regime will have some difficulty in obtaining. Building is to receive EM. 7.1 billion, i.e., a share of close to 40%. With the little that is known about the 1964 investment programme, it would seem that its special feature is the transfer of funds from heavy industry to chemicals.

Agriculture

8. Agricultural performance in 1963 seems to have remained at about the same low level as in 1962, judging from the little that has been announced so far: a "general increase" in livestock and the fulfilment of the (undisclosed) plan for grain, vegetables and potatoes, an increase in milk production of 0.3% and of fat-stock by 6%. Plan figures for 1964 are again not available. Mechanisation is to be pushed forward, with EM. 2.1 billion to be spent on investments and three-quarters of the grain harvest to be collected by "combines".

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- (1) See paragraph 7, page 10 of AC/127-D/128(Revised).
(2) Compared with the figure announced for 1962 - EM. 15.7 billion - the increase would seem to have been 4.3%.

Foreign Trade

9. In 1963, exports are said to have increased by 15%, as planned, to reach EM. 11.2 billion. The figure given for 1963 imports of EM. 8.8 billion shows a 14% decrease as against 1962, resulting in a very favourable trade balance. In 1964, exports are planned to increase by only 1% and imports by 20%; thus the 1963 surplus will be considerably reduced (exports: EM. 11.3 billion, imports: EM. 10.6 billion).

10. The Soviet bloc countries will continue to be the principal trading partners, especially the Soviet Union. Early in 1964, the two countries agreed on a very close co-ordination of their development programmes for the chemical industry - by 1970 the Soviet Zone will deliver to the USSR about 200 installations for chemical enterprises, and the Soviet Union in return will help in establishing an oil-refining industry.

11. However, some change in the regional distribution of foreign trade seems probable. A marked increase in East German trade with "non-Socialist" countries in Europe(1) can be expected for 1964. According to the agreements for 1964, trade with Denmark is to rise by 25%, with Italy by 22% and with Great Britain by 21%. Trade with Yugoslavia is to rise 30%. Trade exchanges with the developing countries seem to be stagnating, with the exception of Cuba, where a 20% increase is envisaged.

The Budget

12. The budget for 1964 provides for a revenue of EM. 56,881 (4.5% over the 1963 results), expenditures of EM. 56,806 and a surplus of EM. 75 million. The report states that defence expenditures were left "unchanged".

Prospects

13. Though living standards in the Soviet Occupied Zone of Germany will continue to rank among the highest in the Soviet orbit, prospects for an increase continue to be dim. In July 1963(2), the introduction of a new system of economic planning and management was announced. It is said to be based on eighty newly-constituted "Socialist trusts" which will manage key branches of industry with a considerable degree of independence, on a

(1) This polite expression was used in an official statement of 14th November 1963, announcing the new policy. The government news agency ADN added on 20th February 1964, that it should be followed by the establishment of official trade missions in London, Paris, Rome and other European capitals, and that Great Britain, France and Italy should set up trade missions in the "GDR capital".

(2) See FINANCIAL TIMES of 3rd March, 1964.

widespread application of the "profit motive", and on "material incentives" to raise quality and productivity. The current administrative decentralisation will, on 1st April 1964, be followed by an industrial price reform affecting coal, electricity and power, a wide range of metallurgical products and basic chemicals, accounting for one-quarter of total industrial output. This will be followed by a revaluation of capital assets, the application of more realistic depreciation rates and the introduction of a new system of interest payments.

14. Economic necessities, a new generation of technocrats and, last but not least, the developments in the neighbouring Communist countries seem to have forced the rigid Ulbricht regime down on the side of economic pragmatism. It would appear as if these reforms are more in keeping with the magnitude of the problem than those undertaken elsewhere in the more advanced economies of Eastern Europe.

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II. CZECHOSLOVAKIA

Population : 13.9 million
Area : 127.900 Sq Km.

General performance

1. The stagnation, or even regression, of all major branches of the Czech economy except agriculture in 1963 were not entirely unexpected. 1963 was to be a transitional year in which industry was to be reorientated. The situation deteriorated, however, to such an extent that the 1963 plan had to be "modified" at the end of May. The Seven-year Plan (1964/70) seems not to have been finalised in 1963, so that 1964 will be another "transitional" year. A government reshuffle in November and the substitution of a considerable number of dogmatic party representatives in key posts by economists and technicians was another consequence of this situation.

2. Accordingly, the official plan fulfilment report, dwells at length on per capita consumption figures to console its readers for the fact that net material product "fell below the 1962 level." The growth target for 1964 is 3.6%. This figure seems on the low side compared with the targets for industrial and agricultural production.

Industry

3. "The amended plan for industrial production was fulfilled by 100.7%, but production was below the 1962 level" - this sentence of the fulfilment report shows that the original modest 1% increase target must have been reduced considerably during the course of the year. If checked against the good results in agriculture and the "below the 1962 level" statement for net material product, it would seem that the actual decrease was in the vicinity of -2%.

4. The different branches were reported to have had the following results: engineering, -2%, metallurgy, -0.9%, power production, +0.7%, chemical industry, +3.4%, fuels, +3.7% and the food industry, +4.1%. Physical output figures other than those given in the annex included: tractors, 28,400; lorries, 31,000 (1962: 19,800); cars, 56,000 (1962: 64,300); footwear, 76 million pairs.

5. Numerous difficulties and shortcomings were cited as being responsible for the bad performance of industry: a too extensive range of production; a disproportionate demand for raw materials, investment and labour; falling productivity; delays in effecting technological improvements and in raising the quality of output resulting in marketing problems at home and abroad; poor management and planning; excessive administrative costs.

