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ECONOMIC INTELLIGENCE REPORT

**THE POLISH MERCHANT FLEET:
ITS GROWTH AND OPERATIONS**



CIA/RR 159
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THE POLISH MERCHANT FLEET: ITS GROWTH AND OPERATIONS

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Office of Research and Reports

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FOREWORD

Several significant changes affecting the employment and future of the merchant marine of Poland have become evident during the past 2 years. The use of the fleet as an economic rather than a political instrument received decided impetus during 1957. This report examines the operational changes to date, the expanded plans for the future, the reasons for the change in official policy, and the importance of the service which Poland provides in carrying foreign trade for the rest of the Sino-Soviet Bloc.

This report has been coordinated within CIA but not with other agencies of the US Intelligence Board.

- iii -

S-E-C-R-E-T

S-E-C-R-E-T

CONTENTS

	<u>Page</u>
Summary	1
I. Introduction	3
II. Growth and Composition of the Fleet	5
A. Growth	5
B. Composition	7
1. Types of Vessels	7
2. Tankers	8
3. Age of the Fleet	11
4. Speeds	13
5. Fuel	13
C. Vessels Under the Control of the Chinese-Polish Shipbrokers Corporation (Chipolbrok)	14
III. Areas of Operation	17
A. Far East Route	18
1. Tonnage	18
2. Type of Service	19
3. Ports of Call	20
4. Frequency of Service	20
5. Route Plans	21
B. Near East and Black Sea Route	22
C. South America Route	23
D. North America Route	23
E. Baltic, Europe, and UK Routes	24
F. Routes in the Planning Stage	24
IV. Performance of the Fleet	26
A. Total Cargo Moved	26
1. Polish-Owned Fleet and Chartered Fleet	26
2. Total Fleet Under the Polish Flag	28

S-E-C-R-E-T

S-E-C-R-E-T

	<u>Page</u>
B. Far East Route	29
1. Total Cargo	29
2. Commodities	36
V. Importance of the Polish Fleet as a Carrier of Sino-Soviet Bloc Trade	45
A. Transit Cargo Through Polish Ports	45
B. Far East Route	51
1. Service to Communist China	51
2. Service to Other Satellites	52
3. Service to the USSR	53
4. 1958 and 1965 Cargo Movements	54
C. South America Route	55
VI. Plans for Expansion of the Fleet	55
A. Plans for Tonnage	55
1. 1960	56
2. 1965	59
3. 1970	62
B. Financial Provisions	62
1. Fleet Development Fund	62
2. Budget Allocations	66
C. Administrative Control over and Arguments Concerning Acquisitions	66
VII. Plans for Freight Traffic	70

Appendixes

Appendix A. Statistical Tables	75
Appendix B. Methodology	115

S-E-C-R-E-T

Page

50X1



Tables

1. Polish Merchant Fleet, by Type of Vessel, 31 December 1957	7
2. Scheduled Services of Polish-Flag Vessels on the Baltic, Europe, and UK Routes, October 1957	25
3. Estimated Cargo Carried by Polish-Flag Vessels on the Far East Route, 1956	31
4. Cargo Carried by Polish-Controlled (CZ-PMH) Vessels and Total Polish Seaborne Trade Moving Between Polish Ports and Asia, 1957	35
5. Seaborne Trade of Poland, 1955-57	37
6. Polish Imports of Commodities for Which Asia is the Major Source, 1956	41
7. Major Commodities in Polish Trade with Communist China and Korea, 1956-57	42
8. Major Commodities in Polish Trade with Southeast Asia, 1956-57	43
9. Major Commodities in Polish Trade with South Asia, 1956-57	44
10. Share of Polish Foreign Trade and Share of Satellite Transit Cargo Through Polish Ports Carried by Polish-Controlled (CZ-PMH) Vessels, 1955-57	48
11. Total Seaborne Foreign Trade of Selected Satellites and the Share Carried by Polish-Controlled (CZ-PMH) Vessels, 1956	49

S-E-C-R-E-T

S-E-C-R-E-T

	<u>Page</u>
12. Composition of the Polish Merchant Fleet, Actual and Planned, 1957 and 1960	60
13. Growth of the Polish Merchant Fleet, 1949-58 . .	76
14. Polish Merchant Fleet According to Official Polish Data, by Jurisdiction, 1949-56	77
15. Growth of the World Fleet and Fleets of Selected Countries, 1939, 1950, and 1957	78
16. Vessels Added to the Polish Merchant Fleet, by Year, 1949-58	79
17. Inventory of the Polish Merchant Fleet, 31 Decem- ber 1957	97
18. Characteristics of the World Fleet and Fleets of Selected Countries, July 1957	104
19. Areas of Operation of the Polish Merchant Fleet, 1956-57	105
20. Merchant Vessels Operating Under the Polish Flag, by Area, October 1957	108
21. Freight Traffic Performance of the Polish Merchant Fleet, 1949-57.	112
22. Areas of Shipment of Cargo Carried by CZ-PMH Vessels, 1949-57	113
23. Discrepancies in Reported Transit Cargo Through Polish Ports, 1946-56	119

ChartFollowing Page

Age Distribution of the Polish Merchant Fleet, 1950, 1956, and 1957	12
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S-E-C-R-E-T

THE POLISH MERCHANT FLEET: ITS GROWTH AND OPERATIONS*

Summary

The years since World War II have been years of great change for the Polish merchant marine. An insignificant maritime power before the war, Poland now sends vessels to many distant parts of the world and performs an important service not only for its own foreign trade but for the other Satellites and Communist China as well.

One of the most dramatic changes has been the change in the attitude of the Polish government toward the Polish fleet. The fleet is being considered as an economic instrument rather than a political tool. The change in governmental policy reflects a new awareness of the role played by Polish maritime transport in foreign trade. The government plans to use the fleet to conserve foreign exchange on cargoes otherwise carried by foreign vessels and to earn foreign exchange, particularly in hard currencies. Planned traffic goals are no longer expressed in terms of ton-mile performance but are in terms of profits, earnings of foreign exchange, and the carriage of a larger share of Polish port traffic in Polish vessels.

These changes will not bring about an immediate drop in Polish shipping service to the rest of the Sino-Soviet Bloc. Indeed, the 1957 slump in world shipping makes it probable that Poland may even increase such service. In a period of falling amounts of worldwide freight, it is to the advantage of Poland to have a readymade market for its vessels, and agreements have recently been entered into to carry more Bloc cargo in Polish vessels. This situation may change when the world market for shipping services improves, but it is probable that for the immediate future the Poles will continue to capitalize on their preferential position in Bloc seaborne trade to insure regularly available cargoes for their rapidly expanding fleet.

It is estimated that by 1956 as much as 10 percent of total Czechoslovak seaborne trade was carried in Polish vessels, and in 1958 this amount may increase to as much as 20 percent. Of the total seaborne trade between the European Satellites and Communist China, cargo carried in Polish vessels was in 1956 about 75 percent of the eastbound cargo to China and 24 percent of the westbound from China. It is

* The estimates and conclusions in this report represent the best judgment of this Office as of 1 August 1958.

S-E-C-R-E-T

S-E-C-R-E-T

estimated that if the trade level remains about the same, as much as 97 percent of the eastbound cargo to China and 30 percent of the westbound cargo will be handled by Polish vessels in 1958.

Although the general programs for expansion and rationalization of the Polish maritime industry may be implemented, the program for expanding the fleet may face difficulties for the next 2 or 3 years. The greatest national need is for immediate foreign exchange with which to reduce short-term debts; the 1960 plan for the fleet may suffer, therefore, but probably will be met in the long run.

The Polish oceangoing fleet,* second only to that of the USSR in the Sino-Soviet Bloc, increased 170 percent between 1949 and June 1958 in terms of cargo-carrying capacity, with more than one-third of that increase occurring since the beginning of 1957. The plans for the next 13 years provide for substantial expansion of the fleet,** the 1960 fleet to be almost double that of 1955, the 1965 fleet again to be double that of 1960, and the 1970 fleet to increase above that of 1965 by 25 percent. In terms of cargo-carrying capacity the growth of the fleet is planned as follows:

Year	Cargo-Carrying Capacity (Thousand Deadweight Tons)	
	Polish-Owned Fleet	Polish-Flag Fleet
1955	331	421
1957	384	514
1960 plan	650	710***
1965 plan	1,200	1,430***
1970 plan	1,500	1,800***

In addition to the state-owned vessels, there are vessels which are flying the Polish flag but are not Polish-owned. This group amounted to 14 vessels totaling about 130,000 deadweight tons at the end of 1957.

Counting all oceangoing merchant vessels flying the Polish flag, the Polish fleet ranked 29th among the world fleets in 1950 and had moved up to 26th place in 1957. In contrast, the Soviet fleet lost ground from 1950, when it ranked 9th, to 1957, when it ranked 12th.

- * Vessels of 1,000 gross register tons and above.
 ** Plans include vessels of less than 1,000 gross register tons.
 *** Estimated.

S-E-C-R-E-T

The state-owned fleet in 1957 was carrying only about 19 percent of the traffic moving in and out of Polish ports and about 21 percent of Polish seaborne foreign trade. At least 79 percent of Polish seaborne foreign trade, therefore, was dependent on foreign vessels for transport and represented not only a vulnerability in terms of availability of transport but also a drain on foreign exchange both in the chartering of vessels by Poland and in those freight costs included in the purchase price of the goods. About 30 percent of the total volume of Polish foreign trade is presently moving by sea. As plans for expanded trade with the underdeveloped countries and with South America are realized, this proportion of seaborne trade to total trade volume is apt to rise. The 1960 plan for the fleet is expected to provide the capacity to carry 25 percent of Polish port traffic and the 1970 fleet to carry 50 percent. In addition to the resultant savings in foreign exchange, the 1970 goal also includes a 300- to 400-percent increase in foreign interport carryings, an attractive source of hard currency.

I. Introduction.

Although Poland was an insignificant maritime power before World War II, its maritime fleet is now active not only in its own foreign trade but also in the trade of the other Satellites and Communist China. According to plans, the size of the 1957 fleet is to be tripled by 1965 and almost quadrupled by 1970. The fleet is to be used as means of earning foreign exchange for Poland instead of as a political tool as in the past.

The growth of the Polish merchant fleet received considerable impetus in 1950-51 when the Far East line was established to serve Communist China, which had been placed under embargo by the Western nations. By 1956, about 26 vessels totaling 255,000 deadweight tons (DWT)* -- 60 percent of the Polish-flag fleet -- were making the long run from Gdynia to the ports of Communist China.

* Deadweight tons is a measure of the carrying capacity of a vessel in terms of tons of 2,204 pounds in Poland and other countries which use the metric system. The deadweight tonnage of US vessels is given in tons of 2,240 pounds. The deadweight tonnage of a vessel is derived from the difference between the tons of water displacement light and water displacement loaded and includes not only the weight of the cargo but also the weight of the fuel, stores, water, the crew and their effects, and the like. [footnote continued on p. 4]

S-E-C-R-E-T

S-E-C-R-E-T

On three routes the Polish vessels perform a considerable service for the Sino-Soviet Bloc. The lines on these routes are the Far East line, the South America line, and the very recently organized line between Black Sea and Mediterranean ports. The Far East line is primarily a service for the trade between Communist China and the European Satellites, and the new line between the Black Sea and the Mediterranean will serve almost exclusively the Satellites other than Poland.

Until recently, this emphasis on service to the Sino-Soviet Bloc, particularly on the Far East line, was the result of a political policy which dictated that the merchant marine must be used as a political instrument regardless of any operating losses entailed. Then, in 1956-57 coincident with the emergence of the Gomulka regime, Poland shifted its policy sharply and began considering its merchant fleet in economic terms. Since then the expansion of routes and the soliciting of cargoes have been designed to bring both an operating profit and an inflow of foreign exchange.

Because of the change in the world shipping situation, however, this shift in policy will not bring about a drop in Polish shipping service to the rest of the Bloc, at least for the present. Since the spring of 1957, there has been a worldwide excess of available shipping, and Western shipowners are laying up large numbers of vessels for want of cargo. During this slump in world shipping the Polish merchant marine has been in the fortunate position of having a readymade demand for its vessels in the seaborne trade of the Sino-Soviet Bloc, and although freight revenues have in some measure fallen with the worldwide drop in freight rates, its vessels have been comparatively full and no vessels have been laid up. In spite of Polish emphasis on the economic desirability of hauling Western cargoes for payment in hard

Gross register tons is a measure principally of the size of the vessel itself, whereby the internal cubic capacity is expressed in tons of 100 cubic feet to the ton. Certain spaces are not included, such as the bridge and poop, peak tanks and other tanks for water ballast, anchor gear and steering gear spaces, wheel house, and the like. Nations vary in practice as to the number of such excluded spaces, and the gross register tonnage of a vessel will vary depending on the rules of the classification society under which the vessel is registered. In most merchant fleets the aggregate gross register tonnage of the fleet is about 75 percent of the aggregate deadweight tonnage. Inasmuch as this report is chiefly concerned with the approximate carrying capacities of fleets and of individual vessels, the deadweight ton measure will be used wherever possible. It should be noted, however, that the number of deadweight tons will always be a little more than the number of tons of cargo which a vessel can carry and that the cargo-carrying capacity will vary depending principally on the amount of fuel and water which a vessel will carry on any one voyage.

S-E-C-R-E-T

currency, the present scarcity of such cargoes has forced the Poles to welcome Bloc cargoes in an effort to fill their vessels. Thus, ironically, now that Poland is attempting to operate its merchant fleet on economic principles, it finds itself soliciting that same Bloc trade which it was previously compelled to carry for political reasons.

Whether this situation will change when the world market for shipping services improves remains to be seen, but it seems likely that in the future the Poles will continue to capitalize on their preferential position in Bloc seaborne trade to insure regularly available cargoes for their rapidly expanding fleet.

II. Growth and Composition of the Fleet.

The Polish-flag fleet is the second largest in the Sino-Soviet Bloc, the largest being the Soviet fleet. Comparative sizes* in 1957 were as follows: the USSR, about 3,525,000 DWT**; Poland, 500,000 DWT; Communist China, about 280,000 DWT; Bulgaria, 48,800 DWT; Rumania, 38,300 DWT; East Germany, 34,400 DWT; Czechoslovakia, 25,600 DWT; and Hungary, 7,000 DWT.

A. Growth.

By the end of 1957 the carrying capacity in terms of deadweight tons of the Polish merchant fleet, including only vessels of 1,000 GRT and above, had increased 109 percent above 1950 and 395 percent above 1939. The increase from 1939 to 1950 was 137 percent. The total deadweight tonnages at the end of each year for 1939 ¹*** and 1949-57 are as follows (excluding vessels under 1,000 GRT)****:

* Including only vessels of 1,000 gross register tons (GRT) and above.

** The ratio between deadweight tonnage and gross register tonnage differs by vessels and by trades in which vessels are employed. In most fleets, gross register tonnage is about 75 percent of deadweight tonnage.

**** Figures are from Table 13, Appendix A, p. 76, below.

50X1

S-E-C-R-E-T

S-E-C-R-E-T

<u>Year</u>	<u>Thousand Deadweight Tons</u>	<u>Year</u>	<u>Thousand Deadweight Tons</u>
1939	101	1953	347
1949	204	1954	380
1950	239	1955	408
1951	328	1956	406
1952	346	1957	500

Some comparative increase in total world deadweight tonnage and in the deadweight tonnage of 20 maritime countries are shown in Table 15.* World tonnage increased only 32 percent between 1950 and 1957, 76 percent between 1939 and 1957, and 33 percent between 1939 and 1950. Of the world flag fleets with more than 1 million DWT in 1957, only the flags of convenience,** Panama and Liberia, showed a greater relative increase than Poland between 1939 and 1957, and only Liberia, Japan, and West Germany (the latter two rebuilding their pre-war fleets) showed a greater relative increase between 1950 and 1957. In terms of rank by deadweight tonnage in the world flag fleets, Poland has also been advancing, from 34th position in 1939 to 29th in 1950 and to 26th in 1957. (The USSR in the same years has ranked 11th, 9th, and 12th, having lost ground between 1950 and 1957.) Twenty-fifth place in 1957 was held by Australia with 600,000 DWT. 2/

In 1957 the Polish fleet experienced its largest annual increase since the end of World War II. In the year 1951 (the previous record year) the fleet increased by 11 vessels of 1,000 GRT and above which totaled 94,250 DWT, all but 1 by foreign purchase. The increase in 1957 amounted to 11 vessels of 94,435 DWT. Five of the 1957 vessels were purchased from the West, 1 was a newly built East German vessel, 2 were salvaged vessels, and 6 were newly built Polish vessels. By the end of June 1958, another 50,100 DWT had been added to the fleet plus 22,500 DWT launched but not delivered. A list of vessels added to the fleet each year is given in Table 16.***

* Appendix A, p. 78, below.

** Flags under which vessels owned by firms of other nationalities are registered for tax and similar purposes.

*** Appendix A, p. 79, below.

S-E-C-R-E-T

B. Composition.

1. Types of Vessels.*

On 31 December 1957 the Polish merchant fleet consisted of 97 vessels (including 17 under 1,000 GRT) totaling about 514,000 DWT. The types of vessels constituting the fleet are shown in Table 1.

Table 1

Polish Merchant Fleet, by Type of Vessel a/
31 December 1957

<u>Type of Vessel</u>	<u>Number of Vessels</u>	<u>Cargo-Carrying Capacity</u>	
		<u>Thousand Deadweight Tons</u>	<u>Percent</u>
Tanker	6	37.0	7
Dry cargo freighter			
General cargo	60	340.6	66
Bulk cargo	15	46.7	9
With refrigerator facilities	12	68.7	14
Subtotal	<u>87</u>	<u>456.0</u>	<u>89</u>
Passenger vessels	1	5.6	1
Supply vessels for the fishing fleet	3	15.7	3
Grand total <u>b/</u>	<u>97</u>	<u>514.3</u>	<u>100</u>

a. Compiled from Table 17, Appendix A, p. 97, below. Including all merchant vessels under the Polish flag, including vessels of less than 1,000 GRT and vessels owned or controlled by Chipolbrok (Chinese-Polish Shipbrokers Corporation).

b. There are a number of smaller passenger vessels that either are in scheduled domestic coastal service or are coastal cruise vessels and are not included in the listing of merchant vessels used in this report. Also not included are miscellaneous types of vessels such as ice breakers, dredgers, sailing vessels for training, and seagoing tugs.

* Unless otherwise indicated, data on vessels, tonnages, and characteristics of the Polish fleet in this section are derived from Tables 16 and 17, Appendix A, pp. 79 and 97, respectively, below.

S-E-C-R-E-T

S-E-C-R-E-T

At least 20 of the Polish freighters in foreign service have limited passenger accommodations: 15 have 8 to 12 berths, and 5 have 4 to 8 berths. Four of the vessels acquired in 1957 are believed to have accommodations for 12 passengers. Twelve of these 24 vessels are normally on the Far East route, 7 are on the South America route, 2 are in the UK service, 2 ply the European coast, and 1 is on the Szczecin-Helsinki run.

The ideal composition of a fleet -- the relationship of types of vessels to the total fleet -- varies depending on the nature of a nation's oceanborne trade as well as on such policy considerations as earnings of foreign exchange and defense requirements. Comparisons of composition among national fleets, therefore, are generally misleading. For example, the bulk-cargo tonnage in the Polish fleet amounts to 9 percent of the Polish total and in the world fleet to only 4 percent of the total, 3/ which, by a straight comparison, would imply that the Polish fleet is overtonnaged in bulk carriers. The movement of ores, coal, and coke in and out of Polish ports in 1956, however, accounted for 59 percent of the total Polish port traffic. 4/ Since in the first 6 months of 1957 Polish vessels carried only about 15 percent of this traffic, 5/ the Polish fleet is, if anything, undertonnaged in bulk carriers.

In the past year the concept of profitability of the fleet, both in profits and in foreign exchange, has been growing in Poland, and emphasis is being placed on carriage of general cargo, which pays higher revenue, and on the long-distance lines where foreign exchange apparently can best be earned. 6/ In the first quarter of 1958, even the tramp ships of the Polish Steamship Company (Polska Zeluga Morska -- PZM) carried three times as much general cargo as had been anticipated. 7/ Consequently, the emphasis on general cargo freighters in the present and planned fleets* is understandable, and the next few years should see the Polish fleet not only well balanced in the light of the results expected from it but also in good competitive condition. Table 12** shows the composition of the 1960 fleet if planned additions are made and old vessels scrapped.

2. Tankers.

The history of the budding tanker fleet of Poland has faced a series of setbacks. The Karpaty (9,630 DWT) was purchased in 1947, at which time it was 20 years old, and the Praca (12,020 DWT) was purchased in 1951, at which time it was 30 years old. In 1953, the same year that the Wspolpraca (8,800 DWT) was purchased, the Praca was seized

* See VI, A, p. 55, below.

** P. 60, below.

S-E-C-R-E-T

by the Chinese Nationalists. Shortly thereafter the Wspolpraca started having repair problems 8/ and at the end of 1956 was sold for scrap. 9/ This left Poland once again with only 1 tanker, the Karpaty, which not only was 30 years old in 1957 but also was having a series of repair problems and breakdowns. 10/

The years 1957 and 1958, however, brought a sudden improvement. Five tankers with a total deadweight tonnage of 48,060 tons were added to the fleet. Of these, 2 small new tankers, the Tatry and the Beskidy (4,200 DWT each) of Finnish construction, may be destined ultimately for Communist China 11/ and are on the Black Sea - China run. The other 3 new tankers are the Kasprowy (13,725 DWT), which is 13 years old; the Pieniny (12,835 DWT), which is 17 years old; and the Ornak (13,100 DWT), which is 11 years old. The Kasprowy is on the Black Sea - Poland run, as was the Karpaty during 1957. The Pieniny was on the Black Sea - Polish run until April, when it sailed from Constanza for China. The Ornak, purchased in May 1958, went onto the Black Sea - Polish run. The acquisition of the Kasprowy was particularly opportune inasmuch as the Karpaty suffered serious engine trouble on its homebound trip in November 1957 and reportedly was sold for scrap in January 1958. 12/

Imports of crude oil and petroleum products to Poland have been as follows 13/:

	Thousand Metric Tons				
	1957				
	<u>1949</u>	<u>1955</u>	<u>1956</u>	<u>First Three Quarters</u>	<u>Annual Plan</u>
Crude oil	91.5	544.9	537.0	471.0	630.0
Petroleum products	254.8	885.7	952.0	835.9	1,140.0
Total	<u>346.3</u>	<u>1,430.6</u>	<u>1,489.0</u>	<u>1,306.9</u>	<u>1,770.0</u>

According to official Polish statistics, at least 545,000 tons* of crude oil and petroleum products entered Poland by sea in 1956, 14/ probably most of it from the Black Sea area. If the same proportion of the total came by sea in 1957, seaborne import would have been about 650,000 tons. Sea shipments alone of petroleum products are expected to rise to 1 million tons in 1960 and to 3 million tons in 1965. 15/

* Tonnages of cargo are given in metric tons throughout this report.

S-E-C-R-E-T

S-E-C-R-E-T

Minister Darski stated that these imports were crude oil. 16/ If, as is probable, the major portion will come from the Black Sea area, it would take 7 to 8 tankers of 13,000 DWT with a speed of 12 to 14 knots, making 9 to 11 trips a year, to transport the seaborne shipments of petroleum in 1960 and about 23 in 1965.

In 1957 the tanker Karpaty made almost 7 trips from the Black Sea to Poland and carried about 74,500 tons. 17/ The Kasprowy (13,725 DWT) made 7 trips in 1957, moving about 86,500 tons, and the Pieniny (12,835 DWT) made 1 trip in 1957, moving about 12,000 tons. A probable total of 173,000 tons, therefore, moved by Polish vessels, or about 27 percent of the possible total imported by sea in 1957. (It is claimed that to date Polish vessels have carried petroleum products only, no crude oil. 18/ Reports of naval attachés, however, claim that the Karpaty has carried some crude oil.) Based on 10 trips by the Kasprowy, 1 by the Pieniny, and 5 by the Ornak, about 200,000 tons of crude oil and petroleum products may be imported in Polish vessels in 1958. Assuming a rise in total seaborne imports in 1958 of at least 15 percent above imports in 1957 to about 750,000 tons,* Polish-flag tankers would be capable of carrying about 27 percent of the seaborne movement in 1958. There is always the possibility, of course, that the Pieniny may be put back on the Black Sea - Poland run for a few more trips, but this is by no means certain.

In the meantime, 2 tankers of 19,500 DWT with a speed of 15 knots are being built for Poland in the Yugoslav shipyard at Split. Deliveries are reported to be scheduled for 1959 and 1960. A third tanker of about 18,000 DWT with a speed of 15 knots is planned for delivery from Polish shipyards in 1960. 19/ Assuming 11 trips a year between the Black Sea and Poland for each of these vessels and assuming that each will become available for operation in the middle of the delivery year (for about 5 trips), the minimum capacity of the Polish tanker fleet to carry Polish imports of crude oil and petroleum products can be estimated as follows:

	<u>1958</u>	<u>1959</u>	<u>1960</u>	<u>1961</u>
Estimated import by sea (thousand metric tons)	750	875	1,000	1,200
Capacity of Polish vessels (thousand metric tons)**	200	345	640	860
Share by Polish vessels (percent)	27	39	64	72

* Based on the rise in total planned imports in 1957 of 19 percent above imports in 1956 as well as on the 1 million tons planned to be carried by sea in 1960.

** Any additional trips made by the Pieniny would raise the capacity and the share of petroleum products imported by Polish vessels.

S-E-C-R-E-T

The capacity of 860,000 tons estimated for 1961, although adequate for carriage of about 72 percent of the total seaborne import of crude oil and petroleum products in that year, would be only 29 percent of the 3 million tons reportedly planned for import by sea in 1965. Between 1960 and 1965, however, more tankers can be expected to join the fleet, particularly some of the 18,000 DWT and 35,000 DWT planned to be built in Polish yards, as well two other 19,500-ton tankers probably on order at Pula in Yugoslavia,* which would raise the share of crude oil and petroleum products to be carried by Polish vessels in 1965. As a matter of comparison, only 20 percent of the 1955 tanker cargo through US ports was carried in US-flag vessels, although US-owned vessels under the Liberian or Panamanian flag might bring up that proportion considerably.

3: Age of the Fleet.**

There was increasing concern about the age of the fleet expressed in the Polish maritime press in 1956 and 1957.*** 20/ The concern was generally about the number of vessels that were overage (over 30, by Polish standards 21/) or approaching overage rather than about the average age of the fleet. The average age of the Polish fleet does not compare unfavorably with ages of other fleets, the world average being about 16 years in July 1957 22/ and the Polish average being 17 years in December 1956 and 15 years in December 1957. Poland was more concerned, properly, about the fact that, in December 1956, 27 percent of the gross register tonnage of the Polish fleet and 25 percent of the number of vessels were 25 years or over. By December 1957 the situation had improved slightly, to 19 percent of the gross register tonnage and 20 percent of the vessels. Nevertheless, by world standards of maritime nations this large bloc of overage or near overage vessels represents a deficiency. The world fleet had only 15 percent of the gross register tonnage in the 25-year-and-over bracket, and such maritime nations as the US, the British Commonwealth, Norway, and Japan had 2 percent, 12 percent, 8 percent, and 10 percent, respectively. Nine of the flags listed in Table 18**** had a larger percentage in the 25-year-and-over group than did Poland,

* See VI, A, p. 55, below.

