



Dariusz Jarosz

(Tadeusz Manteuffel Institute of History, Polish Academy of Sciences, Warsaw)

## AUTHORITIES AND SOCIETY VS. FINANCIAL CRIME IN THE GOMUŁKA PERIOD IN POLAND

*The pivotal motive behind financial crime in the real socialist states was the chronic shortage of goods and services. In the case of Poland under the Gomułka administration (1956-1970), a factor which contributed to the prevalence of practices considered economically criminal was, ironically, the liberalization of the government in the period following Władysław Gomułka's rise to power. The procedure of issuing new licenses to private and co-operative manufacturing businesses fostered illegal practices, because the new businesses needed supplies of deficit resources. Private trade businesses struggled with similar problems. The authorities tried to prevent financial crime by concentrating on publishing new laws which allowed heavy punishment for those behind the biggest economic scandals. In this field, the penal policy was shaped by the top authorities of the communist party, and their decisions were binding for the institutions of the justice system. Such decisions of the top authorities of the Polish United Workers' Party (PUWP) were behind the death sentence for Stanisław Wawrzecki, who was charged with fraudulence in meat trade in Warsaw. Poles' attitude towards financial crime was not clear-cut. On the one hand, in their letters to authorities, many Poles expressed their support for severe punishment for those responsible for the biggest fraud, while others objected towards capital punishment for Wawrzecki. The information we have on the dynamics of confirmed financial crimes does not provide a clear answer whether it was actually related to the severity of the punishments.*

**Keywords:** *financial crime, meat scandal, penal policy in socialist Poland, Władysław Gomułka.*

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### INTRODUCTION

The problem of financial crime in the Gomułka period has already been the subject of in-depth analyses. The main focus was placed on the activities of the authorities aiming at limiting it, as well as on case studies of specific economic scandals, the most famous one being "the Warsaw meat

swindle". Attempts were also made to locate the problems of this particular type of crime in the broader economic context of the Eastern block states.<sup>1</sup> However, this does not mean that the problem has been studied exhaustively. We still know very little on what the society thought of this type of activity. Also, the broader context of this crime requires further investigation. For instance, it is worth comparing Poland to other states, in particular to other Eastern European states. Before we start these new, interdisciplinary and far-fetching studies, it is worth summarizing what we have learned so far, and reflecting upon the question: what do financial crimes committed in the years 1956-1970 tell us about Poland, its authorities and society of the time?

## DEFINITIONS, CAUSES

In the legislation of the Polish People's Republic (or "socialist Poland") it is hard to find one, consistent definition of financial crime. Different institutions which dealt with its various aspects applied their own interpretations. Despite the differences, usually the following issues were included: seizure of collective goods, evading dues to the Treasury (taxation, tariffs, other payments, public tenders misconduct, actions against the state's monopoly), crimes against consumers and farmers, shortages, handling stolen goods, crimes committed by public officials (bribery and mismanagement), speculation and running businesses without license [Madej K. 2010: 20-12; Grabarczyk G. 2002: 60-61]. Due to the adopted social and economic model, collective goods were the main object of financial crime, and it was also particularly protected by law. This was expressed in the constitution of 1952. Clause 77 stipulates that every citizen is obliged to protect collective goods and that any attack against these is to be heavily punished [Grabarczyk G. 2002: 61].

The primary motivation for financial crimes was the chronic shortage of goods and services, characteristic for the economic systems of the Eastern block states in general. According to the classic model of Janos Kornai, the socialist economy was characterized, among other factors, by

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<sup>1</sup> The problem of financial crime in socialist Poland only became the subject of academic interest after the political transformation of 1989. A selection of some papers concerning this issue is included in the bibliography.

a relatively big role of the state. The bigger the state influence and the role of redistribution of household income in its policies, the bigger was the importance of ways of allocating goods and services such as rationing and queuing. Rationing required selection, which was made according to the following principles: urgency of the need, merits, family situation, social status, political attitude, personal relationships, reciprocation for the services rendered to the person responsible for the allocation, and corruption. Market allocation was limited to a few products [Kornai J. 1985: 550-584]. In the economy model described in the paper quoted, there was no correlation between increasing consumer good prices and limiting the shortage. The reaction of households to the increase in prices in the form of reducing the actual demand was not enough to eliminate shortages [Kornai J. 1985: 651].

