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REPORT NO. 

50X1

COUNTRY Poland

DATE DISTR. 28 July 1955

SUBJECT Planning Procedures for Agricultural  
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**Agricultural Machines**General

1. Planning at the Central Agricultural Equipment Supply Office (Centrala Zaopatrzenia Rolnictwa - CZR) was conducted throughout the whole year and embraced the following:
  - a. The preparation and working-out of plans for the next year on the basis of the Six-Year-Plan.
  - b. The supervision of the implementation of plans for the current year including adjustments and working out collective statements and periodic (monthly and quarterly) reports.

It involved not only the planning section but all other sections of the central office of the CZR as well as the supply agencies subordinated to the CZR, the government producing and importing agencies and all customers who bought agricultural machines and equipment, spare parts for them, and technical repair materials.

2. The actual work on planning for the next year usually started in April. According to source, the CZR was responsible for the elaboration of the following plans:
  - a. Three balance sheets which were requirement, procurement, and distribution plans for both home-produced and imported products:

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- (1) A Balance Sheet of Agricultural Machines (Bilans Maszyn).
  - (2) A Balance Sheet of Spare Parts for Tractors and Agricultural Machines (Bilans Czesci).
  - (3) A Balance Sheet of Sheaf-Binding Twine (Bilans Sznurka Snopowiazalkowego).
- b. An Investment Plan (Plan Inwestycji) on new constructions and equipment necessary for the operation of the CZR.
- c. A Financial-Economic Plan (Plan Finansowo-Gospodarczy) for the CZR which included:
- (1) An Organizational Development Plan for sales agencies (Plan Sieci).
  - (2) A Turnover Plan for the sales agencies (Plan Obrotow Sieci Handlowej).
  - (3) An Employment Plan (Plan Zatrudnienia).
  - (4) A Financial Plan (Plan Finansowania).
  - (5) A Comprehensive Plan of Expected Economic Operations (Plan Przewidywanych Wynikow Dzialalnosci Gospodarczej).
- d. A Detailed Plan for the Purchase and Sale of Spare Parts for Agricultural Machines and Technical Materials (Plan Asortymentowy Zakupu i Sprzedazy Czesci i Artykulow Technicznych) which was necessary for working out the Financial - Economic Plan.

#### Balance Sheet of Agricultural Machines

3. The following is a description of how the Balance Sheet of Agricultural Machines was worked out. (See diagram, Pg. 11). The figures in parentheses are the same as those appearing on the diagram which represents the various stages in planning and shows the timetable and the organizations involved in working out the balance sheet.

- (1) At the beginning of April of every year, the State Economic Planning Commission (PKPG) issued a general directive which listed all the agencies and organizations that had to submit the data necessary for drafting the final balance sheet of agricultural machines. This directive fixed the timetable and channels through which the worked out material had to be submitted. A list of agricultural machines which could be considered for the following year was included as an enclosure. The rough draft of this directive was in fact prepared by the CZR and submitted to the Department of Agriculture of the PKPG. This general directive (zarzadzenie o trybie prac nad bilansem maszyn rolniczych, in Polish) was sent out for execution to the CZR, the central administrations

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of the machine industry and other agencies responsible for the production of agricultural machines, to the central agencies responsible for importing agricultural machines, and to all who represented the customers and users of agricultural machines, that is, to ministries and central state establishments, including the Central Agency of Agricultural Peasant Self-Help Cooperatives (CRSSCh). All of these were regarded as "general investors" (inwestor naczelny).

