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DIRECTORATE OF  
INTELLIGENCE

# Intelligence Memorandum

*Poland Under New Management*

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CENTRAL INTELLIGENCE AGENCY  
Directorate of Intelligence  
28 April 1972

## INTELLIGENCE MEMORANDUM

Poland Under New Management

Since Polish party first secretary Edward Gierek took power from Wladyslaw Gomulka on 20 December 1970, a new style of rule has appeared in Poland. Given the volatile circumstances surrounding his accession to power, Gierek has accomplished a great deal in 15 months. With more vigor than Gomulka showed, Gierek has grasped political power, obtained the cooperation of nearly all strata of the population, and imbued the nation with a sense of participation in government. Despite certain unorthodox aspects of his domestic style of rule, he has won increased political and material support from the USSR and his other Warsaw Pact allies. There is no Warsaw Spring in the offing, but Gierek seems to know where he wants to go. He has forged a team of like-minded party and government officials. The people, sensing for the first time a new energy in their regime, seem willing to help take Poland into the modern age.

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The Succession

1. With the country on the brink of open revolt in December 1970, Gierek faced several tasks. First, he had to calm the workers. Second, he had to show that he was prepared to respond quickly to the most acute needs of the people. Third, he had to gain control over the party and the government bureaucracies. Finally, he had to ensure that the Soviet Union and his other allies would support his policies and not renege on their initial endorsement of his regime.

2. Gierek had a few factors going for him. The workers' disturbances had no anti-Soviet coloration. Neither the party nor the socialist system was the main target of attack. The agitation was limited to the skilled workers, who felt they had most to lose from Gomulka's price increases and changes in work rules. The peasantry, unaffected by Gomulka's proposed measures, was quiet. Intellectuals and the youth also were inactive. Finally, the powerful Roman Catholic Church kept its peace; it merely counseled non-violence.

3. Gierek assumed power with Soviet endorsement, and this helped him to gain substantial economic assistance from his bloc allies and to turn his attention to urgent domestic tasks. By the spring of 1971, Gierek cautiously began to implement his program of domestic renewal, with an emphasis on material well-being and social reform. By mid-year he had consolidated his already strong hold on the leadership through a carefully phased series of personnel changes. These included the removal from influence of Moczar, the former security chief, who was his only potential rival.

4. Gierek had an impressive reputation as an efficient, veteran administrator and tough party leader in Katowice long before he became a national leader. A former miner, Gierek was long active in the Communist movement in Western Europe, where he spent the war years before returning to Poland.

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His manner is straightforward and sincere, neither crude nor polished. Although he is far from a political liberal, he believes in listening to advice from below as well as in issuing orders. Gierek's genuine approachability, pragmatism, and dedication to just reward for good work are the same qualities that earned him the respect of "his" workers during his 13-year tenure in Katowice.

5. As a skilled manager and technocrat, Gierek is likely to be more willing than Gomulka to delegate responsibility to those who deserve it. Over the long run he will probably be more inclined to expand relations with those abroad who sympathize with Poland's economic needs. It is also probable that he will move cautiously and unobtrusively; he will tend to operate like Hungary's Kadar, not like Romania's Ceausescu. Because of his long residence in France and Belgium Gierek undoubtedly is more capable than the parochial Gomulka of understanding the non-Communist world. (He speaks French fluently.)

#### In Search of Popular Support

6. Gierek's major difficulty in harnessing support from the workers is that he had little more to offer them in material terms than did his predecessor. Initially, he had to tackle their immediate grievances and also to assure the workers that he would take no arbitrary measure affecting their welfare in the future. He began by raising the income of four million of the lowest paid workers and pensioners, the worst off among the 33 million Poles. But these were not the skilled workers who sparked the revolt and who were skeptical and dissatisfied with what they had received. Most of all, these skilled workers resented the statement that the December price increases would remain in effect. A second wave of strikes forced Gierek in March 1971 to rescind these price rises and to promise that prices would remain stable for at least two years. These measures reassured the workers and housewives about the food supply and, together with Gierek's strong personal appeal,

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generated a positive response by the workers. Thus he won time to fulfill his promises.

7. Gierek also realized that he needed the cooperation of the peasants to grow the food he was promising his people. Peasants have been offered higher prices for farm products and other help to raise production. This year, Gierek fulfilled his earlier promise by replacing compulsory deliveries with a contract system that gives the peasants considerable leeway in production. He has eased the peasants' anxieties about future farm policy by guaranteeing that the predominantly private ownership of land would continue. New legislation has given many peasants clear title to land that had been state property (although they had been tilling it.)

