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***Zagadnienie wykorzystania gałęzi polskiej gospodarki w produkcji zbrojeniowej
w latach 1945–1989 w wybranych aktach CIA***

***The issue of use of Polish economy branches in armaments production 1945–1989
in selected CIA files***

The dissertation topic *The issue of the use of the Polish economy branches in the armaments production, 1945-1989 in selected CIA files* refers to research in the field of economic and military history of socialist Poland period. Chronological scope of this work covers 44 years and concerns international events arena and within Poland. Selection of historical events discussed in dissertation was based on their impact on development of Polish economy and type of industrial production carried out in the country. Research was based on information contained in US intelligence reports. Access to documents was available through CIA's online Reading Room. The analysis of hundreds of intelligence reports made possible building a broader picture of directions of development of Polish economy from an external American perspective, and at the same time, one of the main adversaries of the Eastern Bloc. Source material made possible linking international events with home economic development. That allowed establishing actual level of USSR's influence in Poland and the priorities of socio-economic development. Based on basic archival and historical literature research, a thesis was established: Poland throughout the assumed chronological period was dependent on and dominated by the USSR, as reflected in the prescriptive development of heavy industry and priority arms production, at the expense of the living standards of Polish society.

The source material used in dissertation was produced for economic purposes and contained data and information relating to events in chronological range. The research was carried out on the basis of indirect, direct, quantitative and geographical methods. The use of such methods made possible determining level of financial outlays for military purposes, including the production of armaments. The level of production of selected branches of Polish economy, operating mainly within the framework of heavy industry and involved in armaments production, was also detailed. The geographical method was used to identify more

than 160 industrial plants in Poland. Based on information provided by source material, a map of armaments industry plants in Poland in 1945-1960 was constructed, covering various types of factories, which produced munitions, artillery guns, ships, tanks, aircraft, cars and trucks, small arms, electronics. Also included are multi-branch and uncategorized factories that produced tools and equipment used in the arms industry.

The structure of the dissertation is based on four main issues, which are presented in a problem-chronological arrangement. They correspond to the numbering of the chapters and include: the international conditions of Poland's economic development after 1945; the internal conditions of economic development between 1945 and 1955; the planned economy between 1956 and 1990; and an analysis of U.S. intelligence reconnaissance of the Polish armaments industry throughout the chronological period adopted in the dissertation.

The first chapter provides historical background and a description of selected events determining the development directions of the Polish economy. It is recognized that not all events on the international arena, coinciding with the period of rivalry between the superpowers during the "Cold War," had an impact on the Polish economy. An important element of the first chapter is the genesis of the socialist system in Poland. It resulted from the final capitulation of Germany in May 1945 and the decisions of the leaders of the allied countries - the US, USSR and Great Britain, made at the Yalta and Potsdam conferences. These decisions placed post-war Poland under influence of the Soviet Union, which supported the Polish Communists who seized power in the country and began to create a socialist state based on the Soviet economic model. The chapter also considers other selected international events, including the blockade of Berlin in 1948-1949. It can be considered a prelude to a new conflict between former Second World War allies, commonly referred to as the "Cold War." The situation around Berlin and possibility to regaining military power was used by the Soviets as an argument to maintain distrust between western and socialist camp countries. It simultaneously intensified the division of the world into two opposing blocs, and brought to life a border between two states - democratic and socialistic, which was called an "iron curtain".

After the end of the Berlin Crisis, in 1950 with the start of the Korean War, Poland as a satellite of the USSR was indirectly involved in the "Cold War". From that year on, Poland became an industrial state, whose economy was based mainly on heavy industry and its sectors, in which the armaments industry was located. Hostilities on the Korean peninsula posed a threat to the USSR's western flank. For this reason, it was decided to strengthen the war potential of the socialist countries, including Poland, which protected western flank of

the Soviet Union from western countries. This, along with other strategic reasons, caused Poland taking up production of specific and complete weapon systems. The end-product was transferred mainly to the USSR. Polish military received around 20% of its own production. Part of production was also put to the international market of socialist countries. That meant, throughout research period, Poland was in fact a producer and exporter of weapons.