** Unless otherwise indicated, calculations of the ages of Polish vessels are derived from Tables 16 and 17, Appendix A, pp. 79 and 97, respectively, below, and of other fleets from Table 13, Appendix A, p. 76, below.

*** The most unfavorable feature of old vessels is much the same as that of old automobiles: repair bills go up. Obsolescence and non-competitiveness set in also when improved cargo facilities are incorporated in newer vessels.

**** Appendix A, p. 104, below.

S-E-C-R-E-T

S-E-C-R-E-T

the 3 extreme cases being the USSR and Spain, each with 57 percent overage, and Finland with 52 percent. That other maritime nations might be having worse overage problems, however, does not lessen the impact of the arguments put forth by the Polish press in its propaganda for the rejuvenation of the Polish fleet.

Comparisons of the age distribution of the Polish merchant fleet in 1950, 1956, and 1957 are shown graphically in the accompanying chart.* The chart illustrates the practice between 1950 and 1956 of expanding the fleet by purchasing old vessels rather than newly built ones. Particularly striking is the deterioration in age since 1950, when the 25-year-and-over group of the Polish fleet included only 15 percent of the vessels and 14 percent of the gross register tonnage. The marked increase in 1957 in the under-5-year group is largely a result of the campaign against an aging fleet and the retention during the year of a much larger share of the vessels produced in Polish yards. During the Six Year Plan (1950-55), only 19 vessels of Polish build were retained in the Polish fleet (10 of which were of less than 1,000 GRT) instead of the planned 53 vessels. 23/ In the Five Year Plan (1956-60) it was originally planned to retain 34 percent of Polish production, 24/ but during 1956 only 1 vessel** of 10,800 DWT, or about 10 percent of the deadweight tonnage of merchant vessels produced, was delivered to the domestic fleet. 25/ The situation was very different in 1957, when 7 vessels*** (not including 2 salvage vessels) totaling about 51,700 DWT were retained. These 7 vessels accounted for about 42 percent of the deadweight tonnage of cargo vessels built in 1957. 26/ If the practice continues of retaining a higher percentage of the newly built Polish vessels as well as purchasing on order newly built vessels of other nations, 27/ replacement of the overage section of the fleet can be accomplished soon and the fleet modernized. Between January 1958 and December 1960 it is planned to add about 200,000 DWT of newly built Polish vessels. 28/ A minimum of 8 vessels totaling 109,800 DWT reportedly is already on order in Yugoslavia and West Germany, 29/ and although some of these orders may be canceled in favor of domestic production, the substituted domestic vessels would also be newly built. By 1962, known plans will add a minimum of 300,000 DWT of new tonnage to the tonnage of the fleet as it was in December 1957, and some of this tonnage undoubtedly will be replacements for the older vessels, so that the Polish fleet should be in comparatively good condition with regard to age distribution.

* Following p. 12.

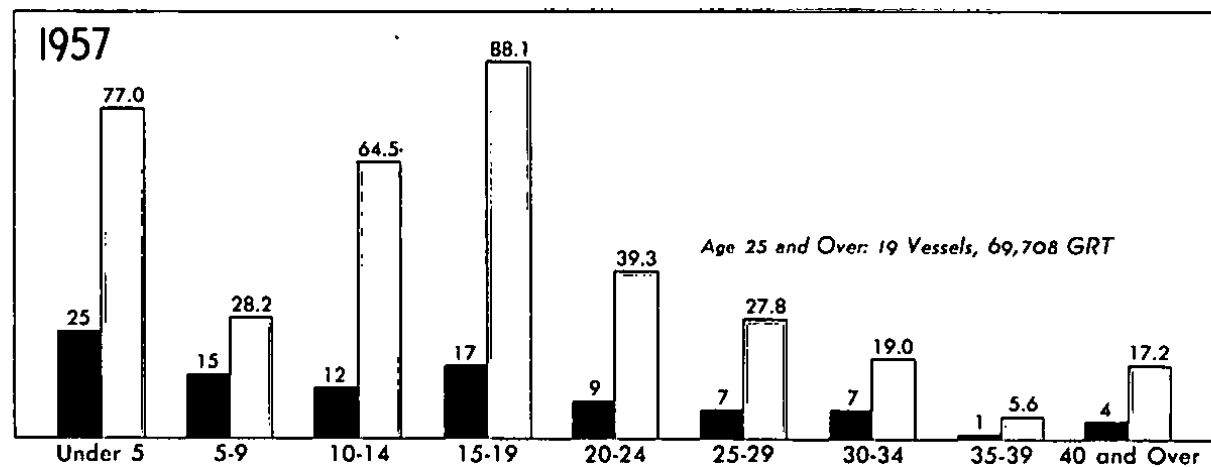
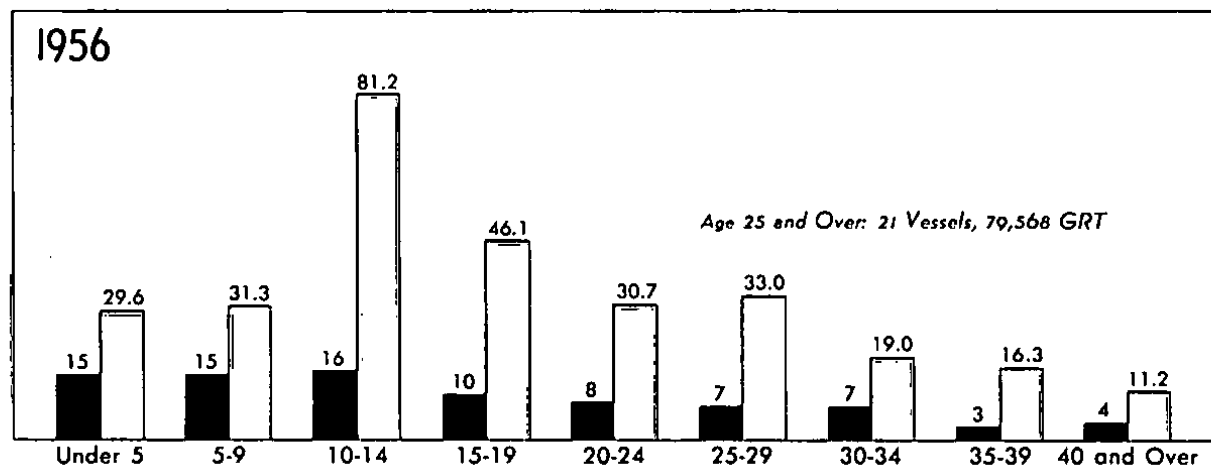
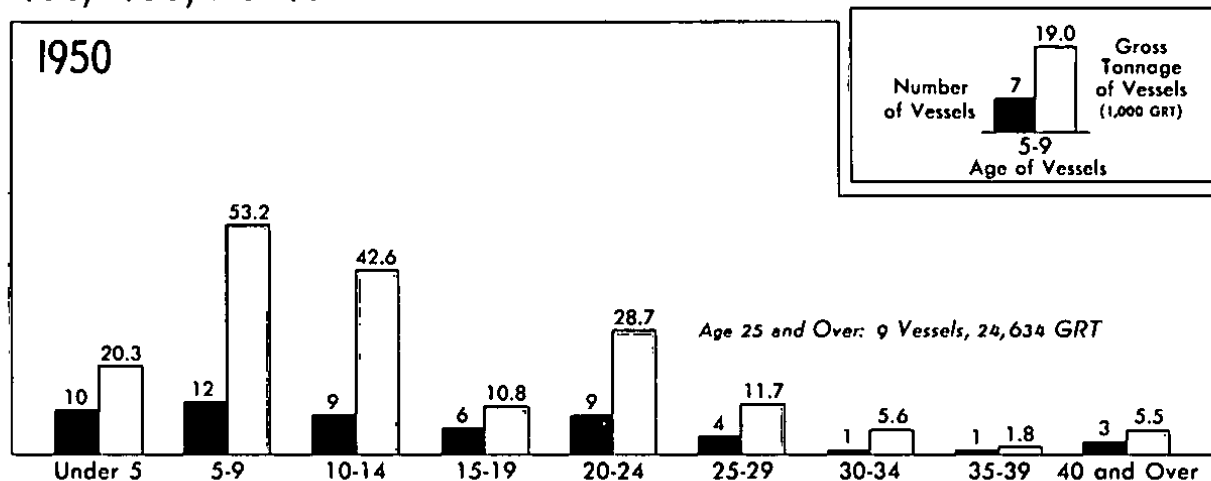
** The Marceli Nowotko.

*** The Boleslaw Bierut, the Florian Ceynowa, the Gnieszno, the Kapitan Kosko, the Katowice, the Slawno, and the Stefan Okrzeja.

50X1

Age Distribution of the Polish Merchant Fleet

1950, 1956, and 1957



27006 7-58

50X1

S-E-C-R-E-T

4. Speeds.*

The average speed of Polish oceangoing vessels of 1,000 GRT and above in December 1956 was 12.1 knots and of the entire fleet 11.8 knots. The acquisition of newer, faster, and larger vessels in 1957 brought the averages up to 12.5 for oceangoing vessels and 12.2 for the entire fleet. In 1957 the world average for oceangoing vessels of 1,000 GRT and above was 11.7 knots.

It may be possible, however, to eliminate to some extent the variance in composition and utilization of the total world fleet compared with the Polish fleet by limiting the vessels examined to one group only. An arbitrary selection, therefore, has been made of dry cargo freighters only (including bulk carriers) of 4,000 DWT and above. In the world fleet, 23 percent of this group had speeds of 15 knots and above; in the Polish fleet 34 percent of the same group had speeds of 15 knots and above. In the world fleet the highest speed was 20 knots, whereas the highest in the Polish fleet was 18 knots; only 0.5 percent of the world fleet, however, had speeds of 19 and 20 knots. If bulk carriers are eliminated, leaving only general cargo freighters of 4,000 DWT and above, the division of the world fleet remains the same (23 percent with speeds of 15 knots and above), whereas the Polish fleet division rises to 36 percent in the category with speeds of 15 knots and above.

It is apparent that in the matter of speeds the Polish merchant fleet is becoming generally competitive.

5. Fuel.**

Table 18*** shows plainly the tremendous preponderance of oil-burning vessels in the world fleet in July 1957, 92 percent being oil burning. The reason is simple: operation of coal-burning vessels is more expensive than that of oil burners. 31/ Among other considerations, oil bunker tanks allow more profit-earning cargo space, and the oil-bunkering process takes less time and less handling than coal bunkering.

Although the relation of oil-burning to coal-burning gross register tonnage in the Polish freighter fleet is not bad (83 percent

* Figures in this section for the Polish fleet are based on Tables 16 and 17, Appendix A, pp. 79 and 97, respectively, below.

** Unless otherwise indicated, figures in this section are based on Table 18, Appendix A, p. 104, below.

*** Appendix A, p. 104, below.

S-E-C-R-E-T

to 17 percent as of June 1958), plans for large-scale conversion of the remaining coal burners did not gain acceptance until 1957. There was the artificial but persistent stumbling block of the comparative prices of coal and oil under the domestic rate of currency exchange. As reported by the Polish press, under the domestic rate 1 ton of coal would cost 171 zlotys* versus 1,250 to 1,700 zlotys for 1 ton of fuel oil, making a ratio of 1 to 7.3 or 1 to 9.9. 32/ Under the new and more realistic method of equating domestic and foreign costs (as well as revenues) in the maritime industry, established in March 1957, the ratio between coal and oil prices became 1 to 1.2 or 1 to 1.6 for home port bunkering, 1 to 1 in the North Sea, and 1 to 0.7 in the Mediterranean.** 33/

A broadcast from Warsaw in April 1957 claimed that research had been carried out by the Gdansk Maritime Institute on problems of converting 14 coal steamers to liquid fuel. 34/ In September 1957 the Polish press announced that the Ministry of Shipping had approved the conversion of 70 vessels from coal burners to oil burners. 35/ These vessels undoubtedly include some harbor and inland river tugs and auxiliary vessels.

The proportion of oil burners to coal burners among the Polish vessels included in this report has already improved considerably since 1950, when 50 percent of the freighter fleet and 45 percent of the freighter gross register tonnage was coal burning. Four vessels, the Narwik, the Baltyk, the Bialystok, and the Tobruk, apparently were converted to oil burners in 1955, 36/ but the rest of the improvement up to 1957, when only 17 percent of the gross tonnage was still coal burning, was a result of new additions to the fleet.

Vessels being purchased from abroad are oil burners. The Polish shipbuilding industry reportedly is changing ship designs so that, from 1958 on, all vessels built in Polish yards will use liquid fuels instead of coal. 37/

C. Vessels Under the Control of the Chinese-Polish Shipbrokers Corporation (Chipolbrok).

In the foregoing sections, discussions of the Polish merchant fleet have included all vessels flying the Polish flag. There is,

* Foreign exchange zlotys may be converted to dollars at the official rate of 4 to 1. This rate, however, is unrealistic when applied to domestic prices, where the zloty-dollar ratio varies widely from one commodity to another, from 10 to 1 to as much as 100 to 1.

** The ratio becomes even more favorable when the superior efficiency of fuel oil is considered. Marine fuel oil produces about 18,500 British thermal units (Btu's) per pound, whereas soft coal produces only about 14,000 Btu's per pound, a ratio of 1.3 to 1 in efficiency.

Using this weighting factor, the new price ratio between coal and fuel oil would become about 1 to 0.9 or footnote continued on p. 15/

S-E-C-R-E-T

S-E-C-R-E-T

however, a certain group of vessels which, although flying the Polish flag, are not Polish state-owned vessels. This fact becomes immediately apparent when Tables 13 and 14* are compared, showing a difference in 1956 of 8 vessels more under the Polish flag than are state-owned, a difference of about 87,300 DWT. Because the number of vessels comprising the totals given in Table 13 is believed to include 1 vessel (of 212 DWT) less than the number of vessels included in Table 14, it is believed that the actual difference between the number of vessels owned by the Polish government and those flying the Polish flag becomes 9 vessels totaling 87,500 DWT, an average of about 9,700 DWT per vessel.

Because these nine vessels are not claimed as being owned by Poland even though acknowledged to be flying the Polish flag, they are by implication owned by some other entity. There have been reports that certain of the vessels on the Far East line are owned either by the government of Communist China or by the joint Chinese-Polish Shipbrokers Corporation (Chipolbrok), 38/ but there have also been reports that China does not own any Polish-flag vessels. 39/ The corporate structure of Chipolbrok will not be examined in this report, but the foregoing review of non-state-owned Polish-flag vessels indicates rather strongly that nine Polish-flag vessels were owned either by Communist China or by Chipolbrok on 31 December 1956. Chipolbrok is an organization concerned with the carriage of seaborne trade between China and the European Soviet Bloc, and both its name and its type of operations indicate that it is a ship and freight broker rather than a shipowner. In view of the fact that the 7 vessels described below are owned by Poland and apparently assigned or chartered to Chipolbrok, it is believed that the 9 vessels flying the Polish flag but not owned by Poland are in fact owned by Communist China and are similarly assigned or chartered to Chipolbrok.

It is likely that, in 1957-58, 5 more vessels, the Tatry, the Beskidy, the Pieniny, the Fryderyk Chopin, and the Zeromski, totaling 41,800 DWT, were purchased for or sold to Communist China to be assigned to Chipolbrok rather than for the Polish state-owned fleet. This conclusion is drawn from a Polish broadcast of 14 January 1958 which stated that only one vessel, the Kasprowy (13,725 DWT), had been purchased abroad for the Polish fleet since December 1956. 40/ As for the Zeromski, a Berlin broadcast specifically stated that it is being operated by "a Polish-Chinese shipping company" although ownership

1 to 1.2 in home ports, 1 to 0.8 in the North Sea, and 1 to 0.5 in the Mediterranean. The ratio under the old domestic rate of exchange becomes 1 to 5.6 or 1 to 7.6.

* Appendix A, pp. 76 and 77, respectively, below.

S-E-C-R-E-T

was not mentioned, and the Fryderyk Chopin was reported in the press as due to be sold to a foreign shipowner. ^{41/} These 5 vessels would bring the June 1958 total of vessels flying the Polish flag but not owned by Poland to 14 vessels totaling about 130,000 DWT.

An analysis of Tables 14 and 21* results in the further conclusion that 7 more ships totaling 64,800 DWT, although owned by the Polish government, are chartered to or otherwise controlled by Chipolbrok. Table 14 shows the total number and tonnage of vessels which are state-owned and the proportion of those which are under the control of the Central Administration of the Polish Merchant Marine (Centralny Zarzad - Polskiej Marynarki Handlowej -- CZ-PMH), a department of the Ministry of Navigation. ^{42/} Table 21 shows the amount of cargo carried by state-owned vessels and the proportion of that cargo which is carried by vessels under the control of CZ-PMH. The state-owned Polish steamship companies, the Polish Ocean Lines (Polskie Linie Oceaniczne -- PLO), and the Polish Steamship Company (Polska Zeluga Morsak -- PZM) were directly under the control of CZ-PMH. Any vessels which are state-owned but not controlled by CZ-PMH are by implication chartered or otherwise assigned to some other organization.

The 7 vessels under discussion have an average tonnage of about 9,260 DWT, indicative of long-range oceangoing vessels. Furthermore, the average length of haul of cargo carried by these vessels, as shown in section E of Table 21,** was 9,248 nautical miles in 1956. Such an average length of haul can be only on the Far East route, and most of the cargo which it represents could have been carried only the full distance between Europe and the Far East. With approximately 7 vessels to carry 310,000 tons of cargo, 1 vessel would average 44,286 tons for the year.*** The average deadweight tonnage per vessel comes to about 9,260 DWT, and inasmuch as the vessels on the Far East line were generally making the round trip in 100 to 180 days in 1956, the number of round trips per year with full loads each way would be about 2.0 to 2.5.

Confirmation of the assumption that these seven vessels are controlled by Chipolbrok is strong in the statement in a Polish maritime journal that the fleet included "ships under the administration of the Chinese-Polish Shipbrokers Company." ^{43/}

* Appendix A, pp. 77 and 112, respectively, below.

** Appendix A, p. 112, below.

*** This average of cargo tons per vessel must be used as a measure of magnitude only. The fact that there were seven vessels involved on 31 December 1956 does not guarantee that there were not more or fewer vessels involved at any other time during the year.

S-E-C-R-E-T

As of December 1956, therefore, there were 16 vessels totaling about 152,000 DWT which were controlled by Chipolbrot, and as of December 1957 there were at least 21 vessels totaling about 195,000 DWT, more than one-third of the carrying capacity of the vessels flying the Polish flag in December 1957.

III. Areas of Operation.*

The vessels of the Polish merchant marine are engaged in five principal trades as follows:

- Europe - Southeast Asia - Far East
- Europe - South America
- Europe - Near East (Mediterranean) - Black Sea Area
- Poland - Scandinavia
- Europe (Gdynia-Antwerp Range) - UK

Since the trade agreement between the US and Poland was signed, tramp ships have also been on the Poland-US run, the first voyage beginning in July 1957. There is a small domestic coastal service as well.

In October 1957, there were 75 vessels of more than 1,000 GRT operating under the Polish flag and 15 vessels of less than 1,000 GRT, with a total fleet carrying capacity of about 471,000 DWT. This total does not include the 6 vessels** totaling 18,000 DWT which were turned over to the Polish merchant marine in 1956 and 1957 and subsequently delivered to Communist China, nor does it include the 3 supply ships for the fishing fleet totaling 15,700 DWT.

Sixty-six percent of the vessels in active service in October 1957 were on scheduled runs, compared with 53 percent in October 1956. In terms of deadweight tonnage, 70 percent was scheduled tonnage*** in October 1957 compared with 56 percent in October 1956. (See Tables 19 and 20.****)

* Unless otherwise indicated, all data on tonnage, type of service, and routes throughout this section are taken from Tables 19 and 20, Appendix A, pp. 105 and 108, respectively, below.

** The Wicko, the Mamry, the Sniardwy, the Ostroda, the Lebsko, and the Karwia.

*** Scheduled tonnage is any vessel which is advertised as operating on a given route in the monthly schedules of PLO and PZM.

**** Appendix A, pp. 105 and 108, respectively, below.

S-E-C-R-E-T

S-E-C-R-E-T

Almost all routes showed an increase in scheduled service in 1957, when the shipping policy of the administration turned toward solicitation of general cargo. 44/ The greatest increase in scheduled service occurred on the Far East route. About two-thirds of the approximately 140,000 DWT in nonscheduled (tramp) service in October 1957 was regularly maintained in the Near East* and the Baltic trades. Although these vessels carry mainly bulk cargoes, are not open to general public booking, and may be shifted from one trade to another, the total amount of tramp tonnage moving in these routes is fairly steady, particularly in the area of the Baltic, Europe, and the UK, where iron ore, coal, and lumber are steadily moving bulk commodities. 45/

A. Far East Route.1. Tonnage.

A Polish line on the Far East route was formally organized in 1950 and 1951, and as nearly as can be determined, there were about 12 to 14 vessels on the route in 1950 and 19 to 21 vessels in 1951. Before 1950, there were only 10 vessels of 8,000 DWT and above in the entire Polish fleet, but with the inauguration of the Far East line acquisition of long-range oceangoing vessels was comparatively rapid. As newly acquired larger vessels were placed on the line, smaller vessels were shifted to the South America run or the Poland-Mediterranean run.

In October 1956, Polish-flag tonnage employed on the Far East route amounted to 64 percent of the active deadweight tonnage on all routes and in October 1957 to 53 percent. The decrease is explained by the inauguration of the North America tramp run in mid-1957. The three large freighters placed on that run were either withdrawn from the Far East route or were newly built vessels intended for it. Since then, however, newly acquired vessels are again being added to the Far East line. Not counted among the vessels active as of October 1957 are 3 vessels** of about 34,000 DWT, all acquired in late 1957 and intended for the Far East route. Adding these 3 vessels and the 3 freighters presently on the US route, plus the General Sikorski, the Fryderyk Chopin, and the Wladislaw Reymont,*** the strength of the Far East line will be about 34 vessels totaling about 340,000 DWT when the US-Poland movement is completed. There is a possibility, however, that some older vessels will be retired, such as the Braterstwo and the Romuald Traugutt, both of which are over 40 years old. 46/

* As used in this report the term Near East, denoting a sea route area, will be used to include countries bordering the Eastern Mediterranean, including Egypt.

** The Florian Ceynowa, the Pieniny, and the Zeromski.

*** To be delivered in late 1958.

S-E-C-R-E-T

In a discussion concerning vessels to be added to the state-owned fleet (as distinct from Chinese-owned Polish-flag vessels) a Polish press item states that toward the end of 1965 about 27 vessels will be used on trips to the Far East, most of which will be 10,000-tonners. ^{47/} Taken in context, this statement is believed to mean that there will be 27 Polish-owned vessels on the route and that the 14 vessels believed to be owned by China by June 1958 will be in addition to these. Thus the number of vessels on the route in 1965 will be at least 40 vessels totaling about 400,000 DWT. Probably 10 more vessels will be purchased for Chinese account between 1959 and 1965, making a total of about 50 vessels totaling about 500,000 DWT.

2. Type of Service.

Between October 1956 and October 1957, Polish service on the Far East route changed from about 62 percent to about 91 percent of vessel tonnage in scheduled service. In 1956, homebound vessels on the Far East line were still being utilized mainly for bulk cargoes from Communist China to Europe, and almost no homebound voyages were advertised in the PLO schedules. In May 1957, PLO started advertising all of the homebound voyages, and a typical liner service was developed on the homebound leg with multiple, regularly serviced ports of loading and discharge. Several factors influenced this change in type of service, but the principal factor probably was the difficulty of obtaining full shiploads from China to Gdynia. In 1957, there was a steady decline of regularly available homebound cargoes, and by September 1957 the supply of cargoes in East Asia* was far below the shipping capacity of all flags operating in that area. ^{48/} Another major influence undoubtedly was a change in management policy from substantially political use of the fleet to making a profit where possible. The Far East line has been clearly acknowledged in the Polish press as having in the past been organized and run on a political basis. Particularly interesting are two statements contained in an article on the Far East line in the January 1958 issue of the leading Polish maritime journal ^{49/}:

For a number of years the Polish line had a primarily liaison character, its main task being to facilitate the exchange of commodities between friendly countries.

* As used in this report the term East Asia will designate those Asian countries east of the Indian subcontinent.

S-E-C-R-E-T

S-E-C-R-E-T

The tendency has been to base a shipping line on commodities of Poland and of friendly countries, however unprofitable and disadvantageous from the technical standpoint of Polish tonnage.

As early as May 1956, however, maritime writers were stressing the desirability of making a profit, 50/ and the new Minister of Navigation, Stanislaw Darski, an experienced shipping executive appointed in late 1956, gradually began to establish efficiency of operations as the new criterion. 51/ Inauguration of scheduled services on the homebound leg allowed interport cargo to be solicited, with two attractive results: (a) dependence on erratic shiploads from Communist China to Europe was decreased, thus eliminating the unproductive lay-over time in Chinese ports while vessels waited for cargoes, and (b) more opportunities for earning foreign exchange as well as for obtaining higher freight rates for interport general cargo presumably became possible. Homebound cargoes from China are also changing character, with more Polish vessels calling at ports in North China from which higher paying cargoes such as egg products, bristles, vegetable oils, and textiles are shipped.

3. Ports of Call.

Major and more or less regularly serviced ports of call for the Polish merchant fleet are Wismar, Hamburg (twice a month 52/), Bremen (once a month 53/), Rotterdam, Antwerp (twice a month), Port Said, Port Sudan, Karachi, Bombay, other Indian ports as cargo offers, Colombo, Rangoon, Singapore, Malayan ports as cargo offers, Djakarta, Surabaya, Haiphong, Whampoa, Shanghai, other Chinese Communist ports as cargo offers, Yokohama, and Kobe. Inbound service includes an occasional call at Casablanca principally to offload tea and to pick up phosphates. In the latter part of 1957 an occasional outbound call was scheduled to Constanta in Rumania. In February 1958, regular outbound calls at Dunkirk by vessels on the East Asia line were inaugurated. The first vessel to call at Dunkirk was the Marceli Nowotko, which loaded not only for Indonesia and Vietnam but also for Manila and thus was the first Polish vessel to call at Manila. 54/

4. Frequency of Service.

An examination of dates of call at Port Said and Suez indicates such extreme variations in voyage turnaround times in 1956 as from 100 to 200 days. These extremes were the result of the tramp nature of the homebound leg, some vessels being dispatched immediately for a nonstop return to Europe, some waiting in Chinese ports for delayed or unavailable homebound cargoes, some being dispatched to

S-E-C-R-E-T

intermediate ports, and some undergoing repairs at Hong Kong. (Voyages affected by the closing of the Suez Canal have not been considered.) The year 1957 showed a turn to a more steady turnaround time, the prevailing norm appearing to be about 180 days. The desirable feature of a steady length of voyage is the resulting ability to put the homebound leg on a scheduled basis, and the longer turnaround time allows the consequent multiple calls homebound.

