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ECONOMIC COMMITTEE

POLAND: STATIONING COSTS FOR THE SOVIET FORCES

Note by the German Delegation

I. Report(1)

Poland is participating in the stationing costs for the Soviet forces in Poland in various respects. The exact modalities are laid down in a secret agreement (18 pages) dating back to 1955 which is still valid today.

2. Details

- (a) As a rule, the food for the Soviet forces is provided by Poland. An exception is, for instance, the supply of bread, which is delivered by bakeries operated by the Soviets themselves. Polish supplies are made available at the same rates as charged to the Polish forces and which are up to 60% below the general price level.
- (b) Poland provides housing for the dependents of the Soviet forces at rentals which are 90% below the (anyway heavily subsidized) average rents. Gas and water are paid in lump sums at local rates.
- (c) Normally, fuel for the Soviet forces is delivered by the USSR. Some Polish cost sharing (which cannot be specified accurately) is not completely unlikely.
- (d) The Soviet forces maintain a short-distance telephone network (between military sites and private residences generally equipped with telephones) whose costs are borne by them. In addition, trunk lines have been installed by the Soviets, the maintenance costs of which are shared by Poland.
- (e) The barracks are regarded by the USSR as "property" and are used without compensation.

(1) Information contained in this report was obtained from a senior Polish functionary who came to the West a short time ago.

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II. Comments

3. From the report which can be regarded as a first (credible) information, it can be gathered that Poland is indirectly participating in the stationing costs of the Soviet forces (strength at the end of 1982: 44,500 men), i.e. in the form of price subsidies which cannot be quantified accurately. There is, however, no direct participation (in the form of Polish payments) as can be deducted from other intelligence information emanating from the same source. According to such information, the pecuniary supply of the Soviet forces in Poland is organized as follows:

4. Amounts of roubles are transferred from the Soviet banking system to the Polish banking system, where they are converted to Zloty and paid out to the members of the Soviet forces. The Soviet soldiers and their dependents have thus the possibility to buy goods and services in Poland. On the other hand, Poland can use the roubles made available to it for the purchase of goods in the Soviet Union.

5. The Polish/Soviet agreement is in various respects identical to those between the Soviet Union and the CSSR or the GDR.

- (a) According to information disclosed by it, the GDR has for the last time directly paid stationing costs for the Soviet forces in 1958 (at that time approximately 0.8 billion East German marks), but since then all stationing costs of the "Group of Soviet Forces in Germany" (GSTD) had been borne by the Soviet Union itself. Although intelligence information since the early Seventies have time and again suggested negotiations between the GDR and the Soviet Union with the aim of increasing the share to be borne by the GDR, there has been no reliable information on this subject. The agreement of 12th March 1957 between the GDR and the Soviet Union on the temporary stationing of Soviet forces in the GDR provides for the utilization of facilities (barracks, housing, airfields, training areas, traffic routes, communication facilities and the like) as well as of services (supply of goods, local services etc.) by the "Group of Soviet Forces in the GDR" (GSTD). With regard to the terms and conditions for the utilization of facilities and services, the stationing agreement refers to special agreements whose contents are still unknown. It may be quite assumed, however, that clearing of the supplies and services provided by the GDR to the GSTD is effected in a similar way as agreed in 1968 for the Soviet forces in the CSSR, i.e. in the framework of bilateral foreign trade: from intelligence information of mid-1983 it may be assumed that deliveries of food and luxury food by GDR enterprises to the GSTD are shown in the balance

of trade between the GDR and the Soviet Union as export items. When applying this method of accounting to all supplies and services provided by the GDR(1), the stationing costs for the GSTD are "only" borne by the GDR to the extent to which the prices charged to the USSR for goods and services have been subsidized. Although a calculation of the "indirect" stationing costs incurred by the GDR due to such price subsidies (which have to be assumed) is not possible, the conceivable expenditures are so low that some intelligence information suggesting that stationing costs of between 10 and 20 billion East German marks p.a. may have to be borne by the GDR, have to be regarded as incorrect.

(b) The question of the stationing costs for the Soviet forces in the CSSR is basically arranged in the (published) stationing agreement of 18th October 1968. The collateral agreements are not known. The published agreement stipulates:

- the Soviet Union assumes the cost of maintaining its forces. The CSSR provides the necessary infrastructure. Details of utilization are laid down in an additional agreement;
- the Soviet personnel and their dependents are supplied with goods and services by Soviet enterprises which are in turn supplied by CSSR enterprises. Terms and conditions are identical to those of comparable commercial enterprises in the CSSR.

The supplies are paid in CSSR currency;

- supply of the Soviet forces with industrial goods (including fuels) is governed by contracts concluded between the Soviet and Czech foreign trade organizations (at prices which are generally applied in the trade between the Soviet Union and the CSSR).

NATO,
1110 Brussels.

(1) Which is suggested by an analysis of the Soviet Union's foreign trade statistics: this shows a growing discrepancy between the sum of imports subdivided into groups of commodities and that of overall Soviet imports from the GDR in the course of time (1970: 64 million roubles, 1981: 717 million roubles).