- (2) The producers and customers started to work on their own plans on the basis of the Six-Year-Plan data, the producers to determine the quantity of each type of agricultural machine and tractor they were capable of producing, and the customers to work out detailed plans of requirements. All plans were submitted to the CZR. The producers were usually quicker with their plans than the customers were. The CZR compared the figures submitted by the producers with the requirements of customers and informed the importing agencies of the number and type of agricultural machines that had to be imported.
- (3) The CZR first tried to adjust the differences between the demand and supply through conferences, then submitted a draft of an initial balance sheet (projekt bilansu wstepnego) to the PKPG with suggestions on how to straighten out the differences.
- (4) The Department of Agriculture of the PKPG worked on this draft in close coordination with the Central Committee of the Polish United Workers' Party and the Presidium of the Council of Ministers. After conferences with the ministries involved, the PKPG decided on the final figures and returned the revised balance sheet to the CZR. This initial balance sheet issued by the PKPG was in the form of a large book in which the quantity of each particular type of tractor and agriculture machine was fixed, as well as who was to produce or import it and which ministry would receive it.
- (5) The CZR prepared extracts from this initial balance sheet and sent them to all the interested ministries, central administrations, importing agencies, etc., in the form of collective statements. Once having been determined and approved by the PKPG, the figures given in this initial balance sheet were used by all concerned (producers, importers, and consumers) as obligatory control figures (wytuczne cyfry kontrolne) in the elaboration of their own detailed yearly plans.
- (6) The central administrations of the agricultural machine industry and of the motor industry divided the received control figures between the production establishments and factories who used them to work out their annual production plans for the next year.

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- (6a) The central import and export agencies made initial agreements with foreign governments or firms concerning the import and export of tractors and agricultural machinery and tried to secure their deliveries or sales according to the controlled figures in the balance sheets for the next year.
- (6b) The main customers (all interested ministries and the CRSSCh) divided the control figures of allotted agricultural machines among their subordinate agencies or units, which were referred to as direct investors (inwestor bezposredni), and all involved started to work on the yearly plans. They prepared their requirements taking into account such factors as the number of employees, wages, and material necessary for repairs. The preparation and working out of yearly plans continued for weeks; finally, the ministries and central agencies received the detailed requirements and figures from their subordinate units which enabled them to work out the collective statements of requirements which they submitted to the CZR.
- (7) The CZR prepared a project of the final balance sheet and after additional adjustments of differences between the requirements and available supplies submitted it to the State Economic Planning Commission.
- (8) The Department of Agriculture of the State Economic Planning Commission studied the material and after additional consultation with the Central Committee of the PZPR, the Presidium of the Council of Ministers, and eventually with the producers, drew up the final Balance Sheet of Tractors and Agricultural Machines and sent it to the CZR and to the ministries which controlled the producing and importing agencies. The balance sheet was sent in the form of an order from the State Economic Planning Commission.
- (9) The CZR prepared extracts from the final balance sheet which were sent to all the interested parties and to the subordinated Agricultural Machine Supply Agency in Lodz for implementation.
- (10) All customers of the CZR (Ministry of State Farms, Central Administration of Machine Centers and other central establishments of the Ministry of Agriculture, as well as other ministries concerned) prepared their own final detailed distribution plan of tractors and agricultural machines for all subordinate units and submitted them to the CZR.
- (11) The CZR informed the Central Administration of the Agricultural Machine Industry, the Motoimport Agency and the Agricultural Machine Supply Agency in Lodz of the final annual agricultural machine distribution plan for the next year.

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Supply and Distribution Plans

- (12) The basis for the distribution of tractors and agricultural machines for the current year was a quarterly operative plan. The work on the quarterly distribution plan usually started one and one-half to two months before the beginning of the next quarter and was conducted as follows:
- (13) The Agricultural Machine Supply Agency checked all records on the implementation of the supply and distribution plans of agricultural machines from the past quarter and adjusted the final allocation of tractors and agricultural machines for the coming quarter (usually for newly created State Machine Centers and new State Farms or the CRSSCh) according to the additional data and requirements received from the general investors, i.e., the ministries or central administrations.
- (14) The Agricultural Machine Section of the Central Office of the CZR in cooperation with the Agricultural Machine Supply Agency in Lodz conducted several so-called assortment conferences (konferencje asortymentowe) (in February, May, August, and November of each year) with the importing and producing agencies in order to determine the final distribution plan for the first quarter of the next year or for the next quarter of the current year. At these conferences, the exact end-users to whom the tractors and agricultural machines should be sent were made a matter of record. The quarterly allocation plan of tractors and agricultural machines fixed in the yearly plan was changed at the above-mentioned conferences only in the following cases:
- (a) If the importing agency was informed that the foreign factories had changed their delivery dates and quotas.
  - (b) If the producing agencies were informed that the Polish factories were not able to produce the planned quotas of agricultural machines or if they expected a surplus in production.
  - (c) If some of the customers did not want some of the allocated tractors or agricultural machines.