With about 25 to 27 vessels in the trade, a 180-day turnaround time would provide about 50 voyages a year. Allowing for delays en route and layovers for repair, a sailing frequency from Gdynia/Gdansk* of about every 10 days is indicated. This frequency generally seems to be supported by the recent schedules of PLO and PZM as well as by the stated intention of PLO to arrange two departures of scheduled vessels from Poland to the Far East every month, 55/ which would not include sailings on the new service to India/Burma.**

5. Route Plans.

PLO has reorganized the Far East line into two fairly distinct services. One is termed the South Asia line and serves India, Pakistan, Ceylon, and also Burma, reportedly using the older and slower vessels. The other is termed the East Asia line and serves Indonesia, Vietnam, Communist China, and Japan, using the newer "17-knot, ten-thousand-tonners." 56/ The plan envisages regular calls to West European ports, both inbound and outbound, to supplement the cargo offerings to and from Polish ports and to earn more foreign exchange as well as profit for PLO. By topping off*** at and for West European ports, PLO will also be in a better position to establish regularity of sailings on the Far East line rather than having to wait for cargoes at both ends of the route. 57/

An interesting feeder service has recently been established. PZM has introduced a line joining Black Sea and Near East ports to carry Rumanian, Hungarian, and Czechoslovak goods. 58/ Although there is believed to be a substantial volume of cargo moving between the Black Sea and Asia, 59/ only a small portion of it is believed to be transshipped presently in Mediterranean ports. A new Black Sea - Near East feeder line may allow PLO to tap this trade by transshipping at Mediterranean ports, which could then be an attractive source of top-off cargo for the Far East line.

* Denoting the area of Gdynia and Gdansk.

** Denoting the eastern terminus as any port between India and Burma.

*** The term topping off means picking up cargo at subsequent ports in order to fill unused cargo space.

S-E-C-R-E-T

B. Near East and Black Sea Route.

Tramp tonnage still constitutes the major part of the tonnage carried by the Polish merchant fleet on the Near East - Black Sea route, although there were two more vessels on the scheduled route for the Near East in October 1957 than in October 1956. The scheduled vessels, all belonging to PLO, are in the Near East service plying between Polish ports and Alexandria, Beirut, Lattakia, Istanbul, Izmir, and Durrës. Not all ports are on the schedule of every vessel. Sailings are approximately every 2 weeks from Gdansk.

Of the 4 nonscheduled vessels in this area during October 1957, 2 were PLO tankers which had been carrying oil and petroleum products to Poland from the Black Sea -- the Karpaty regularly from the beginning of 1957 and the Kasprowy from the time it was acquired and placed into service in June 1957. The other two nonscheduled vessels, operated by PZM, were supplementing the scheduled vessels, operated by PLO in the Near East - Europe service.

At present, only an occasional dry cargo vessel on the Far East line calls in the Black Sea. Normally, any cargo moving between the Far East and the Black Sea on PLO vessels has been transshipped, probably at Port Said or Alexandria. 60/ The two tankers in the Far East service in October 1957, however, the Tatry and the Beskidy, were making the run between the Black Sea and the Far East regularly.

As outlined in A, 5, above, PZM has planned a new regularly scheduled line to connect Black Sea and Near Eastern ports. The line will operate out of the Rumanian Danube ports of Braila and Galati, calling at Constanta, Istanbul, Izmir, Beirut, Port Said, and Alexandria. As well as Near East cargoes, the line will handle Far East traffic, to be carried to and from the Far East by vessels of the PLO Far East line. The transshipment port will be Port Said. It is planned that 3 vessels of 3,200 DWT each will eventually be employed on the route. Since the round voyage is planned to take 3 weeks, there should be a sailing about every 10 days (allowing extra time in Black Sea home ports). 61/ The first voyage was made by the Liwiec (1,100 DWT) sailing from Braila on 3 May 1958 and carrying to Syria installations for an oil refinery and a sugar plant made in Czechoslovakia. 62/

It is also planned to assign to the Near East - Europe route vessels of the 6,000-DWT class now being built at Szczecin, probably to operate in nonscheduled service. 63/ The number to be added and the time when they are to be added are not known, but the first was launched for PLO in March 1958. 64/

S-E-C-R-E-T

C. South America Route.

Tonnage of the Polish vessels on the South America route increased by 52 percent between October 1956 and October 1957 as larger vessels were placed on the run. All are scheduled voyages with calls at Rio de Janeiro, Santos, Buenos Aires, and other Brazilian and Argentine ports as cargo offers. Although not on the published schedule, several Polish vessels have been making regular calls at Montevideo also. Occasional outbound calls were made at Antwerp during 1957 and reportedly are to become a regular service, with outbound calls every 15 days. 65/ Inbound calls at Western European ports, principally Antwerp and Hamburg, have for some time been a regular feature in the advertised schedules.

Of the 11 Polish-flag vessels with refrigerator facilities in October 1957, 3 were assigned to the South America route.* They carried the inbound fruit trade, which can be an attractive source of foreign exchange (as well as company profits) through reefer cargo destined for Western Europe. 66/

The South America line has proved to be a profitable one, and there are plans to add more tonnage to the route. Efforts are also being made to extend the range of service, both for outgoing calls at more European ports, including Spanish ports, and for incoming calls at Scandinavian and Soviet Baltic ports. 67/ The new vessels immediately planned for the route will have a carrying capacity of 6,000 DWT and a speed of 15.7 knots, with the first delivery planned for 1958. 68/ The number of these new vessels expected to be assigned to this route and the time when they are to be assigned have not been announced.

By 1965 the South America line will be considerably expanded. In a Polish press item concerning the number of vessels to be added to the full fleet in the 1960-65 plan period, it is stated that about 18 vessels of the 8,200-DWT and 9,300-DWT class "will be destined for the South America" line. 69/ At present, there are 9 vessels averaging about 6,000 DWT on the route. It is probable that at least 2 and probably 3 or 4 vessels of the new 6,000-DWT class will be added between 1958 and 1960. Therefore, allowing for some replacements of existing vessels, there may be about 30 vessels on the route in 1965 totaling about 225,000 DWT.

D. North America Route.

The Batory, a passenger vessel accommodating 800 passengers and the flagship of the PLO fleet, was the only scheduled vessel in

* The Piast, the Czech, and the Kopernik.

S-E-C-R-E-T

S-E-C-R-E-T

the North American trade in October 1957. It moved, however, to various routes during the year depending on tourist seasons.

The nonscheduled vessels on this run are more or less a maverick group, withdrawn from the Far East line as schedules permit and only for the purpose of carrying the US-Polish trade agreement cargo. Although much press publicity has been given to the "reopening" of the "North American service," the service probably will be discontinued once the entire trade agreement cargo has been lifted.

E. Baltic, Europe, and UK Routes.

The area of the Baltic, Europe, and the UK, involving only short runs, is dominated by tramp ships carrying bulk cargoes. Of the 19 Polish tramp ships totaling 53,180 DWT in the area in October 1957, 14 vessels totaling 42,750 DWT were bulk cargo vessels (ore and coal carriers). The largest proportion, 81 percent, of the tramp tonnage in the area was in the Baltic service, moving mainly coal to the Scandinavian countries and returning with iron ore. 70/

The scheduled services in the area utilize a number of small vessels. Routes and sailing frequency are given in Table 2.*

Although it is not shown on the schedules of PLO and PZM through June 1958, the Polish press of 15 January announced a new service to Ireland and the west coast of England. The first vessel to sail the route, the Oksywie (1,010 DWT), left Hamburg on 14 January to call at Bristol, Liverpool, and Dublin. (The Oksywie also called at Manchester and Swansea.) Service was announced to be every 20 days. 71/ The Ustka (1,570 DWT) was also in this area in January. The Ustka called at Waterford and Cardiff and in March called at Dublin, apparently taking over the route from the Oksywie, which went onto a run along the coast of Europe.

F. Routes in the Planning Stage.

Expansion of the services of the Polish merchant fleet in the Mediterranean area, between Black Sea and Near Eastern ports, and expansion of the South America route to cover a wider range have already been discussed in B and C, above.

A new Spanish service has been inaugurated to implement the Polish-Spanish trade agreement of mid-1957, under which all transport is planned to be by sea. Poland put its first vessel on the Spanish run in October 1957, the Kielce sailing from Gdansk on 25 October with

* Table 2 follows on p. 25.

S-E-C-R-E-T

Table 2

Scheduled Services of Polish-Flag Vessels
on the Baltic, Europe, and UK Routes a/
October 1957

Service	Number of Vessels	Total Deadweight Tons	Sailing Frequency
Gdynia-London	1	3,090	Weekly
Gdynia-Hull	1	2,110	Weekly
Gdynia-Szczecin-Rotterdam	2	2,785	Weekly
Gdynia-Szczecin-Antwerp	2	3,710	Weekly
Gdynia-Szczecin-Hamburg	1	1,290	Every 12 days
Gdynia-Leningrad-Gdynia- Hamburg-London-Antwerp- Rotterdam-Gdynia	1	1,570	Monthly
Szczecin-Stockholm-Gdansk	1	660	Biweekly
Szczecin-Malmoe-Oslo-Gdynia	1	660	Biweekly
Szczecin-Goteborg-Copen- hagen-Gdynia	2	1,670	Weekly
Szczecin-Helsinki	2	2,200	Weekly
Gdansk-Helsinki	1	1,640	Biweekly
Szczecin-London-Antwerp	1	695	Biweekly
Szczecin-London-Rostock	1	890	Biweekly

a. Two additional small vessels are regularly used on the scheduled lines as supplementary vessels.

a load of coal. 72/ The Kielce remained in this service through March 1958, and 3 other vessels (totaling about 15,000 DWT including the Kielce) made the run through March. 73/ There is no indication to date that this will be other than a nonscheduled tramp route.

There will also be expansion of the tramp and collier services, the latter principally carrying iron ore and coal in the area of the Baltic and the European coast, if the plans to add to the fleet at least 9 colliers and 24 tramp steamers totaling about 270,000 DWT by 1965 are accomplished.*

* See VI, A, p. 55, below.

S-E-C-R-E-T

S-E-C-R-E-T

IV. Performance of the Fleet.*A. Total Cargo Moved.1. Polish-Owned Fleet and Chartered Fleet.

As shown in Table 21,** cargo carried by the Polish merchant fleet increased 1.6 million tons, or 90 percent, between 1949 and 1957, and ton-miles performed increased 7.2 billion, or 210 percent. The peak cargo years were 1952 and 1957, but the average length of haul reached its highest peak in 1956. Some of the drop in the number of tons carried in 1956 (a drop of 93,000 tons, or 3.1 percent, from 1955) can be explained by the 14-percent increase in the average length of haul. Another factor was the high number of vessel-days lost both for repair and by delays in port. 74/

The tons carried in 1957 by the "total merchant fleet," which includes not only the state-owned vessels but also the bareboat- or time-chartered vessels,** rose 15.9 percent above the performance in 1956 to a total of 3.4 million, and the ton-miles rose 13 percent to a total of 10.6 billion. The 1957 performance of the vessels under the control of CZ-PMH rose above the performance in 1956 by 19.2 percent in tons and 11.8 percent in ton-miles. The largest increase, 27.9 percent, occurred in tons imported into Polish ports and the next largest increase, 24.5 percent, in tons carried between foreign ports. The increase in import cargo, to the extent that it consisted of Polish imports rather than transit imports, would represent a saving in foreign exchange because import cargo is 85-percent controlled by Polish consignees, who purchase it on a free-on-board (f.o.b.) basis, and the freight bill is paid directly by Poland.**** (Only 15 percent of the export cargo is controlled by Polish shippers.) 75/

* Unless otherwise indicated, figures on Polish fleet performance in this section are based on Tables 21 and 22, Appendix A, pp. 112 and 113, respectively, below.

** Appendix A, p. 112, below.

*** A charter party is a rental agreement between the charterer and the shipowner under which the shipowner puts the ship at the disposal of the charterer. Under a bareboat (sometimes called a demise) charter the ship is delivered bare, and the charterer has the responsibility of providing the crew, stores, supplies, and so on, and of maintenance of the ship. Under a time charter the ship is chartered for an agreed period of time, and the owner usually supplies the crew, provisions, and maintenance, while the charterer pays the fuel and port costs.

**** Most Polish imports are purchased on an f.o.b. basis, indicating that the price paid to the seller includes [footnote continued on p. 27]

S-E-C-R-E-T

S-E-C-R-E-T

Polish maritime supporters have been deploring the recent low share of Polish port traffic carried by Polish vessels. 76/ According to Polish calculations the share of Polish seaborne foreign trade carried by Polish vessels was as follows 77/:

<u>Year</u>	<u>Percentage Share</u>
1950	13.6
1951	15.7
1952	26.1
1953	21.5
1954	17.2

The years 1955-57 were reported in terms of the share of total goods turnover in Polish ports and amounted to about 15 percent for each year in 1955-56 78/ and to 18.9 percent in 1957.* 79/ (These figures may be compared with the 1970 goal of a Polish share of 50 percent of port traffic. 80/) The above figures, however, do not show the fact that although the Polish fleet steadily increased from 1949 through 1952, Polish port traffic fell off 18 percent from 16,907,000 tons in 1949 to 13,826,000 tons in 1952, gradually increasing again to 17,066,000 tons in 1955, 81/ so that the high Polish vessel share in 1952 and the decline in 1953 and 1954 are not entirely measures of Polish fleet performance. Similarly, the 18.9 percent of port traffic carried in 1957 is a result not only of a larger fleet but also of the drop in port traffic from 15.5 million tons in 1956 to 14.2 million tons

only getting the goods on the vessel and that Poland as the buyer then pays the transport cost (the "freight") in addition and pays it in effect to the nation of the owner of the vessel. To the extent that Polish vessels carry Polish imports, Poland saves foreign exchange directly paid out to the nation of the carrying vessel. On the other 15 percent of import cargo which moved on a cost, insurance, and freight (c.i.f.) basis, the seller arranges and thereby controls the transport, and the freight bill is included in the price of the goods. Although this c.i.f. price definitely includes a foreign exchange payment for transport, it is not included in the sums shown as direct expenditure for sea transport (see V, below), and the c.i.f. price will be paid in full to the selling country in whatever means agreed on by the two countries, whether transferable exchange or clearing account. Polish exports, on the other hand, are also 85-percent f.o.b. and 15-percent c.i.f., meaning that the importing country is paying the direct transport charge on 85 percent of the cargo so imported.

* See also Methodology, Appendix B.

S-E-C-R-E-T

S-E-C-R-E-T

in 1957. ^{82/} A better measure of fleet performance is in tons of cargo carried and ton-miles performed per deadweight ton. Performance in these terms by the Polish state-owned fleet has been as follows*:

<u>Year</u>	<u>Cargo Tons per Deadweight Ton</u>	<u>Ton-Miles per Deadweight Ton</u>
1949	8.5	16,500
1952	10.7	24,500
1955	9.1	25,800
1956	8.4	27,900

The increase in ton-miles reflects the build-up of vessel tonnage on the long-distance routes. Although ton-miles per deadweight ton increases, tons of cargo per deadweight ton can be expected to decrease. With an estimated 384,000 DWT in the state-owned fleet at the end of 1957 and an estimated performance of about 3.3 million tons of cargo and 10.5 billion ton-miles,** 1957 performance will have become about 8.6 tons of cargo per deadweight ton and 27,300 ton-miles per deadweight ton. The slight increase in tons of cargo per deadweight ton and the drop in ton-miles per deadweight ton are a reflection of shorter lengths of haul. The trend in 1958 probably will be the same.

2. Total Fleet Under the Polish Flag.

To the performance of the state-owned Polish merchant fleet, as well as the so-called "total merchant fleet," shown in Table 21,*** can be added the performance of the 9 vessels in 1956 and the 14 vessels in 1957 believed to be owned by Communist China and administered by Chipolbrok. It is estimated that in 1956 these vessels carried about 360,000 tons and performed about 3.3 billion ton-miles.**** The total 1956 performance of vessels flying the Polish

* Calculated from figures in Tables 14 and 21, Appendix A, pp. 77 and 112, respectively, below.

** Derived by subtracting an estimated 0.1 million tons and 0.1 billion ton-miles from the 1957 "total merchant fleet" performance in Table 21, Appendix A, p. 112, below, assuming that the performance of chartered vessels in 1957 remained at about the 1956 level

50X1

*** Appendix A, p. 112, below.

**** This estimate is based on the 1956 performance by the vessels which are state-owned but not controlled by CZ-PMH as shown in Section E of Table 21, Appendix A, p. 112, below. The 7 vessels involved carried about 44,000 tons of cargo each for that year. Assuming that the 9 extra vessels were also on the Far ⁷footnote continued on p. 29

S-E-C-R-E-T

flag would then be 3.3 million tons, an 84-percent increase above 1949, and 12.7 billion ton-miles, an increase of 272 percent above 1949, against a growth in fleet deadweight tonnage of 99 percent (including vessels under 1,000 GRT).

Of the 5 vessels added to the Chinese-owned Chipolbrok group in 1957-58, 2 large vessels, the Pieniny and the Zeromski, went into service late in 1957 and the Fryderyk Chopin in early 1958. The small tankers, the Tatry and the Beskidy, made only five trips between them. It is estimated, therefore, that the 5 vessels added only about 65,000 tons carried and 600 million ton-miles to the 360,000 tons carried and 3.3 billion ton-miles estimated to have been performed by the other 9 vessels and to the 3,397,000 tons carried and 10.6 billion ton-miles performed by the rest of the fleet. The result would bring the total 1957 performance of all vessels flying the Polish flag to 3.8 million tons and 14.5 billion ton-miles.

The increase in the performance of all vessels under the Polish flag in 1957 above 1949, therefore, is estimated to be 114 percent in tons and 326 percent in ton-miles, compared with a total increase in deadweight tonnage of 145 percent (including vessels of less than 1,000 GRT).

B. Far East Route.

1. Total Cargo.

Since its inauguration in 1950 the Far East route of the Polish merchant fleet has been the route most stressed from the point of view both of procuring vessels for the route and of providing service on the route. About 60 percent of the deadweight tonnage of the Polish fleet has been engaged in the Far East service in recent years. Moreover, about 25 percent of all cargo carried in 1954 and 75 percent of the ton-miles performed by the Polish-owned fleet were Far East cargo. 83/ There is little doubt that the emphasis on the Far East route will continue, both as a service to the Sino-Soviet Bloc and as a matter of national pride, the route being the longest in Polish fleet service and providing Poland with a claim to being a maritime nation engaged in farflung fleet activities. Furthermore, the route will become more profitable as the carriage of general and interport cargo increases (see III, A, 2, above).

East line, it is estimated that 40,000 tons each are assigned for the year, a total of 360,000 tons. The same average length of haul (9,248 nautical miles) gives the approximate figure of 3,329 million ton-miles.

S-E-C-R-E-T

Judging by the performance of the 7 vessels (averaging 9,260 DWT) claimed as Polish-owned but not under the control of CZ-PMH, which in 1956 carried 310,000 tons* believed to be cargo on the Far East route, the approximately 25 vessels (averaging 9,800 DWT) on the Far East route probably carried a minimum of 1 million tons in 1956.** An examination of reports of naval attachés and other submitted during 1956 has permitted a minimum total of 840,000 tons to be identified as carried on this route, together with a breakdown into cargo carried by route segments. The tonnage carried on the Far East route is shown in Table 3*** together with the estimated total of 1 million tons broken down into segments based on the segments in the recorded tonnage.

Of the estimated 354,000 tons carried by vessels on the Far East line out of Polish ports in 1956, about 185,000 tons**** are estimated to have been export cargo of other Satellites, including transshipment cargo from Antwerp or Hamburg. Only about 170,000 tons, therefore, were Polish export cargo for Asia. Because in 1956 Polish seaborne exports to the areas served by the Far East line amounted to about 420,000 tons† (see Table 5††), Polish-flag vessels carried not more than about 40 percent of Polish exports to the full area. It is believed, however, that Polish-flag vessels probably carried as much as 85 percent of Polish exports to Communist China, or 124,000 tons of the total 146,000 tons exported to China. Subtracting 124,000 tons from the 170,000 tons believed to have been Polish exports carried on Polish vessels leaves only about 45,000 tons of Polish export cargo for other areas on the Far East line, or about 15 percent of total Polish exports (274,000 tons) to these areas. The extent to which Poland relied on Western vessels in 1956 to carry its exports to this area, therefore, was about 15 percent of its exports to China and about 85 percent of its exports to the rest of Asia and Egypt.

* See Table 21, Section E, Appendix A, p. 112, below.

** Calculated as follows: 7 vessels carried 310,000 tons, an average of 44,000 tons per vessel. The average tons per vessel per year for the remaining 18 vessels is estimated at a conservative 40,000 tons, giving 720,000 tons and making a minimum grand total of 1,030,000 tons for all vessels.

*** Table 3 follows on p. 31.

**** See Methodology, Appendix B.

† Of which 84,000 tons were exported to Egypt and 337,300 tons to Asia, apparently including the Asiatic countries of the Near East, South Asia, and East Asia.

†† P. 37, below.

S-E-C-R-E-T

Table 3

Estimated Cargo Carried by Polish-Flag Vessels
 on the Far East Route a/*
 1956

Section of Route	Recorded Tonnage		Estimated Total <u>b/</u> (Thousand Metric Tons)
	Thousand Metric Tons	Percent of Total	
Eastbound			
Polish ports to Communist China	242	52	286
Other European ports to Communist China	18	4	21
Black Sea ports to Communist China	60	13	71
Intermediate ports <u>c/</u> to Communist China	65	14	77
Polish ports to the Mediterranean and the Black Sea	15	3	18
Other European ports to the Mediterranean and the Black Sea	15	3	18
Polish ports to South and South- east Asia	42	9	50
Other European ports to South and Southeast Asia	3	1	3
Interport cargo <u>d/</u>	5	1	6
Total eastbound	<u>465</u>	<u>100</u>	<u>550</u>
Westbound			
Communist China to Polish ports	230	61	276
Communist China to other European ports	10	3	12
Communist China to the Black Sea	20	5	24
Communist China to intermediate ports <u>c/</u>	25	6	30
Mediterranean and the Black Sea to Polish ports	30	8	36
Mediterranean and the Black Sea to other European ports	0	0	0

* Footnotes for Table 3 follow on p. 33.

S-E-C-R-E-T

S-E-C-R-E-T

Table 3

Estimated Cargo Carried by Polish-Flag Vessels
on the Far East Route a/
1956
(Continued)

Section of Route	Recorded Tonnage		Estimated Total <u>b/</u> (Thousand Metric Tons)
	Thousand Metric Tons	Percent of Total	
Westbound (Continued)			
South and Southeast Asia to Polish ports	40	11	48
South and Southeast Asia to other European ports	10	3	12
Interport cargo <u>e/</u>	10	3	12
Total westbound	<u>375</u>	<u>100</u>	<u>450</u>
Summary			
Between Poland and Communist China	472	56	562
Between other European ports and Communist China	28	3	33
Between the Black Sea and Communist China	80	10	95
Between intermediate ports and Communist China	90	11	107
Between Poland and the Mediter- ranean and the Black Sea	45	5	54
Between other European ports and the Mediterranean and the Black Sea	15	2	18
Between Poland and South and Southeast Asia	82	10	98
Between other European ports and South and Southeast Asia	13	1	15
Interport cargo <u>d/ e/</u>	15	2	18
Grand total	<u>840</u>	<u>100</u>	<u>1,000</u>

- 32 -

S-E-C-R-E-T

S-E-C-R-E-T

Table 3

Estimated Cargo Carried by Polish-Flag Vessels
on the Far East Route a/
1956
(Continued)

-
- a. Communist China includes any cargo movement for Korea.
 - b. The grand total is estimated at a minimum of 1 million tons, as explained in the second footnote on p. 30, above. The breakdown into route segments is based on the comparable breakdown of the recorded tonnage.
 - c. Not including ports on the Black Sea.
 - d. Loaded east of Atlantic Europe and discharged west of Communist China.
 - e. Loaded west of Communist China and discharged east of Atlantic Europe.

Of Polish import cargo, for which Poland must pay directly about 85 percent of the freight bill,* it is estimated that Polish-flag vessels carried about 360,000 tons into Polish ports from areas on the Far East route in 1956. Of the 360,000 tons, it is believed that about 170,000 tons were inbound cargo for other Satellites, leaving only about 190,000 tons which were Polish import cargo, or about 36 percent of the total Polish imports from the area served by the Far East line, which amounted to about 535,000 tons.** It is tentatively estimated that about 35,000 tons of the 190,000 tons of Polish import cargo carried by Polish vessels were from areas other than Communist China. If this estimate is close, about 50 percent of total Polish imports from China (314,000 tons) was carried on Polish-flag vessels and only about 16 percent of total (221,000 tons) Polish imports from other Asian areas and Egypt.

Table 3 also shows that as little as 2 percent of the total cargo carried on the Far East route may have been interport cargo. Because interport cargo is carried chiefly for economic reasons, to fill vessel space and to earn foreign exchange, it is probable that all of this tonnage was carried by vessels controlled by CZ-PMH. In view of the effort to solicit such cargo, such carryings probably were higher in 1957.

In 1956, Communist China undoubtedly paid the freight bill for the cargoes carried by Polish vessels to China from all areas, about 385,000 tons. Some payment, particularly for cargo carried by Chipol-brok vessels, probably was taken care of by clearing account and some

* See the third footnote on p. 26, above.

** Of which 12,200 tons were imported from Egypt and 522,400 tons from Asia.

S-E-C-R-E-T

S-E-C-R-E-T

by nontransferable currency, but it is believed that at least half and perhaps more was paid in transferable currency, probably sterling, for cargo carried by vessels controlled by CZ-PMH. (In 1957, vessels controlled by CZ-PMH carried to China 83,670 tons from Polish ports alone. 84/) The freight bill for exports from China to other than Satellite areas (30,000 tons in 1956) undoubtedly would be paid for by the importing country in hard currency, as would the freight charges for cargo carried from Polish and European ports to non-Satellite areas -- 89,000 tons total minus any to Vietnam and to Rumania, although there probably was little of the latter. In 1957, PLO made a special effort to increase its trade in the non-Satellite areas, and CZ-PMH vessels (about 11 vessels* by the end of 1957) alone carried 38,000 tons from Polish ports to South and Southeast Asia, 85/ compared with 50,000 tons carried on the line in 1956 by all vessels of the Polish merchant fleet (about 25 vessels).

As shown in Table 4,** CZ-PMH vessels alone in 1957 carried 471,000 tons between Polish ports and the area served by the Far East line, an average of 43,000 tons per vessel. This tonnage is to be compared with the 714,000 tons estimated to have been carried by all vessels on the same route segments in 1956, an average of 29,000 tons per vessel. The average cargo per vessel for the entire route in 1956 was estimated at about 40,000 tons. Cargoes carried between Poland and Communist China averaged about the same, 25,000 tons per CZ-PMH vessel in 1957 compared with about 22,000 tons per vessel for all Polish-flag vessels in 1956. These comparisons may indicate that although all vessels were engaged to about the same extent in the movement between Poland and Communist China, the CZ-PMH vessels engaged more heavily in Polish import and export trade, whereas the Chipolbrok vessels engaged more heavily in Chinese import and export. The 1957 cargo movement includes about 7,000 tons in the Mediterranean area which may have been carried by Polish vessels not on the Far East line, but this would affect the average per Polish-controlled vessel by only about 635 tons per vessel.