This mechanism pointed to a certain general rule of centrally planned economy. Time and place determined the scope of economic abnormalities. In the case of Poland under the Gomułka administration (1956-1970), a factor which contributed to the prevalence of practices considered economically criminal was, ironically, the liberalization of the government in the period following Władysław Gomułka's rise to power. This meant less restrictive policies towards the private sector. According to the audits conducted by Supreme Audits Office (Najwyższa Izba Kontroli, NIK) in 1957, what was particularly corruptive was the cooperation between state companies on the one hand, and manufacturers and small private companies, activated after October 1956, on the other. The most frequent objects of fraud included materials, goods and remunerations. Financial crimes were most common in the aspects which required handling materials, goods and services. This means that in this sector of the state economy, "one particularly attacked by criminal and anti-social elements within the private and co-operative businesses, there are conducive conditions to committing financial crimes" [AAN (Archive of New Files), NIK, 17/57, ff 46-54].

This finding is also confirmed by other sources. It was found that just between December 1956 and December 1957 the number of businesses in Poland increased from 96,600 to 133,350. To a large extent this was the result of the organizational transformation of the cooperatives. Due to the shortage of raw materials, new economic entities often resorted to supplying from illegal sources [ADH PRL (Historic documentation of socialist Poland Archive), II/53, f. 261]. A similar problem - the increase in private businesses insufficiently supplied with raw materials - could simultane-

ously be observed in trade [AAN, PTE (Polish Economic Society), f. 167]. The shortage described this way and associated with rises of the lowest salaries, benefits and pensions occurring in the late 1950s, increased the demand for basic products. The inability to satisfy this demand led to the emergence of economic abnormalities.

## 1. ACTIONS OF THE AUTHORITIES

The authorities were positive that the market difficulties were the result of the prevalence of financial crime, therefore they undertook many actions aimed at limiting it.

### 1.1. LEGISLATION

Party authorities paid a lot of attention to analyzing legislation and developing amendments which would limit economic crime. In comparison to the legal acts of the Stalin period, new laws were supposed to impose heavier punishments for all (except small) crimes of this type, and to make rulings less liberal. This is evidenced e.g. by the protocols from the meetings of the Political Bureau and the Secretariat of the Central Committee of the Polish United Workers' Party, where lengthy debates on this subject took place and specific decisions were reached.

The trend leading to specifying criminal liability related to various forms of financial crime (which was supposed to tie the hands of judges and make it more difficult to issue lenient sentences) was expressed by replacing the Decree of March 4, 1953 On the Protection of Consumers' Interest in Trade [Journal of Laws, No 16, item 64] with the Act of July 13, 1957 On Controlling Speculation and Protecting Consumers' and Farmers' Interests in Trade [Journal of Laws, No 39, item 171]. For example, this act extended the scope of speculation prevention and protection of interests in trade to consumers of agricultural products [section 11(1 and 2)]. It introduced additional mandatory punishment in the form of confiscating the goods which were the object of the crime.

Heavier punishments for crimes against collective goods resulted from the Act of January 21, 1958 On Increasing the Protection of Collective Goods Against the Damage Resulting from Financial Crimes [Journal of

Laws, No 4, item 11] and the Act of June 18, 1959 On Criminal Liability for Crimes Against Public Property [Journal of Laws, No 36, item 228]. The provisions of the former concerned only those actions which were committed out of the desire for profit and which harmed the collective property out of the perpetrator's fault. What was new in those two legislative acts compared to the decrees they replaced (of March 4, 1953 On the Protection of Social Property Against Petty Thefts [Journal of Laws, No 17, item 69] and On Increasing the Protection of Social Property [Journal of Laws, No 17 item 68 – the so called “small” and “big” March decrees) was not only heavier punishment, including in particular economic repression, but also the introduction of measures which aimed at balancing the loss in collective goods in the course of legal proceedings [Bafia J., Hochberg L., Siewierski M. 1965: 55-56].

The Act of June 18, 1959, overruling the March decrees, kept the definition of organized crime [section 2 (2a)] from the so called “big March Decree” [section 1(3b)]. In the Act of June 18, 1959, this crime was punishable by 2 to 10 years of prison and a fine. According to the guidelines of the jurisdiction and judiciary practice in the field of correct execution of the provisions of the Act of June 18, 1959, a crime committed within an organized criminal group was defined as one committed in conspiracy of at least 3 people, if in the group of conspirators there was an element of organization which included designating roles and coordinating actions when committing the crime. In particular, this referred to such organized acts which enabled or made it easier to commit a crime or made it more difficult to detect. It is also worth noting that in 1965 the act was amended to increase the number of businesses it covered (catering business, bakeries and service facilities) and people who could assume collective responsibility for the shortages in commercial enterprises [AAN, KS PRL (Socialist Poland Sejm Office), 659, ff 29-30].