One of selected conditions affecting economic development in scope of international affairs was establishment of an international organization of socialist countries, known as Council for Mutual Economic Assistance, established in 1949. It served mainly as platform heavily influenced by the Soviet, for running trade and forced cooperation of its members in terms of exchange of industrial resources, experience, organizing task-sharing and production planning.

The second crucial international organization of socialist states, established in May 1955 was a military alliance known as the Warsaw Pact. Its creation was based upon decision to incorporate Western Germany into NATO. It was considered as a threat, especially when possibility existed of providing this country with atomic weapons. Creation of Warsaw Pact changed the international situation in Europe and raised position of Poland. Membership in both of these organizations were fundamental to Polish industry, trade cooperation with other socialist countries and with the West, internal and external economic coordination and planning, as well as the Polish military and ways of its development.

An important issue covered in Chapter One was the arms race and the possible use of weapons of mass destruction such as the atomic bomb. Development of warfare in terms of mass destruction weapons use on the battlefield forced socialist states and the USSR to take up certain ways to protect themselves as well as establishing was of waging war. Use of atomic arsenal by either side heavily influenced directions of development of military potential in terms of weapons, equipment and armaments production. These factors caused significant changes in available type of armaments from Second World War still possessed by the WP states, and direction of its operational use.

Main issue included an analysis of selected branches and sectors of the Polish economy within the adopted chronological range. Due to the nature of soviet influence, and ways of Polish economy development, this issue was separated into two chapters Reason behind this division depended on the way in which the USSR exerted pressure and influence on decision-making in Poland. It also allows to bring mid-term chronological limit of Chapters Two (1945-1955) and Three (1956-1989) which was based upon dates of economic plans.

Chapter Two covers the first post-war decade, including the reconstruction of the country from war damages. It refers to the first two economic plans - the 3-year and 6-year plans. The 3-year plan was geared toward rebuilding production potential in terms of food production and preparing groundwork for further economic development. Implementation of the 6-year plan, which began in 1949 and was modified in 1950, was a factual prelude to change the type of Polish economy. Despite short period of time passed since ending of Second World War, Polish economy has been transferred from peace time economy to a war-time type. This type of economy and mainly industrial production with emphasis on armaments remained until the second half of the 1980s.

Under the 6-year plan, the rapid industrialization of the country and development of heavy industry began. That included metallurgical and metal processing, fossil mining and machinery sectors. These were the sectors in which armaments production was localized. It was developed on the basis of fragmentation of governance among many ministerial departments associated with heavy industry, as it drew resources, raw materials, products and labor directly from. In the first phase of the implementation of the 6-Year Plan, Soviet domination upon Polish government was particularly marked, what can be linked to mentioned before Korean War. Stalin's top-down imposition of the modification of planned production targets and the raising of production levels, as well as positioning of a Soviet Marshall in the role of the Polish Minister of Defense, Konstantin Rokossovsky, proved main priority of Polish economy, which was armament. In an effort to raise combat potential of an ally and secure the USSR's western border of influence, production of tanks and jet aircraft, among other types of warfare began in Poland. A significant portion of final products and complete weapons systems, along with other pro-products, e.g. ammunition, ships, artillery, were mainly exported to the USSR. A small part remained as equipment for the Polish army. Limitations in weaponry and military equipment that was left for Polish units marked level of distrust to Poland as an ally of USSR.

The end of the Korean War in 1953 reduced tensions between the superpowers, US and the USSR, and reduced high possibility of outbreak of another world war that could include use of weapons of mass destruction. The period of the first post-war decade was characterized by the reconstruction of country wartime devastation, followed by rapid industrialization, which negatively affected the standard of living of Polish society. However, it laid the foundation for a new workers' society and strengthened communist ideology in Poland, supported and strengthened by the presence of Soviet Army units at Polish territory. It was also a period in which production goals were dictated by the strategic goals of the

USSR. Polish society in terms of labor was one of the tools for their fulfilment. Final realization 6-year plan goals forms chronological boundary of Chapter Two.