Until more is known of the tonnage carried by all other vessels in 1957, little can be done to estimate the proportions of Polish import and export cargo carried by all Polish-flag vessels. Assuming that about 25 percent of the cargo carried was for other Satellites,*** the proportions carried for Poland by CZ-PMH vessels alone (about 11 vessels) in 1957 are 40 percent of all exports and 33 percent of all imports. Of Polish trade with Communist China and

* Including an estimate of 3 or 4 vessels time- or bareboat- chartered by PLO.

** Table 4 follows on p. 35.

*** See V, A, p. 45, below.

S-E-C-R-E-T

Table 4

Cargo Carried by Polish-Controlled (CZ-PMH) Vessels a/
 and Total Polish Seaborne Trade Moving Between Polish Ports and Asia b/
 1957

	Thousand Metric Tons			
	<u>Carried by CZ-PMH Vessels</u>		<u>Polish Seaborne Trade</u>	
	<u>Eastbound (Out)</u>	<u>Westbound (In)</u>	<u>Export</u>	<u>Import</u>
Communist China	84	185	110	325
Korea	1	7	1	12
South and Southeast Asia <u>c/</u>				
India	18	54	48	272
Pakistan	10	5	32	21
Malaya	1	22	4	29
Vietnam	4	27	4	28
Others	5	0	11	4
Total	<u>38</u>	<u>108</u>	<u>99</u>	<u>354</u>
Mediterranean <u>d/</u>				
Egypt	29	11	63	11
Others	6	2	22	8
Total	<u>35</u>	<u>13</u>	<u>85</u>	<u>19</u>
Grand total	<u>158</u>	<u>313</u>	<u>295</u>	<u>710</u>

a. Vessels controlled by the Central Administration of the Polish Merchant Marine -- CZ-PMH.

b. 86/

c. Not including the Persian Gulf, Kuwait, Iran, and Iraq, which are not served by the Far East line.

d. Not including Rumania, Yugoslavia, Albania, and other such areas which are not served by the Far East line.

Korea, CZ-PMH vessels carried about 58 percent of the exports and 43 percent of the imports. In trade with other Asian areas, CZ-PMH vessels carried 28 percent of the exports and 23 percent of the imports, indicating a total performance in 1957 by all vessels on the line (about

S-E-C-R-E-T

S-E-C-R-E-T

28 vessels by the end of the year) considerably better than that in 1956. This improvement supports and presumably is a result of the announcements by the Polish government that the Polish fleet would be run more efficiently and attempts would be made to service Polish foreign trade to a greater degree. Early in 1958, PLO divided the vessels under its control into two Far East services, one to serve Egypt and South Asia only, a development which should maintain the 1957 record. The seaborne trade of Poland in 1955-57 is shown in Table 5.* Tables 8 and 9** clearly show the increase in tons moving to and from India, Pakistan, and Ceylon in South Asia as well as the increase in trade with Malaya in Southeast Asia.

2. Commodities.

Those import commodities for which Asia was the major source in 1956 are given in Table 6,*** and types and volumes of commodities moving between Poland and the countries on the Far East route in 1956-57 are shown in Tables 7, 8, and 9.**** Virtually all such trade moved by sea, the exception being a few low-volume items in the trade with Communist China which moved by rail. No accurately detailed breakdown is available for commodities carried by Polish vessels, but they will generally follow both the types and the volumes of total seaborne movement.

All Polish imports of copra and the coconut oil processed from copra come originally from Malaya and Indonesia. Exactly how many tons are involved is not known, and copra is therefore not included in Table 6, but the 1,900 tons shown from Malaya in Table 8 probably are only a portion, as processed copra undoubtedly is imported from Great Britain and the Netherlands, originally from Malaya and Indonesia. 87/ The last known Polish import figure for copra was 33,000 tons in 1948. 88/ Although iron ore makes up the bulk of imports from the Asian countries (306,700 tons in 1956), Asian iron ore accounts for only 6 percent of total imports of iron ore. Major suppliers are the USSR (3.4 million tons in 1956) and Sweden (527,000 tons in 1956). 89/

The sea route to the Far East not only is the main source to Poland of several industrially important raw materials but also is a trade route which serves a growing market area for certain Polish export goods. In 1956, one-third of Polish exports of rolled products went to countries on the Far East route as did one-half of exports of railroad cars, one-fourth of exports of machine tools, and one-fourth of exports of cotton textiles. 90/†

* Table 5 follows on p. 37.

** Pp. 43 and 44, respectively, below.

*** Table 6 follows on p. 41.

**** Tables 7, 8, and 9 follow on pp. 42, 43, and 44, respectively, below.

† Text continued on p. 45.

S-E-C-R-E-T

Table 5
Seaborne Trade of Poland
1955-57

Country of Origin and Destination	Thousand Metric Tons					
	1955 a/*		1956 a/		1957 b/	
	Export	Import	Export	Import	Export	Import
Europe						
Albania	15.7	182.5	11.0	97.4	15.3	46.9
Belgium	57.8	89.3	91.8	159.7	67.2	183.1
Denmark	577.1	5.2	445.5	4.6	502.5	4.9
England	1,720.8	44.1	1,076.0	36.2	257.6	54.6
Finland	1,572.2	225.7	1,481.6	246.7	1,753.3	375.6
France	478.6	322.1	1,262.6	319.6	1,336.4	62.2
Germany, East	N.A.	N.A.	N.A.	N.A.	2.0	
Germany, West	201.6	147.0	47.6	196.3	59.2	95.7
Iceland	N.A.	N.A.	N.A.	N.A.	44.4	6.6
Italy	121.4	12.3	107.8	10.9	126.7	23.8
Netherlands	44.9	75.2	94.7	83.3	58.0	60.3
Norway	128.3	165.8	189.2	174.8	69.2	165.5
Rumania	N.A.	N.A.	N.A.	N.A.	0.2	194.6
Spain	N.A.	N.A.	N.A.	N.A.	63.8	58.5
Sweden	955.9	517.7	1,024.5	548.8	704.3	675.5
Turkey	243.8	21.3	17.6	27.1	28.2	8.3
USSR	1,445.2	210.1	1,478.0	261.0	104.0	458.6
Yugoslavia	N.A.	N.A.	N.A.	N.A.	26.9	
Others	73.7	299.3	57.2	380.6	26.3	8.9
Total	7,637.0	2,317.6	7,385.1	2,547.0	5,245.5	2,483.6

* Footnotes for Table 5 follow on p. 40.

Table 5
Seaborne Trade of Poland
1955-57
(Continued)

Country of Origin and Destination	Thousand Metric Tons					
	1955 a/		1956 a/		1957 b/	
	Export	Import	Export	Import	Export	Import
Africa						
Egypt	24.5	16.8	84.0	12.2	63.5	11.3
North Africa c/	N.A.	N.A.	N.A.	N.A.	7.3	524.9
Others	27.2	344.6	10.0	343.0	10.2	11.9
Total	<u>51.7</u>	<u>361.4</u>	<u>94.0</u>	<u>355.2</u>	<u>81.0</u>	<u>548.1</u>
Asia						
Burma	0.6	13.9	9.4	23.8	1.7	
Communist China	108.4	370.1	146.4	313.8	110.5	324.7
Korea	N.A.	N.A.	N.A.	N.A.	1.0	12.1
India	8.2	58.6	86.9	119.3	48.2	272.0
Israel	N.A.	N.A.	N.A.	N.A.	14.7	5.6
Malaya	N.A.	N.A.	N.A.	N.A.	3.9	29.0
Pakistan	N.A.	N.A.	N.A.	N.A.	32.2	21.5
Persian Gulf d/	N.A.	N.A.	N.A.	N.A.	76.7	
Syria	N.A.	N.A.	N.A.	N.A.	2.3	2.9
Vietnam	N.A.	N.A.	N.A.	N.A.	4.2	28.0
Others	145.4	41.9	94.6	65.5	23.0	5.0
Total	<u>262.6</u>	<u>484.5</u>	<u>337.3</u>	<u>522.4</u>	<u>318.4</u>	<u>700.8</u>

S-E-C-R-E-T

Table 5
Seaborne Trade of Poland
1955-57
(Continued)

Country of Origin and Destination	Thousand Metric Tons					
	1955 <u>a/</u>		1956 <u>a/</u>		1957 <u>b/</u>	
	Export	Import	Export	Import	Export	Import
North America						
Canada	N.A.	N.A.	N.A.	N.A.	3.8	289.0
US	N.A.	N.A.	N.A.	N.A.	62.7	570.2
Total	<u>63.0</u>	<u>84.7</u>	<u>193.0</u>	<u>414.1</u>	<u>66.5</u>	<u>859.2</u>
Central and South America						
Argentina	1,091.5	353.4	11.8	41.2	102.6	36.0
Brazil	66.4	128.2	61.5	59.6	94.5	159.1
Others	8.4	38.9	48.4	8.7	12.1	3.2
Total	<u>1,166.3</u>	<u>520.5</u>	<u>121.7</u>	<u>109.5</u>	<u>209.2</u>	<u>198.3</u>
Australia <u>e/</u>	0.4	2.3	0.9	53.8	0.6	0.9
Others					1.5	0.2
Grand total	<u>9,181.0</u>	<u>3,771.0</u>	<u>8,132.0</u>	<u>4,002.0</u>	<u>5,922.7</u>	<u>4,791.1</u>

S-E-C-R-E-T

S-E-C-R-E-T

Table 5
Seaborne Trade of Poland
1955-57
(Continued)

- a. 91/. [redacted] Figures do not include transit cargo or bunkers. It is believed that they also do not include ocean transshipment cargo.
- b. 92/
- c. Not including Egypt. Figures include phosphates imported from Morocco which amounted to about 230,000 tons in 1956. 93/
- d. Including Kuwait.
- e. The import figures for 1955 and 1957 are suspect; some shipments may be included under England. Imports shown in the Polish Statistical Yearbook include 10,900 tons of wool imported from Australia in 1955 and 14,300 tons imported in 1956. 94/ Australian figures show the following exported to Poland 95/:

50X1

Year	Metric Tons				
	Wool	Wheat	Rutile	Copper	Total
1955	8,778		958		9,736
1956	10,661	23,000	116,573	50,816	201,050
1957	15,405		920		16,325

S-E-C-R-E-T

S-E-C-R-E-T

Table 6

Polish Imports of Commodities
for Which Asia Is the Major Source a/
1956

Commodity	Total Imports (Metric Tons)	Imports from the Middle East and Far East	
		Amount (Metric Tons)	Percent of Total Import <u>b/</u>
Rubber, natural and synthetic	33,802	28,790 <u>c/</u>	85
Oleaginous seeds <u>d/</u>	25,255	20,772	82
Jute	20,000 <u>e/</u>	19,772	98 <u>e/</u>
Rice	32,338	29,331	91
Tea	2,021	1,883	93
Tin	1,500 <u>f/</u>	1,093 <u>g/</u>	73 <u>g/</u>
Tungsten	1,954 <u>f/</u>	1,954	100
Mica	163	151	93

a. 96/

b. The percent of total import will also be the percent of total consumption for all commodities except oleaginous seeds, as no other commodities here listed are produced domestically. In the case of oleaginous seeds it is estimated that about 60,000 tons (in terms of oil content) are being consumed per year, with about 35,000 tons produced domestically. Therefore, although the quantity imported from Asia is 82 percent of total imports, it is only about 35 percent of total consumption.

c. Including 1,623 tons listed as imported from the Netherlands and 8,818 from the USSR. It is believed, however, that these shipments were originally from Southeast Asia and may even have been direct imports to Poland and that the Netherlands and the USSR were the countries of payment only as the result of a triangular purchase and resale transaction.

d. In terms of oil content.

e. Data on the total import of jute are not available, and the rounded figure for total import has been estimated on the basis of a report that Pakistan is almost the sole source of supply. 97/

f. Estimated.

g. Including 132 tons from the Netherlands which are believed to have been handled in the same manner as the rubber discussed in footnote c, above. The remaining 27 percent of the Polish import of tin comes from the USSR, but it is possible that the USSR could not export tin if imports to the USSR from Communist China were not available.

S-E-C-R-E-T

S-E-C-R-E-T

Table 7

Major Commodities in Polish Trade with Communist China and Korea a/
1956-57

		Metric Tons				
		Import		Export		
Commodity	1956	1957	Commodity	1956	1957	
China						
Petroleum products	5,807	b/	Petroleum products	13,808	11,213	
Pig iron	18,920	7,000	Rolled metal products	104,001	107,917	
Iron ore	189,800	193,900	Sugar	15,966	b/	
Magnesite clinker	10,647	13,105	Zinc	1,289	b/	
Fluorite	4,786	3,613	Zinc sheets	77	25	
Tungsten ore	1,954	855	Sugar beet seeds	1,385	b/	
Molybdenum ore	292	160	Automobiles	1,000 c/	10 c/	
Aluminum	500	500	Tractors and trucks	3,000 c/	800 c/	
Antimony	670	1,030	Agricultural machines	3,500 c/	b/	
Tin	351	501	Textiles	860 c/	8 c/	
Industrial talc	b/	1,840	Iron alloys	b/	481	
Barite	b/	3,038	Potato flour	b/	401	
Sulfur	b/	4,005	Steel wire	b/	12	
Rubber		4,340				
Asbestos fiber	2,128	2,758	Total d/	144,886	120,867	
Hemp and jute	1,301	1,600				
Other fiber		2,851				
Tanning leather	845	312				
Bristles	136	71				
Peanuts	30,846	33,008				
Soybeans	27,820	40,155				
Hemp seeds	3,259	1,800				
Flax seeds	3,200	998				
Castor beans	1,000	999				
Sesame seeds	2,600	611				
Sunflower seeds	2,500	b/				
Rapeseed		2,890				
Cottonseed oil	1,042	1,501				
Tung oil	1,699	1,502				
Cotton	1,470	2,226				
Wheat	32,067 e/	b/				
Tobacco	3,050	1,180				
Tea	1,810	2,590				
Rice	6,046	4,019				
Oranges	722	b/				
Miscellaneous	457	1,296				
Total f/	357,725	336,254				
Korea						
Zinc concentrate	10,412	23,899	Rolled metal products	4,395	1,101	
Magnesite clinker	b/	2,005	Textiles	250 c/	b/	
Copper blister	b/	52	Zinc	b/	30	
			Zinc sheets	205	66	
Total	10,412	25,956	Total g/	4,850	1,197	

a. 28/

b. Not reported.

c. Estimated tons based on number of units or measurement meters.

d. Total does not include certain commodities such as automotive spare parts, factory equipment, and chemicals, which are reported in value and pieces.

e. It is believed this item is a clearing account item sold to Communist China by another country, possibly Canada, for the wheat; resold to Poland; and shipped directly to Poland from the producing country. There are no records of wheat moving out of China recently.

f. Total does not include textiles, chemicals, ram and hog intestines, and machinery which are reported in value or measurement terms but probably are of low volume.

g. Total does not include 9,499,000 rubles' worth of railroad, mining, construction, and telephone equipment and 36,470,000 rubles of material for construction of a steel plant in 1956 and 4,137,000 rubles of machinery and equipment in 1957.

S-E-C-R-E-T

Table 8

Major Commodities in Polish Trade with Southeast Asia a/
 1956-57

		Metric Tons			
Import		Export			
Commodity	1956	1957	Commodity	1956	1957
Vietnam					
Corn	9,130	N.A.	Automobiles and		
Other edibles	83	N.A.	tractors	50 <u>b/</u>	N.A.
			Rolled metal		
			products	2,930	N.A.
			Textiles	600	N.A.
Burma					
Rice	23,285	<u>c/</u>	Rolled metal		
Rubber	<u>c/</u>	305	products	490	<u>c/</u>
			Nails	1,535	810
			Newsprint	241	125
			Textiles	900 <u>b/</u>	93 <u>b/</u>
Indonesia					
Sisal	201		Textiles	1,700 <u>b/</u>	759 <u>b/</u>
Tea	73		Nails	79	354
Rubber	933 <u>d/</u>	<u>d/</u>	Newsprint	606	<u>c/</u>
			Rolled metal		
			products	<u>c/</u>	635
Malaya <u>e/</u>					
Rubber	17,416	22,200	Glass	1,600	972 <u>b/</u>
Copra	1,900	406	Textiles	219	488 <u>b/</u>
Tin	610		Nails	<u>c/</u>	1,226
Coconut oil		941			

a. 99/

b. Estimated tons based on number of units and measurement meters.

c. Not reported.

d. Indonesia reports 16,936 tons of rubber exported to Poland in 1956 and 1,504 tons in 1957. 100/



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S-E-C-R-E-T

S-E-C-R-E-T

Table 9

Major Commodities in Polish Trade with South Asia a/*
 1956-57

Metric Tons

Import			Export		
Commodity	1956	1957	Commodity	1956	1957
<u>India</u>					
Iron ore	116,900	194,900	Pig iron	6,670	b/
Mica	151	77	Rolled metal		
Palmyra fiber	567	168	products	43,973	33,836
Pepper	169	526	Zinc and zinc		
Cocoa fiber	b/	263	plate	996	189
Tea	b/	129	Cement	17,237	b/
			Railroad cars	28,750 c/	3,750 d/
			Fiber articles	1,038	b/
			Newsprint	592	254
			Nails	b/	190
			Glass	b/	249
<u>Pakistan</u>					
Jute	19,527	15,885	Pig iron	2,540	
			Rolled metal		
			products	303	824
			Glass	b/	612
			Sugar	b/	5,588
			Cement	b/	2,967
			Newsprint	b/	55
<u>Ceylon e/</u>					
Rubber	39	606	Cement	560	
Coir fiber and			Cotton fabrics	33	19
bristles	13	b/	Glass	415	b/
Coconut oil		1,034	Steel bars and		
Tea		108	rods	82	b/
			Paper and paper-		
			board		19

* Footnotes for Table 9 follow on p. 45.

S-E-C-R-E-T

S-E-C-R-E-T

Table 9

Major Commodities in Polish Trade with South Asia a/
 1956-57
 (Continued)

- a. 102/
- b. Not reported.
- c. Based on a report that 2,300 cars were exported. It is estimated that the cars weighed 12.5 tons each.
- d. Based on a report that 300 cars were exported. It is estimated that the cars weighed 12.5 tons each.
- e. 103/

V. Importance of the Polish Fleet as a Carrier of Sino-Soviet Bloc Trade.

A. Transit Cargo Through Polish Ports.

A relatively high proportion of the cargo handled in Polish ports is transit cargo to and from inland countries of the Sino-Soviet Bloc. In recent years the proportion has been as follows 104/:

<u>Year</u>	<u>Amount (Thousand Metric Tons)</u>			<u>Percent of Port Traffic</u>
	<u>Import</u>	<u>Export</u>	<u>Total</u>	
1955	1,993	878	2,871	16.8
1956	1,715	755	2,470	15.9
1957 <u>105/</u>	N.A.	N.A.	2,522	17.7

Plans for transit traffic and total port traffic for 1958 and 1960 are as follows:

<u>Year</u>	<u>Amount (Thousand Metric Tons)</u>		<u>Percent of Port Traffic</u>
	<u>Transit Cargo</u>	<u>Port Traffic</u>	
1958	2,925 <u>106/</u>	15,635 <u>107/</u>	18.7
1960	4,000 <u>108/</u>	17,000 <u>109/</u>	23.5

S-E-C-R-E-T

S-E-C-R-E-T

The rising proportion of transit cargo in 1957 and that planned for 1958 and 1960 is a result on the one hand of a lower volume of sea shipments of Polish exports (mainly coal) and on the other hand of active solicitation of Czechoslovak and East German transit cargo. The levels of transit cargo through Polish ports by inland country of origin and destination are as follows 110/*:

<u>Year</u>	<u>Amount</u> <u>(Thousand Metric Tons)</u>		
	<u>Czechoslovakia</u>	<u>Hungary</u>	<u>East Germany</u>
1954	1,399	557	519
1955	1,581	398	450
1956	1,580	179	360
1957 (estimated)	1,400 <u>111</u> /	150 <u>112</u> /	630 <u>113</u> /

No breakdown of Soviet transit cargo is available beyond the statement that transit of Soviet cargo in 1956 was much higher than that in 1955. 114/ The decrease in Czechoslovak transit cargo will be arrested if the 1957 agreement between Poland and Czechoslovakia is implemented. According to that agreement, the volume of Czechoslovak transit cargo in 1958 will be about 1.8 million tons and in 1960 about 2.0 million tons. 115/ One concession made by Poland to obtain this agreement was that the transport of Czechoslovak goods in Polish vessels would increase in 1958 by more than 100 percent in comparison with 1956. 116/

In 1957, on one outbound leg only of the South America run (Gdynia-Santos), 18.8 percent of the cargo carried in 14 voyages of Polish vessels was transit cargo through Polish ports from Czechoslovakia and Hungary. If one call at Wismar (East Germany) for Wismar-Santos cargo is included, the amount of non-Polish Satellite cargo carried outbound becomes 31 percent of the total. A Polish broadcast of 29 January 1958 stated that up to 60 percent of the cargo carried by the South America line would be Polish foreign trade, which would leave 40 percent for cargo of other countries. It is judged that in 1957 not more than 10 to 15 percent of the cargo carried by the South America line was Western interport cargo, leaving 25 to 30 percent as other Satellite cargo. On the Far East line the same source claimed that only about 50 percent of the eastbound cargo was Polish goods, that about 20 to 25 percent was transit cargo through Polish ports, and that the

* [redacted]

[redacted] For discussion of this problem, see Methodology, Appendix B.

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S-E-C-R-E-T

rest was loaded in foreign ports (some of which probably would be other Satellite cargo). 117/ Westbound trade was not delineated but may have followed much the same pattern. In 1955 an article in a Polish journal made a statement that can be interpreted in two ways -- either that Polish vessels were carrying 30 percent of the transit cargo through Polish ports or that 30 percent of the goods carried by Polish vessels in and out of Polish ports was transit cargo. 118/ In view of the much clearer statement concerning the Far East line, however, it is believed that the latter interpretation is the correct one. These percentages apparently apply to CZ-PMH vessels only, not to the approximately 16 vessels on the Far East line controlled by Chipolbrok in 1956. It is also believed, however, that these announced percentages apply mainly to the Far East, Mediterranean, and South America routes and that a much smaller percentage of transit cargo is carried on the Baltic and UK routes and that on some routes probably no transit cargo is carried. Consequently, it is believed that not more than about one-half of the cargo carried by CZ-PMH vessels is open to the above statements concerning the amount of transit cargo carried.

By and large, therefore, it would appear that about 10 to 15 percent of the total cargo carried by CZ-PMH vessels in and out of Polish ports is other Bloc cargo transiting Polish ports. Table 10* shows an estimated amount of Polish seaborne foreign trade carried by CZ-PMH vessels, which amounted to 17 percent of the total in 1955, 16 percent in 1956, and 21 percent in 1957, compared with the 11 percent in 1955 and 1956 and the 13 percent in 1957 of the transit trade.

There are not enough data available to estimate either the amount of Soviet cargo passing through Polish ports or the amount being serviced by Polish vessels. Some idea can be obtained, however, of the service by the Polish fleet to the foreign trade of three other Satellites from what is known of Satellite shipments in 1956 through European ports. Table 11** shows estimates of the total seaborne trade in 1956 of Czechoslovakia, Hungary, and East Germany and the shares carried by Polish-flag vessels, which amounted to about 10 percent of Czechoslovak seaborne trade, 8 percent of Hungarian, and 2 percent of East German.***

* Table 10 follows on p. 48.

** Table 11 follows on p. 49.

*** Text continued on p. 50.

S-E-C-R-E-T

S-E-C-R-E-T

Table 10

Share of Polish Foreign Trade and Share of Satellite Transit Cargo
 Through Polish Ports Carried by Polish-Controlled (CZ-PMH) a/ Vessels b/
 1955-57

	<u>1955</u>	<u>1956</u>	<u>1957</u> <u>c/</u>
	<u>Thousand Metric Tons</u>		
Total traffic in Polish ports	<u>17,066</u>	<u>15,525</u>	<u>14,215</u>
Cargo moving in and out of Polish ports	<u>15,823</u>	<u>14,604</u>	<u>13,236</u>
Polish seaborne foreign trade <u>d/</u>	12,952	12,134	10,714
Transit cargo through Polish ports	2,871	2,470	2,522
Bunkers and domestic coastal traffic <u>e/</u>	<u>1,243</u>	<u>921</u>	<u>979</u>
Cargo carried by CZ-PMH vessels between Polish and foreign ports <u>f/</u>	<u>2,452</u>	<u>2,217</u>	<u>2,625</u>
Estimated transit cargo <u>g/</u>	307	277	328
Estimated Polish trade cargo <u>h/</u>	2,145	1,940	2,297
	<u>Percent</u>		
Estimated share of Polish foreign trade carried by CZ-PMH vessels	17	16	21
Estimated share of transit cargo carried by CZ-PMH vessels	11	11	13

a. Central Administration of the Polish Merchant Marine -- CZ-PMH.

[Redacted]

50X1

d. Not including bunkers or transit cargo.

[Redacted]

50X1

e. Figures are derived by subtraction and are believed to include bunkers and domestic cargo only, with ocean transshipment cargo included in transit cargo. (See Methodology, Appendix B.)

50X1

f. Figures are from Table 22, p. 113, below. Not including cargo carried by the 7 or 8 Polish-owned vessels controlled by Chipolbrok, which probably is about 200,000 tons per year in and out of Polish ports.

g. Estimated at 12.5 percent of total.

h. This is a residual figure derived by subtracting estimated Bloc cargo from total cargo carried.

S-E-C-R-E-T

S-E-C-R-E-T

Table 11

Total Seaborne Foreign Trade of Selected Satellites
and the Share Carried by Polish-Controlled (CZ-PMH) a/ Vessels b/
1956

Thousand Metric Tons			
Transit Ports	Czechoslovakia	Hungary	East Germany
Hamburg	1,478	88	1,887
Rijeka	347	218	
Trieste	44	54	N.A. <u>c/</u>
Polish ports	1,580	179	360
East German ports	N.A. <u>c/</u>	N.A. <u>c/</u>	2,651
Other ports	500	10	N.A. <u>c/</u>
Total	<u>3,949</u>	<u>549</u>	<u>4,898</u>
Cargo carried by Polish-flag vessels			
CZ-PMH <u>d/</u>	174	20	40
Chipolbrok <u>e/</u>	205	22	47
Total	<u>379</u>	<u>42</u>	<u>87</u>
Percent of total	10	8	2

a. Central Administration of the Polish Merchant Marine -- CZ-PMH.

b. 122/

c. Probably negligible.

d. Estimated at about 11 percent of total through Polish ports, based on Table 10.

e. Estimate based on total of 274,000 tons shown in Methodology, Appendix B, and a country division estimated at 75 percent Czechoslovak, 8 percent Hungarian, and 17 percent East German cargo.