6. The 1964 industrial plan aims above all at putting an end to ineffective production and reducing the consumption of electricity and raw materials. The increased target for

gross industrial production is 3.6% (in Slovakia 7.2%). The chemical industry is to grow by 10%, production of steel by 7.8%, of rolled goods by 5.8%, of pig iron by 7.3% and of magnetite by 9.5%. Other raw materials and power generation have also been assigned higher than average targets. Building is to increase by 11%.

Productivity

7. Productivity in industry was not planned to, and did not, increase in 1963. The total number of workers grew by less than 0.1% to 2,449 million. The 1964 plan provides for an increase of 2.8% in productivity (1) and of 1.3% in wages; the industrial labour force is to increase by 99,000 (4%), which seems inconsistent with the regime's efforts to return labour to farming.

Investment

8. Although the capital investment plan for 1963 provided for a decrease of 6% compared with 1962, this modest target appears not to have been attained. State capital investments are said to have dropped to Kcs 39.2 billion (2).

9. In 1964, the volume of capital investment in industry is to go up by 14.6%, in building by 12.7%. Slovakia will have a much higher rate (20.8%), as a large share of the resources will be put into the new East Slovak centre for heavy industry, Kosice, which alone will receive Kcs 1.8 billion in 1964, an increase of 60% over 1963. A considerable sum will have to be allotted to the construction of a new wide-gauge railway line 90 km. in length which will supply Kosice with Soviet iron ore. The line is to be completed by May 1966.

Agriculture

10. In contrast to the bad industrial performance, agricultural production seems to have been unexpectedly successful, a rare exception in the whole Communist world in 1963. According to the plan fulfilment report, gross agricultural production grew by 8.2% and marketable production by 7.7%, thus nearly fulfilling the ambitious target and compensating for the extremely poor results of 1962 (-6%). The following increases were obtained by various crops: wheat 6.3%, maize 33.6%, potatoes 27.8%, sugar beet 33.1%. Vegetable production was about 15% higher than in 1962, while livestock breeding dropped, and the plan for milk purchases could not be fulfilled.

11. The 1964 plan provides for an increase in gross agricultural production of 6.5% (market production: + 5.2%).

(1) Other statements give the following figures: 4.3% in industry, 4.8% in building.

(2) Rates of exchange for 100 Czech crowns: official \$ 13.9, tourist \$ 7.0

Grain production is to increase 11%, meat 4.8%, milk 10.2%, sugar beet 7.4% and fodder crops 8.8%. 22% more fertilizers, 7% more tractors and 12% more combine harvesters will be made available, and 40,000 hectares of idle land are to be brought under cultivation. Efforts will be made to attract more young people to the villages, especially by granting more effective "material incentives."

Foreign trade

12. Czechoslovakia's foreign trade in 1963 was reported to have increased by 9%, with exports rising by 15% (to \$2.52 billion) and imports by 4% (to \$2.15 billion). In 1964, the overall volume of foreign trade is to increase by 3.7%.

13. The Soviet Union will probably maintain or increase her large share in Czech foreign trade (38% in 1962). The oil pipeline to the Slovnaft works in Bratislava has carried 5.75 million tons since the opening two years ago (1962: 2.65 million tons, 1963: 3.1 million tons), and the construction of the wide-gauge railway line to Kosice (see above - investments) for the transport of iron ore will further contribute towards an integration of the two economies. In a recent statement, the Czech government thanked the USSR for its "outstanding help" in providing the raw material basis for the 1964 economic plan.

14. Trade with the "capitalist" countries is also expanding. According to the 1964 plan, it is to increase faster (6.4%) than overall trade (3.7%). A recent agreement with the Netherlands provides for the payment of compensation for nationalised property. In a two-year trade agreement with France, an annual increase rate of 10% has been agreed on, with payments to be made in any convertible currency instead of in francs. Trade with Yugoslavia is to increase by 30% in 1964, and Yugoslav ports will be used to a greater extent.

15. Czechoslovakia's trade with the developing countries is continuing at a high rate. Credit agreements have recently been concluded with India (\$50 million), Indonesia, Brazil, the Yemen, Algeria and Burma (1).

Tourism

16. The potential of tourism as an earner of foreign currency seems to have been recognized by Czechoslovakia in Autumn 1963. Visas for Western visitors are being issued within 48 hours, and more than Kcs 2 billion will be invested by 1965 for the building and repair of restaurants, hotels and camping sites.

The budget

17. The budget forecast for 1964 provides for a revenue of Kcs 130,414 million - an increase of 3% over 1963 - and

(1) See AC/89-WP/115

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expenditures of Kcs 130,318 million. Defence expenditures, taking a share of 8.4% in the budget, will be reduced from Kcs 11,334 in 1963 to Kcs 10,950 million.

Prospects

18. With an admitted increase in consumption of only 1% in 1963 and a planned growth in retail trade and consumption of below 3% for 1964, no rapid increase in the comparatively high standard of living can be expected in the near future (1). On the contrary, house rents, which at present cover only 62% of maintenance costs, are expected to go up, and the constant demand for a "harmonisation" of production and excessive consumption make it not unlikely that the envisaged far-reaching structural transformation of the national economy can only be achieved at the cost of a temporary stagnation or reduction of the real income of the population. Popular dissatisfaction appears to be widespread

(1) The recently-announced "clearance sales" of some consumer goods at prices reduced by 20 to 40% aim above all at reducing unsaleable stocks.

III. POLAND

Population: 30.7 million
Area: 312,500 sq.km.