The problem of protecting collective goods was the subject of reflection when creating new bills of the criminal code of 1956 and 1963. The Act of April 19, 1969 introducing a new criminal code, e.g. overruled in total the Act of June 18, 1959 and some sections (1 and 2) of the Act of January 21, 1958. Chapter 29 of the new criminal code [Journal of Laws, No 13, item 94] included all crimes against collective (section 199-200) and non-collective goods (203-207), as well as common provisions (208-216). For the first group (section 199) the code used the expression “seizure of goods”, which, according to section 120 (8), was profiting oneself or someone else by theft, appropriation, fraud or extortion. What was new was the legal

explanation of the terms used by the code: social property (section 120 (6)) and third party property (section 120 (7)).

Chapter 30 of the abovementioned code was devoted to financial crime. It regulated those actions which were considered an attack on economic activity itself. Apart from that, it also included crimes listed in chapter 31 (counterfeit of money, securities, official marks and measuring apparatus). What was left out from the code were crimes related to currency, customs, and taxation, which were included in the penal and fiscal Act of 1971<sup>2</sup>, and violations of the spirit monopoly (these were regulated by the Act of April 22, 1959 On Fighting with Illegal Spirits). In Chapter 30, the code of 1969 introduced new crimes, such as mismanagement, shortage, supporting shortage and (deriving from the Act of July 13, 1957) the crime of speculation. Finally, it is worth mentioning that section 134 (2) of the new code provided the possibility of death penalty for any person who supervised or organized, using the activities of social economy entity, the seizure of goods of great value to the harm of this entity, consumers or suppliers, causing serious disruption in the functioning of the national economy. Along with heavy penalties, the new code continued the penal policy line drawn by the decisions of the most influential party groups and also implemented in other Eastern European countries [Andrejew I. 1971: 113], which aimed at limiting prosecution and punishment of big groups of perpetrators of petty thefts.

Those regulations do not exhaust the subject of the Polish legislation of this period concerning the fight with broadly understood financial crime [Madej K. 2010: 29-54]. This purpose was served not only by specific provisions, but also the by the possibility of applying in all similar cases the provisions of the Decree of November 16, 1945 on emergency proceedings. This decree allowed for administering death penalty regardless of what punishment was foreseen in the corresponding act for a particular crime. Without doubt, constructing legislation this way provided the possibility of very heavy punishment for the perpetrators of the biggest economic scandals. It is worth noting here that this was not exceptional compared with criminal codes in other Eastern European states [Criminal Code of the Soviet Union; Trial Code of the Soviet Union; The Act on the judiciary system in the Soviet Union 1961: 129-130].

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<sup>2</sup> Before, the following were in force: the criminal fiscal code of 1947, the criminal currency code of March 28, 1953 [Journal of Laws, No 21, item 134] and the criminal fiscal Act of April 13, 1960 [Journal of Laws, No 21 item 123].

## 1.2. PUNISHMENT

According to the authorities, legislative changes, along with the creation of various organizational structures supposed to fight financial crime, were aimed at punishing financial criminals more effectively. However, in this case “effectively” was understood as “more heavily”, as heavy punishments were believed to be a deterrent. The construction of the legal system enabled to steer the repressions towards financial criminals through the real center of power in Poland, namely the PUWP Central Committee, and in particular its Political Bureau, Secretariat, Justice, Security and Public Order Committee, and the Administration Department, controlling e.g. the work of the Ministry of Home Affairs, courts and prosecution.

### 1.2.1. STEERING THE REPRESSION SYSTEM

How did it work? Excerpts from relevant party documents indicate that political management of jurisdiction in the field of financial crime was visible in particular through:

- the binding character of the decisions made by the managing political authorities (the Political Bureau, the Secretariat, and the Justice, Security and Public Order Committee) concerning proceedings in financial crime cases;
- party initiative and control in legislation;
- steering penal policy in this area, particularly in terms of punishment for specific categories of financial crimes;
- supervising individual criminal proceedings in financial crime cases, including informal directives on the sentences.

