

# RADIO FREE EUROPE *Research*

## TARGET AREA

● Poland  
15 February 1965

### S I T U A T I O N   R E P O R T

- \* Democratic Party Congress
- \* Military Command Changes
- \* Polish-French Trade Agreement
- \* Poland Buys Fertilizer Plant in the West
- \* Polish Contacts with Common Market and Benelux

#### Democratic Party Congress

The Eighth Congress of the Democratic Party, which took place in Warsaw from February 8 through 10, was notable for a thorough endorsement of the decisions of the Fourth PUWP Congress of June 1964 and for certain ideological formulations about the role of democracy in socialism and vice versa and on the place of the Democratic Party in Polish politics.

Interviewed by Radio Warsaw on February 6, Stanislaw Kulczynski, the Democratic Party's chairman, said that the pre-congress discussion had defined the DP's own position in the "three-party system which, under the leadership of the PUWP, rules the country." The discussion also "deepened the understanding" of the relation between socialism and democracy. "Socialism and democracy are one and the same social idea which we call either democracy or socialism depending on the position from which we look at it. When

15 February 1965

we look from the position of citizens' duties vis-a-vis society, we say socialism; when we look from the position of the rights of the individual in the society, we say democracy. As a matter of fact, there is only socialist democracy and democratic socialism, which are one and the same."

On the face of it Kulczynski's argument may sound rather academic. But there is some political substance in these theoretical deliberations. As stressed by Kulczynski, socialism is about to enter the "qualitative stage of development" in which the middle class (Kulczynski calls it the "intermediate urban stratum") has a special role. The Democratic Party is the one which rallies this middle class, which would have no particular reason or desire to belong to the Communist Party. Since, therefore, one would not expect this class of people to be active in the cause of Communism as such, the role of the Democratic Party (DP) is one of making out of them loyal citizens of the state, i.e. good "builders of socialism." In the words of Kulczynski, writing in Trybuna Ludu (February 8), the "basic task" of the DP is to draw its members into the "flow of changes" as "co-owners of the country and co-builders of its future." These are the dialectics of the "qualitative stage," and the understanding of them is not limited to Poland. The Italian CP organ L'Unità (February 8) expressed its satisfaction at the restoration of the Polish DP "to its full and positive function" after the turning-point of 1956. "In the difficult years of Stalinist dogmatism the natural dialectics between the various political forces which were the foundation for the building of a new society were often crushed," L'Unità stated.

These "natural dialectics" were defined more sharply by Communist Party First Secretary Wladyslaw Gomulka speaking to the DP Congress on February 8. After the Fourth Congress of the PUWP last June and the Fourth Congress of the United Peasant Party last November, the present Eighth Congress of the DP, said Gomulka, was

15 February 1965

like a "lock closing the cycle of the meetings of the highest party authorities of the three-limb(trojczlonowa) political force which holds power in People's Poland, which shapes the political reality of our country." "It is a unified force," he continued, "acting uniformly, united by unbreakable links of three-party political alliance which forms the backbone of the Front of National Unity. The cement which consolidates all the three parties in a uniform political power consists of a common program for the structural transformations in our country, the program of building socialism under the leadership of the PUPP."

As for the rest of Gomulka's speech, the most noteworthy part dealt with the problem of artisan trades. There were 660,000 artisans in Poland, of which number 240,000 were private traders. This number was too low, Gomulka complained, and had no relation to the growing needs of the society. Last year only 4,000 new artisan workshops were set up in the country and the number of artisans had increased only by about 10,000.

Obviously the past policy of deliberately stifling all forms of private trade, including artisan services, has had to be reversed because of the pressing economic need. This need has, in the last few months, brought about a number of measures, taken by the government, intended to induce artisans to enlarge their trade. Gomulka listed all these "measures" (they were discussed in connection with local government conference -- cf. SR February 4.) As if realizing how little confidence the regime enjoys among private traders, Gomulka stated that "artisan trades, those associated within cooperative business as well as private artisanship, have good and permanent prospects in our country."

Similar assurances were also heard from Wlodzimierz Lechowicz, Chairman of the Committee for Small Trades (a kind of ministry), speaking to the Congress on February 9. He also referred to the increase of about 4,000 workshops (over three per cent) last



15 February 1965

year, adding that this year's increase is expected to be 4,500 new artisan workshops. It is also expected, Lechowicz said, that by the end of 1970 there will be in Poland 162,000 artisan workshops employing 300,000 people, a number which would include 70,000 apprentices.