S-E-C-R-E-T

In view of the latest transit agreement with Czechoslovakia, which stipulated that in 1958 Polish vessels would carry double the amount of Czechoslovak cargo carried in 1956, the percentage of total Czechoslovak seaborne trade carried by Polish-flag vessels could go up to 20 percent.*

The foregoing arguments were planned to disclose the extent to which Polish vessels were being utilized to carry other Bloc cargo through Polish ports rather than to carry Poland's own foreign trade. It should be remembered, however, that such activity is not necessarily a disadvantage to Poland. For example, the transit agreement with Czechoslovakia was vigorously sought by Poland, inasmuch as revenue for handling this Czechoslovak cargo through Poland is earned by the Polish railroad, the Polish waterways, and the Polish ports as well as by the Polish merchant marine. The same applies, of course, to transit cargo of other countries. Furthermore, the carrying of Czechoslovak outbound cargo could allow a comparative profit for the merchant marine, to the extent that Polish vessels carry Czechoslovak general cargo (high-freight-rate cargo) rather than Polish bulk cargo (low-freight-rate cargo). Only about 15 percent of Polish seaborne exports are under the control of Polish shippers. 124/ These exports are c.i.f. shipments** for which Poland pays the freight bill. To the extent that the non-Polish cargo which is carried outbound takes vessel space which would otherwise have been filled by f.o.b. exports for which the freight bill is not paid directly by Poland, carriage of non-Polish cargo does not represent a sacrifice by Poland of direct foreign exchange.

Carriage of inbound cargo does involve paying out foreign currency, inasmuch as Poland pays the sea freight on about 85 percent of its imports (85 percent purchased f.o.b.), but the over-all economic advantages of encouraging other Satellites to use Polish land and port transit facilities undoubtedly outweigh the loss of inbound vessel space. For the year 1958 alone, revenue to Poland from cargo transiting Poland through Polish ports was expected to bring \$90 million. 125/ This revenue may be compared with total direct foreign exchange of only \$29.5 million paid out in 1955 for carriage of seaborne cargoes by foreign vessels. 126/

* This estimate is predicated on the assumption that total Czechoslovak seaborne trade was at about the same level in 1958 as in 1956. That this trade was not higher than it was in 1956 is indicated by the fact that trade through Hamburg, Rijeka, and Poland apparently dropped in 1957. 123/

** See the third footnote on p. 26, above.

S-E-C-R-E-T

B. Far East Route.

The Far East route of the Polish merchant marine has been in the past frankly acknowledged [redacted] to be a politically inspired service to the rest of the Soviet Bloc rather than primarily a service in carriage of Polish foreign trade. 127/ During the last year, however, both because of the relaxation of trade restrictions between Western Europe and Communist China and because of the change in emphasis by Poland from political to economic use of the fleet, the expansion of the Far East line has been based primarily on its potentials as a profitable shipping route. 128/ Nevertheless, it is also true that a large proportion of the cargo carried on this route is still non-Polish Sino-Soviet cargo and is therefore still a service to the rest of the Bloc, regardless of whether it is also economically advantageous to Poland to carry this cargo.

50X1

1. Service to Communist China.

Of the estimated 1 million tons carried on the Far East route by Polish-flag vessels in 1956,* the carriage of 95,000 tons between the Black Sea and Communist China and of 107,000 tons between China and intermediate ports on the route, in all 20 percent of the total, was clearly a service to China. (It should be remembered, of course, that about 35 percent of the deadweight tonnage on the route in 1956 probably was owned by China.) Carriage of that cargo imported by China from the European Satellites, to the extent that it is f.o.b. cargo and therefore controlled by China and that the freight bill is paid by China, is also more of a service to China than to the shipper Satellite. In the case of Poland in 1957, all Polish exports by sea to China were f.o.b. and controlled by China, 129/ and this probably also applies to most if not all of the exports to China from other Satellites. Total cargo carried by Polish ships out of Polish ports to China in 1956 is estimated at 286,000 tons and probably was all cargo from the Soviet Bloc. This amount would add another 29 percent of the total tons carried on the route, making a total of about 488,000 tons and 49 percent of the total cargo carried on the Far East line which was primarily a service to China by the Polish-flag vessels.

A previously published report on Chinese Communist trade 130/ estimates the seaborne trade of the European Satellites with China at 505,000 tons exported to China in 1956 and 1,310,000 tons imported from China. As shown in Table 3,** it is estimated that Polish-flag vessels carried at least 357,000 tons eastbound to China, or about

* See Table 3, p. 31, above.

** P. 31, above.

S-E-C-R-E-T

S-E-C-R-E-T

71 percent of the Satellite seaborne exports to China. If the 21,000 tons carried out of other European ports to China were also Satellite cargo rather than Western European cargo, the proportion would rise to 75 percent. This is cargo which probably is Chinese controlled and for which the freight bill is paid by China.

2. Service to Other Satellites.

Of westbound cargo carried from Communist China to the Satellites, however, most of which is controlled and paid for by the Satellite consignee, only about 300,000 tons, or 23 percent of the total tonnage of 1,310,000, is estimated to have been carried by Polish-flag vessels. Even if cargo carried to other European ports is added, only 24 percent was carried by Polish-flag vessels. (See Table 3.*) It has been previously estimated** that 190,000 tons at most and probably only 155,000 tons were Polish import cargo from China, leaving at least 110,000 and possibly 145,000 tons carried by Polish vessels from China to other Satellites.

Inasmuch as non-Polish cargo carried out of Polish ports by Polish vessels is preponderantly Czechoslovak cargo, the agreement that the Poles would carry 100 percent more Czechoslovak cargo in 1958*** may have raised considerably the amount of non-Polish cargo carried in 1958 in and out of Polish ports. The share of non-Polish cargo out of the total tons carried on the Far East line may not rise proportionately, however, in view of the increase in vessel tonnage on the route and the consequent increased cargo-carrying capacity.

The new Polish line operating between the Black Sea and Mediterranean ports will not touch any Polish port and will be entirely a service to other Satellites and to China. Although some of the cargo is expected to be cargo moving between the Black Sea and the Far East with transshipment at Alexandria, the first vessel on the run apparently carried Czechoslovak cargo only to Syria. As this route develops, the service may be about half to the European Satellites only, with cargo moving between the Black Sea and the Near East only, and about half to both the Satellites and China, with feeder cargo for the Far East line. When 3 ships of 3,200 DWT are on the line as planned, about 150,000 tons may be carried per year in this trade, none of which will be Polish cargo.

* P. 31, above.

** See p. 33, above.

*** See V, A, p. 45, above.

S-E-C-R-E-T

3. Service to the USSR.

To date, there has been little evidence of Polish vessels carrying Soviet cargo (just as there has been little evidence of Soviet vessels carrying Polish cargo) other than the seaborne trade between the USSR and Poland. In January 1958, however, talks were held in Moscow between representatives of PLO, Polfracht,* and Sovfracht.* As a result, Sovfracht signed an agreement with PLO for carriage by PLO of Soviet trade with Indonesia, Japan, India, Pakistan, Burma, and Ceylon. 131/ Indonesian cargo is limited to inbound rubber for the USSR. In the past the press item states, PLO vessels have transported some rubber imported by the USSR, but shipments were small and sporadic. The amounts provided for in this latest agreement are not specified beyond the statement that they will be considerable, the larger shipments to be offloaded in Riga and Leningrad and the smaller shipments -- up to 750 tons -- in Gdynia. In 1956, Indonesia reported no exports of rubber to the USSR, but 1957 exports were 11,233 tons, 77 percent of which was exported in the second half of 1957. 132/ In view of recent trade negotiations between Indonesia and the USSR, shipments in 1958 may have increased considerably.

For that Soviet trade with India, Pakistan, Burma, and Ceylon to and from Baltic ports, PLO vessels will be given complete preference, the larger amounts here also being loaded and discharged at Soviet Baltic ports. In the Soviet-Japanese trade the agreement specified carriage by PLO of small amounts of bulk shipments. Minimum Soviet trade** with these areas in 1956 and the first half of 1957 was as follows:

Country of Origin or Destination	Metric Tons			
	1956***		January-June 1957****	
	Export	Import	Export	Import
Burma	42,000	126,000	N.A.	N.A.
Ceylon	N.A.	N.A.	Negligible	102
India	353,000	12,000	N.A.	N.A.
Japan (bulk)	214,000	0	131,000	0
Pakistan	800	1,000	Negligible	11,000
Total	<u>609,800</u>	<u>139,000</u>	N.A.	N.A.

* Polish and Soviet cargo and ship-chartering agencies, respectively.

** Not included are some commodities reported in value terms only.

*** 133/

**** 134/

S-E-C-R-E-T

S-E-C-R-E-T

Of the minimum 610,000 tons exported by the USSR in 1956, 214,000 tons went to Japan from the Soviet Far East. Of the remaining 396,000 tons exported, at least 308,000 tons* probably would have normally moved out of the Black Sea regardless of whether there were a shipping service available from the Baltic, leaving at most only about 90,000 tons which might have been available from the Baltic area. The 139,000 tons of inbound cargo might go to either area. Soviet vessels serve the South and Southeast Asian countries but almost entirely from the Black Sea. The Soviet agreement with PLO probably will involve, therefore, only the goods which may more advantageously enter by or leave from Baltic ports, plus any of the increase in trade movement with the Asian countries, thereby supplementing Soviet shipping rather than replacing it: On the assumption that 1958 will see at least a 25-percent increase in Soviet - South Asian traffic above 1956 and that no more than half of the import cargo will be for Baltic ports, it is estimated that about 200,000 tons at most may be available to Polish vessels of Soviet cargo moving in and out of the Baltic, plus the Indonesian rubber and small amounts of the bulk movement to Japan.

Again it should be remembered that although carriage of Soviet cargoes by Polish vessels on the Far East line undoubtedly would represent a service to the USSR, it is also an advantage to PLO. The last half of 1957 and 1958 has been a period of too little world cargo moving for the vessel tonnage available. The agreement with Sovfracht assured PLO of cargoes in a highly competitive period and was considered by PLO a major achievement in solicitation. If the agreement extends into a time when world cargoes are again providing fairly full shiploads, it may be a disadvantage to Poland if the Soviet trade carried on Polish vessels supplants Western cargo that might otherwise have been carried. Although the agreement, as reported by the Polish press, stated that PLO vessels would be given "complete preference," indicating that PLO vessels could pick up the cargo only as needed, the agreement might also include an assurance by PLO that its vessels will pick up Soviet cargo if the USSR so wishes. For the present, however, the emphasis definitely would be on the advantage to PLO in the cargo preference factor.

4. 1958 and 1965 Cargo Movements.

With the 31 Polish-flag vessels totaling about 310,000 DWT on the Far East route by the end of 1958 (assuming that 3 vessels are still in the US-Poland service),** the line should be capable of handling about 1,250,000 tons in 1958. If the proportions on the

* Including 243,000 tons of iron and steel goods, 25,000 tons of pig iron, and 40,200 tons of grain to India.

** See II, A, 1, p. 18, above.

S-E-C-R-E-T

route segments are about the same as the indicated 1956 proportions,* almost 690,000 tons will be carried eastbound on the route and about 560,000 westbound. About 480,000 tons of the eastbound cargo may be Satellite cargo to Communist China, or about 97 percent of the 1956 level of Satellite exports to China. About 390,000 tons may be Chinese cargo to the European Satellites, or about 30 percent of the 1956 level of Chinese exports to the European Satellites.

At least 40 vessels totaling about 400,000 DWT will be on the Far East run in 1965 and probably about 50 vessels totaling about 500,000 DWT.** At the same conservative estimate of 40,000 cargo tons per vessel as used previously, the line will be capable of handling at least 1.6 million tons and probably 2.0 million tons in 1965.

C. South America Route.

In 1957 the total tons carried by Polish vessels on the South America route amounted to 258,200 tons. 135/ As previously discussed,*** it is judged that from 25 to 30 percent of this cargo, or 65,000 to 77,000 tons, probably was cargo for other Satellites and the USSR. The 1958 cargo carried probably will be at about the same level.

By 1965 the fleet on the South America route may total about 30 vessels and 220,000 DWT, against the present fleet of 9 vessels, totaling 53,800 DWT. The amount of cargo which the fleet will be capable of carrying in 1965 may be at least 1 million tons.**** Of this amount it is possible that about 250,000 to 300,000 tons may be cargo for the Soviet Bloc, particularly Czechoslovakia.

VI. Plans for Expansion of the Fleet.

A. Plans for Tonnage.

In discussing plans for the size of the fleet, Polish sources are using the concept of a state-owned fleet, as shown in Table 14,† rather than all vessels under the Polish flag. The latter is estimated

* Table 3, p. 31, above.

** See III, A, 1, p. 18, above.

*** See V, A, p. 45, above.

**** Calculated as follows: the 9 vessels in 1957 averaged 28,689 tons per vessel/year. The 1965 fleet will be 23 percent above 1957 in average deadweight tonnage per vessel. Therefore (not allowing for possible increased average speed), the carryings per vessel in 1965 may be 35,300 (28,689 x 1.23) cargo tons. Thirty vessels may carry 1,059,000 tons.

† Appendix A, p. 77, below.

S-E-C-R-E-T

S-E-C-R-E-T

to have included 14 vessels and about 130,000 DWT by June 1958 which, although flying the Polish flag, may be owned by Communist China. (See II, C; above.) Any stated goals of vessel tonnage for the Polish merchant fleet, therefore, must be assumed to be lower than the total planned to be flying the Polish flag. At the same time that plans call for increases in the state-owned merchant fleet, it probably can be assumed that the group under the Polish flag but not owned by Poland will also increase in the immediate future.

1. 1960.

The Six Year Plan (1950-55) for expansion of the fleet was grossly underfulfilled. Poland was to have attained a fleet of 81 vessels and 623,000 DWT by the end of 1955. The state-owned fleet actually reached only 76 vessels of 331,000 DWT by 31 December 1955, only 53 percent of the plan in terms of deadweight tons. 136/ The original Five Year Plan (1956-60) apparently called for an increase by 1960 of only 190,000 DWT, of which about 150,000 DWT* would be Polish built. 137/ The original 1960 plan, therefore, would have provided a fleet of only about 520,000 DWT if no vessels had been scrapped (an impossibility considering the condition of the fleet), lower even than the original plan for 1955.

After much hue and cry in the maritime press and by candidates for the Sejm and after instances of dissatisfaction over the export of Polish-built vessels to the USSR and Communist China, the plan for the fleet was revised in 1957. The total deadweight tonnage of the fleet was planned to reach a minimum of 650,000 DWT for a fleet capable of carrying 25 percent of the cargo turnover in Polish ports. 138/ The proposed means of reaching this goal have fluctuated between domestic and foreign purchase and are still doing so. Each new plan calls for the domestic shipbuilding industry to reserve a little more for retention and less for export. In February and March 1957 the decision was made to reserve only 560,000 DWT for export instead of 620,000 DWT. Of that 560,000 DWT, about 452,000 DWT were to be for the USSR, 90,000 DWT for China, and 18,000 DWT for others. 139/ The 1956-60 plan, which seemed to be fairly well established between June and December 1957, called for about 240,000 DWT to be added to the Polish fleet by domestic production, 130,000 to 140,000 DWT to be purchased abroad, and 59,000 DWT to be scrapped.** 141/

* The total deadweight tonnage to be retained by Poland was 177,000 DWT, which included fishing trawlers. The 150,000 DWT is estimated to be the tonnage of freight vessels only.

** Already scrapped or sold in the 1956-60 plan period are the Wspol-praca, the Karpaty, the Wigry, the Kolobrzeg, and the Boleslaw Prus, totaling 33,560 DWT. Announced to be footnote continued on p. 57/

S-E-C-R-E-T

S-E-C-R-E-T

The vessels planned to be provided from domestic yards during 1956-60 were about as follows 142/:

Vessels		Deadweight Tons	Total
Type	Number	Each	Deadweight Tons
Freighters	12 or 13	10,000	120,000 to 130,000
Freighters	6	6,000	36,000
Freighters	4	4,000	16,000
Colliers	9	3,200	28,800
Tanker	1	18,000	18,000
Tankers	2	1,500	3,000
Freighters	4	1,100	4,400
Freighters	4	1,650	6,600
Freighters	4	660	2,640
Total			<u>235,440 to 245,440</u>

Polish-built tonnage added to the Polish-owned portion of the fleet in 1956 and 1957,* not including salvaged vessels, totaled 62,500 DWT, leaving about 180,000 DWT to be added from Polish shipyards in 1958 through 1960, a minimum average of 63,000 DWT per year. In the first 6 months of 1958, 39,600 DWT were added, not including the Fryderyk Chopin, which may be owned by Communist China.

Orders for vessels placed in foreign yards for delivery by the end of 1960 include the following 143/:

Vessels		Deadweight Tons	Total
Type	Number	Each	Deadweight Tons
Yugoslavia			
Freighters	4	12,800	51,200
Tankers	2	20,000	40,000
West Germany			
Freighter	1	9,300	9,300
Total			<u>100,500</u>

scrapped in the near future are the Kutno, the Krakow, the Torun, and the Wielun, totaling 12,420 DWT, making a total of 45,980 DWT. 140/ The Stalowa Wola (4,600 DWT), which sank in 1956, may not be considered to be in the scrapped category.

* Detailed in the second and third footnotes on p. 12, above.

S-E-C-R-E-T

There is some doubt as to whether both of the Yugoslav tankers* will be delivered before 1960 and also as to whether there are two more tankers on order in a second Yugoslav yard. The preponderance of evidence is, however, that there are 4 tankers on order, 1 for delivery in 1959, 1 for delivery in 1960, and the other 2 for delivery in 1961 and later. There was 1 more 9,300-DWT dry cargo freighter on order in West Germany for delivery in 1961. There have also been indications that four cargo vessels may have been ordered from Japanese shipyards and that negotiations have taken place for others from the Trieste shipyard in Italy. 144/

A broadcast of 14 January 1958 stated that since the adoption of the Fleet Development Fund in December 1956 only 1 vessel, the Kasprowy (13,725 DWT), had been purchased abroad.** 145/ The foreign shipyard orders listed above plus the Kasprowy brought the foreign purchases arranged by January 1958 to about 114,000 DWT, leaving only 16,000 to 26,000 DWT still to be arranged. The tanker Ornak (13,100 DWT) was purchased in May 1958.

On 16 January 1958, however, a preliminary agreement was signed by the Gdansk shipyards, the Ministry of Shipping, and Centrala Morska -- Central Maritime (Centromor).*** 146/ The agreement provides for the construction of seven vessels for Polish retention in excess of the previous plan. The Fleet Development Fund is to be used to finance these vessels instead of for placing comparable orders abroad, thereby saving foreign exchange. At the present time, foreign exchange is in urgent and immediate demand to settle maturing short-term debts. 147/ The vessels are to be 1 freighter of 10,000 DWT, 1 tanker of 18,000 DWT, and 5 freighters of 8,000 DWT, a total of 68,000 DWT. One 10,000-tonner and one 8,000-tonner are to be delivered in 1960**** and the rest in 1961. 148/ The 8,000-ton freighters are a new type for which designs are presently being drawn. The broadcast stating that the Fund had bought 1 large tanker (the Kasprowy) also stated that the Fund had made advance payments for the building of "small freighters" abroad totaling 50,000 DWT. Although the 4 Yugoslav freighters at 12,800 DWT each would not generally be called small, they total about 50,000 DWT and were the first foreign orders placed; so it is likely that they are the orders referred to.† This would

* See pp. 10-11, above.

** If this is so, the Tatry, the Bedkidy, the Pieniny, and the Zeromski may all have been purchased for Chipolbrok account.

*** An organization under the Ministry of Foreign Trade.

**** These 2 vessels would bring up to about 200,000 DWT the vessel tonnage which must be delivered from Polish shipyards in the years 1958-60.

† The term small freighters appears to be a recurring error in translation. The correct translation undoubtedly is general cargo freighter, a freighter carrying "small" or "piece" goods.

S-E-C-R-E-T

S-E-C-R-E-T

seem to leave the 4 Yugoslav tankers as well as the 2 West German freighters in doubt. Although there is reason to believe that the Yugoslav tankers are still on order, there has been one Polish press report that the order for the West German freighters has been cancelled. 149/ Since that report, however, there have been reports from West Germany concerning the equipment going into the ships which West Germany is building for Poland. 150/ The issue would still seem, therefore, to be in doubt.

In Table 12,* planned additions from domestic build and foreign purchase have been combined and added to the 1957 existing fleet to show the composition of the fleet in 1960 according to present plans.

2. 1965.

The plan for the Polish merchant fleet for 1965 calls for a fleet of 1.2 million DWT. 151/ The 1965 traffic plan of 50 percent of port traffic was based on a level of port traffic of 15 million tons, and the necessary fleet tonnage was calculated at 1,150,000 DWT if the average length of haul were 3,000 miles** and 1,350,000 DWT if the average length of haul were 5,000 miles. 152/ Because it is likely, however, that port traffic will be heavier by 1965, it is believed that not more than 40 percent of port traffic is likely to be carried with a fleet deadweight tonnage of 1.2 million. The average length of haul was 3,205 miles in 1956 and 3,124 miles in 1957, and in view of increased tonnage going into the Far East route, the average length of haul in 1960 may be up to 3,500 or 4,000 miles.

Additions to the fleet for the 10-year period from 31 December 1955 were originally to include about 508,000 DWT from foreign purchase and 520,000 DWT from Polish yards, 153/ which if fulfilled would leave about 159,000 DWT to be retired. Vessels planned to be supplied from foreign purchase during 1956 to 1965 were as follows 154/:

Vessels		Deadweight Tons Each	Total Deadweight Tons
Type	Number		
General cargo	15	7,000	105,000
General cargo	9	10,000	90,000
General cargo	2	11,000	22,000
General and bulk cargo***	24	10,000	240,000
Tanker	2	18,000	36,000
Tanker	1	15,000	15,000
Total	<u>53</u>		<u>508,000</u>

* Table 12 follows on p. 60.

** All mileage is given in nautical miles.

*** The original source labels these "tramp steamers."

S-E-C-R-E-T

S-E-C-R-E-T

Table 12

Composition of the Polish Merchant Fleet, Actual and Planned a/
1957 and 1960

	Composition 31 December 1957			Vessels to Be Added 1958-60				Estimated Vessels to Be Scrapped		Planned Composition 31 December 1960				
	Number	Thousand Deadweight Tons	Percent	Domestic ^{b/}		Foreign ^{c/}		Number	Thousand Deadweight Tons	Number	Thousand Deadweight Tons	Number	Thousand Deadweight Tons	Percent
				Number	Thousand Deadweight Tons	Number	Thousand Deadweight Tons							
Tankers	6	37.0	7	3	21.0	3	53.1	0	0	12	111.1	14		
Dry cargo freighters														
General cargo ^{d/}	72 ^{e/}	409.3 ^{e/}	80	32	160.8	4	51.2	5 ^{f/}	30.0 ^{f/}	103 ^{g/}	591.3 ^{g/}	76		
Bulk cargo	15	46.7	9	6	19.2	0	0	3	9.4	18	56.5	7		
Subtotal	<u>87</u>	<u>456.0</u>	<u>89</u>	<u>38</u>	<u>180.0</u>	<u>4</u>	<u>51.2</u>	<u>8</u>	<u>39.4</u>	<u>121</u>	<u>647.8</u>	<u>83</u>		
Passenger vessels	1	5.6	1	0	0	0	0	0	0	1	5.6	1		
Fishing fleet														
Supply vessels	3	15.7	3	0	0	0	0	0	0	3	15.7	2		
Grand total	<u>97 ^{e/}</u>	<u>514.3 ^{e/}</u>	<u>100</u>	<u>41</u>	<u>201.0</u>	<u>7</u>	<u>104.3</u>	<u>8</u>	<u>39.4</u>	<u>137 ^{g/}</u>	<u>780.2 ^{g/}</u>	<u>100</u>		

a. Compiled from Table 17, Appendix A, p. 97, below, and from data given on pp. 56-58, above.

b. Compiled from the tabulation on p. 57, above, plus the 2 vessels totaling 18,000 DWT covered in the January agreement (see p. 58, above) minus the domestically built vessels added in 1956-57 (see p. 12, above, and Table 17, Appendix A, p. 97, below).

c. Including only the known orders in Yugoslav yards and the *Ornak* purchased in 1958. The doubtful West German order is not included.

d. Including "tramp steamers" and vessels with refrigerator facilities.

e. Including 13 vessels totaling 120,000 DWT which, although flying the Polish flag, are believed to be owned by Communist China.

f. Including the *Torun* and an estimate of 4 other vessels totaling 27,000 DWT.

g. Including 14 vessels totaling 130,000 DWT which, although flying the Polish flag, are believed to be owned by Communist China.

S-E-C-R-E-T

S-E-C-R-E-T

Of these 53 vessels, 458,000 DWT were planned to be built in foreign yards, and 50,000 DWT were to be purchases of used vessels. This plan was announced toward the end of 1956, and although the total 1965 planned tonnage of 1.2 million DWT has remained the same, the means of obtaining the vessels and the types to be obtained have already changed somewhat and undoubtedly will change further. The largest problem seems to be the gathering of foreign exchange to purchase vessels abroad, which will be more fully discussed under the Fleet Development Fund.* Nevertheless, the above outline of vessels planned to be purchased affords some idea of the general structure planned for the Polish fleet by 1965. Later statements have generally agreed on a total of 680,000 to 700,000 DWT to be added in 1961-65 (71 to 74 vessels), but some statements indicate that all will be built in domestic yards and some that about 130,000 DWT will be purchased abroad. 155/ The latter is believed to be more likely.

Under these latest plans for ships to be added from Polish shipyards during 1961 to 1965, the following types of vessels 156/:

50X1

Vessels		Deadweight Tons Each	Total Deadweight Tons
Type	Number		
General cargo	6	10,400	62,400
General cargo	18	9,300	167,400
General and bulk cargo**	15	12,500	187,500
Tanker	8	18,000	144,000
Total	<u>47</u>		<u>561,300</u>

Presumably the rest of the vessels to be added from domestic yards would be smaller types, although the earlier plans had mentioned 35,000-DWT tankers and some refrigerated vessels. 157/

In any event, if 700,000 DWT of new vessels are to be added to the 650,000 DWT planned for 1960, the fleet total of 1.2 million DWT in 1965 would allow about 150,000 DWT to be retired during the period. This conclusion assumes that the 650,000 DWT will be reached in 1960, but this achievement looks doubtful at present.

* See B, 1, p. 62, below.

50X1

S-E-C-R-E-T

S-E-C-R-E-T

3. 1970.

By 1970 it is planned that Poland will have a fleet of 1.5 million DWT, an increase of 300,000 DWT above 1965, and that Polish yards will be able to supply the entire increase. 158/ Assuming 100,000 DWT more to be retired, the demand from the Polish yards between 1965 and 1970 would be 400,000 DWT, which is not unreasonable.

These various plans would allow about 250,000 DWT to be scrapped or retired in the 15-year period from 1955 to 1970, of which 50,580 DWT have already been retired or planned to be scrapped in 1958 (including the sunken Stalowa Wola), an understandable total when 13 years are added to the age distribution of the vessels as shown in the chart.*

B. Financial Provisions.

Under the Polish system whereby profits of the merchant marine went directly into the state treasury, only a small amount being retained for amortization purposes, the shipping enterprises PLO and PZM were not empowered to plan or provide for their own fleet expansion. Any financing of fleet expansion necessarily came in the form of state budget allocations. In the last 5 to 10 years, neither the shipping enterprises nor the state budget accumulated means for purchasing new vessels to any great extent, and the amounts set aside by the enterprises for amortization of existing vessels reportedly were so low as to be insufficient even to finance the 4-year class repairs. 159/

When in 1956 the problem of the declining share of Polish carrying of Polish foreign trade and the rising expenditure of foreign exchange for carriage of Polish goods by foreign vessels forced an admission of the necessity to expand the fleet, two measures were taken to meet the financial needs. One was an enlarged budget allocation for purchase of domestically built vessels, and the other was a special fund called the Fleet Development Fund for the purchase of foreign vessels, both used and newly built vessels.