Results of studies published include plentiful source materials confirming these theses, therefore there is no point in summarizing them in detail. I will only mention the most important findings. As early as April 30, 1957, the Political Bureau of the PUWP Central Committee approved a special bill on fighting speculation and fraud in commerce, advising the Ministry of Justice to take immediate legislative initiative and eliminate all legal loopholes which fostered:

[...] the present paralysis in prosecuting and punishing thieves of collective goods and those guilty of speculative actions to the harm of the people and state.<sup>3</sup>

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<sup>3</sup> See the content of the Act in: *Uchwały Komitetu Centralnego Polskiej Zjednoczonej Partii Robotniczej od II do III Zjazdu* [The Acts of the Central Committee of the Polish United Workers' Party from Convention 2 and 3], Warsaw 1959, p. 487-490; see also the proto-

The announcement of stricter treatment of the criminals was already included in the speech made by Władysław Gomułka during the 10<sup>th</sup> plenary session of PUWP Central Committee between October 24 and 28, 1957. Then, a resolution was adopted which obliged all administrative levels and party organizations to purge corrupted and criminal elements from state and economic administration. In November 1957, an instruction was issued by PUWP Central Committee to form units for fighting fraud and corruption. The instruction included recommendations to pay attention to any participation of party member in scandals. In such cases they had to be removed from the party and handed over to the competent authorities. It also stated that the Secretariat of the Central Committee created the Central Unit for Fighting Fraud and Corruption. Regional committees were recommended to appoint regional units in cooperation with the Central Unit, and district, municipal and precinct committees were recommended to assign their own teams in cooperation with the executive of regional committees. These units had the right to adopt resolutions on party sanctions stipulated in the statute, confirmed by the executive of the party committees.<sup>4</sup>

On June 30, 1958 the number of cases reviewed by the units amounted to 12,738. In 2,377 cases suspects were found not guilty. In the remaining ones, party punishments were applied. PUWP authorities made 3,720 requests to remove the accused from their positions [AAN, PUWP Central Committee, XI/281]. In July 1958 the activity of the units was terminated [AAN, PUWP Central Committee, XI/281, ff 18-19], even though PUWP members were still being removed from the party for bribery, financial fraud, theft and abuse of their positions. In 1961 only, 334 plant directors and 1365 employees of the economy and administration sectors were removed from PUWP [AAN, PUWP Central Committee, VII/149, ff 249-251].

The policy of heavier punishments for financial crimes was discussed during the meeting of the Political Bureau of PUWP Central Committee on January 19, 1959 with the participation of e.g. the Minister of Justice Marian Rybicki, Deputy Minister of Justice Stanisław Walczak, Prosecutor

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cols of the Political Bureau from April 30, 1957 in: *Centrum władzy. Protokoły posiedzeń kierownictwa PZPR. Wybór z lat 1949-1970* [The Center of Power. The protocols from the meetings of the PUWP management. Selection from the years 1949-1970], edited by A. Dudek, A. Kochański, K. Persak, Warsaw 2000, p. 259-260.

<sup>4</sup> On appointing units for fighting fraud and corruption. Instruction of the Secretariat of PUWP Central Committee, November 1957 in: *The Acts of the Central Committee...*, p. 515-518.

General Andrzej Burda, Minister of Home Affairs Władysław Wicha and the President of the Supreme Court Jan Wasilkowski. The conclusions of the Ministry of Justice in the field of legislation were accepted and they were supposed to aim at:

[...] raising the upper limit of punishments for repeat offenders, lowering the limit for criminals guilty of crimes causing little harm to the public, restricting the possibility of suspending the punishments to cases where the amount of money equaling the value of the damage is returned.

The Ministry's propositions were also accepted and they regarded:

[...] the introduction of high fines in cases of crimes related to illegal distilleries etc.; drafting the bill on the mode of appointing the Supreme Court for a given term [*The center of power...*: 321-325].

This direction of the actions aiming at heavier punishments against the perpetrators of the most serious financial crimes was reinforced by the 3rd Convention of PUWP, March 10 – March 18, 1959 [ND 1959, No 4, f. 656]. The Administration Department of PUWP Central Committee and its regional counterparts were responsible for the day to day political supervision of the implementation of these principles. The judiciary reports that we have are evidence that these bodies went to great lengths to fulfill the party directives. The directives of the Political Bureau were implemented by specific legislative changes. The result of these actions were primarily specific solutions in the acts discussed above [AAN PUWP Central Committee 237/V/453, ff 51-51].

Almost from the moment they gained power, the new party management led the policy of harsh repressions against those accused of the most serious economic crimes. Harsh punishment was the basic criterion of assessing the performance of courts with respect to the punishments for crimes against collective goods. It is worth noting, though, that heavy punishments, especially death sentences, were not always welcomed even among the highest party and state authorities. The problem requires further investigation, but a few leads confirming this thesis were stumbled upon while researching the subject.