General performance

1. The Polish economy seems to have lost most of its impetus and to have some difficulty in recovering from the extremely poor agricultural results of 1962. The "provisional" official estimate of a 5.5% increase in net material product in 1963 is certainly too optimistic if compared with the lower results announced for both industrial and agricultural production. A figure of about 4.5% would seem more realistic. Although no official target for 1964 has been announced, it appears that a growth of about 5% is envisaged.

Industry

2. In 1963, the gross industrial production plan is claimed to have been 100.6% fulfilled - a 5.3% increase over 1962, and the lowest rate of growth in recent years. The plan for the production of consumer goods was not fulfilled. The slackening growth rate was said to be due above all to a sharp decline in the supply of agricultural raw materials after the bad 1962 crops, and a decrease in the import of raw materials. As in previous years, the increase rates in the engineering, electro-technical, transport equipment and metal industries were much faster than in industry as a whole. Light industry increased its export production considerably. Electric power, iron and chemical industries did not fulfil their plans. Home building was said to have increased by 2.3%.

3. For 1964, industrial output is to rise by 6.3%. The production of textiles and leatherwear will increase more rapidly than overall production. Above average increases are also planned for the chemical industry (11.3%), engineering and electro-technical industries (7.7%). Cement output will increase 14%; steel 5%, brown coal 21%, hard coal 1.3%(1).

Productivity, wages, employment

4. The increase in labour productivity seems to have been even more unsatisfactory than in 1962, as the modest target of 3.2% could not be met. A reason for this appears to have been a higher than planned increase in industrial employment. The 1964 productivity target has been set at 4.5%, and higher productivity is to account for 70% of additional production. It seems that this target could only be reached if a large number of marginally productive workers were dismissed, which in turn would create an unemployment problem.

(1) For physical output figures, see Annex.

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Investment

5. According to the 1963 plan fulfilment report, state capital investment amounted to Zloty 103.6 billion (1), an increase of only 2.4% over 1962, falling far short of the 8.3% target. The share of net investment in national income thus dropped from 19.2 to 18.2%, the lowest in any of the countries under review, except for the Soviet-Occupied Zone of Germany. Little has so far been said about 1964 investment. The target seems to be an increase of a mere 3.7%, and a 330 km. gas pipeline from the Soviet border to Silesia, which is to go into service in 1965, seems to be among the major projects.

Agriculture

6. Having fallen by 7.8% in 1962, agricultural output had been planned to rise by 6.3% in 1963. The actual increase however was only 3.8%. Crops are said to have increased by 11.3%, while livestock production dropped by 6.1%. Grain purchases totalled over 2.1 million tons, i.e., 16% more than 1962, potato purchases 33% more, whereas meat purchases dropped by 9.5% and milk deliveries by 7.8%.

7. For 1964, an increase of 4.1% (i.e., sufficient to regain) the 1961 level) is planned for gross agricultural output. Investments in agriculture are to rise by 24%, 12% more fertilisers will be supplied, and the number of pigs is to rise by 5.6%.

Foreign Trade

8. There was a marked slackening in the development of Polish foreign trade in 1963, owing mainly to a slower growth of imports caused by the Polish authorities' desire to reduce their traditional trade deficit. Exports are reported to have increased by 7.6% to zl. 7,084 billion, imports by 5% to 7,916 billion. The share of foodstuffs in Polish imports has risen from 13.3% in 1962 to 15.1%.

9. The 1964 foreign trade plan aims at a further improvement of the balance of payments situation; exports are to increase by 12.1%, and imports by only 1.6%, thus reducing the deficit to about zl. 100 million. The export of machinery and installations, industrial consumer goods and food products is to rise sharply.

10. In 1963, Communist countries accounted for 65% of Poland's foreign trade, as against an officially-announced share of 63% in 1962. This would be in line with Gomulka's warning late in 1962 against too great a dependence on Western markets. Poland will, however, continue to import large quantities of agricultural products from the West, especially from the

(1) 100 zloty = official rate: \$25.0; tourist rate: \$4.3.

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United States⁽¹⁾. According to a recent agreement, Poland will import 400,000 to 600,000 tons of grain annually from France during the next three years. A trade agreement with Italy provides for an increase of approximately 18%.

11. Poland seems to have recently stepped up its trade with the developing countries, and to have emerged as the largest creditor among the countries under review. Since the middle of 1962, credits of close to \$160 million have been extended by Poland, with Brazil and India getting the largest shares (\$70.0 million and \$32.5 million respectively)(2).

12. The Polish merchant fleet of 191 ships with a total of 1.2 million tons dead weight earned a foreign exchange surplus of over \$43 million in 1963, some 11% more than in 1962. Repairs of foreign ships netted 19 million foreign currency zlotys.

The Budget

13. The 1964 budget revenue is estimated at zl. 275.9 billion, the expenditure at zl. 271.0 billion. Defence expenditures "will not increase their share" in the budget.

Prospects

14. Despite a claimed increase in real wages of 2%, 1963 does not seem to have been too favourable for the Polish population, which had to face a 50% increase in the price of coal, and considerably higher prices for gas and electricity as of April 1963. The new economic reforms seem above all to be directed towards a reduction of excessive labour, and might result in a wave of unemployment so far unprecedented in centralised economies. The alternative - a consumer-oriented shift advocated by the realists - seems to be unacceptable to the dogmatists, or "partisan" group, which increased its influence on the regime. Thus, the Polish model of relative "liberty" seems to be much talked about, whilst little is being done about it. Many links, economic and other, have however developed with the West which would be difficult to sever.

(1) According to a statement of the Polish news agency, PAP, of 4th February, 1964, agreements were signed in Washington the day before providing for the sale of (a) agricultural products worth \$30.7 million on interest-free and long-term credits (10 years' deferment, 30 years of reimbursement), the 7th agreement of this kind since 1957; (b) agricultural products worth \$30.2 million, interest free, three years' reimbursement; and (c) agricultural products of \$30.0 million on cash and 18 monthly banking credits.