1. Fleet Development Fund.

When the task of revivifying the fleet was acknowledged and undertaken, a plan was adopted by the Council of Ministers on 22 December 1956 to collect foreign currency for purchase of vessels abroad. 160/ A special fund was created called the Fleet Development Fund, into which was to be put all net foreign currency receipts from the following operations 161/:

* Following p. 12, above.

S-E-C-R-E-T

S-E-C-R-E-T

- a. Receipts from sales of retired vessels, after January 1957.
- b. Net foreign currency revenues from the operation of the first seven vessels of the Marceli Nowotko type (10,000-tonners) delivered from Polish yards. (These are the Marceli Nowotko, the Boleslaw Bierut, the Stefan Okrzeja, the Kapitan Kosko, the Florian Ceynowa, the General Sikorski, and the Fryderyk Chopin.)
- c. Net revenues in foreign currency derived after 1 January 1957 by the Polish ship salvage organization.
- d. Revenues in foreign currency from paid-off insurance on damaged vessels declared total losses, acquired after 1 January 1957.
- e. Foreign currency derived from the profits of Polish shipowners as partners in foreign enterprises and revenues from claims against foreign enterprises. (The partnership enterprises could include the Ceylon Ocean Lines; the Gdynia - America Line agency; possibly the successor to the Polish Shipping Agency, Ltd., in Antwerp; and the Indian-Polish shipping pool agreement.)
- f. Net revenues in foreign currency from the operations of vessels subsequently purchased from the Fleet Development Fund. (This undoubtedly includes the Kasprowy and possibly the Ornak, though not the Pieniny, which apparently is for Chipolbrok account. This sixth provision makes the Fund a self-expanding operation.)

The Fund was also to be empowered to contract foreign currency loans for more prompt purchase of vessels, although there is no evidence of this type of operation to date.

By the end of June 1957 the Director of the Fleet Development Fund reported that \$1,547,000 had accumulated in the Fund. Of this amount, \$165,000 were obtained from the share of Polish shipowners in the partnership profits of foreign companies, \$42,000 (£15,000 sterling) from the Gdynia - America Line branch in London, \$280,000 (£100,000 sterling) from salvage operations at Bombay, and \$1,060,000 from the operations of three merchant vessels.* By the end of 1957 the accumulation in the Fund was expected to be about \$5.6 million (£2 million). 162/ Although this seems like a large amount and the accumulation of revenue will be at a growing rate with more vessels coming under the first and sixth provisions, the prices for vessels, especially prices for newly built vessels, as well as the fact that Poland may have to pay a premium

* Probably the Marceli Nowotko, the Boleslaw Bierut, and the Kapitan Kosko.

S-E-C-R-E-T

for any used vessel, if past experience is any indication, probably will leave the Fund looking a bit weak.

The two 9,300-DWT vessels ordered in West Germany were quoted at about \$3,125,000 each, the first being scheduled for delivery in December 1959. 163/ A British shipbuilding price as of 31 December 1957 for an 11,000-DWT open shelter-decker was about \$3.1 million for order and about \$2.95 million for a ready ship. 164/ Some sale prices for second-hand vessels in December 1957 are as follows 165/:

<u>Deadweight Tons</u>	<u>Year Built</u>	<u>Price (Thousand US \$)</u>
10,000	1943	658
3,000 (refrigerated)	1950	1,540
10,926	1943	1,505
19,000	1957	3,500

Prices for used vessels, of course, fluctuate with demand (as well as with condition, age, and speed), and December 1957 was in a period of declining freight and therefore declining vessel prices. A few earlier sale prices in July 1957 were as follows:

<u>Deadweight Tons</u>	<u>Year Built</u>	<u>Price (Thousand US \$)</u>
9,210	1944	1,624
9,290	1954	4,200
6,185	1947	980
10,208	1920	910
16,500 (tanker)	1944	1,200*
16,500 (tanker)	1944	1,200*

The Pieniny, a 12,835-DWT tanker built in 1941, was purchased by Poland, although apparently for Chipolbrok account, in the fall of 1957 for \$2.3 million. 166/ (It was also reported that the Ministry of Navigation was highly dissatisfied with this price, considering it much too high. 167/) The original asking price for the Norwegian vessel, the Seatern (now the Liwiec) (1,100 DWT), which was purchased in mid-1957,

* Both, T-2 turboelectric tankers, were sold in April 1957 by a US company to a US company.

S-E-C-R-E-T

was about \$490,000, and the final price is believed to have been no less than \$450,000, which would be about 20 percent above market price. ^{168/} The Kasprowy, a 13,725-DWT tanker built in 1945, was sold in April 1957 by Norwegian owners to a Panama company for \$2,660,000, ^{169/} and Poland immediately repurchased it from the Panama company. The price to Poland was at least \$2,660,000 and possibly more. Even considering the inflated market for tankers at that time, this was a high price. It is possible, judging by prices paid to date, that for the immediate future Polish efforts to buy used tonnage in the West would usually result in higher-than-market prices.

Using an exceedingly rough estimate based on the expected Fund accumulation in 1957 and on the increased numbers of vessels to be earning for the Fund, of about \$35 million gathered by the Fund through the end of 1960, the purchasing capacity in terms of reported vessel purchases and orders may be approximately as follows:

<u>Vessels</u>	<u>Deadweight Tons</u>	<u>Cost</u> <u>(Thousand US \$)</u>
<u>Kasprowy</u>	13,725	2,660
1 West German freighter	9,300	3,125
4 Yugoslav freighters	51,200	12,000 estimated
2 Yugoslav tankers	40,000	7,000 estimated
<u>Ornak</u>	13,100	1,500 estimated*
Total	<u>127,325</u>	<u>26,285</u>

Because any new construction on order is generally paid for in installments during the construction period, the second West German 9,300-tonner due in 1961 would have to be provided for in some measure before the delivery date. To what extent the January 1958 agreement to build seven additional vessels in the Polish yards will affect the above outlays remains in doubt until more is known about order cancellations. It may be that only the Kasprowy, the Ornak, and the four Yugoslav freighters will be purchased with foreign exchange, about \$16 million. This still leaves, however, about 55,000 to 65,000 DWT which must be purchased, regardless of whether with domestic zlotys or foreign exchange, from the Fleet Development Fund if the 1960 fleet of 650,000 DWT is to be attained. If, as now seems likely, the 55,000 to 65,000 DWT are to be newly built vessels, they may involve the equivalent of about \$15 million to \$25 million additional outlay from the Fund to the \$16 million already purchased or still on contract. It therefore

* A low price is estimated because of the lower market in May 1958.

- 65 -

S-E-C-R-E-T

S-E-C-R-E-T

seems apparent that the Fund, regardless of whether foreign exchange or domestic zlotys are to be expended, will be strained, particularly in view of the probable drop in 1958 earnings resulting from the world slump in freight rates.

2. Budget Allocations.

About 500 million zlotys* were allocated in the period 1950-55 for the building up of merchant marine tonnage. 170/ For the period 1956-60 the latest published budget allocation is 2.8 billion zlotys, all for purchase of domestically built vessels. 171/ Even considering the possibly increased prices of vessels, this is an impressive increase, and more so when the accumulations of the Fleet Development Fund for purchase of foreign vessels are added. For the year 1958 alone, 920 million zlotys have been allocated for domestic vessels. 172/

It is probable that these allocations are quite enough to purchase the vessels planned. The allocation of 2.8 billion zlotys was equated with the purchase of 290,000 DWT of vessels, 27,000 to 37,000 DWT more than the 235,000 to 245,000 DWT it is believed were finally settled upon and the 18,000 DWT added by the May 1958 agreement. That there is validity behind this equating 2.8 billion zlotys to 290,000 DWT (9,655 zlotys per deadweight ton) is indicated by the fact that the 1958 allocation, noted above, of 920 million zlotys was equated with 92,000 DWT (10,000 zlotys per deadweight ton) and that the Polish Statistical Yearbook quotes a "value of production for sale in 1956" of 119,770 DWT at 1,320.5 million zlotys (11,025 zlotys per deadweight ton). 173/ Moreover, an estimate of the building costs based on the individual types of vessels planned to be added** results in possible maximum cost as low as 2.2 billion zlotys.

C. Administrative Control over and Arguments Concerning Acquisitions.

The process of acquiring vessels for the Polish merchant fleet has been a case of too many cooks. Not only was control over the acquisition of vessels not in the hands of the Ministry of Navigation, but also PLO and PZM could only make recommendations to the Ministry of Navigation. The latter could only make recommendations to the Sejm. The Sejm, as far as numbers of vessels to be acquired was concerned, was in turn influenced by the Ministries of Foreign Trade and Heavy Industry. The Ministry of Heavy Industry was involved because

* Probably domestic zlotys rather than foreign exchange zlotys, with a dollar value of about 30 zlotys to US \$1. See the first footnote on p. 14, above.

** Vessels detailed on p. 57, above.

S-E-C-R-E-T

S-E-C-R-E-T

administration of the shipbuilding industry was removed from the Ministry of Navigation in January 1952 and placed under Heavy Industry. 174/ The Ministry of Foreign Trade was most heavily involved because the authority to buy and sell ships was given to Centromor. 175/

The Ministry of Heavy Industry was concerned with the sale abroad of Polish-built vessels to gain foreign currency to pay for vessel equipment purchased abroad. This policy, incidentally, in effect isolated the shipbuilding economy by creating what amounted to a self-contained bilateral trading unit. The Ministry of Foreign Trade through Centromor looked upon vessels only as another commodity to be used as an instrument for foreign trade, apparently making no analysis of the interrelation of shipbuilding, domestic fleet, and foreign exchange paid for sea carriage of cargoes (let alone foreign exchange earned by the domestic fleet). Only the immediate returns in foreign exchange from the sale of the shipbuilding product were considered. To make matters worse, the situation within Centromor was a case of empire building. Under the direction of Dawid Guterman, Centromor followed an autonomous course, buying and selling ships at will with no consideration for the needs or wishes of the Ministries of Heavy Industry or Navigation, or indeed even of the over-all foreign trade picture. Centromor antagonized the shipbuilding industry by trying to turn a sharp deal in each sale rather than taking the long-range view of winning potential markets. It not only antagonized but harmed the maritime industry by buying old unsuitable vessels (the Polish press called them "sailing museums," "sea-going coffins," and "Guterman's fleet"), the overriding qualification being a cheap price in foreign exchange. Many of these old vessels immediately underwent extensive repairs or alterations, resulting in an ultimate price much in excess of the world market price of a vessel which would originally have been in better condition as well as younger in years and therefore with a longer potential life. The repairs and alterations, however, were of no apparent concern to Centromor, which continued to buy the cheapest vessels regardless of age or condition. 176/

In 1956 and 1957 the Polish press and radio began to play up the plight of the maritime industry, and the question of comparative earnings and outlay of foreign exchange gained extensive hearings. 177/ The arguments boiled down to the following. In the first place, although export of Polish-built vessels in 1956 brought \$38 million in foreign exchange, this is a gross figure. 178/ From this should be subtracted at least the direct expenditures of foreign exchange for items used in building the vessels, such as Sulzer engines from Switzerland and steel plate from the USSR. Materials such as steel items domestically built also represent an original expenditure for imports such as iron ore to make the steel. The true net foreign exchange earned by the sale of vessels in 1956, therefore, would be no more

- 67 -

S-E-C-R-E-T

S-E-C-R-E-T

and probably less than the net foreign exchange earned by Polish ship operations, which in 1956 was about \$22 million and in 1957 about \$25 million. 179/ The significant difference lies in the fact that shipbuilding is exporting a product of which a large proportion of the ingredients is high-cost building materials, whereas ship operations are exporting a service of which a large proportion of the ingredients is low-cost labor. The controlling consideration, therefore, should be the comparative costs of earning the net foreign exchange. The Polish press has reiterated copiously the claim that each dollar earned by the fleet in 1956 cost only about 16 zlotys (13 zlotys if only the 10,000-tonners are considered) against 40 to 45 zlotys by general foreign trade transactions and 48 to 64 zlotys* by the export of vessels. (The cost of dollars earned by the fleet was down to 13.80 zlotys in early 1957 but climbed to 20 zlotys by the end of 1957 because of the drop in world sea freight rates.) 180/

Under these circumstances a newly built vessel of 10,000 DWT, it is claimed, would pay for itself in 3-1/2 years in terms of foreign exchange earned versus foreign exchange sale price, and a second-hand 10,000-tonner would pay for itself in 2 to 2-1/2 years. 181/** At the same time, use of the retained vessel would be saving expenditure of foreign exchange for cargo which would otherwise have been carried in foreign vessels. Direct expenditure of foreign exchange for sea carriage of cargoes under Polish control -- that is, cargoes for which Poland controls, and directly pays for, the means of transport -- grew from \$7.15 million (28.6 million rubles) in 1950 to \$29.5 million (118 million rubles) in 1955. Total direct expenditure for the period 1950-55 was \$68.6 million. 183/ This amount would not include imports on which the transportation charge is included in the price of the goods and which are not under Polish transport control, a type of import which in 1957 comprised 15 percent of total import by sea.

* Calculated from the statement that export of vessels earned dollars at a cost 3 to 4 times higher than the cost of dollars earned by the fleet.

** These figures were first published in September 1956 before the closure of the Suez Canal drove freight rates very high and before over-tonnage in 1957 and 1958 drove freight rates back down to the 1954 level.

A prime illustration is the case of the Hugo Kollataj, purchased in 1951, and the Mickiewicz, purchased in 1950. The total purchase price for the two vessels was \$3.57 million. By the end of the Six Year Plan (1950-55) the two vessels had netted \$6.46 million in foreign exchange, which not only paid off their original purchase price but also provided a surplus of \$2.89 million. Moreover, their market value at the end of the period was set at \$2.3 million, giving an over-all economic effect of net earnings (clear of purchase price) and capital assets of over \$5 million by the end of the 1950-55 plan period. 182/

50X1

- 68 -

S-E-C-R-E-T

S-E-C-R-E-T

One further point in favor of retaining vessels rather than exporting them is that foreign exchange earned by the Polish fleet will be to a large extent hard currency. Foreign exchange paid out for cargoes carried by foreign vessels will be almost entirely hard currency.* Any foreign exchange saved by increased carryings in Polish vessels will be almost entirely hard currency. The product of shipbuilding, on the other hand, would bring only one lump sum of foreign exchange, which also in most cases probably would not be in transferable currency. The latter supposition is based on the fact that the overwhelming preponderance of the export of vessels has in the past been going to the Soviet Bloc and that only recently have orders been solicited and contracts signed for building vessels for hard currency areas.

These arguments have begun to take effect. The major result, already examined, was the decision by the Sejm to increase the fleet significantly. Further results have been the apparent freeing of the maritime industry from the tyranny of Centromor. Dawid Guterman was last heard of as director of Centromor in January 1957, 184/ and Tadeusz Prechitko turned up in June 1957 as the new director. 185/ Furthermore, although the Fleet Development Fund may be an independently managed institution as far as its financial management is concerned (gathering of funds and executing of loans), control of the types of vessels to be purchased with the Fund would seem to be in the hands of the Ministry of Navigation. Moreover, the probability is that the Fund itself is a board directly under the Minister of Navigation, inasmuch as Wlodzimierz Moderow, Director of the Fund, was at the same time financial director of PLO (he has since been dismissed 186/), and one press report stated that the Minister of Navigation would dispose of the Fund "through the appropriate apparatus of his department." 187/ Negotiations to purchase vessels with the Fund proceeds, however, are still carried on in cooperation with the Ministry of Foreign Trade. 188/

Curtailement of exports of Polish-built vessels, particularly to the USSR, in favor of delivery to the Polish fleet was the subject of an agreement in September 1957 between the Minister of Heavy Industry and the Minister of Navigation. 189/ No reference was made to Centromor or the Ministry of Foreign Trade, but it is reasonable to assume that previous discussions included the Ministry of Foreign Trade.

It is just possible that dissension may still exist between the Ministry of Foreign Trade and the Ministry of Navigation, inasmuch as the only press-reported comments by government officials on the question of the fleet's role in the earning of foreign exchange has come not from officials of the Ministry of Foreign Trade but from

* It is believed that Soviet Bloc vessels other than Polish vessels carry very little cargo on which the freight would be paid by Poland.

S-E-C-R-E-T

members of the Sejm. 190/ A new development seems to bear this out. It is reported, as a rumor only, that the Ministries of Navigation and Foreign Trade are to be combined, with the portfolio going to Stefan Jedrychowski, who is the present Chairman of the Planning Commission. 191/ Jedrychowski has been a supporter of the maritime industry both as a member of the Sejm in 1956 and after he was appointed Chairman of the Planning Commission.

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It would seem therefore that the battle for intelligent planning of fleet enlargement has to a large extent been won. It must remain to be seen whether the possible loss of Minister Darski (the rumor assigned him no new position) would have an adverse effect on the emphasis at last accorded to the possession of a domestic fleet. It is believed to be probable that although the practical business management of the fleet developed under Darski might suffer somewhat, Jedrychowski would be likely to continue the aggrandizement of fleet matters.

VII. Plans for Freight Traffic.

A startling and significant change has come over maritime planning since late 1956. It is so basic that it not only symbolizes but also is the cause and simultaneously the result of all the other developments in the Polish maritime industry in 1956 and 1957. The goal of maritime performance is no longer the ton-mile but is profits, foreign exchange earnings, and less dependence on foreign shipping space. 193/

It is almost impossible to overestimate the magnitude of this change. Until the ton-mile was eliminated as anything but an auxiliary measure of fleet use, the government planning agents could have no grasp of the international concept of maritime transport. Ton-mile performance of the Polish fleet was compared with the ton-kilometer performance of the railroads and highways, with no recognition of the fact that although carriage of goods by rail represented all cargo moved by rail in Poland, the volume of Polish goods moving by sea amounted to considerably more than that moved by Polish vessels, in fact four times more in 1956. 194/ The effect was to domesticate maritime navigation, divorcing it from the world market and from the over-all picture of seaborne trade. The comparative ton and ton-kilometer measures gave no indication of the importance to Poland of maritime transport or the adequacy or role of the merchant fleet in Polish seaborne trade.

The use of the ton-mile as a goal led, furthermore, to the extremely uneconomical practice of stressing those routes where the most goods

- 70 -

S-E-C-R-E-T

S-E-C-R-E-T

could be carried for the longest distances regardless of whether the cargoes were high-freight-paying cargoes or the route was profitable. As one Polish writer expressed it, "The statistics of natural indexes were constructed for the 'society of the ton-mile' and they lost themselves in figures. In the meantime the shipowners of the capitalist countries counted money." 195/

At the same time that the ton-mile measure was downgraded, the maritime navigation industry opened out again into the world market in which it belongs. The process began with widespread freight solicitation and is going on to plans to join international conferences, to establish connections with foreign shipping lines and agents, to publish as well as to gather statistics on worldwide sea transport, and to establish and publish a Polish Ship Register. 196/ It might be noted that until recently maritime data and information concerning policy and management were secret and that collection of such data was considered a crime. 197/

Beyond using profit as a measure of the effectiveness of vessels, there are still, of course, plans in terms of tons to be moved. The emphasis, however, is on the broader measure of total goods moving in and out of Poland by sea. The new traffic measure is the share of this total carried by Polish vessels. Whereas the share in 1955-56 was 15 percent and in 1957 rose to 18.9 percent,* the goals have been established at 25 percent by the end of 1960 and 50 percent in 1970. 198/

An attempt to estimate what these percentages of port traffic will mean in terms of tons to be carried by the state-owned fleet depends on what the levels of port traffic will be. Port traffic in 1957 was only 14.2 million tons** but through March 1958 had increased 6 percent, which, for the year, would be about 15 million tons. 199/ The goal for 1960 port traffic is 17 million tons, 200/ which would seem reasonable in view of the upturn in 1958 and the 17 million tons achieved in 1955. It also seems reasonable in view of the later plan announced for 1970 of about 20 million tons 201/ and the planned increase to 4 million tons of transit traffic to be carried in 1960 from the 2.5 million tons carried in 1957. An equal increase each year between 17 million tons in 1960 and 20 million tons in 1970 would result in about 18.5 million tons in 1965. With these port traffic tonnages and the share goals, the tons to be carried by the Polish-owned fleet would be about as follows:

* See IV, A, 1, p. 27, above.

** See Table 10, p. 48, above.

S-E-C-R-E-T

S-E-C-R-E-T

Year	Port Traffic (Thousand Metric Tons)	Cargo Tons Carried by the Polish-Owned Fleet*	
		Percent of Port Traffic	Thousand Metric Tons
1955	17,066	14.8	2,530
1956	15,525	14.9	2,313
1957	14,215	18.9	2,687
1960	17,000	25.0	4,250
1965	18,500	40.0**	7,400
1970	20,000	50.0	10,000

The planned increases in cargo tons compared with those in the deadweight tonnage of the fleet are shown in the following index:

1955 = 100		
Year	Cargo Tons	Fleet Deadweight Tons
1955	100	100
1960	168	197
1965	292	364
1970	395	455

Because much new tonnage probably will be going into the long-distance lines, particularly the Far East and the South America lines, and because the Poles hope to increase their carryings between foreign ports about 300 to 400 percent by 1970, the greater increase in deadweight tonnage relative to cargo tons is understandable. 202/ Interport carryings in 1957 amounted to 274,000 tons.

It should be remembered that cargo carried by vessels under the Polish flag but presumably controlled by Chipolbrok is not included in these figures. About 16 vessels totaling 152,000 DWT were in this group on 31 December 1956, and at least 5 more totaling about 42,000 DWT

* See Methodology, Appendix B.

** The original 50-percent share of port traffic in 1965 was planned on only 15 million tons of port traffic. Inasmuch as plans for fleet tonnage have not changed but port traffic plans have risen, it is estimated that not more than 40 percent can be carried.

S-E-C-R-E-T

were added in 1957-58.* At the minimum average of 40,000 cargo tons per vessel, it is estimated that these 21 vessels would account for at least 840,000 tons a year. Any further vessels added for Chinese account and the cargo which they carry would be over and above the 1960 plans for cargo and the fleet.

In 1957, Polish vessels accounted for 18.9 percent of Polish port traffic. Attainment of present goals, which call for Polish vessels to carry 25 percent of the traffic in 1960 and 50 percent in 1970, would compare favorably with US experience. US-flag vessels in 1955 carried 22 percent of port traffic (including in-transit traffic), a decrease from about 28 percent in 1953. 203/ US-controlled vessels, however, would in time of emergency be able to carry far more of US port traffic because there is more vessel tonnage in the inactive reserve fleet than in the active fleet (see Table 15**) and a good portion of the Liberian- and Panamanian-flag vessels is US owned.

By 1970, Poland plans to carry in its vessels 50 percent of its port traffic and a correspondingly larger share of its foreign trade. Achievement of these objectives would obtain for Poland not only a strategic advantage politically but also a large saving in foreign exchange presently paid out for sea transport services of the fleet to foreign buyers. Furthermore, both the foreign exchange earned and the foreign exchange saved will be almost all hard currency.

* See II, C, p. 14, above.

** Appendix A, p. 78, below.

S-E-C-R-E-T

S-E-C-R-E-T

APPENDIX A

STATISTICAL TABLES

- 75 -

S-E-C-R-E-T

S-E-C-R-E-T

Table 13
Growth of the Polish Merchant Fleet a/
1949-58

Year <u>b/</u>	One Thousand Gross Register Tons and Above			Under One Thousand Gross Register Tons			Total		
	Number of Vessels	Thousand Gross Register Tons	Thousand Deadweight Tons	Number of Vessels	Thousand Gross Register Tons	Thousand Deadweight Tons	Number of Vessels	Thousand Gross Register Tons	Thousand Deadweight Tons
1949	40	157.5	203.7	6	4.6	6.3	46	162.1	210.0
1950	49	175.7	239.5	6	4.6	6.3	55	180.2	245.8
1951	58	235.4	328.2	8	5.5	7.6	66	240.9	335.9
1952	61	248.5	345.8	9	6.0	8.3	70	254.4	354.1
1953	62	248.6	346.6	11	6.9	9.6	73	255.5	356.2
1954	67	269.7	380.2	13	8.2	11.3	80	277.9	391.5
1955	70	290.0	408.4	15	9.0	12.3	85	299.0	420.7
1956	69	288.9	405.5	16	9.6	13.2	85	298.6	418.7
1957	80	356.3	500.0	17	10.6	14.3	97	366.9	514.3
1958 (June)	88	390.8	550.1	17	10.6	14.3	105	401.4	564.4

a. Figures compiled from Tables 16 and 17, pp. 79 and 97, respectively, below. Because of rounding, totals may not agree with the sum of their rounded components.

b. As of 31 December except for 1958 figures, which are as of 30 June.

- 76 -

S-E-C-R-E-T

S-E-C-R-E-T

Table 14

Polish Merchant Fleet According to Official Polish Data, by Jurisdiction a/
1949-56

Year <u>c/</u>	State-Owned Fleet			Fleet Under CZ-PMH <u>b/</u>		
	Number of Vessels	Thousand Gross Register Tons	Thousand Deadweight Tons	Number of Vessels	Thousand Gross Register Tons	Thousand Deadweight Tons
1949	45	159.3	206.8	45	159.3	206.8
1950	54	178.1	246.4	54	178.1	246.4
1951	65	N.A.	332.0	65	N.A.	332.0
1952	63	N.A.	280.0	58	173.1	230.4
1953	64	N.A.	279.1	59	N.A.	230.1
1954	72	N.A.	311.5	66	N.A.	251.0
1955	76	241.6	330.8	69	194.8	260.9
1956	77	243.4	331.4	70	199.7	266.6

a. 204/

b. Included in state-owned fleet figures. CZ-PMH designates the Central Administration of the Polish Merchant Marine.

c. 31 December of each year.

S-E-C-R-E-T

S-E-C-R-E-T

Table 15

Growth of the World Fleet and Fleets of Selected Countries a/
1939, 1950, and 1957

	1939 ^{b/}		1950 ^{c/}		1957 ^{d/}	
	Thousand Deadweight Tons	Thousand Deadweight Tons	Percent of 1939	Thousand Deadweight Tons	Percent of 1939	Percent of 1950
World total, all flags	80,601	107,215	133	141,666	176	132
Selected countries						
US ^{e/}	11,682	36,486	312	32,900 ^{f/}	282	90
British Commonwealth of Nations	24,054	25,269	105	26,703	111	106
Liberia ^{g/}	0	710		13,172		1,855
Norway	6,931	7,844	113	12,130	175	155
Panama ^{g/}	1,106	4,998	452	6,192	560	124
Japan	7,145	2,241	31	5,224	83	264
Italy	3,911	3,515	90	5,898	151	168
Netherlands	3,425	3,761	110	5,077	148	135
France	2,999	3,723	124	4,699	157	127
Germany, West	5,177	755	15	4,638	90	614
Sweden	2,033	2,759	136	4,145	204	150
USSR	1,597	2,582	162	3,825	221	137
Denmark	1,576	1,675	106	2,466	156	147
Greece	2,791	1,068	67	2,404	75	113
Spain	1,052	1,320	125	1,579	150	120
Argentina	268	982	366	1,171	437	119
Finland	826	700	85	1,095	133	156
Brazil	542	828	153	1,072	198	129
Yugoslavia	376	328	87	482	128	147
Poland ^{h/}	101	239	237	500	495	209

a. 205/. Including seagoing vessels of 1,000 GRT and above.

b. 1 September.

c. 31 December.

d. 30 June.

e. Figures for 1950 and 1957 exclude 785,000 DWT transferred to the USSR under lend-lease and still remaining under the Soviet flag.

f. Including 17,590,000 DWT in the government-owned inactive reserve fleet, which is 53 percent of the total under the US flag.

g. Flags of convenience.

h. [] Figures for 1950 and 1957 are from Table 16, p. 79, below. Figures for 1950 and 1957 are as of 31 December. These differ from the figures given in Table 14, p. 77, above, because the latter are believed not to include certain vessels which, although flying the Polish flag, are not owned by Poland.