The first one concerns the so-called leather swindle, and to be more precise, Bolesław Dedo, sentenced to death on December 21, 1960 by the Regional Court in Kielce for financial fraud in leather processing. As Krzysztof Madej found [Madej K. 2002: 55-60], the decisions as to the way of conducting his trial and death sentences were made during internal

meetings which took place in the Administration Department of PUWP Central Committee. A surviving note from one these sessions, made on October 6, 1960, is evidence that the head of this department, Kazimierz Witaszewski, was a supporter of heavy punishment.

The sentence was not carried out, as on March 17, 1961, Andrzej Burda, the Prosecutor General made a request for pardon to the Polish Council of State, which approved the request [AAN PG PRL (Prosecutor General of socialist Poland) 23/37, ff 73]. Another exception from the decision already made by the Central Committee on death sentence was made by the president of the judging panel in the Warsaw leather swindle, Michał Kulczycki. The trial, conducted in emergency mode in front of the Regional Court in Warsaw, ended on October 3, 1960 with a life sentence for three people, including the main suspect [Majchrzak I. 1965: 48-49; AAN, PUWP Central Committee, 237/XIV-305, ff 65-66]. Both cases point to important controversies among the top party administration, evoked by the policy of heavy punishments for financial crimes. The person who was primarily opposed to his practice was Aleksander Zawadzki, president of the Polish Council of State of the time and member of the Political Bureau.<sup>5</sup>

Despite these "failures", the political pressure to heavily punish financial crimes, especially those considered "scandals", was not any weaker. Harsh repression against perpetrators was approved by the Secretariat of PUWP Central Committee on September 19, 1961. It adopted and confirmed the assessment and conclusions of the Central Committee Commission of Justice on criminal policy and recommended the relevant departments to develop a detailed plan of action until the end of 1961 [AAN, PUWP Central Committee, 2221, ff 444]. On the one hand, these recommendations included harsh penalization of the criminals, and on the other, showed a departure from the tendency to:

[...] seeing custody as almost the only sanction for less serious crimes, as this tendency results with excessive penalization of the public life and filling the prisons with inmates having short sentences.

According to the Commission, less serious crimes should be punished differently, e.g. with economic sanctions, professional consequences, or suspended sentences. Despite these guidelines, an assessment of their implementation after a few years highlighted excessive leniency of courts

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<sup>5</sup> See: the account of Andrzej Werblan from January 24, 2003 in the author's collection.

when it came to heavy punishment of “swindlers” [AAN, MS (Ministry of Justice), 1/369, ff 21-22, 25-27].

Death sentence in financial crimes and application of the emergency mode were the subject of heated debates when developing the new Criminal Code [Grzeškowiak A. 1982: p. 72]. The way of punishing petty criminals was regulated according to the party guidelines. The creation of social courts with the Act of March 30, 1965, as well as interpreting some less serious crimes as “offenses” and transferring them to criminal and administrative jurisdiction (the Act of June 17, 1966) [AAN, MS, 1/369, ff 44, 151; AAN, KS, ff 721, 279-297] created new opportunities in this area.

The desire for harsh punishment of criminals guilty of the most serious financial crimes, manifested on many occasions, triumphed in the case of the so-called “meat swindle” in Warsaw. Fraud in meat trade became an excuse for a show trial. After consultations conducted by the prosecution with party officials from PUWP Central Committee, 9 people were put on the dock, including the directors of state meat companies (MHM) in Warsaw: Stanisław Wawrzecki, Henryk Marian Gradowski and Kazimierz Witowski, the director of the Capital Union of Food Trade Companies Tadeusz Skowroński, head of the meat inspection office of the Capital Trade Inspection Office Mieczysław Fabisiak, managers of MHM shops: Adam Stokłosiński, Aleksander Woźnica, Władysław Walendziuk and Ludwik Balczarek, and the owner of a private butchery in Warsaw Antoni Zawadzki.

The process was launched in front of the Regional Court for Warsaw on November 20, 1964. The president of the jury was Roman Kryże, commonly considered as politically influenced and harsh with his rulings. The verdict was made on February 2, 1965, after 41 days of trial [Jarosz D., Pasztor M. 2004: 77-98]. The verdict stated that defendants S. Wawrzecki, H. M. Gradowski and K. Witowski were found guilty, and that as the directors of MHM, acting in conspiracy with many shop managers, they seized, to the harm of the companies they managed, millions worth of shop surpluses in money and goods. Because of that, according to the legal qualification adopted in the indictment, based on section 2 (1) of the decree on emergency proceedings, the court sentenced S. Wawrzecki to death, and the other two perpetrators – to life imprisonment. Other defendants were sentenced to between 9 and 12 years in prison. The fight of Wawrzecki’s attorneys for his life was a failure. On March 18, 1965 the Polish Council of State denied his request for pardon. He was hanged the next day [Jarosz D., Pasztor M. 2004: 77-98].