(2) See AC/89-WP/115.

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IV. HUNGARY

Population: 10.1 million
Area : 93,000 sq. km.

General Performance

1. The Hungarian economy is developing more smoothly than those of most of the other countries under review. Though the bulk of the reorganisation of industry, aiming at the creation of bigger productive and economic units and of more direct co-operation between enterprises, was carried out last year, industrial performance does not appear to have suffered from it.

2. According to official "preliminary calculations", net material product in 1963 surpassed the results of the preceding year by 5%. On the basis of the plan target published so far, it would seem as if a similar increase is being anticipated for 1964.

Industry

3. According to the plan fulfilment report, gross industrial production exceeded that of 1962 by 7% against an original target of 8% which, as in most other countries of the region, appears to have been reduced after the harsh winter. The chemical industry grew fastest (11%), with fertilizers up 16% and pharmaceuticals 18%. The comparatively low increase in the engineering industry (+8%) is said to have been due, above all, to the lack of sufficient orders. The light and food industries increased by 6% and 8% respectively. Heavy industry reached only 7%, a considerable slackening if compared with previous achievements (e.g. 1962: 10%). The 1963 industrial construction plan was not fulfilled, because of shortages of labour and building materials, and transport difficulties. The reported increase was 5.9%.

4. Physical output figures, not included in the Annex, were as follows: bauxite: 1.4 million tons (an 8% decrease), aluminium: 55,500 tons (+5%), tractors: 3,100 (+22%), buses 2,375, shoes: 23.8 million pairs. The report complains that unnecessarily large stocks of certain products continued to accumulate as some enterprises produced articles which did not meet domestic and foreign market requirements.

5. The 1964 plan targets provide for another 7% increase in gross industrial production. Faster than average rates have been planned for building materials (15%), engineering (10-15%), electric power (10%), tinned food industry (10%) and the chemical industry (9%). The highest rates of expansion are being envisaged for internationally competitive industries, such as pharmaceuticals, which in 1963 already accounted for 25% of all chemical production.

Productivity and labour

6. Productivity fell short of the 5.5% increase target, reaching only 3.3%, the lowest rate for years. An unusually high proportion of the rate of increase in industrial production was therefore due to a growth of 3.7% in the labour force which totalled 3.2 million by the end of 1963. Lack of labour discipline was quoted as the main reason for low productivity: "if educational methods and the withdrawal of material advantages fail to produce results, people may have to be sacked", says the report.

Investment

7. The largest growth of state capital investment of all countries under review seems to have been achieved in Hungary, where an increase of 12-13% over 1962 has been reported. The distribution was 40% to industry and 20% to agriculture, against previous shares of 44 and 17%. The investment plan for housing was not fulfilled. The 1964 plan provides for a 10% increase in state capital investment, of which the chemical industry and housing will receive a large share.

Agriculture

8. The 1963 plan fulfilment report gives a preliminary increase figure for gross agricultural production of 4.5% over 1962, against an utterly unrealistic 14% target. After three years of decreasing or stagnating output, this would bring Hungary back to its 1959 level. It appears, however, that the preliminary figure will have to be "revised". According to the report, production of bread grain totalled only 1,738 million tons, 454,000 tons less than in 1962 (-20%), and that of fodder grain was 288,000 tons less than in 1962 (-23%). However, the maize crop exceeded both the plan and the 1962 results. There was a record crop of sugar beet (+28%) (1) and vegetables (15-20%), the apple crop was outstanding and the vintage good. The pig population decreased by 10%, the cattle population by 4.7% without, however, affecting the output of dairy products which remained at the 1962 level, because of better yields. Investment in agriculture was 30% higher than in 1962.

9. The plan target for the 1964 agricultural output of 4-5% is more realistic than previous targets. Capital investments in agriculture are to reach 10.5 billion forints (2), a 13% increase over 1963. There will be 20% more chemical fertilizers for Hungarian agriculture.

(1) In another statement, the increase figure was only 13%.
(2) 100 forint: official rate \$8.55, tourist \$4.3

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Foreign trade

10. Foreign trade is receiving special attention in the Hungarian plan fulfilment report for 1963. In the introduction it says that "the growth of production, consumption and capital investment went hand in hand with a large growth in foreign trade". Imports went up by 14%, exports by 10%. Based on the 1962 results, the trade deficit would thus have grown from \$22 million in 1962 to \$68 million in 1963. The main categories of exports were machinery and equipment, 34%; industrial consumer goods, 20%; foodstuffs, 23%. Agricultural products and foodstuffs accounted for 49% of Hungary's exports to "capitalist" countries. The share of Communist countries in Hungarian foreign trade declined from 71.6% in 1962 to 70% in 1963.

11. The Hungarian import plan for 1964 includes 1 million tons of chemical fertilizers, representing about 50% of internal consumption, large amounts of bread and fodder grains, and 10% of its electricity requirements via the COMECON power grid. Exports are to increase 7% in 1964, especially those "earning convertible currency". In the statement on trade prospects, it says furthermore that "the time has come to improve our relations with the United States". According to a recent five-year agreement, Hungarian trade with Denmark is to increase by 60% in 1964, by another 80% in 1965 and at an even faster rate in subsequent years. The trade with Austria is also to be expanded considerably. Late in 1962, Hungary extended a credit worth \$23.0 million to the UAR. It does not seem, however, as if Hungary is greatly interested in expanding its trade with the developing countries.