8. Gierek has also struck an acceptable relationship with the intellectuals, students, and middle class. Initially, this relationship was ambiguous. These interest groups had fewer economic grievances than the workers, but Gierek must have understood from the beginning that he would need them to mobilize the population at large and to balance the dominant influence of the workers on his regime. Gierek's new spokesmen on cultural policy have emphasized that fundamental party control over culture must remain intact and that there will be artistic freedom for all those who do not produce works "hostile to socialism or challenge our fraternal alliances." Most Polish intellectuals, particularly of the older generation, seem inclined to accept the terms of this softer cultural policy. It has permitted many previously banned authors to reappear in print. It also has allowed more foreign travel for intellectuals.

9. Gierek's big policy departure--designed to gain support from the majority of the people, 95 percent of whom are Roman Catholic--has been his willingness to reach an accommodation with the Church. Three days after taking office, the new government offered to "normalize" church-state

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relations, which for decades have alternated between truces and crises. A meeting in early March 1971 between Poland's Primate, Stefan Cardinal Wyszynski, and Premier Jaroszewicz began a dialogue that has since been extended to negotiations between the government and the Vatican. In June 1971 legislation was passed granting the Polish church legal title to former German church property in the territories gained by Poland after World War II. Church-state friction persists, especially on the parish level, but the tangible measures taken by the regime have created a new climate that has been welcomed by the people as well as by the episcopate.

#### The Gierek Style

10. Gierek's success in obtaining popular support and generating hope for a better future stems less from specific policy shifts than from the style of his rule, which is designed to convince the people that he is genuinely dedicated to bridging the gap between the rulers and the ruled. Since coming to power, Gierek's moves have been consistent: he has avoided repression, but has indicated that discipline is a key element in his policy. He has condemned the past, but has stressed that the party and its genuine accomplishments remain unassailable even though leaders come and go. He has made concessions, but has warned of the dangers inherent in excessive pressure from below. He has stressed the need for increased efficiency in government and its responsiveness to the people, but has emphasized that this responsibility runs both ways.

11. Another major feature of his scheme for improving the political climate is his acceptance of the concept, effectively employed by Kadar in Hungary, that "all who are not against us are with us." Thus he has not only appointed workers and respected non-party professionals to numerous positions on all levels of government, but has also expressed his determination to eliminate discrimination based on class background or religious beliefs.

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This concept appears designed to buttress his policy of improving church-state relations and also to heal wounds in the body politic that had been rubbed raw during Gomulka's last years in power.

12. These changes have been accompanied by a public relations campaign designed to project a new image of the party and the government and to engage Polish patriotism in support of Gierek's policies. For example, Gierek's decision to rebuild the ancient royal castle in Warsaw--destroyed during World War II--has a strong nationalistic appeal to Poles everywhere. The project, however, forces patriotism into the constructive and relatively harmless channel of restoring a national symbol and commends the Gierek regime even to non-Communist exiles. Moreover, a special national fund created to finance the project is helping to bring in hard currency from Poles abroad. Another example was the replacement, early in Gierek's tenure, of the portraits of party and government leaders in official buildings by the centuries-old state seal, the Polish eagle.

13. To be convincing, these innovations in style had to be accompanied by a basic decision to avoid force and arbitrary intimidation. As a result, the police and the security apparatus have kept a low profile. The brutal measures against the workers' demonstrations in December 1970 have been roundly condemned, and the deputy defense minister in charge of the militarized security units was unceremoniously ousted and "exiled" as ambassador to Algeria. Gierek made clear, however, that he did not intend these moves to be misread as blaming the security apparatus for all the excesses of the previous regime, nor did he mean for them to cripple police effectiveness. A thorough review of security practices and personnel undertaken last year served a dual purpose: to weed out those with lingering loyalties to former security chief Moczar, and to enlist public cooperation against both subversive elements and simple troublemakers who might commit

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criminal acts as a result of the more open atmosphere in the country. A major aid in this effort has been a balanced approach to what might be called police-community relations.

#### A New Team for a New Deal

14. To consolidate his grasp on the levers of power, Gierek has had to rid the party and government machinery of excess baggage accumulated during the Gomulka era and to replace it with persons of his own choosing. He also seeks to change the nature of the party and the government so that the new relationship between the regime and people will appear credible. His decision to convoke a party congress in December 1971--a year ahead of schedule--showed that he was confident he could achieve his goals and attain an uncontested mandate at the congress.

15. Neither at the party congress nor elsewhere has Gierek revealed what changes he intends to make in the fundamental role of the party. Indeed, he probably intends no dramatic institutional changes. There can be little doubt that Gierek is no less determined than Gomulka to preserve the "leading role" of the party, because his position at home and his acceptability to Moscow depend on his doing so. He has already announced that one of the major goals of a planned new constitution for the country is to anchor party primacy in constitutional law.