A revival of private trades may bear favorably on the DP's chances, not only of success but also of survival. The zigzags of the regime policy vis-a-vis private traders in the past cost the DP no less than 25,000 members. Although the DP secretary-general, Jan Karol Wende, boasted of numerical increases between the last (February 1961) congress and the present one, and of the "rejuvenation" of the membership, the present strength of the DP of 65,000 (as revealed by Radio Warsaw on February 7) is 25,000 short of the 1956 figure of 90,000.

There has been little change in the DP leadership. As announced by Radio Warsaw (February 12), Kulczynski was re-elected chairman of its Central Committee, Jan Karol Wende its secretary general, and Leon Chajn and Wlodzimierz Lechowicz deputy chairmen. A new man is Stanislaw Kulinski who was elected as another deputy chairman of the CC. Kulinski is chairman of a provincial artisan trade chamber. His election to the DP leadership seems a further indication of the stress on artisans.

#### Military Command Changes

Changes involving at least four top Armed Forces posts have recently been made. They were not officially announced but were simply referred to casually in a Radio Warsaw newscast on February 12.

Gen. Jerzy Bordzilowski, who was a deputy Defense Minister and Chief of the General Staff, became Chief Inspector of Training, but retained his deputy ministerial rank. Lt. Gen. Wojciech Jaruzelski, also a deputy Defense Minister and Chief of the Main Political

Administration, became the Chief of the General Staff, retaining his deputy ministerial rank. Lt.Gen.Jozef Urbanowicz was promoted from first deputy to Chief of the Main Political Administration. It appears that Gen.Zygmunt Duszynski, deputy Defense Minister and Chief Inspector of Training, has lost this latter post, but this is an inference only, for not a word was said about him.

The changes must have been rather recent, as both Duszynski and Jaruzelski were referred to in their former positions in early January, and Bordzilowski and Urbanowicz as recently as on January 25. (Zolnierz Wolnosci January 6,9 and 24-25).

Gen.Jerzy Bordzilowski, born in Poland in 1900, was an officer of the Red Army from 1919. From 1944 onwards, he served with the Polish Forces, and from 1954 he was Chief of the General Staff. This year he will be 65, the official retiring age for generals, though he could be retained "in active service in spite of attaining the age limit."

Lt. Gen. Wojciech Jaruzelski, aged 41, was at the time of his promotion the youngest general of the Polish Forces and had been Chief of the Main Political Administration since 1960. At the Fourth Party Congress last June he was elected to CC membership. During the war he served with the Polish Forces in the Soviet Union (Berling's Army).

Lt. Gen. Jozef Urbanowicz comes from a Polish family settled in Latvia, although he was actually born in Russia. He served with the Red Army during the war, before being transferred to the Polish Forces. He was Deputy Chief of Main Political Administration from at least 1960.

Gen. Zygmunt Duszynski, aged 50, is, along with Bordzilowski the only full (three star) General of the Polish Forces. He had been Chief Inspector of Training since 1959. He was promoted from Lt. Gen. to General in 1963. He became CC member in 1959. During the war he fought with Communist partisan units of the People's



Army (Armia Ludowa).

It is very unusual for important changes such as these not to be announced officially and publicly. Just what political significance they have, or whether they should be seen in connection with the recent Warsaw Pact meeting or with the recent meeting between Defense Minister Spychalski and his Soviet counterpart, Malinovsky, is not at the moment clear.

Polish-French Trade Agreement

France and Poland have extended their current trade agreement, signed on 26 November 1963, through the year 1965, according to UPI from Paris on January 30.

The agreement when signed envisaged an increase in trade turnover between the two countries of 15 per cent. According to official sources in Paris, French imports from Poland, mostly coal, rose in 1964 to nearly 150 million francs (30 million dollars) as compared with 115 million francs (23 million dollars) in 1963. French exports to Poland, mostly grain, amounted to 200 million francs (40 million dollars) in 1964 as compared with 217 million francs (24.6 million dollars) in 1963. However, the balance of trade between the two countries is still in France's favor.

Poland Buys Fertilizer Plant in the West

Poland has recently concluded one of its largest single deals with Western firms by purchasing complete equipment for the second fertilizer plant at Pulawy, according to Radio Warsaw of February 11. The three Western suppliers were Austria's Vereinigte Oesterreichische-Eisen-und-Stahlwerke (VOES), the Danish firm Haldor Topsoe and the British engineering firm of Simon-Carves Ltd. An agreement on financing the purchases in Great Britain was signed between the Polish Commercial Bank and Lloyds.