Tourism

12. During 1963, there was a rapid growth in tourism. No doubt the Hungarian authorities are keen to develop the tourist trade as a source of hard currency. So far however, the traffic appears to be developing in both directions. According to the plan fulfilment report, 572,000 Hungarian citizens travelled abroad - about 100,000 of them to Western countries - whereas 585,000 foreigners visited Hungary.

The budget

13. Budget revenues in 1964 are to reach forint 92.9 billion, an increase of 10% over 1963. Defence expenditures were reduced by forint 0.45 billion (1). The Defence Minister, in announcing this cut, addressed himself especially to the NATO countries, stating that if they would "set out on a road of guaranteeing a lasting peace", Hungary would be among the first to make even more significant cuts in defence expenditures.

(1) The absolute figure was not disclosed.

Prospects

14. Hungary seems to have been the only country of the region where the population could enjoy a sizeable improvement in its living standard in 1963. Real income was said to have been up 7% on 1962 for workers and employees, and slightly less for the peasants. Retail trade, which was 8% up on 1962, is to increase by 5.1% in 1964. Though faithful to Moscow, Hungary is likely to continue to go its own way in economic policy by paying more attention to the needs of consumers at home and abroad, improving quality and profitability. On 1st January, 1964, Hungarian enterprises began paying 5% interest on fixed assets and working capital. Experiments with incentives will continue, and there are rumours that Kadar is thinking of imitating the Yugoslav system of workers' councils. The large investment programme for agriculture should also eventually lead to a satisfactory performance of this least efficient sector of the Hungarian economy.

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V. ROUMANIA

Population: 18.7 million
Area: 237,500 sq.km.

General performance

1. The rate of growth of the Roumanian economy which, in spite of its speedily developing industry, is still primarily based on agriculture, seems to have slowed down somewhat in 1963 in consequence of the bad agricultural performance of 1962. No official figures are available for net material product or agricultural production in the reticent 1963 fulfilment report. An estimated increase in the net material product of 8% over 1962 might prove to be too optimistic.

Industry

2. The reported increase in industrial production of 12.5% was, as in the previous year, by far the highest of the region, slightly exceeding the 12% target. The performances of the first four years of the current six-year plan show, however, a considerable slackening of the rate of growth. The output of producer goods went up by 14.3%, that of consumer goods by 9.3%. No 1963 increase figures seem to have been published for the different branches of industry. The report says only that a drive to reopen idle wells resulted in the overfulfilment of the oil extraction plan. Output of crude oil rose by 3% from 11.9 million tons to 12.2 million tons. Other physical output figures for 1963 are given in the Annex.

3. The 1964 targets include a growth of 13% for the production of capital and of 10% for industrial consumer goods. Both power generation and chemical output are to increase 23%, engineering 15%, food industry 11%, light industry 9%. The output of fertilizers is expected to be 1.1 million tons in 1964 (+22%) and close to 2 million tons in 1965 (a further increase of not less than 80%).

Productivity and labour

4. Labour productivity was reported to have increased by 8% in 1963, the best achievement of all countries under review. The increase in the labour force seems to have been larger than planned (5% against a 2.5% target). The plan figures for productivity in 1964 are 9.3% for industry and 7.2% for building.

Investment

5. State capital investment continued to account for a comparatively high proportion of national income. The total volume in 1963 is said to have amounted to lei 34.3 billion(1), which

(1) 100 lei = official rate \$16.66, tourist rate \$8.33

would be an increase of 9% over 1962, against increases of 12% to 32% in recent years. In 1964 state capital investment will total lei 38.8 billion, an increase of 13% over 1963. As in most other countries of the region, Roumania intends to hasten the completion of works already started. Investments will continue to be mainly concentrated on the Galati iron and steel combine(1).

Agriculture

6. The fulfilment report is especially secretive concerning the agricultural performance in 1963. It only states that, despite the not very favourable weather, mechanisation and agro-technical measures made it possible to obtain a grain output 700,000 tons in excess of the 1962 harvest. With a 1962 grain output of 9.8 million tons, the 1963 increase in grain output would be 7% over the extremely poor 1962 results. This is, of course, a far cry from the ambitious 20.9% increase target for the 1963 crop production. From the little that is known about the targets for 1964, it can be guessed that an increase of 12% is being envisaged. The only increase figure available so far is that for the supply of fertilizers (+20%).

Foreign trade

7. The sensational increases in Roumanian foreign trade (33% in 1960, 18% in 1961) seem to be a thing of the past. Though no official figures seem to have been published for 1963, an increase figure of 5.8% can be deduced from the available facts. A growth of 10% is planned for 1964, by when the volume of Roumanian foreign trade is expected to have doubled since 1959(2). There will be a further substantial increase in the exports of chemicals, engineering, timber and food products, and "producer goods" will continue to rank first on the list of imports.

8. The signature of an agreement with Yugoslavia in November 1963 on the joint construction of the Iron Gate hydro-electric power and navigation system after more than three years of negotiations, the linking of the power systems of the two countries, the granting of credit facilities and the setting up of a joint committee for economic co-operation inaugurated a new and important development which will contribute towards making Roumania more independent of COMECON economic co-operation.

The budget

9. The 1964 budget forecast provides for a revenue of lei 92,132 billion, an increase of 12% over the 1963 results, and a surplus of lei 0.8 billion (against a surplus of 3.6 billion in 1963). Defence expenditures in 1963 amounted to lei 4.19 billion, or 5.1% of the budget. They will decrease in 1964 to lei 4.11 billion, thus representing only 4.5% of the budget.

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- (1) For details, see page 25, paragraph 11 of AC/127-D/128(Revised).
(2) 1959 turnover: \$1,024 billion, according to Polish statistics.