The third chapter covers issues related to the change of power in the USSR after Stalin's death in 1953. His successor, Nikita Khrushchev, adopted a different strategy from his predecessor and officially condemned his actions. This caused a stir among communists, and in Poland led to an internal split and even factional struggle within the PZPR. The social and economic situation in Poland during this period was not free of tensions and reached a critical point as a result of the raising of production standards in 1956, which effectively meant a reduction in wages. This led to workers' manifestations and ultimately to changeover at the very top of government. Wladyslaw Gomulka became the new leader in Poland in October 1956. He was aiming to introduce "socialism with a human face" to the country. As a result of the so called October changes, a significant number of Soviet generals and officers were dismissed from their posts within Polish military. The post of Minister of Defense was also lost to a Soviet marshal. Changes happened within industry as well, as resident Soviet specialists were sent back to the USSR from Polish plants.

The issues discussed in Chapter Three include analysis of the implementation goals of development of selected branches of the economy under the 5-year social and economic plans. Period covered by these plans refers to period of over thirty years, from 1956 to 1989. In the wave of the October changes of 1956 Poland experienced a brief political and economical thaw. Former type of Soviet influence pursuit of USSR's own interests and exploitation of the Polish economy did not weaken, despite common belief. Brief improvement and decrease in internal tension was also linked to the only observed decline in armaments outlays during the period of socialist Poland, in 1957. Starting in 1958, outlays for military production began to increase again. After the October changes, the USSR's influence took an indirect form. This was due to the establishment of the Warsaw Pact in 1955. It's creation as a military alliance of socialist states was based on the unification of individual satellites under a common banner. This made further Soviet influence possible, especially within direction of economic development. It also caused extortion of Polish labor and productive potential by USSR. This was achieved through direct performance goals of each member state in terms of industrial production due to obligations factually dictated by USSR. They related mainly to the development of each state military and production of selected armaments, licensed by the Soviets. This was main reason of USSR's continued pursuit of its strategic goals and desire to maintain existing level of influence in Central and Eastern Europe. Commitments of socialist countries required

costly maintenance of troops and permanent upkeep of readiness. Also, adequate combat equipment and forces level was compulsory to withstand potential first-strike from foreign countries affiliated with the North Atlantic Alliance – NATO. This situation bears similarity to the events of Korean War, when maintenance of combat forces at an appropriate level and their modern equipment was a priority.

This testifies to the fact that, despite the change in rhetoric toward main directions of economic development after October 1956, development of heavy industries, including armaments production, was not in fact decreased or abandoned. On the contrary, this was kept secret from general public. In terms of preserving society approval for further economic development and justifying great efforts propaganda measures were taken to sustain perception of increased development and production of means of consumption. The first 5-year economic plan, created for 1956-1960 period, included a goal for raising living standards of Polish society. This in fact masked the real economic goals dictated by the Soviets. Confirmation is provided within next five-year plans, in which expenditures on plant expansion and the development of production for military purposes were steadily increased. At the same time production capacity in light industry and the production of consumer goods was greatly limited due to allocation resources to prioritized production of weapons.

The level of financial meant spent on armaments was hidden from the public. Poles were aware of their limited sovereignty, but actually did not know how high was the cost of socialist security. Incorporation of armaments industry within organizational structure Ministry of Machine Production and Ministry of Heavy Industry allowed real level of expenditures for armaments production be masked. Furthermore, official broadcast included in socio-economic development plans only briefly mentioned military spending in forms of “security reasons” or even completely omitted required funds. The trend of developing and prioritizing the armaments sector within heavy industry, continued uninterrupted until 1989.