S-E-C-R-E-T

Table 16

Vessels Added to the Polish Merchant Fleet, by Year
1949-58

Vessel	Gross Register	Deadweight	Fuel	Year Built	Speed (Knots)
	Tons	Tons			
One Thousand Gross Register Tons and Above					
1958, January-June					
Total fleet, June 1958: 88	<u>390,824</u>	<u>550,055</u>			
Acquired, a/* 1958					
SS Cieszyn b/	2,600	3,200	Oil	1957	12.5
SS Kalisz b/	2,600	3,200	Oil	1957	12.5
SS Bielsko b/	2,600	3,200	Oil	1957	12.5
SS Tczew b/	2,600	3,200	Oil	1957	12.5
MS Fryderyk Chopin	6,600	10,500	Oil	1957	16.0
MS General Sikorski	6,600	10,500	Oil	1957	16.0
ST Ornak c/	8,336	13,100	Oil	1957	13.0
SS Opole d/	2,600	3,200	Oil	1958	12.5
Total	<u>34,536</u>	<u>50,100</u>			

* Footnotes for Table 16 follow on p. 95.

S-E-C-R-E-T

S-E-C-R-E-T

Table 16
 Vessels Added to the Polish Merchant Fleet, by Year
 1949-58
 (Continued)

Vessel	Gross Register	Deadweight	Fuel	Year	Speed (Knots)
	Tons	Tons		Built	
One Thousand Gross Register Tons and Above					
Launched but not delivered					
MS Wladislaw Reymont	6,600	10,500	Oil	1958	16.0
MS Krynica	4,500 <u>c/</u>	6,000	Oil	1958	15.5
MS Polenica	4,500 <u>e/</u>	6,000	Oil	1958	15.5
MS Monte Cassino	4,180	5,200	Oil	1957	N.A.
Total	<u>19,780</u>	<u>27,700</u>			
1957					
Total fleet, December 1957:	80	<u>356,288</u>	<u>499,955</u>		
Acquired, 1957					
MT Beskidy <u>c/</u>	3,320	4,200	Oil	1956	11.5
MS Boleslaw Bierut	6,674	10,500	Oil	1956	16.0
MS Felix Dzierzinski <u>e/</u>	12,812	12,635	Oil	1943 <u>f/</u>	18.0
MS Florian Ceynowa	6,784	10,530	Oil	1957	16.0

S-E-C-R-E-T

S-E-C-R-E-T

Table 16

Vessels Added to the Polish Merchant Fleet, by Year
1949-58
(Continued)

Vessel	Gross Register	Deadweight	Fuel	Year	Speed (Knots)
	Tons	Tons		Built	
One Thousand Gross Register Tons and Above					
Acquired, 1957 (Continued)					
SS Gniezno b/	2,568	3,200	Oil	1957	12.5
MS Kapitan Kosko	6,629	10,530	Oil	1957	16.0
MT Kasprowy c/	8,535	13,725	Oil	1945	14.0
SS Katowice b/	2,555	3,200	Oil	1957	12.5
MT Pieniny c/	8,631	12,835	Oil	1941	13.0
SS Slawno b/	2,557	3,200	Oil	1957	12.5
MS Stefan Okrzeja	6,620	10,500	Oil	1957	16.0
MT Tatry c/	3,320	4,200	Oil	1957	11.5
SS Ustka b/	1,108	1,570	Coal	1937 f/	10.8
MS Zeromski	6,506	10,070	Oil	1957	15.5
Total	78,619	110,895			
Disposed of, 1957 g/					
MT Karpaty c/	6,589	9,630	Oil	1927	10.0
SS Kolobrzeg b/	2,878	4,310	Coal	1921	9.0
SS Wigry b/	1,795	2,520	Coal	1915	10.5
Total	11,262	16,460			

-81-

S-E-C-R-E-T

S-E-C-R-E-T

Table 16

Vessels Added to the Polish Merchant Fleet, by Year
1949-58
(Continued)

Vessel	Gross Register	Deadweight	Fuel	Year Built	Speed (Knots)
	Tons	Tons			
One Thousand Gross Register Tons and Above					
1956					
Total fleet, December 1956: 69	<u>288,931</u>	<u>405,520</u>			
Acquired, 1956					
MS Marcei Nowotko	7,190	10,800	Oil	1956	16.0
MS Slowacki	5,262	8,030	Oil	1924	10.0
Total	<u>12,452</u>	<u>18,830</u>			
Disposed of, 1956					
MS Boleslaw Prus	4,528	8,300	Oil	1926	10.0
MS Stalowa Wola	3,133	4,600	Oil	1924	10.0
ST Wspolpraca c/	5,873	8,800	Oil	1921	10.5
Total	<u>13,534</u>	<u>21,700</u>			

- 82 -

S-E-C-R-E-T

S-E-C-R-E-T

Table 16

Vessels Added to the Polish Merchant Fleet, by Year
1949-58
(Continued)

Vessel	Gross Register	Deadweight	Fuel	Year	Speed (Knots)
	Tons	Tons		Built	
	One Thousand Gross Register Tons and Above				
1955					
Total fleet, December 1955:	70	<u>290,013</u>	<u>408,390</u>		
Acquired, 1955					
SS Malbork b/		2,588	3,160	Coal 1955	12.0
MS Malgorzata Fornalska		8,396	9,785	Oil 1941	14.5
SS Pawel Finder		4,911	8,920	Oil 1948	10.5
MS Romuald Traugutt		6,726	9,925	Oil 1913	11.2
Total		<u>22,621</u>	<u>31,790</u>		
Disposed of, 1955					
SS Goplo h/		2,263	3,600	Coal 1898	8.5

- 83 -

S-E-C-R-E-T

S-E-C-R-E-T

Table 16

Vessels Added to the Polish Merchant Fleet, by Year
1949-58
(Continued)

Vessel	Gross Register	Deadweight	Fuel	Year Built	Speed (Knots)
	Tons	Tons			
One Thousand Gross Register Tons and Above					
1954					
Total fleet, December 1954: 67	<u>269,655</u>	<u>380,200</u>			
Acquired, 1954					
MS Boleslaw Prus	4,528	8,300	Oil	1926	10.0
MS Edward-Dembowski	4,750	9,205	Oil	1941	14.0
MS Gdansk	2,668	4,060	Oil	1954	14.5
SS Gdynia b/	3,818	4,975	Coal	1954	11.0
SS Marian Buczek	7,063	10,310	Oil	1943	11.0
SS Szczecin b/	3,818	4,975	Coal	1954	11.0
Total	<u>26,645</u>	<u>41,825</u>			
Disposed of, 1954					
MS Prezydent Gottwald i/	5,593	8,250	Oil	1939	11.5

S-E-C-R-E-T

S-E-C-R-E-T

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Table 16
Vessels Added to the Polish Merchant Fleet, by Year
1949-58
(Continued)

Vessel	Gross Register Tons	Deadweight Tons	Fuel	Year Built	Speed (Knots)
One Thousand Gross Register Tons and Above					
1953					
Total fleet, December 1953:	62	<u>248,603</u>			<u>346,625</u>
Acquired, 1953					
MS Kopernik	2,665	4,060	Oil	1953	14.5
ST Wspolpraca	5,873	8,800	Oil	1921	10.5
Total	<u>8,538</u>	<u>12,860</u>			
Disposed of, 1953					
ST Praca h/	8,410	12,020	Oil	1921	10.5
1952					
Total fleet, December 1952:	61	<u>248,475</u>			<u>345,785</u>
Acquired, 1952					
SS Fryderyk Chopin j/	8,024	10,180	Oil	1929	13.5
SS Kielce c/	2,352	3,330	Coal	1939 k/	12.5
MS Nowa Huta	2,684	4,065	Oil	1952	14.5
Total	<u>13,060</u>	<u>17,575</u>			

S-E-C-R-E-T

Table 16

Vessels Added to the Polish Merchant Fleet, by Year
1949-58
(Continued)

Vessel	Gross Register	Deadweight	Fuel	Year Built	Speed (Knots)
	Tons	Tons			
One Thousand Gross Register Tons and Above					
Disposed of, 1952					
None					
1951					
Total fleet, December 1951:	58	<u>235,415</u>	<u>328,210</u>		
Acquired, 1951					
SS Braterstwo		7,841	11,780	Oil 1917	10.5
MS Curie Sklodowska		4,351	7,770	Oil 1931	11.2
MS Hugo Kollataj		3,755	6,885	Oil 1945	15.5
SS Jednosc		7,022	10,280	Oil 1943	11.0
SS Josef Wieczorek <u>b/</u>		1,971	2,525	Coal 1951	11.0
MS Piast <u>f/</u>		3,184	2,890	Oil 1951	15.2
MS Pokoj		4,958	9,065	Oil 1945	13.0
ST Praca <u>c/</u>		8,410	12,020	Oil 1921	10.5

S-E-C-R-E-T

Table 16

Vessels Added to the Polish Merchant Fleet, by Year
1949-58
(Continued)

Vessel	Gross Register	Deadweight	Fuel	Year	Speed (Knots)
	Tons	Tons		Built	
One Thousand Gross Register Tons and Above					
Acquired, 1951 (Continued)					
MS Przyjazn Narodow	8,876	10,130	Oil	1937	15.5
SS Przyszlosc	7,218	10,535	Oil	1942	10.0
MS Warszawa	6,021	10,370	Oil	1940	15.5
Total	<u>63,607</u>	<u>94,250</u>			
Disposed of, 1951					
SS Opole 1/	1,959	3,000	Coal	1944	10.2
SS Beniowski 1/	1,912	2,500	Oil	1905	N.A.
Total	<u>3,871</u>	<u>5,500</u>			
1950					
Total fleet, December 1950: 49	<u>175,679</u>	<u>239,460</u>			

- 87 -

S-E-C-R-E-T

Table 16
 Vessels Added to the Polish Merchant Fleet, by Year
 1949-58
 (Continued)

Vessel	Gross Register	Deadweight	Fuel	Year Built	Speed (Knots)
	Tons	Tons			
One Thousand Gross Register Tons and Above					
Acquired, 1950					
SS Brygada Makowskiego b/	1,945	2,610	Coal	1950	11.0
MS Elblag	1,284	1,710	Oil	1943 m/	13.5
MS General Bem	5,301	8,540	Oil	1940	15.5
SS Jaroslaw Dabrowski f/	3,219	3,115	Coal	1950	11.0
SS Jednosc Robotnicza b/	2,003	2,610	Coal	1950	11.0
SS Marchlewski	1,834	3,075	Oil	1950 n/	13.0
MS Mickiewicz	4,344	6,580	Oil	1947	16.5
MS Mikolaj Rej	5,614	9,700	Oil	1920	11.0
SS Pstrowski b/	1,928	2,610	Coal	1950	11.0
SS Wroclaw	1,739	2,475	Coal	1935	12.5
Total	<u>29,211</u>	<u>43,025</u>			
Disposed of, 1950					
MS Sobieski o/ p/	11,030	7,260	Oil	1939	17.0
1949					
Total fleet, December 1949: 40	<u>157,498</u>	<u>203,695</u>			

S-E-C-R-E-T

Table 16

Vessels Added to the Polish Merchant Fleet, by Year
1949-58
(Continued)

Vessel	Gross Register	Deadweight	Fuel	Year Built	Speed (Knots)
	Tons	Tons			
Under One Thousand Gross Register Tons					
1958, January-June					
Total fleet, June 1958:	17	<u>10,586</u>			<u>14,300</u>
Acquired, 1958					
None					
Disposed of, 1958					
None					
1957					
Total fleet, December 1957:	17	<u>10,586</u>			<u>14,300</u>
Acquired, 1957					
MS Liwec		943	oil	1956	11.7

S-E-C-R-E-T

S-E-C-R-E-T

Table 16

Vessels Added to the Polish Merchant Fleet, by Year
1949-58
(Continued)

Vessel	Gross Register	Deadweight	Fuel	Built	Speed (Knots)
	Tons	Tons			
Under One Thousand Gross Register Tons					
1957 (Continued)					
Disposed of, 1957					
None					
1956					
Total fleet, December 1956:	16	<u>9,643</u>	<u>13,200</u>		
Acquired 1956					
MS Jastarnia	610	900	Oil	1956	10.5
Disposed of, 1956					
None					

S-E-C-R-E-T

Table 16

Vessels Added to the Polish Merchant Fleet, by Year
1949-58
(Continued)

Vessel	Gross Register	Deadweight	Fuel	Year Built	Speed (Knots)
	Tons	Tons			
Under One Thousand Gross Register Tons					
1955					
Total fleet, December 1955: 15	<u>9,033</u>	<u>12,300</u>			
Acquired, 1955					
MS Narew	213	315	Oil	1955	10.5
MS Prosna	613	725	Oil	1955	10.5
Total	<u>826</u>	<u>1,040</u>			
Disposed of, 1955					
None					
1954					
Total fleet, December 1954: 13	<u>8,207</u>	<u>11,260</u>			

- 91 -

S-E-C-R-E-T

Table 16
 Vessels Added to the Polish Merchant Fleet, by Year
 1949-58
 (Continued)

Vessel	Gross Register	Deadweight	Fuel	Year	Speed (Knots)
	Tons	Tons		Built	
Under One Thousand Gross Register Tons					
1954 (Continued)					
Acquired, 1954					
MS Nogat	620	890	Oil	1954	10.5
MS Notec	655	760	Oil	1954	10.5
Total	<u>1,275</u>	<u>1,650</u>			
Disposed of, 1954					
None					
1953					
Total fleet, December 1953:	11	<u>6,932</u>			<u>9,610</u>
Acquired, 1953					
MS Odra	484	650	Oil	1953	10.7
MS Pilica	481	660	Oil	1953	10.7
Total	<u>965</u>	<u>1,310</u>			

S-E-C-R-E-T

Table 16

Vessels Added to the Polish Merchant Fleet, by Year
1949-58
(Continued)

Vessel	Gross Register Tons	Deadweight Tons	Fuel	Year Built	Speed (Knots)
Under One Thousand Gross Register Tons					
1953 (Continued)					
Disposed of, 1953					
None					
1952					
- Total fleet, December 1952: -9-	<u>5,967</u>	<u>8,300</u>			
Acquired, 1952					
MS San	487	655	Oil	1952	10.7
Disposed of, 1952					
None					

93

S-E-C-R-E-T

S-E-C-R-E-T

Table 16

Vessels Added to the Polish Merchant Fleet, by Year
1949-58
(Continued)

Vessel	Gross Register	Deadweight	Fuel	Year Built	Speed (Knots)
	Tons	Tons			
Under One Thousand Gross Register Tons					
1951					
Total fleet, December 1951:	8	<u>5,480</u>	<u>7,645</u>		
Acquired, 1951					
MS Dunajec		436	660	Oil	1951
MS Nysa		489	695	Oil	1951
Total		<u>925</u>	<u>1,355</u>		
Disposed of, 1951					
None					
1950					
Total fleet, December 1950:	6	<u>4,555</u>	<u>6,290</u>		

S-E-C-R-E-T

Table 16
Vessels Added to the Polish Merchant Fleet, by Year
1949-58
(Continued)

Vessel	Gross Register	Deadweight	Fuel	Year	Speed (Knots)
	Tons	Tons		Built	
1950 (Continued)					
Acquired, 1950					
None					
Disposed of, 1950					
None					
1949					
Total fleet, December 1949:	6	<u>4,555</u>		<u>6,290</u>	

- a. The date of acquisition for a newly built vessel is that date on which the vessel either is delivered to the operating company or begins active service, whichever is known.
- b. Bulk carrier.
- c. Tanker.
- d. Lloyd's Register lists the gross tonnage at 5,547, but in view of the 6,000 DWT it has been considered preferable to assign an estimated lower gross tonnage until more is known about the vessel.

S-E-C-R-E-T

Table 16
Vessels Added to the Polish Merchant Fleet, by Year
1949-58
(Continued)

- e. Refrigerator facilities.
- f. Salvage completed in 1957.
- g. Withdrawn from service for scrapping.
- h. Believed to have been scrapped.
- i. Seized by the Chinese Nationalists.
- j. Name changed in 1957 to the Kaszuby.
- k. Salvage completed in 1952.
- l. Turned over to the Polish Navy.
- m. Salvage completed in 1950.
- n. Keel laid in 1944, launched in 1948 as the Oliwa, completed in 1950.
- o. Passenger vessel.
- p. Transferred to the Soviet-flag fleet.

S-E-C-R-E-T

S-E-C-R-E-T

Table 17

Inventory of the Polish Merchant Fleet
31 December 1957

Vessel	Gross Register	Deadweight	Fuel	Year	Speed (Knots)
	Tons	Tons		Built	
	One Thousand Gross Register Tons and Above				
SS Baltyk	6,984	10,255	Oil	1942	10.5
MS Batory a/*	14,287	5,610	Oil	1936	18.0
MT Beskidy b/	3,320	4,200	Oil	1956	16.0
SS Bialystok	7,173	10,500	Oil	1942	11.0
MS Boleslaw Bierut	6,674	10,500	Oil	1956	16.0
SS Braterstwo	7,841	11,780	Oil	1917+	10.5
SS Brygada Makowskiego c/	1,945	2,610	Coal	1950	11.0
SS Bytom	5,967	8,770	Coal	1942	11.0
MS Curie Sklodowska	4,351	7,770	Oil	1931	11.2
MS Czech d/	3,649	3,200	Oil	1934	15.5
MS Edward Dembowski	4,750	9,205	Oil	1941	14.0
MS Elblag	1,284	1,710	Oil	1943 e/	13.5 e/
MS Felix Dzierzinski d/	12,812	12,635	Oil	1943 f/	18.0
MS Florian Ceynowa	6,784	10,530	Oil	1957	16.0

* Footnotes for Table 17 follow on p. 103.

- 97 -

S-E-C-R-E-T

S-E-C-R-E-T

Table 17

Inventory of the Polish Merchant Fleet
31 December 1957
(Continued)

Vessel	Gross Register	Deadweight	Fuel	Year	Speed (Knots)
	Tons	Tons		Built	
	One Thousand Gross Register Tons and Above				
MS Gdansk <u>d/</u>	2,668	4,060	Oil	1954	14.5
SS Gdynia <u>c/</u>	3,818	4,975	Coal	1954	11.0
MS General Bem	5,301	8,540	Oil	1940	15.5
MS General Walter	4,716	6,720	Oil	1943	16.0
SS Gliwice	1,446	2,220	Coal	1938	9.0
SS Gniezno	2,568	3,200	Oil	1957	12.5
SS Hel	1,076	1,570	Coal	1935	12.0
MS Hugo Kollataj	3,755	6,885	Oil	1945	15.5
SS Jaroslaw Dabrowski <u>d/</u>	3,219	3,115	Coal	1950	11.0
SS Jednosc	7,022	10,280	Oil	1943	11.0
SS Jednosc Robotnicza <u>c/</u>	2,003	2,610	Coal	1950	11.0
MS Kapitan Kosko	6,629	10,530	Oil	1957	16.0
MT Kasprowy <u>b/</u>	8,535	13,725	Oil	1945	14.0
SS Kaszuby <u>g/</u>	8,024	10,180	Oil	1929	13.5
SS Katowice	2,555	3,200	Oil	1957	12.5

- 98 -

S-E-C-R-E-T

S-E-C-R-E-T

Table 17

Inventory of the Polish Merchant Fleet
31 December 1957
(Continued)

Vessel	Gross Register	Deadweight	Fuel	Year Built	Speed (Knots)
	Tons	Tons			
One Thousand Gross Register Tons and Above					
SS Kielce <u>c/</u>	2,352	3,330	Coal	1939 <u>h/</u>	12.5
SS Kilinski	7,697	10,890	Oil	1944	17.0
SS Kolno <u>c/</u>	2,660	3,260	Coal	1936	10.5
MS Kopernik <u>d/</u>	2,665	4,060	Oil	1953	14.5
SS Kosciuszko	7,706	10,395	Oil	1939	14.5
SS Krakow <u>c/</u>	2,018	3,000	Coal	1926	9.0
SS Kutno <u>c/</u>	2,361	3,400	Coal	1925	9.5
SS Lech <u>d/</u>	1,573	2,145	Coal	1934	9.0
MS Lechistan	1,898	3,290	Oil	1929	12.0
MS Lewant	1,958	3,290	Oil	1930	12.0
SS Lublin <u>d/</u>	1,324	2,000	Coal	1932	12.5
SS Malbork <u>c/</u>	2,588	3,160	Coal	1955	12.0
MS Malgorzata Fornalska	8,396	9,785	Oil	1941	14.5
MS Marcelli Nowotko	7,190	10,800	Oil	1956	16.0
SS Marchlewski	1,834	3,075	Oil	1950	13.0
SS Marian Buczek	7,063	10,310	Oil	1943	11.0
MS Mickiewicz	4,344	6,580	Oil	1947	16.5

- 99 -

S-E-C-R-E-T

S-E-C-R-E-T

Table 17

Inventory of the Polish Merchant Fleet
31 December 1957
(Continued)

Vessel	Gross Register	Deadweight	Fuel	Year	Speed (Knots)
	Tons	Tons		Built	
	One Thousand Gross Register Tons and Above				
MS Mikolaj Rej	5,614	9,700	Oil	1920	11.0
SS Morska Wola f/	3,338	4,620	Oil	1924	9.5
SS Narwik	7,044	10,585	Oil	1942	10.5
MS Nowa Huta d/	2,684	4,065	Oil	1952	14.5
SS Olsztyn	1,877	3,195	Coal	1944	10.5
SS Pawel Finder	4,911	8,920	Oil	1948	10.5
MS Piast d/	3,184	2,890	Oil	1951	15.2
MT Pieniny b/	8,631	12,835	Oil	1941	13.0
MS Pokoj	4,958	9,065	Oil	1945	13.0
SS Poznan e/	2,050	3,030	Coal	1926	8.0
MS Przyjazn Narodow d/	8,876	10,130	Oil	1937	15.5
SS Przyszlosc	7,218	10,535	Oil	1942	10.0
SS Pstrowski c/	1,928	2,610	Coal	1950	11.0
SS Puck	1,166	1,495	Coal	1949	11.7
SS Pulaski	7,083	10,220	Oil	1928	13.5
SS Rataj	1,340	1,640	Coal	1906	8.0
MS Romuald Traugutt	6,726	9,925	Oil	1913	11.2

- 100 -

S-E-C-R-E-T

S-E-C-R-E-T

Table 17

Inventory of the Polish Merchant Fleet
31 December 1957
(Continued)

Vessel	Gross Register	Deadweight	Fuel	Year	Speed (Knots)
	Tons	Tons		Built	
One Thousand Gross Register Tons and Above					
SS Slask	1,402	1,540	Coal	1932	12.0
SS Slawno	2,557	3,200	Oil	1957	12.5
MS Slowacki	5,262	8,030	Oil	1924	10.0
SS Soldek c/	2,045	2,610	Coal	1949	11.0
MS Stefan Okrzeja	6,620	10,500	Oil	1957	16.0
SS Szczecin c/	3,818	4,975	Coal	1954	11.0
MT Tatry b/	3,320	4,200	Oil	1957	11.5
SS Tobruk	7,049	10,595	Oil	1942	11.0
SS Torun	1,985	3,010	Coal	1926	9.0
SS Ustka c/	1,108	1,570	Coal	1937 g/	10.8
MS Warszawa d/	6,021	10,370	Oil	1940	15.5
MS Warynski	4,341	6,860	Oil	1936	13.5
SS Wieczorek c/	1,971	2,525	Coal	1953	11.0
SS Wielun c/	2,028	3,010	Coal	1926	9.0
SS Wisla	3,105	5,100	Coal	1928	11.0
SS Wroclaw	1,739	2,475	Coal	1935	12.5
MS Zeromski d/	6,506	10,070	Oil	1957	15.5
Total	356,288	499,955			

S-E-C-R-E-T

Table 17
Inventory of the Polish Merchant Fleet
31 December 1957
(Continued)

Vessel	Gross Register	Deadweight	Fuel	Year Built	Speed (Knots)
	Tons	Tons			
	Less Than One Thousand Gross Register Tons				
MS Bug	500	645	Oil	1939	10.0
MS Dunajec	436	660	Oil	1951	10.7
MS Jastarnia i/	610	900	Oil	1956	10.5
MS Liwiec	943	1,100	Oil	1956	11.7
MS Mazury	909	1,290	Oil	1948	11.0
MS Narew	213	315	Oil	1955	10.5
MS Nogat	620	890	Oil	1954	10.5
MS Notec.	655	760	Oil	1954	10.5
MS Nysa	489	695	Oil	1951	10.7
MS Odra	484	650	Oil	1953	10.7
MS Oksywie	768	1,010	Oil	1938	N.A.
MS Pilica	481	660	Oil	1953	10.7
MS Prosna	613	725	Oil	1955	10.5
MT Rysy b/	759	1,025	Oil	1942	8.5
MS San	487	655	Oil	1952	10.7
MT Turnia b/	666	1,030	Oil	1944	8.5
MS Warmia	953	1,290	Oil	1948	11.0
Total	<u>10,586</u>	<u>14,300</u>			
Grand total	<u>366,874</u>	<u>514,255</u>			

S-E-C-R-E-T

Table 17

Inventory of the Polish Merchant Fleet
31 December 1957
(Continued)

-
- a. Passenger.
 - b. Tanker.
 - c. Bulk carrier.
 - d. Refrigerator facilities.
 - e. Salvage completed in 1950.
 - f. Salvage completed in 1957.
 - g. Name changed in 1957 (ex-Fryderyk Chopin).
 - h. Salvage completed in 1952.
 - i. Supply ship for fishing fleet.