Prospects

10. With a claimed rise in real wages in 1963 of 4.6% and a predicted 9.6% increase in retail sales in 1964, it would seem as if the régime has decided to do something about a higher living standard in Roumania, which is at present about the lowest of the region, and may be contemplating some relaxation of its tight grip on the population. There are also signs of some new thinking in the régime's approach to economic problems. But more important than these developments is Roumania's independent rôle in COMECON, which seems to have blocked, at least temporarily, Moscow's plans for a "Socialist division of labour policy," or integration of the Communist economies of Eastern Europe.

VI. BULGARIA

Population: 8.0 million
Area: 110,900 sq.km.

General performance

1. A growth rate of ~~6%~~ is being claimed for Bulgarian net material product in 1963, a figure which seems to require some downgrading if checked against the increase figure claimed for agricultural production. The 1964 plan provides for a further increase of 6.5%.

Industry

2. According to the plan fulfilment report, 1963 gross industrial production rose by 10.0% over 1962 to a value of 6 billion leva(1), thus fulfilling the original plan and overfulfilling the revised targets. Electric power is said to have increased by 19%, heavy industry by over 15% and coal production by 5%.

3. In 1964, industrial production is to reach leva 6,655 million, an increase of 8.8%. The output of heavy industry will continue to top the list by an estimated increase of over 26%, with a nearly-doubled pig iron production and a growth rate for ferrous metallurgy of 44.5%. The target for the chemical industry is 25.1% and the output of mineral fertilizers is to be doubled. Other sectors with above-average targets include building materials (23.3%), cellulose and paper (20.7%) and electric power production, which is to reach 8.95 billion kWh, an increase of 19%.

Productivity and labour

4. Productivity in 1963 is said to have been "considerably below" the increases in previous years. Lack of labour discipline, an excessive labour turnover, frequent absenteeism and the wasting of electricity were stated as the main reasons for this "unsatisfactory" situation. A decree of November 1963 provides for heavy penalties for managers who overstaff their enterprises, set excessively low norms, hire workers who left their previous employment without authorisation, etc. The 1964 plan sets increase targets of 4.5% for productivity in industry and 5.3% for productivity in building.

Investment

5. As during the previous year, the Bulgarian plan fulfilment report does not disclose any increase figure for state capital investment in 1963, and the material available does not allow an

(1) 100 leva = official rate \$85.1, tourist rate \$50.0

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approximation. The total amount of state capital investment was said to have been around 1.6 billion leva(1).

6. According to the 1964 plan, "investments" are to total leva 1,501.4 million, or leva 110 million less than in 1963, a decrease of 7%. The report says that in 1964 accumulation will reach 23.4% of net material product, as against 25 to 28% in the past. Priority will be given to the development of engineering, the light and food industries, and the production of electric power. The plan furthermore provides for the construction of a power transmission line to link Bulgaria with the COMECON electric power grid. The completion of the first construction stage of an oil refinery at Burgas has laid the foundation for a new branch of the chemical industry.

7. The Kremikovtsi iron and steel combine, equipped and financed to a large extent by the Soviet Union, continues to be Bulgaria's major investment project. After the completion of the first construction stage, probably at the end of 1964, annual production figures will be as follows (in million tons; in brackets total Bulgarian production in 1962): pig iron 1.12 (0.5), steel 1.25 (0.4), rolled steel 1.0 (0.3). After the second construction stage, the output will be tripled.

Agriculture

8. The severe winter and drought were again made responsible for the non-fulfilment of the ambitious 17% increase target for agricultural production in 1963. The official estimate is an increase of 2% over 1962, but given the figures for the value of total agricultural output published for 1962 and for the 1964 plan(2) and the 1964 increase target, it would rather seem that agricultural output in 1963 actually decreased by 2%, a very unsatisfactory result for a primarily agrarian country which has faithfully imitated all organizational measures of the Soviet Union without the expected results.

9. The target for 1964 is 8.6% and grain output is expected to increase by 420,000 tons over an unrevealed output in 1963 (production in 1962 was 4.45 million tons). 218 thousand tons, or 38% more fertilizers will be given to agriculture (expected own production in 1964: 190 thousand tons) and investments in agriculture will amount to leva 380.5 million.

(1) This figure is not comparable with those given on page 33, paragraph 9 of AC/127-D/128(Revised); it is apparently a figure for "accumulation," meaning investment plus state reserves.

(2) Leva 2,769 and 2,933 million; the 1964 plan provides for an 8.6% increase over 1963, which would then be a little below leva 2,700 million.

Foreign trade

10. No figures seem to have been released on Bulgarian foreign trade in 1963. The plan fulfilment report states, however, that "in conformity with the policy of peaceful co-existence, foreign trade is now wider than ever before." In 1964, exports are to increase by 7.1% and imports by 3.7%. Undoubtedly, the Soviet Union will continue to be Bulgaria's most important trading partner. In a long-term agreement signed in January 1964, the Soviet Union has granted Bulgaria a loan of 300 million roubles in the form of equipment and technical support for the erection of a thermal power station, an oil refinery, a cellulose combine, an artificial fibre factory, etc.(1).

11. The most interesting development in trade policy seems, however, to be Bulgaria's new attitude vis-à-vis Western countries. The setting up of a special foreign bank in Sofia and recent trade agreements show that the necessity to import technology and foodstuffs from the West have convinced the régime of the advantages of expanding trade relations outside the Communist area. Trade exchanges with Italy will be nearly tripled; a three-year trade agreement with the Federal Republic of Germany, Bulgaria's principal Western trade partner for years, provides for a doubling of future exchanges; trade with Turkey is expected to increase by 50%; and a restitution agreement was signed with the United States.