An event of significant impact on Polish economy was the government's decision to raise prices in mid-December 1970. It met with considerable resistance from the public and workers, what led to an outbreak of streets manifestations in sign of common protest. To subdue the unrest government used the force, using units of police and security forces with military taking part as well. As a result of the bloody clashes and the need to resolve the internal conflict, a change of power took place. With the approval of the USSR Edward Gierek was selected as 1st party secretary PZPR and entered main political scene. He was very different leader than his predecessor. He undertook cooperation with Western partners, remaining faithful to communistic ideals. Thanks to a new policy of openness in terms of

cooperation with not only socialistic countries, he obtained significant loans. Influx of fresh funds was used for financing growth and development of housing construction and increase of consumer-oriented industries. However, he did not abandon the further development of heavy industry, which put significant strain on the economy.

Real difficulties began to emerge during the fourth 5-Year Plan in 1973, when the world market experienced a major increase in oil and fuel prices. This initiated a worldwide crisis, as well as an increased in the dues Poland had to pay on its loans in foreign currency. In result of increased value of loans economic crisis started in the second half of the 1970s. An additional burden was the USSR's insistence on raising the combat potential of the militaries of the WP states. This decision was contrary to the outcome of the disarmament talks at the Commission on Security and Cooperation in Europe held in Helsinki. With the high cost of borrowing, this placed yet another burden on struggling economy.

USSR's insistence on increased arms spending stemmed from the Arab-Israeli conflict. During this conflict, Soviet and US weapon systems were tested under combat conditions. American armaments, although less numerous, proved to be more technically advanced. This prompted the USSR to undertake process of modernization of existing armaments, in which Polish armaments sector participated.

As a result of economic difficulties becoming apparent in the second half of the 1970s, by 1980 deteriorating living conditions were already being felt significantly by the public. Workers' strikes and long production stoppages became a particular problem for the authorities. They led to a decline in production levels. That included crucial for economy goods for export, which were main way of receiving foreign currency and paying off debts. The situation was not brought under control by the government of Edward Gierek, which led to another change of power, and Stanislaw Kania became the 1st Secretary. The difficult social situation in Poland was closely observed by the USSR. As in the case of Czechoslovakia in 1968 and the possibility of an escalation of discontent and efforts to liberalize the system, there was a threat of the entry of Soviet troops and other WP countries. Problems of this nature testified to the importance of Poland, as the second country in the Eastern Bloc in terms of population levels and production potential, had for the USSR.

Ultimately, invasion of WP troops did not take place, as potential danger was averted by proclaiming certain privileges for working class by the government. This was only temporary measure, as new workers union considered them as factually not introduced. There was yet another main threat of ceasing production, especially export goods during country-wide strike action. To prevent that from happening, on December 13, 1981, Stanislaw Kania's

successor, Gen. Wojciech Jaruzelski, imposed martial law to calm public sentiment and restore stability to the economy. Militarization of the economy and factories was implemented, as well as strict rules for dealing with resistance. Many strikers lost their jobs and were arrested.

In the first half of the 1980s, the 5-year economic plans were not implemented until martial law was lifted. Efforts were made to stabilize the situation through ad hoc measures, within the framework of annual economic plans. These did not yield the expected results, and only served to safeguard against total collapse. A slight improvement occurred in the second half of the 1980s, which was associated with the coming to power of Mikchail Gorbachev. As 1st Secretary Communist Party of Soviet Union, he had different perspectives from his predecessors about how to direct Soviet and other socialist countries economies, as well as how to cooperate with the West. Although he strove to heal the economic situation in the Eastern Bloc as part of the so-called *perestroika*, military expenditures resulting from allied commitments still constituted a significant burden, especially for Poland.

In result, the escalation of social discontent in Poland and the economic difficulties caused by raising foreign debt in the second country in the Eastern Bloc after the USSR, as well as the actions of an organization of some 10 million Poles that was Solidarity, led to a change in the political system in Poland. The system transformation of 1989 is the chronological boundary adopted in the dissertation, and marks the end of communist regime, and serious decrease in armament production.