Documents of various origins concerning both this trial and preparations to it, show in detail what the fraud was about, what its scale was, how it was perpetrated, and what the nature of the political steering of the process was.<sup>6</sup>

## 2. SOCIETY AND FINANCIAL CRIME: BETWEEN CHRISTIAN KINDNESS AND AUTHORITARIAN SEVERITY

What was the attitude of the Polish society towards financial crime and the strict punishments administered to those guilty of the most serious financial crimes? Even though information available on this subject is limited and not entirely representative, it suggests an interesting distribution of opinions. The analysis of letters sent to the authorities by “regular” citizens of socialist Poland shows that financial crime was a recurring topic. These letters mostly contained complaints about the functioning of workplaces and public offices. A significant part of them was anonymous. This is because the authors were (quite rightly) afraid of possible revenge by the members of local coteries, which “covered” their members due to the profits they enjoyed from their activities. People wrote “to Warsaw” (i.e. to the authorities) mostly because of bribes, which were a common phenomenon associated with flats allocation, purchasing state company goods at lowered prices, abnormalities both in social trade and in dealings between private, state and cooperative businesses [AAN, URM (Chancellery of the Prime Minister), 14/4, ff 5-14, 63, 138]. The authors’ clear intention was to punish those guilty of the crimes or – when the trial was already in progress – to include other people in the group of suspects [AAN, 237/XXV-68, f. 34]. People claimed that they wrote these letters to punish the guilty, to do justice and increase trust towards the socialist authorities [AAN, 237/XXV-68, f. 34]. Even if we assume that this is partially the effect of the letter’s addressee, it is hard to deny that the actions of local coteries were considered despicable. It is quite difficult to decide to what extent this was just “pure” indignation, motivated only by the hope to “make things right”, to what extent this resulted from the workings of

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<sup>6</sup> Detailed analysis – see. Jarosz D., Pasztor M. 2004: 11-47, 285-319.

complex networks of local interests and tensions, and to what extent this was a way to legally criticize the authorities.

According to the analysis of the complaints that were sent to the Correspondence Bureau of the "Polskie Radio" Radio Committee, from January to June 1959 only, there were 3200 such letters – 5% of the total number. What is also important, they made up 38% of the total number of anonymous letters sent at that time to this institution. Senders did not believe that the authorities were able to provide sufficient protection to those who informed about fraud and thefts, despite their calls for fighting these issues. Many listeners of the radio wrote about two types of justice: small thefts, which were punished relatively harshly, and large-scale fraud which were punished disproportionately leniently [AODiZP TVP S.A. (The Archive of the Center of TVP S.A. Documentation and Programs), 1050/30, ff without page number].

The campaign condemning those guilty of serious financial crimes meant that the authorities became interested in what people thought on the subject. Various documents contain information concerning e.g. the attitude of "regular citizens" towards the meat swindle. This means that this case had been discussed before the 4<sup>th</sup> Polish United Workers' Party Convention (June 15-20, 1964). According to the information of the PUWP Regional Committee in Krakow, the staff of the Nowy Targ Leather Company were outraged by the Warsaw meat swindle. According to many employees, this swindle embarrassed the top authorities, and as a result (in the name of "more noble interests") society was not informed about it in more detail. In the working class circles of the Krakow region, more and more critical remarks could be heard regarding the scope of information that society got on the cases (e.g. the meat swindle), which only earned short mentions in the national press or which society learned about through the Free Europe radio or gossip [...]. [AAN, PUWP Central Committee, 237/VII-5217, f. 73].

Assessments formed during and after the convention (during meetings with the delegates) were similar in tone. A bulletin issued by the Organizational Department of PUWP Central Committee on June 17, 1964 and drafted based on the materials from regional committees, claimed that society still discussed the Warsaw meat swindle.

Because of that, there were demands for the party to put an end to theft, bribery and speculation. Questions were raised as to why our press did not inform the society about it and why detailed news on the subject was only provided by a foreign radio station. In Olsztyn and Ostróda, people (e.g. state administration staff, teachers and

rail workers) gossip on this subject [AAN, PUWP Central Committee, 237/VII-5217, f. 77].