12. Trade relations with developing countries are also developing. Credits have been extended to Algeria (\$6.5 million) and Tunisia; trade with India is to increase by 40% in 1964 and by another 65% in 1965.

13. Tourism is also being stepped up and might prove to be an important source of convertible currencies. According to a Western estimate, 20 to 30,000 Western tourists paid about \$5 million in 1962, a figure which is believed to have been considerably surpassed in 1963.

The budget

14. The revenue of the Bulgarian state budget is to decrease by about 10% from leva 3,257 in 1963 to leva 2,938 million in 1964. The official explanation for the decrease is that as from 1st January, 1964, the budget would only account for "the differences between income and expenditure" of foreign trade enterprises, and apparently no longer for their total turnover. Defence expenditure is to be maintained at its previous level.

(1) According to Radio Sofia of 18th February, 1964, Bulgaria has received from 1947 to 1963 Soviet long-term loans totalling roubles 1,200 million, or about one-third of all state capital investment.

Prospects

15. Bulgarian leaders admitted that living standards of the population did not increase much, if at all, in 1963. They showed, however, great eagerness in announcing a 5% increase in real wages for 1964. The discontent of the population seems to be increasing, and the régime can no longer disregard their requirements to the same extent as in the past. Some economic pragmatism is discernible, together with apparent efforts to increase trade exchanges with the West, with Moscow's blessing.

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TABLE I

NET MATERIAL PRODUCT (1)

Rate of increase in % of previous year

	1960	1961	1962	1963		1964 plan
				actual	plan	
Soviet-occupied Zone of Germany	4.6	4.1	3.5	3.0	5.5	3.8
Czechoslovakia	8.3	7.0	0.5	-1.0(2)	-	3.6(4)
Poland	4.5	7.2	2.5	4.5(3)	5.2	5.2(2)
Roumania	8.0	10.0	7.0	8.0(2)	13.0	12.0(2)
Hungary	10.0	6.0	5.0	5.0	7.5	5.0(2)
Bulgaria	6.8	2.8	6.0	6.0	14.0	6.5
Albania	3.0	5.8	8.0	8.0	11.0	10.0(2)

- (1) Source for 1960/62 and plan 1963: Economic Survey of Europe 1962, ECE, Geneva, 1963. The figures vary insignificantly from those given in Table I of the Annex to AC/127-D/128 (Revised); for 1963, plan fulfilment reports.
- (2) Estimates based on information contained in the plan fulfilment reports.
- (3) The official "provisional" figure of 5.5% does not correspond to the results announced for industrial and agricultural production.
- (4) Another figure announced is 1.4% (see comment to 3).

TABLE II

GROSS INDUSTRIAL PRODUCTION

Rate of increase in % of previous year

	1960	1961	1962	1963		1964 plan
				actual	plan	
Soviet Zone of Occupation of Germany	8.3	6.0	6.2	4.9	6.4	5.7
Czechoslovakia	11.7	8.9	6.2	-2.0(1)	1.0	3.6
Poland	11.1	10.3	8.4	5.3	5.0	6.3(2)
Roumania	16.8	15.5	14.7	12.5	12.0	12.0(3)
Hungary	13.5	11.0	9.0	7.0	8.0	7.0
Bulgaria	13.4	16.7	11.1	9.9	10.0	8.8
Albania	11.2	7.2	6.4	6.7	6.0	8.5
Total Eastern Europe	11.0	9.0	8.0	4.6		

- (1) Estimates based on information contained in the plan fulfilment reports. The half-yearly result was - 1.8%.
- (2) Increases of 7.8 and 6.7 have also been mentioned
- (3) 13.0 for producer, 10.0 for consumer goods.

TABLE III

PRODUCTIVITY

Rate of increase in % of previous year

	1960	1961	1962	1963		1964 plan
				actual	plan	
Soviet Zone of Occupation of Germany	8.7	6.7	9.0	6.5	7.2	6.5
Czechoslovakia	6.7	5.2	3.2	below 0	0.7	2.8
Poland	10.5	6.6	4.1	3.0(1)	3.2	4.5
Roumania	11.0	6.0	6.5	8.0	9.3	9.3
Hungary	6.5	7.0	5.5	3.3	5.5	4.0(1)
Bulgaria	2.6	9.3	7.6	0(1)	6.1	4.5
Albania	9.7	5.0	2-14.5	n.a.	n.a.	n.a.

(1) Estimates based on information contained in the plan fulfilment reports.

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TABLE IV

INVESTMENT

(fixed rate capital investment)

Rate of increase as % of previous year

	1960	1961	1962	1963		1964 plan
				actual	plan	
Soviet Zone of Occupation of Germany	10.5	3.0	1.4	2.5	9.0	9.0
Czechoslovakia	12.5	7.3	-1.0	-7.0 ⁽¹⁾	-6.0	14.6
Poland	6.5	8.2	13.4	2.4	8.3	3.7 ⁽²⁾
Roumania	32.0	21.0	12.0	9.0	12.0	13.0
Hungary	13.0	-20.0	8.0	12.5	9.0	10.0
Bulgaria	16.0	3.4	n.a.	n.a.	5.0	-7.5
Albania	-6.5	6.7	7.0	6.0	6.0	7.0 ⁽¹⁾

- (1) Estimate by the Economics Directorate.
(2) Another source gives a target of 7.8%.

