

CENTRAL INTELLIGENCE AGENCY

INFORMATION REPORT

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COUNTRY	Poland/East Germany/Czechoslovakia	REPORT NO.	[ ]	25X1
SUBJECT	Soviet Control of Industries in Poland, Czechoslovakia, and East Germany	DATE DISTR.	23 June 1953	
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1. The Soviet Advisory Office for Production and Trade (Radziecki Urzad Doradczy Produkcyjno Handlowy) is located at Wroclaw (Breslau). This office employs at least 500 advisers who control related industrial production in Poland, Czechoslovakia and East Germany. This production is intended primarily for shipment to China. In Poland, the industry which embraces the production of artificial fibers, cellulose viscose, bleached viscose, artificial silk, etc. was taken under special control by these advisers early in 1953, probably in February. The control was established because of the fact that the Polish factories had rejected the delivery terms on these products; the Soviet Advisory Office considered this refusal an act of organized sabotage. Finishing of some of the Polish cellulose products is completed by Czechoslovakian and East German firms, and these firms maintain that, because of undue delays on deliveries from Poland, they are unable to meet the delivery terms on these items so vital to the Korean front.
2. Joint production of cellulose has frequently been the subject of discussions in Poland, Czechoslovakia and East Germany, and this joint enterprise has been checked on ministerial levels as well. The industry has functioned more or less satisfactorily, although recent German complaints about delays in receipt of Polish deliveries have resulted in the widespread control of the Polish industry referred to above.
3. Polish factories located at the following places have synchronized production with related factories in East Germany:
  - a. Factory for bleached viscose at Bochnia, east of Krakow.
  - b. Two factories engaged in the production of artificial silk; one is located at Turek, east of Poznan, and the other at Zydowce in Silesia.<sup>1</sup>

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(Note: Washington Distribution Indicated By "X"; Field Distribution By "#".)

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- c. Two factories producing bleached and cellulose viscose located at Jelenia Gora (Hirschberg) and at Kostryzn (Kuestrin).
- d. A rubber factory at Debice, near Bochnia.
- e. A factory engaged in the production of carbon electrodes located at Kuznia Raciborska (Ratiborhammer - P 51/Y 06).

East German factories which will work jointly with the Polish factories listed above are reportedly located at Zwickau, Finsterwalde, Stassfurt, Ilsenburg, Harmsdorf (sic), and Berlin-Koenigick. [REDACTED]

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- 4. The German complaints regarding the Polish deliveries, included charges that the Poles never kept any of the delivery terms, that the delivered products were of such poor quality as to render their finishing in the German factories impossible and, moreover, that the finished products were defective and unusable.
- 5. Soviet control of the Polish factories is a source of dissatisfaction to the Polish factory directors, and Soviet control hampers and further delays the Polish deliveries. The Polish directors maintain that the Soviet controllers have no jurisdiction within the factories and that the controllers are only entitled to make criticisms and suggestions in writing to their superiors in the Soviet Advisory Office in Wroclaw. Nevertheless, the Soviet controllers invariably attempt to exercise their authority in the factories and this results in conflicts with the Polish directors. The end result is that the Poles are arrested, since they are powerless in dealing with the Soviets. In retaliation, the factory workers resort to passive opposition resulting in faulty production and delayed deliveries. The Polish factory workers recognize the fact that their best efforts to produce ideal products will not improve their own situation nor that of Poland as a whole; they are also mindful of the fact that Poland is compelled to feed East Germany and to ship material to the Soviet Union at ridiculously low prices. The Poles are against supporting the Korean War and will do everything possible to hinder the war in Korea.
- 1. [REDACTED] Comment: The only Zydowce which could be located in available reference books was Zydowce (Sydowsaue - O 54/Q 54) near Szczecin (Stettin).

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