Under this agreement, Lloyds will finance 80 per cent of the sum of 8.2 million pound sterling (close to 23 million dollars) of British deliveries. This second fertilizer plant at Pulawy is to become the largest producer of nitrogen fertilizers in Europe, with a production capacity exceeding one million tons of nitrogen fertilizers per year. The first deliveries of the equipment will take place in the first half of this year, and the whole transaction should be completed by the end of 1967.

A number of British engineers from Simon-Carves will go to Poland to supervise the erection of the plant, an RFE Special from London reported on February 12.

The deal was first reported officially by Trybuna Ludu on November 27, but no details were given.

#### Polish Contacts with Common Market and Benelux

Unofficial contacts between Poland and the Common Market Commission have taken place in Brussels, according to an RFE Special from Brussels (February 4). The contacts have reportedly developed out of contacts established during the last nine months within the GATT framework in Geneva. The fact that Poland sat at the same table as the common spokesman of the "Six" led the EEC Commission to presume that Poland has thereby "de facto" recognized the existence of the European Community.

As a matter of fact, as far back as June 1963, a Polish delegate to a conference of economists organized by a Belgian institute Jan Kuzinski, admitted that the Common Market was an irreversible reality and could not be disregarded (cf. SR, 24 June 1963).

In this context, the latest developments in trade between Poland and the Benelux countries deserve attention.

A strong Belgian trade mission is scheduled to go to Poland on March 31, composed of industrialists, bankers and technicians an RFE Special reported from Brussels on February 11. This follows the visit to Belgium last October of a Polish trade mission headed by Polish Foreign Trade Minister Witold Trampczynski. The question



15 February 1965

of the creation of joint Belgo-Polish enterprises was then discussed in detail, and the Federation of Belgian Industries promised to sound out its members regarding capital participation. Trampczynski established contacts with a large number of industrial organizations, private firms, banks and commercial authorities. Concrete discussions were then held with the Federation of Belgian Industries regarding the possibility of setting up joint industrial ventures, especially of the type where subsidiaries to be constructed in Poland would undertake processing work and the manufacture of spare parts.

The initiative for the setting up of joint ventures is slated to come from Belgian private industry. The Belgian government would probably only enter the picture when credit re-insurance over more than five years is being sought. It is known that Poland would prefer seven or eight year credit arrangements. Belgium is at present still abiding by the Berne agreement of five-year limits.

In this connection, the upward tendencies in trade relations with other Benelux countries should not be overlooked. Trade negotiations concluded at The Hague January 27, for example, have led to an agreement between Poland and the Benelux for an extension of their trade exchanges during 1965, according to an RFE Special from Brussels (January 29). The agreement stipulates a more determined effort to fill the quota positions which have often been under-used during the last three years. It is not a new commercial accord, but a revision of the three year trade pact signed between the Benelux and Poland in 1963 in Warsaw (cf. SR 14 November and 12 December 1963). Thus, the latest protocol initialled in The Hague provides for a 20 per cent increase of the turnover on both sides compared with 1964, according to PAP (January 27). Possibilities of a long-term agreement for the 1966-69 period and of extension of economic cooperation were also discussed. Polish exports will include traditional products, such as coal, chemical and rolled metal



products, spirits and agricultural and diverse food products.

As to Holland's trade with Poland, it forms just over half of the Benelux total. Consequently, it has shown the same tendency to decline as has overall Benelux trade with Poland. However, hopes are now being expressed that improvements will set in during 1965. Dutch industry has also been approached by the Poles regarding the feasibility of joint capital ventures.

Note: In connection with numerous references to "Intermetal" last year, attention is drawn to Polish Press Survey No. 1810 of January 28 containing an extensive article on the new Comecon body by Alicja Solska (Trybuna Ludu, January 15).

In this connection, the upward tendencies in trade relations with other Benelux countries should not be overlooked. Trade negotiations concluded at The Hague January 27, for example, have led to an agreement between Poland and the Benelux for an extension of their trade exchanges during 1965, according to an RTE Special from Brussels (January 29). The agreement stipulates a more determined effort to fill the quota positions which have often been under-used during the last three years. It is not a new commercial accord, but a revision of the three year trade pact signed between the Benelux and Poland in 1963 in Warsaw (cf. SR 14 November and 12 December 1963). Thus, the latest protocol initiated in The Hague provides for a 20 per cent increase of the turnover on both sides compared with 1964, according to PAP (January 27). Possibilities of a long-term agreement for the 1966-69 period and of extension of economic cooperation were also discussed. Polish exports will include traditional products, such as coal, chemical and rolled metal