TABLE V

GROSS AGRICULTURAL PRODUCTION

Rate of increase as % of previous year

	1960	1961	1962	1963		1964 plan
				actual	plan	
Soviet Zone of Occupation of Germany	10.6	-11.2	1.0	1.0 ⁽¹⁾	n.a.	1.3 ⁽¹⁾
Czechoslovakia	7.0	1.0	-6.0	8.2	9.5	6.5
Poland	5.4	11.0	-7.8	3.8	6.3	4.1
Roumania	1.6	5.0	-9.0	5.0 ⁽¹⁾⁽²⁾	17.0	12.0 ⁽¹⁾
Hungary	-5.0	-0.6	0.0	4.5	13.0	4.5
Bulgaria	3.3	-3.5	2.3	2.0 ⁽³⁾	17.1	8.6
Albania	-7.0	18.7	10.0	8.0	22.0	13.0

- (1) Estimate by the Economics Directorate
- (2) Roumanian grain production increased by 7%.
- (3) A questionable figure. The Economics Directorate's estimate is -2%.

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TABLE VI

FOREIGN TRADE WITH THE SATELLITES

Values (in current prices) and percentage increases
over previous year

Country	Value (million US \$)		Percentage increase					
	1961	1962	1960	1961	1962	1963 actual	1963 plan	1964 plan
(0)	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
Soviet-occupied Zone of Germany								
exports	2,261	2,375		3.2	5.0	15.0	15.4	1.0
imports	2,216	2,371	6.0	2.1	7.0	-14.0	-	20.0
Czechoslovakia								
exports	2,046	2,187		6.1	6.9	15.0		
imports	2,024	2,071	12.4	11.5	2.3	4.0		3.7
Poland								
exports	1,504	1,647		13.4	9.5	7.6		12.6
imports	1,687	1,861	10.0	12.8	11.8	5.0	4.5	1.6
Hungary								
exports	1,029	1,100		17.7	6.9	10.0		7.0
imports	1,025	1,148	17.0	5.1	11.9	14.0	10.0	
Roumania								
exports	793	818		10.5				
imports	815	941	33.0	-25.7	9.0	5.9 ⁽¹⁾	5.3	10.0
Bulgaria								
exports	662	770		15.8	16.3			7.1
imports	666	780	16.0	5.3	17.2			3.7
Albania								
exports						17.0	26.4	
imports			8.7	-6.8	n.a.	9.5	-	

(1) Estimate

Source: For figures up to 1962: Economic Survey of Europe, 1962, ECE, Geneva, and Rocznik Statystyczny; 1963 (Polish Statistical Yearbook). For 1960: Table 6 to AC/127-D/128 (revised). For other figures: official reports.

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TABLE VII
PHYSICAL OUTPUT OF MAIN COMMODITIES

(a) 1963 (actual)
(b) 1964 (plan)

	Unit	Germany S.Zo.	Czech.	Poland	Rou- mania	Hungary	Bulgaria
Electric power	(a) mlld.	47.4*	29.0	37.0	11.8	9.7	7.2
	(b) kwh		32.2	41.6	14.5	10.6*	9.0
Coal (in h.c. equiv.)	(a) m	78.8	69.1	118.0	7.0*	19.7	11.6
	(b) tons		69.3	120.0		22.0	13.5
Crude oil	(a) m	0.01*		0.2*	12.2	1.8	0.3*
	(b) tons				12.5*		
Nat. gas	(a) mlld.	3.5*		0.8*	13.0*	0.5*	
	(b) cu.m.						
Iron ore	(a) m	1.7*	1.2*	1.0*	1.0*	0.2*	0.2*
	(b) tons						
Pig iron	(a) m	2.2*	5.5	5.3*	1.7*	1.5*	0.5*
	(b) tons		5.9				
Crude steel	(a) m	3.8*	7.6	8.0	2.7	2.4	0.5*
	(b) tons		8.1	8.4	2.9*		0.5*
Cement	(a) m	5.6*	5.8	7.7	4.4*	1.8	2.0*
	(b) tons		5.9*	8.8	5.4*		2.7
Fertilisers	(a) m	1.0*	0.57*	0.6	0.9	0.9	0.17*
	(b) tons		0.62*	0.7*	1.1		0.19
Rolled steel	(a) m	2.6*	6.0*	5.5	1.8*	1.7	0.3*
	(b) tons		6.4*	5.8	2.0*		
Grain	(a) m	5.3*	6.0	14.9	10.5*	5.8	4.4*
	(b) tons		6.7	15.0*	11.0*		
of which :	(a) m	1.3*	1.7	2.7	4.5*	1.6	2.0*
wheat	(b) tons		1.8				
potatoes	(a) m	13.4*	6.4*	42.0*	2.6*	2.0*	0.4*
	(b) tons		6.8*				
sugar beet	(a) m	5.0*	7.7	11.0*	2.2*	3.5	1.3*
	(b) tons		8.2				
Cattle	(a) m	4.6	4.4*	9.8	4.7*	1.9	1.8*
	(b) head			10.0			
Pigs	(a) m	9.2	5.8*	11.7*	4.7*	7.0	2.3*
	(b) head			12.0*			
Sheep	(a) m	1.8	0.6*	3.3	12.3*	3.0*	10.2*
	(b) head						
Meat	(a) m	1.4*	0.7*	1.5*	1.1*	0.2	0.5*
	(b) tons		0.7*				
Milk	(a) m	5.6	4.0*	12.0*	2.6*	2.0*	0.8*
	(b) tons		4.4*				
Sugar	(a) m	0.7*	1.0*	1.6*	0.4*	0.38	0.1*
	(b) tons		1.1*				0.2
Eggs	(a) m	3.6*	2.4*	6.1*	18.0*	2.0*	1.4*
	(b) units						
Tobacco	(a) 1000		6.0*	45.0*	2.6*	16.0*	56.0*
	(b) tons						

* Estimates by the Economics Directorate according to 1962 results