The CZR usually informed all general investors about the changes in distribution about five weeks in advance. If the general investors were not able to submit detailed addresses of the customers of the home-produced agriculture machines, the machines were stored in the factories, but the imported agricultural machines and all insect control equipment were sent to the Agricultural Machine Supply Agency's depot.

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## Spare Parts and Repair Materials

### General

4. The following is a description of how plans concerning the supply of repair materials and spare parts for tractors and agricultural machines were worked out (See diagram, page 12). The plan of supply of spare parts for agricultural machines and repair materials was composed of the following three parts:
- a. A balance sheet of spare parts which was in fact a general annual plan of requirements and procurement. It was worked out according to a directive from the Agricultural Department of the State Economic Planning Commission and was called a high level supply plan (odgorny plan zaopatrzania).
  - b. Detailed plans for the supply of those spare parts and technical repair materials which were financed by the Central Agricultural Equipment Supply Office (CZR). It was called a low level supply plan (oddolny plan zaopatrzania) and was worked out according to the orders of the Ministry of Agriculture and the Ministry of State Farms. The CZR and all agricultural machine producers, importers, and customers cooperated in working out this plan.
  - c. A distribution and sales plan for spare parts and technical materials (Plan Rozdzialu i Sprzedazy) which was worked out by the CZR and its agencies.

The figures in parentheses are the same as those appearing on the diagram which represents the various stages in planning and shows the timetable and the organizations involved in working out the plans.

### Balance Sheet of Spare Parts

- (1) The State Economic Planning Commission issued a general directive ordering the CZR to work out a balance sheet for spare parts. The directive fixed the timetable and a list of all spare parts and materials which had to be produced or imported. This directive was forwarded to the CZR through the Ministry of Agriculture and was also sent to all who were to participate in working it out, that is, to all the ministries of particular industries (heavy, machine, light, small, etc.) and to all central importing agencies, such as Motoimport, Polimex, Varimex, and Cebiloz. It should be added that a preliminary draft of this directive was always prepared by the CZR and submitted to the Department of Agriculture of the State Economic Planning Commission one month before the directive was issued.
- (2) The planning section of the CZR with the cooperation of the tractor and spare parts section contacted the main contractors, e.g., the central administrations of particular industries and the importers, and fixed the timetable for working out the balance sheet.