16. Nevertheless, Gierek's ideas on how the party should function within this framework differ from those of his predecessor. He has already lowered the party's profile, not only vis-a-vis the people, but also in relation to the government. He believes that in formulating policy the party should draw heavily on non-party expertise, monitor and mobilize public opinion, and put pressure on the bureaucracy. Without prejudicing the party's ultimate power to intervene, the practical implementation of policy should be left as much as possible to the

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appropriate branches of the government and to the mass organizations. Streamlining the apparatus and increasing its efficiency appear to be major considerations, but by divorcing the party from the most visible aspects of the day-to-day management of affairs, Gierek hopes to cushion the leadership against a future crisis of confidence such as that of December 1970.

17. To supplement the new party team, Gierek has moved to forge a new team in government. The parliamentary elections in March of this year--like the party congress held a year ahead of schedule--were a necessary prelude to the final phase of Gierek's reconstruction of the governmental apparatus. The results represented a broad endorsement of the regime, an outcome that Gierek sought and expected. The fact that two thirds of the newly elected members of parliament are newcomers indicates the success of his effort to put his own stamp on the legislature. The personnel shifts effected at the first session of the new parliament focused on cabinet posts in areas of high priority for the Gierek regime--the economic and social portfolios--and were in line with his earlier appointments of competent professionals. Gierek's immediate legislative goals include drafting a new constitution to come into effect in 1973, amending many as yet unspecified "obsolete laws," reforming local government and passing a new labor code.

#### The Economy--Legacy and Prospects

18. The inert bureaucracy and national backwardness inherited by Gierek has meant that Poland is lagging even behind other East European countries in introducing technological change and improvements in management and planning. Gierek has to contend with serious structural problems resulting from underinvestment in food processing, the construction industry, transport and communication, and agriculture. The resulting limitations on output make fulfillment of his hope of improving the variety and quality of the food supply and reducing the

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chronic shortage of housing very difficult. These are some of the reasons for Gierek's high-priority drive to acquire Western technology in order to break the self-perpetuating cycle of high capital costs, low labor productivity, and wasteful use of materials.

19. The economy is about average for Eastern Europe in terms of GNP per capita, (\$1,350 in 1970) and rate of growth (about five percent in GNP during the 1960s.) Poland, however, has done better than most East European countries in putting food on the table. Industry grew by over eight percent a year during 1956-70--above average among the more advanced East European countries--but Poland was the only one in the last half of the 1960s to experience a declining rate of growth of productivity.

20. Gierek is not likely to depart from the centralized system he inherited. As before, the state dominates investment and foreign trade, hands down output quotas, and sets the rules for distributing enterprise income. Firms can undertake some minor investments, make up their own quarterly plans, and exercise limited authority over employment and the product mix. As an efficient administrator, however, Gierek probably will try to make things run more smoothly by streamlining rather than decentralizing the system. For the time being, at least, Gierek has scrapped Gomulka's reluctant reform of the wage incentives system, which would have tied bonuses to profitability and sales, although he has allowed experiments with this system to continue in some firms. He also has put aside the long-standing objective of boosting food prices. If he decides to move in either of these unpopular directions, he probably will go slowly and undoubtedly will carefully explain the program to the people.

21. Some of Gierek's longer run intentions for the economy have emerged in the revised 1971-75 plan. He has raised Gomulka's original goals for the growth of real wages, personal consumption, and consumer market supplies, particularly of meat and processed

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foods. On the other hand, he has resigned himself to a worsening of the housing shortage. According to the plan, housing space will increase only slightly faster than during the 1965-70 period, and additions will not keep pace with urban population growth.

22. The over-all plan is fairly ambitious, projecting a more rapid rise in national income and personal consumption than in 1966-70, and a slower growth in investment and employment. Considerable emphasis seems to have been placed on raising productivity, which in turn depends heavily on achieving the planned shift toward light industry.

23. Largely to support his consumer program, Gierek's plan calls for a faster rise in imports than in 1966-70; Gomulka's conservative trade policies have given Gierek considerable scope for expanding imports; Poland has one of the lowest Western debts (relative to exports) in Eastern Europe. Thus, in addition to plans for boosting purchases of consumer goods, Gierek intends to double imports of machinery and equipment from the West to \$2.5 billion over the five-year period. West Germany probably figures as the major supplier, but the Poles hope--if suitable credit can be arranged--to buy some \$350 million worth of US equipment, particularly for their petroleum, copper, electronic, and light and food industries. The regime would also like to promote US investment in joint ventures in Polish mining and manufacturing.

24. Gierek's first year and a quarter have got the five-year plan off to a good start. Goals for 1971 were met or exceeded throughout the economy. Investment grew by nine percent, industrial output by eight percent, real wages by over five percent, and agricultural output by four percent. Livestock production rebounded last year. Trade trends were also favorable. In spite of large imports of meat--made possible by a \$100-million Soviet hard-currency loan--Poland ran a \$123-million surplus with the West. The economic trend early in 1972 continued to be favorable, except for agriculture, which is threatened by the winter-spring drought.

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