S-E-C-R-E-T

S-E-C-R-E-T

Table 18

Characteristics of the World Fleet and Fleets of Selected Countries a/
July 1957

	Percent									
	Propulsion		Fuel		Age Distribution					
	Motor	Steam	Oil	Coal	Under 5 Years	5 to 9 Years	10 to 14 Years	15 to 19 Years	20 to 24 Years	25 Years and More
World total, all flags	37	63	92	8	22	16	34	10	3	15
US b/	4	96	99	1	4	2	73	18	Negligible	2
British Commonwealth b/	43	57	94 c/	6 c/	22	20	29	11	6	12
Liberia	13	87	99	1	51	10	30	4	1	4
Norway	85	15	99	1	38	32	12	6	4	8
Panama	20	80	98	2	15	15	37	9	2	22
Japan	51	49	90	10	31	31	21	3	3	10
Italy	42	58	98	2	22	8	33	8	2	26
Netherlands	58	42	99	1	28	16	25	14	5	12
France	52	48	98	2	26	31	26	5	5	8
Germany d/	73	27	93	7	48	21	21	5	4	17
Sweden	85	15	95	5	33	20	21	6	4	15
USSR	30	70	60	40	14	5	12	5	6	57
Denmark	90	10	97	3	36	27	14	4	5	13
Greece	22	78	97	3	19	2	50	7	2	20
Spain	45	55	73	27	20	10	9	2	2	57
Argentina	43	57	96	4	c/	34	32	2	2	29
Finland	46	54	73	27	18	11	8	9	2	52
Brazil	42	58	80	20	7	27	26	1	1	38
Yugoslavia	44	56	74	26	29	13	9	5	3	41
Poland e/	54	46	83	17	21	8	17	24	11	19

a. 207/. Including vessels of 100 gross register tons and above entered in Lloyd's Register. Percentages are calculated on gross register tonnage and may not add to 100 because of rounding.

b. Excluding Great Lakes vessels.

c. Possibly including some Canadian Great Lakes vessels.

d. Believed to exclude the very small East German fleet. Even if this fleet is included, percentages would not be disturbed.

e. As of 31 December 1957. Figures are based on Table 17, p. 79, above, and do not include auxiliary vessels as do all other figures in this table. If auxiliaries were included, as in Lloyd's Register, only about 42 percent would be motor vessels and about 72 percent oil-burning vessels.

- 104 -

S-E-C-R-E-T

S-E-C-R-E-T

Table 19

Areas of Operation of the Polish Merchant Fleet a/*
1956-57

Area	October 1956		October 1957	
	Number of Vessels	Deadweight Tons	Number of Vessels	Deadweight Tons
Far East route				
Scheduled	16	156,820	22	222,080
Nonscheduled	10	98,015	3	21,035
Total	<u>26</u>	<u>254,835</u>	<u>25</u>	<u>243,115</u>
India as terminal				
Scheduled	1	5,610	3	28,865
Nonscheduled	1	10,595	0	0
Total	<u>2</u>	<u>16,205</u>	<u>3</u>	<u>28,865</u>
Southeast Asia, Communist China, and Japan as terminal				
Scheduled	15	151,210	19	193,215
Nonscheduled	9	87,420	3	21,035
Total	<u>24</u>	<u>238,630</u>	<u>22</u>	<u>214,250</u>
Near East and Black Sea route				
Scheduled	3	14,905	5	17,780
Nonscheduled	7	27,640	4	33,430
Total	<u>10</u>	<u>42,545</u>	<u>9</u>	<u>51,210</u>

* Footnotes for Table 19 follow on p. 107.

- 105 -

S-E-C-R-E-T

S-E-C-R-E-T

Table 19

Areas of Operation of the Polish Merchant Fleet a/
1956-57
(Continued)

Area	October 1956		October 1957	
	Number of Vessels	Deadweight Tons	Number of Vessels	Deadweight Tons
South America route				
Scheduled	7	35,260	9	53,765
Nonscheduled	0	0	0	0
Total	<u>7</u>	<u>35,260</u>	<u>9</u>	<u>53,765</u>
North America route				
Scheduled	0	0	1	5,610
Nonscheduled	0	0	3	30,235
Total	<u>0</u>	<u>0</u>	<u>4</u>	<u>35,845</u>
Baltic, Europe, b/ and the UK				
Scheduled	15	16,470	19	24,420
Nonscheduled	20	50,805	19	53,180
Total	<u>35</u>	<u>67,275</u>	<u>38</u>	<u>77,600</u>
Baltic service only				
Scheduled	5	3,320	7	6,810
Nonscheduled	9	25,300	15	43,265
Total	<u>14</u>	<u>28,620</u>	<u>22</u>	<u>50,075</u>
Europe service only				
Scheduled	5	7,645	5	7,785
Nonscheduled	6	13,100	3	8,345
Total	<u>11</u>	<u>20,745</u>	<u>8</u>	<u>16,130</u>

S-E-C-R-E-T

Table 19
 Areas of Operation of the Polish Merchant Fleet a/
 1956-57
 (Continued)

Area	October 1956		October 1957	
	Number of Vessels	Deadweight Tons	Number of Vessels	Deadweight Tons
UK service only				
Scheduled	1	890	2	5,260
Nonscheduled	0	0	1	1,570
Total	<u>1</u>	<u>890</u>	<u>3</u>	<u>6,830</u>
Triangular service <u>c/</u>				
Scheduled	4	4,615	5	4,565
Nonscheduled	5	12,405	0	0
Total	<u>9</u>	<u>17,020</u>	<u>5</u>	<u>4,565</u>
Out of service <u>d/</u>	7 <u>e/</u>	27,955	5 <u>f/</u>	9,345
Total				
Scheduled	41	223,455	56	323,655
Nonscheduled	37	176,460	29	137,880
Total in operation	<u>78</u>	<u>399,915</u>	<u>85</u>	<u>461,535</u>
Out of service	7	27,955	5	9,345
Grand total	<u>85</u>	<u>427,870</u>	<u>90</u>	<u>470,880</u>

a. The 1957 figures do not include the three supply ships for the fishing fleet: the Kaszuby, the Morska Wola, and the Jastarnia. The 1956 figures include the Jastarnia, as it was temporarily in commercial service, but exclude the Kaszuby and the Morska Wola.

b. Gdynia-Antwerp range.

c. Serving 2 or all 3 of the areas.

d. As nearly as can be determined.

e. Including the Wspolpraca, which was awaiting sale for scrap; the Kolobrzeg, which was last seen in Kattegat Sound bound north on 25 September, possibly for tramp service in Soviet Arctic ports; and the Narew, which probably was in Polish coastal service. The rest are believed to have been under repair.

f. Including the Wigry and the Turnia, which probably were in Polish harbor or coastal service. The rest are believed to have been under repair.

S-E-C-R-E-T

S-E-C-R-E-T

Table 20

Merchant Vessels Operating Under the Polish Flag, by Area
October 1957

Scheduled		Nonscheduled	
Vessel	Deadweight Tons	Vessel	Deadweight Tons
Far East route			
SS Baltyk	10,255	MT Beskidy	4,200
SS Bialystok	10,500 a/*	MS Felix Dzierzinski	12,635
MS Boleslaw Bierut	10,500	MT Tatry	4,200
SS Braterstwo	11,780		
SS Bytom	8,770		
MS Curie Sklodowska	7,770 a/		
SS Jednosc	10,280		
SS Kilinski	10,890		
SS Kosciuzko	10,395		
MS Malgorzata Fornalska	9,785		
MS Marcelli Nowotko	10,800		
SS Marian Buczek	10,310		
MS Mikolaj Rej	9,700		
SS Narwik	10,585		
SS Pawel Finder	8,920		
MS Pokoj	9,065		
MS Przyjazn Narodow	10,130		
SS Przyszlosc	10,535		
SS Pulaski	10,220		
MS Romuald Traugutt	9,925		
SS Tobruk	10,595 a/		
MS Warszawa	10,370		
Total	<u>222,080</u>	Total	<u>21,035</u>
Near East and Black Sea route			
MS Gdansk	4,060	MT Karpaty	9,630
MS Lechistan	3,290	MT Kasprowy	13,725
MS Lewant	3,290	SS Szczecin	4,975
SS Marchlewski	3,075	SS Wisla	5,100
MS Nowa Huta	4,065		
Total	<u>17,780</u>	Total	<u>33,430</u>

* Footnotes for Table 20 follow on p. 111.

S-E-C-R-E-T

Table 20

Merchant Vessels Operating Under the Polish Flag, by Area
October 1957
(Continued)

Scheduled		Nonscheduled	
Vessel	Deadweight Tons	Vessel	Deadweight Tons
South America route			
MS Czech	3,200		
MS General Bem	8,540		
MS General Walter	6,720		
MS Hugo Kollataj	6,885		
MS Kopernik	4,060		
MS Mickiewicz	6,580		
MS Piast	2,890		
MS Slowacki	8,030		
MS Warynski	6,860		
Total	<u>53,765</u>		
North America route			
MS Batory	5,610	MS Edward Dembowski	9,205
		MS Kapitan Kosko	10,530
		MS Stefan Okrzeja	10,500
		Total	<u>30,235</u>
Baltic, Europe, b/ and the UK			
Baltic service only			
MS Bug	645	SS Brygada Makowskiego	2,610
MS Dunajec	660	SS Gdynia	4,975
MS Oksywie	1,010	SS Jednosc Robotnicza	2,610
MS Pilica	660	SS Kielce	3,330
SS Rataj	1,640	SS Krakow	3,000
MS San	655	SS Kutno	3,400
SS Slask	1,540	SS Malbork	3,160
		SS Olsztyn	3,195
		SS Poznan	3,030

S-E-C-R-E-T

S-E-C-R-E-T

Table 20

Merchant Vessels Operating Under the Polish Flag, by Area
 October 1957
 (Continued)

Scheduled		Nonscheduled	
Vessel	Deadweight Tons	Vessel	Deadweight Tons
Baltic, Europe, <u>b/</u> and the UK (Continued)			
Baltic service only (Continued)			
		SS Prosna	725
		SS Pstrowski	2,610
		SS Soldek	2,610
		SS Torun	3,010
		SS Wieczorek	2,525
		SS Wroclaw	2,475
Total	<u>6,810</u>	Total	<u>43,265</u>
Europe service only			
MS Elblag	1,710	SS Kolobrzeg	4,310
SS Lublin	2,000	MT Rysy	1,025
MS Mazury	1,290	SS Wielun	3,010
SS Puck	1,495		
MS Warmia	1,290		
Total	<u>7,785</u>	Total	8,345
UK service only			
SS Jaroslaw Dabrowski	3,115	SS Ustka	1,570
SS Lech	2,145		
Total	<u>5,260</u>		

- 110 -

S-E-C-R-E-T

S-E-C-R-E-T

Table 20

Merchant Vessels Operating Under the Polish Flag, by Area
October 1957
(Continued)

Scheduled		Nonscheduled	
Vessel	Deadweight Tons	Vessel	Deadweight Tons
Triangular service <u>c/</u>			
SS Hel	1,570		
MS Nogat	890		
MS Notec	760		
MS Nysa	695		
MS Odra	650		
Total	<u>4,565</u>		
Out of service			
SS Gliwice	2,220		
SS Kolno	3,260		
MS Narew	315		
MT Turnia	1,030		
SS Wigry	2,520		
Total	<u>9,345</u>		

- a. India as terminal.
b. Gdynia-Antwerp range.
c. Serving 2 or all 3 of the routes in the subject area.

S-E-C-R-E-T

S-E-C-R-E-T

Table 21
Freight Traffic Performance of the Polish Merchant Fleet ^{a/}
1949-57

	Unit	1949	1950	1951	1952	1953	1954	1955	1956	1957 ^{b/}
A. Total merchant fleet ^{c/}										
Cargo carried	Thousand metric tons	1,785	2,390	3,481	3,753	2,872	2,615	3,023	2,930	3,397
Ton-miles performed	Million ton-miles	3,417	4,870	10,100	9,246	8,889	6,745	8,535	9,390	10,611
Average length of haul	Nautical miles	1,914	2,038	2,901	2,464	3,095	2,579	2,823	3,209	3,124
B. State-owned fleet ^{d/}										
Cargo carried	Thousand metric tons	1,761	2,247	2,704	2,988	2,699	2,613	3,023	2,795	N.A.
Ton-miles performed	Million ton-miles	3,407	4,307	7,128	6,858	8,176	6,739	8,535	9,258	N.A.
Average length of haul	Nautical miles	1,935	1,917	2,636	2,295	3,029	2,579	2,823	3,312	N.A.
C. Difference between total fleet and state-owned fleet ^{e/}										
Cargo carried	Thousand metric tons	24	143	777	765	173	2	0	135	N.A.
Ton-miles performed	Million ton-miles	10	563	2,972	2,388	713	6	0	132	N.A.
Average length of haul	Nautical miles	417	3,937	3,825	3,122	4,121	3,000	0	978	N.A.
D. Fleet of enterprises under CZ-PMH ^{f/}										
Cargo carried	Thousand metric tons	1,761	2,247	2,554	2,827	2,501	2,355	2,725	2,485	2,961
Ton-miles performed	Million ton-miles	3,407	4,307	5,455	5,235	6,028	4,926	5,809	6,391	7,145
Average length of haul	Nautical miles	1,935	1,917	2,136	1,852	2,410	2,092	2,132	2,572	2,813
E. Difference between state-owned fleet and CZ-PMH fleet ^{g/}										
Cargo carried	Thousand metric tons	0	0	150	161	198	258	298	310	N.A.
Ton-miles performed	Million ton-miles	0	0	1,673	1,623	2,148	1,813	2,726	2,867	N.A.
Average length of haul	Nautical miles	0	0	11,153	10,081	10,848	7,027	9,148	9,248	N.A.

^{a.} 208/

c. Not including the performance of certain vessels on the Far East route which, although flying the Polish flag, are not owned by Poland. They are believed to be owned by Communist China.
d. Included in A.
e. This category of vessels which are claimed as part of the Polish fleet but not claimed as state-owned might be taken on first consideration to be privately owned vessels, but so far as is known, there were not enough privately owned vessels since nationalization in 1949 to carry the magnitudes involved. It is believed instead that these are vessels which were bareboat-chartered by Poland. They might well include mainly vessels built or purchased for China but operated first under charter in the Polish-flag service. ^{211/} In 1956, several such vessels were operated in the Baltic area before delivery to China, ^{212/} which would account for the low 1956 average length of haul. In the earlier years, 1950-53, this category might include some of the larger vessels purchased for Chipolbrot but bareboat-chartered first by Poland. Tons and ton-miles are derived by subtracting B from A. Average length of haul is not the result of subtraction but is a calculation from tons and ton-miles.
f. CZ-PMH designates the Central Administration of the Polish Merchant Marine, a section of the Ministry of Navigation. This group of vessels includes those which were under the control of, or direction of the CZ-PMH. These figures are included in A and B, above.
g. It is probable that the difference shown here between the state-owned fleet and the fleet under CZ-PMH represents the performance of those vessels of the Polish Ocean Lines which were assigned to the Chipolbrot. ^{213/} The line to China began in late 1950 and early 1951. Tons and ton-miles are derived by subtracting D from B. Average length of haul is not a result of subtraction but is a calculation from tons and ton-miles.

S-E-C-R-E-T

Table 22
 Areas of Shipment, of Cargo Carried by CZ-PMH a/ Vessels b/
 1949-57

Range	Unit	1949	1950	1951	1952	1953	1954	1955	1956	1957 c/
Ocean	Thousand metric tons	191	251	462	354	436	320	432	507	613
	Million ton-miles	1,141	1,832	3,431	2,886	4,238	2,991	3,363	4,449	4,710
European	Thousand metric tons	1,304	1,093	782	1,124	945	984	1,170	1,070	1,148
	Million ton-miles	2,116	1,968	1,330	1,635	1,222	1,381	1,823	1,432	1,761
Baltic	Thousand metric tons	266	903	1,310	1,349	1,120	1,051	1,123 d/	908	1,200
	Million ton-miles	150	507	694	714	568	554	623	510	674
Total	Thousand metric tons	1,761	2,247	2,554	2,827	2,501	2,355	2,725	2,485	2,961
	Million ton-miles	3,407	4,307	5,455	5,232	6,028	4,926	5,809	6,391	7,145
Direction of traffic										
Between Polish and foreign ports										
Import	Thousand metric tons	663	1,084	1,239	1,444	1,187	1,018	1,293	1,175	1,503
	Million ton-miles	1,440	1,873	2,439	2,318	2,798	2,255	2,645	2,534	3,316
Export	Thousand metric tons	853	863	899	1,074	1,080	1,136	1,159	1,042	1,122
	Million ton-miles	1,360	1,619	1,560	2,025	2,469	2,093	2,303	2,779	2,594
Subtotal	Thousand metric tons	1,516	1,947	2,138	2,518	2,267	2,154	2,452	2,217	2,625
	Million ton-miles	2,800	3,492	3,999	4,343	5,267	4,348	4,948	5,313	5,910
Between Polish ports	Thousand metric tons	42	25	73	26	18	39	39	48	62
	Million ton-miles	8	5	13	2	2	2	2	5	1
Between foreign ports	Thousand metric tons	203	275	343	283	216	162	234	220	274
	Million ton-miles	599	810	1,443	890	759	576	859	1,073	1,234
Total	Thousand metric tons	1,761	2,247	2,554	2,827	2,501	2,355	2,725	2,485	2,961
	Million ton-miles	3,407	4,307	5,455	5,232	6,028	4,926	5,809	6,391	7,145

a. CZ-PMH designates the Central Administration of the Polish Merchant Marine.

b. $\frac{214}{217}$ c. $\frac{217}{217}$

d. One of the components of this figure in the original was 966, which is believed to have been a misprint. It was changed to 968 in order that the totals should match.

S-E-C-R-E-T

APPENDIX B

METHODOLOGY

Where individual figures have been estimated, the method of arriving at that figure has been explained in footnotes.

1. Fleet.

Data on merchant fleets other than Polish have been gathered from Lloyd's Statistical Survey and Lloyd's Register and from publications of the US Maritime Administration. Data on the Polish fleet are based on a compilation by this office [redacted] vessel by vessel, as presented in the statistical tables in this report. [redacted]

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[redacted] In comparisons of world fleets and discussions of the growth and composition of the Polish fleet, all merchant vessels flying the Polish flag have been included except those en route for delivery to Communist China.

50X1

In discussions of fleet plans, however, as well as performance of the Polish fleet (in tons carried and ton-miles performed), it has been necessary to distinguish constantly between (a) the Polish-owned vessels which are under Polish control, (b) the Polish-owned vessels which are under the control of the Chinese-Polish Shipbrokers Corporation (Chipolbrok), and (c) the vessels which fly the Polish flag but are not Polish-owned. All Polish plans for the fleet consistently use the figure of 331,000 DWT for the 1955 fleet, which matches that of the state-owned fleet given in Table 14,* and the total fleet plans are therefore assumed not to include those vessels which fly the Polish flag but which are owned by some other entity than the Polish government, presumably Communist China.

2. Fleet Performance.

In discussions of performance of the fleet the conclusion has been drawn that at least the cargo carried by ships not owned by Poland is not included. Quoted percentage figures of share of port traffic have been vague and seemingly inconsistent, so that within the state-owned group of vessels it is not always immediately apparent whether it is

* P. 77, above.

S-E-C-R-E-T

S-E-C-R-E-T

the performance of the total Polish-flag group which is referred to or only the group under the control of CZ-PMH, the Central Administration of the Polish Merchant Marine. For example, one Italian publication in October 1956 stated that in 1955 vessels under the Polish flag or vessels chartered by the Polish state carried barely 16.6 percent of the goods entering or leaving Poland by sea. ^{216/} A Polish publication of November 1956 (the article probably was written earlier in 1956 to be published in November) stated that "at present the fleet services barely one-sixth (16.6 percent) of the cargo passing through Polish ports." ^{217/}

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The various percentage figures would work out as follows (in thousand metric tons):

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Percent of Port Traffic	Thousand Metric Tons	
	1955	1956
16.6	2,833	2,577
15.0	2,560	2,329

An examination of data on fleet performance in Tables 21 and 22* shows that only one possible combination of figures will match the above and be consistent. This combination is the figure from the breakdown in Table 22 for total tons carried (by the CZ-PMH fleet) between Polish and foreign ports and twice the tons carried between Polish ports. (This figure is added twice because, as it is both loaded and discharged in Polish ports, it would be counted twice in the total port traffic figure.) The results of this combination in 1955 and 1956 are as follows (in thousand metric tons):

1955: $2,452 + 39 + 39 = 2,530 = 14.8$ percent of 17,066 (port traffic)
 1956: $2,217 + 48 + 48 = 2,313 = 14.9$ percent of 15,525 (port traffic)

The assumption then proceeded upon was that in computing share of port traffic the Poles used approximately the above formula and included, therefore, only cargo carried by Polish-controlled vessels and not cargo carried by Polish-owned vessels under the control of Chipolbrok or by the Polish-flag vessels presumably owned by Communist China. This worked reasonably well until two more Polish statements were received concerning

* Pp. 112 and 113, respectively, above.

S-E-C-R-E-T

1957 traffic. The first statement said unequivocally, and in the English language, in the Polish journal Technika i gospodarka morska for March 1958 that the "Polish fleet's share in the total turnover of Polish ports amounted in 1957 to some 18.9 percent." 219/ This 18.9 percent of the 1957 port traffic figure of 14,215,000 tons would be 2,687,000 tons. This would fit exactly all but one step of our formula, as seen in Table 22 -- that is, traffic between Polish and foreign ports, 2,625,000 tons, plus traffic between Polish ports, 62,000 tons. The step left out is the counting twice of traffic between Polish ports, but the assumption that the only cargo counted is that carried by the CZ-PMH fleet is still valid. A report in the issue of Trybuna ludu for 23 April 1958 gives a fleet performance in the first quarter of 1958 by the "Polish Navigational Enterprises" as 756,052 tons and a total port traffic figure of 3,266,000 tons and states that the Polish Merchant Marine carried 23.4 percent of the cargo which went through Polish ports. 220/ In the issue of the Polish Statistical Bulletin for May 1958 a figure of 786,100 tons is given as the tons carried by the total merchant fleet during the first quarter of 1958, with the footnote that this is cargo carried by state-owned vessels and chartered vessels (presumably time-chartered). The figure corresponds to the previous yearly totals shown in Table 21 under Total Merchant Fleet. 221/ These 786,100 tons amount to 24.1 percent of port traffic. On 20 or 21 July 1958 a newspaper statement by Minister Darski claimed that "the present share of the Polish fleet in total shipments is 24.1 percent." 222/ The first figure of 756,052 tons may well be the carryings of the state-owned fleet only, and the figure of 786,100 tons the carryings of the total merchant fleet as defined by the Poles, the difference of 30,000 tons being carried by time- or bareboat-chartered vessels. Although the 756,052 tons in the Trybuna ludu report comes to only 23.1 percent of port traffic (which was given in the same report) instead of the stated 23.4 percent, the discrepancy does not change the conclusion. It would seem that 1958 calculations of share of port traffic have been made on at least total state-owned fleet carryings, including foreign interport cargo, rather than on only the carryings in and out of Polish ports. In the later report by Minister Darski it would seem that the calculation of share of port traffic results from use of the performance of the total merchant fleet corresponding to the figures in Table 21. There may be two explanations for this change in the base for calculations: first, that the breakdown into areas of shipment, corresponding to Table 22, was not yet available and, second, that the higher figure was used by Minister Darski for propaganda purposes. In any event, calculations in this report of tons planned to be carried by the fleet include only that cargo to be carried between Polish ports and between Polish and foreign ports by vessels under Polish control.

- 117 -

S-E-C-R-E-T

S-E-C-R-E-T

3. Transit Cargo Through Polish Ports.

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It will be noticed that figures are fairly consistent through 1952 with the exception of the 1951 figure calculated from port traffic; either the reported percentage figure or the reported port traffic figure may have been wrong.

[Redacted]

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Moreover, the figures in the Statistical Yearbook do carry some footnotes. There are two tables concerning port traffic, one that unequivocally uses the term total cargo handled in the port and the other that uses the term cargo moving in and out of the port, which includes transit cargo. The latter table is footnoted as excluding bunkers and gives the Ministry of Foreign Trade as the source, implying that domestic coastal traffic is also excluded. Moreover, a third table, also supplied by the Ministry of Foreign Trade, gives seaborne foreign trade, which agrees with the second table mentioned if transit cargo is subtracted. The balance left over between total port traffic minus Polish foreign trade and minus transit cargo leaves balances that can reasonably cover domestic coastal traffic and bunkers. These balances are shown in Table 10.**

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[Redacted]

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In view of the relaxing of COCOM restrictions, this traffic probably has been diminishing.

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[Redacted]

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** P. 48, above.

S-E-C-R-E-T

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S-E-C-R-E-T

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4. Satellite Foreign Trade Carried by Polish Vessels.

The estimated amount in Table 11* of Satellite cargo carried by Polish-controlled vessels was derived from Table 10.** This estimate in turn was based in part on Polish statements that 25 percent of the cargo carried on Polish vessels out of Polish ports was transit cargo. Because it has become evident that when statements like this are made the Poles are fairly consistently referring only to the vessels under their control (for example, see the breakdown of areas of shipment shown in Table 22***), it became necessary to add an estimated amount of cargo carried by the Polish-flag vessels under Chipolbrok control, all on the Far East route. From Table 3**** is derived the minimum estimated cargo moved on the Far East route, of which 354,000 tons were carried out of Polish ports and 360,000 tons into Polish ports. Of the approximately 25 vessels which were normally operating on the Far East route during 1956, 16 vessels (64 percent) were controlled by Chipolbrok. The Chipolbrok vessels, however, probably did not carry as much as 64 percent of the cargo through Polish ports. More of the Chipolbrok vessels undoubtedly would be utilized to a greater degree for Chinese trade, whereas Polish-controlled vessels would be utilized to a greater degree for Polish trade. Furthermore, it is believed that during 1956 the effort toward commercially efficient management of the Polish-controlled vessels increased the ratio of cargo carried to vessel space available, whereas the Chipolbrok vessels probably were still operated on the basis of what cargo was to be moved rather than on the basis of filling the vessel. The amount of free space in Chipolbrok vessels was therefore apt to be higher. Thus, of the 354,000 tons carried out of Polish ports on Polish-flag vessels, it is estimated that Chipolbrok vessels may have carried as much as 60 percent but that of the 360,000 tons carried into Polish ports Chipolbrok vessels probably carried no more

* P. 49, above.

** P. 48, above.

*** P. 113, above.

**** P. 31, above.

S-E-C-R-E-T

S-E-C-R-E-T

than 50 percent. The proportion of this cargo which was being moved to and from European Satellites other than Poland is estimated to have been as high as 70 percent, both in view of the fact that Polish-controlled vessels would concentrate on the Polish cargo and that the trade between Poland and China probably was not more than about 25 percent of the total China-Satellite seaborne trade. Moreover, of the very few manifests which have been available on Far East voyages a few have been observed to have carried nothing but other Satellite transit cargo out of Polish ports. 229/ The estimate of other Satellite cargo carried on the Far East route in 1956 by the Polish-flag vessels controlled by Chipolbrok and by CZ-PMH, therefore, has been derived as follows:

	<u>Thousand Metric Tons</u>
Exported through Polish ports	354
Of which 60 percent was carried by Chipolbrok	212
Of which 70 percent was non-Polish cargo	148
Of which 40 percent was carried by CZ-PMH	142
Of which 25 percent was non-Polish cargo	36
Imported through Polish ports	360
Of which 50 percent was carried by Chipolbrok	180
Of which 70 percent was non-Polish cargo	126
Of which 50 percent was carried by CZ-PMH	180
Of which 25 percent was non-Polish cargo	45
Total non-Polish cargo carried through Polish ports	
On Chipolbrok vessels	274
On CZ-PMH vessels	81

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