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- (3) The CZR called a conference of all the main customers in order to establish the quantity and type of spare parts and materials required for all of agriculture. Representatives of the following customers took part in the conference: Ministry of Agriculture, Ministry of State Farms, Central Administration of State Machine Centers, Central Administration of Technical Services for Agriculture, and the Central Agency of Agricultural Peasant Self-Help Cooperatives. During the conference, the requirements for spare parts and repair materials were established with the help of statistical data from past years, norms of wear and tear of spare parts, and directives and plans concerning the repair of agricultural machinery. The CZR also checked the amount of spare parts and materials in stock in their own Spare Parts for Tractors and Agricultural Machine Supply Agency and in the regional wholesale agencies and finally arrived at a figure for the number of spare parts required for the next year.
- (4) The CZR submitted the initial plan of requirements of home-produced and imported spare parts to the appropriate departments of the State Economic Planning Commission (Agriculture, Forestry, Communication, Machine, Heavy Industry, etc.). After consultation with representatives of the ministries concerned, the State Economic Planning Commission fixed the final figures on the quantity and type of spare parts and repair materials to be produced by the home industry and the quantity and type of spare parts and repair materials to be imported by the Ministry of Foreign Trade. In cases of strong opposition from the ministries, the final decisions were made by the First Deputy Premier of the Council of Ministers, Zenon Nowak.
- (5) The CZR selected the factories which had to produce the spare parts approved by the above-mentioned decision of the State Economic Planning Commission. The central administrations of the producing industries then sent the initial figures for production plans for the next year to the subordinate factories. The CZR also sent these figures to the Spare Parts for Tractors and Agricultural Machines Supply Agency in Szczypiorno as directives for the plan of supply for the next year.
- (6) The CZR Spare Parts for Tractors and Agricultural Machines Supply Agency in Szczypiorno worked out the details of distributing the planned production (in terms of quantity and type of spare parts) among the selected factories on the basis of the completed high level supply plan or balance sheet.
- (7) Through conferences and correspondence, the CZR Spare Parts for Tractors and Agricultural Machines Supply Agency fixed the details concerning the production and deliveries of spare parts and sent formal initial orders to each factory. At this time the spare parts supply agency was already in possession of part of the requirements for spare parts for the next year, having received them from the regional wholesale agencies of the CZR.

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Detailed Plans of Supply of Spare Parts and Repair Materials

- (8) The CZR fixed the detailed methods and timetable of planning for those supplies of spare parts and repair materials which were to be financed by the CZR. After approval by the PKPG, the timetable and methods were issued as an order from the Ministry of Agriculture and the Ministry of State Farms. Usually, the chief of the planning section of the CZR personally passed this order to all directors, managers or representatives of State Machine Centers, State Farms, Technical Services for Agriculture, the Spare Parts for Tractors and Agricultural Machines Supply Agency, and the CZR regional wholesale agencies during a conference. This conference took place during May of every year, lasted for at least three days, and was in the nature of a course.
- (9) All those interested in supplies of spare parts for tractors and agricultural machines, i.e., the administrative agencies of the users of agricultural machines (voivodship administrations of State Machine Centers, district administrations of State Farms), and the repair establishments and workshops in cooperation with the supply agencies of the CZR, organized local conferences for supply officers which were, to some extent, a repetition of the conference described in para (8). During these conferences, CZR regional wholesale agencies informed all concerned about the methods and timetable of planning and when the requirements for spare parts had to be submitted to them by the customer.
- (10) All State Farm Clusters, State Machine Centers, Establishments and Workshops of Technical Services for Agriculture and others who administered the State Farms started working out the requirement plans for spare parts for tractors, agricultural machines and repair material according to the timetable issued by the CZR and transmitted through the regional wholesale agencies. The timetable divided the plan into several sections, defined the categories of spare parts and repair materials, and contained data on when the requirements had to be submitted to the regional wholesale agencies of the CZR which prepared the collective plan. The CZR issued special printed forms for this purpose for each type of tractor and each agricultural machine. All spare parts were listed on each form with their catalogue numbers and prices. In filling the form out, every customer had to provide the following information: The quantity of each type of tractor and agricultural machine in use; the established norm of wear and tear for each spare part; the authorized norm for the amount to be kept in stock; the quantity of each spare part in stock expected at the first of January of the next year; and the quantity of each spare part required for the next year divided by the four quarters of the year.