Many comments were noted particularly in the Warsaw region. The party bulletin of June 20, 1964 on the subject stated the following:

[...] The most frequent questions are: – Who was the main organizer of the meat swindle? Who took part in it? Why did our press not write about it in more detail? One can suspect that the meat swindle involved people occupying high state and party positions and that is why the press did not discuss this problem openly. Public resolution of these issues is expected. There are many rumors regarding this affair, e.g. that some prominent managers fled the country [...] [AAN, PUWP Central Committee, 237/VII-5217, f. 90].

In the Bydgoszcz region, one of the discussions which took place after the convention included questions as to why the Convention had not expressed its position towards the meat swindle in Warsaw.

It was also said that the Party paid too little attention to the problem of financial fraud. These accusations were mainly voiced by workers who emphasized that they were punished even for less serious offenses, while those in high positions got small sentences for huge scandals – and they were often defended and transferred to different, but still lucrative positions [AAN, PUWP Central Committee, 237/VII-5217, f. 101].

Party materials also indicate that the mention of the meat swindle in the “Trybuna Ludu” newspaper from July 9, 1964, which named the suspects and informed about their arrest, caused comments similar in tone to those mentioned above. Factory workers in the Praga district of Warsaw were sure that more arrests were to come, not just of “small fish” but also of the “people in higher circles” [APW (National Archive in Warsaw), PUWP Regional Committee, 30/VII-43, vol. 24, f. 254].

The information sent to the Warsaw Committee of PUWP in July 1964 indicated that people were not completely positive that names of all criminals had been disclosed. People also wondered how all this happened. Some questions concerned the responsibility of the comrades from the Ministry of Internal Trade and their lack of supervision, and of other high officials from the party and state authorities. The document quoted echoes an important theme, characteristic for the general thinking on financial crime perpetrators:

In many statements comrades claim that there is a need for heavier punishments for financial fraud. Relatively often, they demand death penalty for the major ones [APW, PUWP Regional Committee, 30/VII-43, vol. 24, ff 269-270].

Also people working in some Warsaw factories approved of “banging criminals in the head” so that they could not rob people anymore [APW, PUWP Regional Committee, 30/VII-43, vol. 24, f. 266; AAN, PUWP Central Committee, 237/VII-5219, ff 18-19]. This demand to severely punish the perpetrators of crimes similar to the meat swindle was not new. As early as 1957, some authors of letters to the Polish Radio suggested death penalty as a deterrent for hardened criminals [AODiZP, 1050/21]. In many letters on this subject, people criticized lenient punishments for those criminals. One letter from November 7, 1957, signed “Gdansk resident”, states:

In Sofia, two main defendants were sentenced to death and others received long imprisonment for fraud in trade. After reading this information, I started thinking: why our Polish criminals, those stealing our money and our national income, and I dare say, sabotaging the struggle of decent people to increase our life quality, receive such low sentences? In the 10th PUWP Central Committee Plenary Session, Gomulka announced a crackdown on these criminals, therefore I think that the Parliament should pass a bill introducing more severe sanctions for those crimes [AODiZP, 1050/19].

What Gomulka had announced, i.e. that the punishments for financial criminals would be heavier, triggered many to voice their opinion that Poland would finally be “in order” [Madej K. 2010: 266]. In 1962, opinions regarding the need to administer heavy punishments against those accused of the most serious financial crimes were voiced (though not too often) in a survey conducted among the staff of the T. Rychliński Cotton Factory in Bielsko-Biala.<sup>7</sup> Personal diaries also sometimes mentioned the hostile attitude of the working class towards financial criminals.<sup>8</sup> To what extent were these voices the reflection of shared public opinion, and to

<sup>7</sup> Work Agency, the results of the survey conducted in the T. Rychliński Cotton Factory in Bielsko-Biala concerning the attitude towards financial crime and its motivation, March 1962 (the material owned by the authors of the work: *Afera mięsna...* [The meat swindle]), p. 20.