Chapter Four includes issues that conditioned the development directions of the arms industry within adopted chronological period. The study aimed for a general and central-orientated overview. For this purpose, the goals of the Soviet war doctrine were analyzed. As it resulted from analysis, these determined the nature and manner of future warfare of the entire Eastern Bloc. Soviet war doctrine also influenced the armaments in terms of type and number of weapon systems necessary in the implementation of the adopted strategic goals. It was one of the crucial elements of internal policy of the USSR. According to its goals, provided by American intelligence, strict tasks and possible war scenarios, involving Soviet satellites were created. Exactly for this purpose direct influence was used on the governments of the post-World War II socialist states and indirect from 1955, at members of the WP. According to Soviets, victory over the opponent could be assured in the event of maintaining a dominant role and advantage on the battlefield. Hence, within the framework of the WP, the USSR sought to raise the combat potential of its allies and use their combat forces in the event of a conflict with NATO.

War doctrine goals influenced number of tasks that to be carried out by individual states based on their own resources and production potential. Based on the activities of the relevant committees of the CEMA and guidelines for the development of the armed forces of the members of WP individual tasks were assigned. These involved central coordination of weapon production progresses, ways, directions and process of raw materials exchange, prefabricated products and final products between the socialist states. The scope of cooperation was determined through central-Soviet planning. The process and terms of reference with certain individual tasks began at the level of the Central Committee of the CPSU. Decisions and guidelines were set up, mainly with regard to military issues, and transmitted to the other socialist countries through the appropriate channels, mainly through General Staff and later to appropriate party officials to include in socio-economic plans.

According to the information contained in American source material analyzed, planning for the development of the military and armaments production tasks, and thus the production potential in the form of heavy industry centers, had priority over civilian branches, such as light industry and farming. In fact, planning armaments began two years earlier than civilian planning. Armaments tasks received required funding and raw materials first. Only after the allocation of the required resources and the establishment of requirements on the part of the military, and indeed according to the central institutions in the USSR, plans for the development of civilian sectors begun. This greatly limited available production capacity, especially in terms of means of consumption. Such solution focused on safety and security not on wellbeing negatively affected society and led several times to the escalation of discontent and, as a result, a change of power.

With regard to the strategic actions of the USSR and the implementation of its war doctrine, in Chapter Four analysis of structure and organization of the Polish arms industry was described. Setup of Polish armament industry was based on principle of incorporation. That involved organizational integration of plants engaged in production for military purposes into administrative structure of other economy branches. Hence, except for a brief period after World War II, there was no Ministry of Armaments in the country. Within the accepted chronological range, it was established that the administrative bodies of armaments production were present among the Ministry of Machinery Industry, as well as the Ministry of Heavy Industry and others. The lower level of management included so called Central Boards, dealing with appropriate type of production. They operated under ministries, and the lowest level was production units, i.e. individual industrial plants. The implementation and control of the fulfillment of adopted goals was under the authority of the State Economic Planning

Commission and after 1956 the Planning Commission under the Council of Ministers. Within their organizational structure military teams were functioning, which were responsible for single sector and type of production.

The source material analyzed in the dissertation, consisted of more than 270 reports of various lengths. Information contained within them made possible to identify and juxtaposition more than 160 industrial plants involved to certain degree in armaments production. It also made possible establishing their basic production tasks. Selected examples of factories within the scope of 11 types of production, i.e. munitions, artillery, shipbuilding, heavy industry, aviation, tanks, armaments (small arms production), transportation, electronics, multi-industry and unclassified, were described according to information from intelligence reports. Information included in intelligence reports referred to pinpoint geographic location, description of the industrial plant, its history, if it was still in operation during World War II, security and means of protection in case of war, the way it operated, the organization of labor, the amount of employment and the products produced. Location provided within source material was used to create graphical representation of armament factories in Poland.

Main issues analyzed in dissertation allowed the construction of a broad picture of the Polish armaments industry during the period of socialist Poland. Source material used in the research contained information unavailable in Polish historiography due to the secrecy clause imposed on Polish source material. Another factor limiting research possibilities, especially before 1989, was the political climate affecting the justification for examining the Polish level of armaments. The information contained in the U.S. reports made it possible to confirm the research hypothesis adopted and to establish the real priority of Poland's economic development in 1945-1989, that in fact it was armament orientated and ready for waging war with the West.

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