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- (10a) The voivodship administrations of the State Machine Centers and the district administrations of State Farms in turn worked out collective requirements for their own subordinated units and submitted them to the CZR regional wholesale agencies in the form of a collective plan of supply.
- (10b) On the basis of these collective statements, each CZR regional wholesale agency worked out a collective statement on other special forms and calculated the quantity of required spare parts as "expected sales" for the next year. Taking into account the amount of each spare part they expected to have in stock on 1 January of the next year, they arrived at the figure (quantity) of each spare part which had to be ordered from producers or importers. Finally, each wholesale agency submitted these figures to the Spare Parts for Tractors and Agricultural Machines Supply Agency in Szczypiorno as its own "plan of purchases." Materials which the regional wholesale supply agencies bought from the local sales agencies of individual industries were not listed in the plan. All regional wholesale supply agencies were also obliged to report all surplus stock at this time.
- (10c) On the basis of the requirements received from all regional wholesale agencies, the CZR Spare Parts for Tractors and Agricultural Machines Supply Agency in Szczypiorno in turn worked out a collective statement for each type of tractor and agricultural machine. Taking into account all demands and the surplus stock, as well as the stock they expected to have in their own warehouse on 1 January, the spare parts supply agency arrived at its own estimate of the quantity and type of spare parts and materials necessary for the next year and was able to formulate their own "complete plan of ordering" (plan zamowien).

Distribution and Sales Plan of Spare Parts and Materials

- (11) The Spare Parts for Tractors and Agricultural Machines Supply Agency in Szczypiorno compared the figures given in the detailed plan of supply of spare parts and materials with the figures fixed in the balance sheet of spare parts and reported the differences to the central office of the CZR. The CZR expressed its final point of view usually approving the figures of the balance sheet. If there were changes in some items, the spare parts supply agency corrected the initial orders previously sent to the factories (see para 4,(7)).
- (12) The Spare Parts for Tractors and Agricultural Machine Supply Agency in Szczypiorno worked out the final distribution and sales plan for spare parts and repair materials for the CZR regional wholesale agencies, informed each of them to what extent their requirements for the next year would be fulfilled, and eventually ordered the transfer of surplus spare parts from one wholesale agency to the other.

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5. The preparation of the detailed plans of supply of spare parts and technical materials involved an enormous amount of work; but, [redacted] the results were questionable. The requirements received from the lowest level were very seldom taken into consideration and did not usually have any influence on the figures fixed on the highest level by the State Economic Planning Commission. (Balance sheet described in para 4).

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[redacted] the State Farm (PGR) Clusters and the State Machine Centers (POM) did not have the necessary qualified personnel nor records accurate enough to permit them to work out the required yearly and quarterly plans of supply of spare parts and repair materials. The job was done by one or two unqualified employees in each PGR or POM who were not even able to cope with the paper work involved. To complete a requirement statement for an average POM, for instance, the employee had to fill out about 150 to 200 sheets with about 20 items per sheet; this amounted to 3,000 to 4,000 entries. The estimates were faulty and were never submitted on time. For this reason and in order to submit the plans according to the timetable, the regional, district, and voivodship administrations of the PGRs and POMs worked out the plans by themselves. They based the requirements on their own records of agricultural machines and norms of wear and tear of spare parts without waiting for requirements from their subordinated units. This resulted in more errors and constituted a disregard of the principle that the figures fixed on the highest level by the State Economic Planning Commission in the balance sheet had to be checked by the detailed plan of supply submitted by the lower echelons and users of agricultural machines and tractors.

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Balance Sheet of Agricultural Machines

Month	The State Economic Planning Commission (P.K.P.G.)	Agricultural Equipment Supply Office (C.Z.R.)	CZR Agricultural Machine Supply Agency	Producing Industries & Importing Agencies	Customers & Users of Agricultural Machines
Jan.					
Feb.					
March					
April	1	2		2	2
May	4	5		5	5
June				6 6a	6b
July	8	7		7	7
Aug.		9			10
Sept.		11			
Oct.		12	12		12
Nov.		13	13	13	
Dec.		14	14	14	14

Legend

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General Directive of PKPG

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Draft Plans

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Detailed Initial Plans & Final Balance Sheet

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Supply and Distribution Plans for the Next Year and Next Quarter

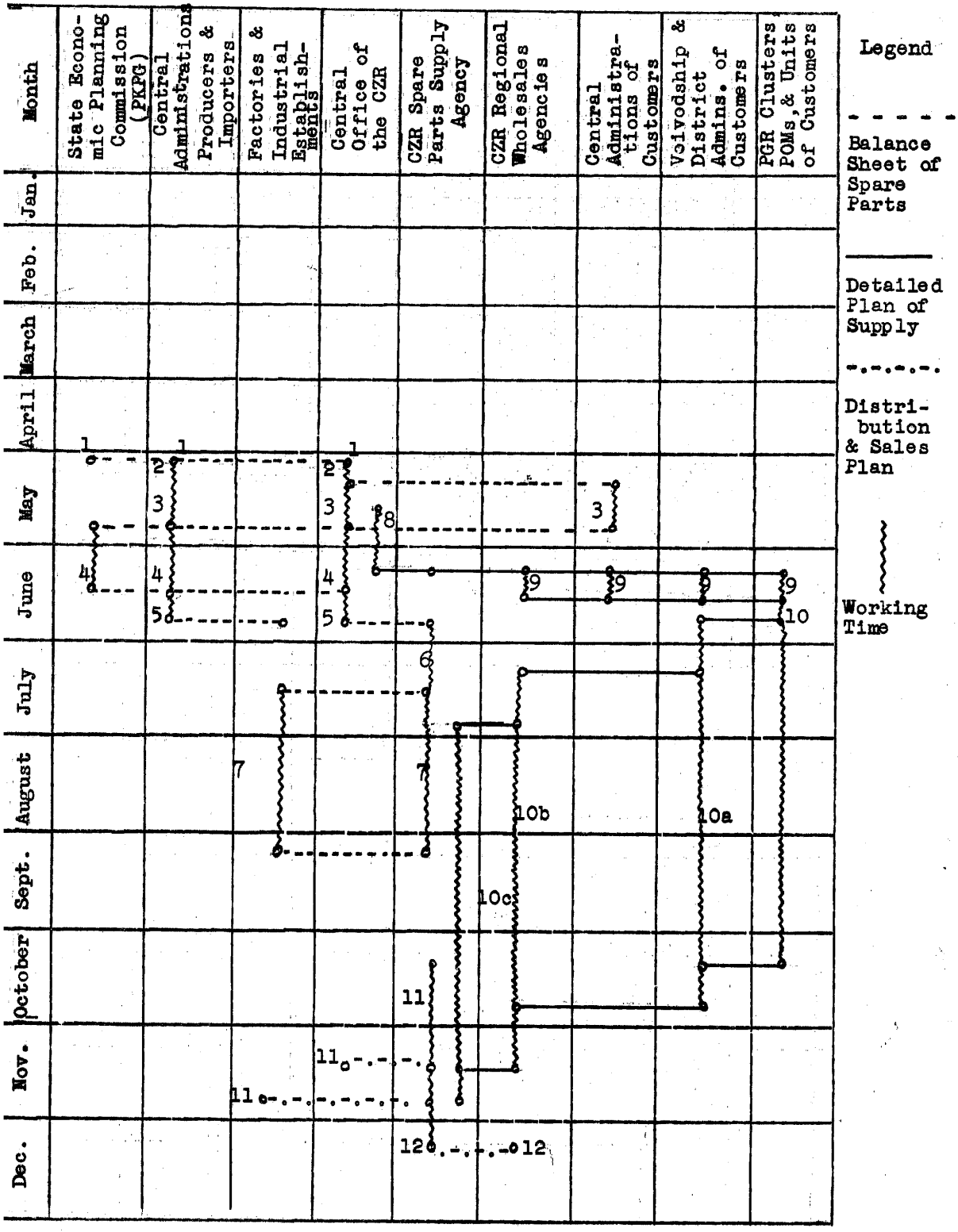
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Working Time

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### Supply Plans for Spare Parts and Repair Materials for Agricultural Machines



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