<sup>8</sup> This is what a lawyer signed “Szarotka” wrote on this subject in her memoir in the late 1960s: “One has to listen to the discussions workers have when they have read in the press that a massive multi-million PLN economic swindle has been detected. How they condemn the suspects and gang members. One can feel their anger, which results from the awareness that these were attacks on collective property. The heavy punishments administered in many public trials sometimes made the educated hesitate, but I’ve never seen the workers doubt anything [...]”. See: “Szarotka”, Bez retuszu [“Szarotka”, No retouch.], in: *Pamiętniki prawników. Wybór prac nadestanych na konkurs pod nazwą „Pamiętniki prawników. Wspomnienia z 25 lat Polski Ludowej”* [Lawyers’ diaries. The selection of works sent to the “Lawyers’ diaries. Memories on the 25th anniversary of the Socialist Poland” competition], Warsaw, 1969, p. 87.

what extent were they individual and resulted from temporary irritation or the consciously created propaganda campaign?

In the light of information found on the subject, a question posed this way seems very difficult to answer with precision. The reactions to the punishment for those guilty of financial crimes and especially to the death sentence for S. Wawrzecki seem to prove that opinions similar to those quoted were not dominant. From February 15, 1965 until the end of the month, the Correspondence Bureau of the "Polskie Radio" Radio Committee received 41 letters on this subject and 37 of them were against the sentence, while only 4 expressed approval [AODiZP, 1050/61]. The opponents of the death penalty for the suspects claimed that this punishment should only be applied to murderers. They said that confiscation of property and long imprisonment were sufficiently heavy punishments. They also pointed that the control and supervision bodies were also partially to blame. Some writers did not perceive this crime as serious enough, which was reflected in the following opinions: "Yes, he robbed the people and the state, but nobody got any poorer", "Take a man's life for a few pennies?" Other opinions said: "Everyone steals, there is nothing one can do about it", "We all try to make a profit". One of the authors asked:

If you sentence someone to death just for stealing money, then how do you punish murderers who rob people of their money, health and life, and orphan families? (...) How is that just, legal or humanitarian? No honest man can accept that.

An anonymous author wrote:

You are explaining that this is a national treasure, that this is about the nation. No – it is not the nation that wants to punish them by death. The nation is outraged with this punishment [...] [AAN, PG PRL, 1/29, ff 11-27].

How can this mixture of opinions be explained? The answers to those questions can be found in sociological analyses from the mid-1960s on Poles' attitude to law in general, including financial crime. In this context, the findings of Polish legal sociologists (particularly Adam Podgórecki) are particularly interesting. In the 1960s, they started researching respect of the law and the legal and moral awareness of Poles. Studies conducted between March and June 1964 showed that 50% of urban respondents and 48.4% of rural respondents were in favor of maintaining the death penalty, while around 30% of respondents from both groups were against it. Approval of the death penalty was correlated with social and subjective factors, such as: the sense of being threatened, dogmatic attitude,

strict upbringing and the tendency to be dissatisfied with life in general [Podgórecki A. 1966: 78-83]. The clear relationship between lenient punishments and religiousness visible in Podgórecki's studies is particularly interesting here. There is an interesting hypothesis that it was Catholicism, the dominant religion in Poland, that could affect Poles and make them condemn death penalty for financial crimes.<sup>9</sup> The following conclusion can be made from these findings: the main suspects in the meat swindle were condemned by some Poles who demanded harsh punishment, but death penalty for Wawrzecki was considered too severe.

Maybe the "legal officiousness" characteristic for most Poles at that time (studies from 1966) was partially responsible for this initial inclination to punish criminals heavily. For some, it could be related to the sense of frustration and aggression, in the case of others – with the internalization of legal norms [Podgórecki A. 1971: 147-149]. If this conclusion is connected with the results of studies on the authoritarian nature of the Polish society [Chumiński J. 2015; Koralewicz J. 1987], one might see that in the years 1956-1970 the authorities could feel at least excused in administering "harsh" punishments for the perpetrators of major financial crimes. However, this did not mean approval of death penalties for them.

The "medicine" prescribed by the authorities against the financial crime disease was quite strong, but only partially effective. The answer to the question as to how the penal policy of the time affected the dynamics of financial crime is quite complex. The author of the fundamental study on this subject, K. Madej, mentions a few factors which negatively affect the comparability of the relevant statistical data on this subject for the years 1957-1970, such as: the change in how statistics of the crimes were kept by the Citizen's Militia (the police force of the time), the amnesty acts adopted in the years 1964-1969, and the transferring of less serious crimes to criminal and administration jurisdiction since 1966. With all those reservations in mind, and based on the data found in the documents prepared by the Militia, Supreme Audits Office and prosecutor's office, Madej claims that the first large increase in this type of crime occurred in 1957 (from 158,874 up to 173,226), and subsequently the number decreased to 144,125 in 1959. In the years 1963-1970, Madej's estimates point to the dominance of the downward trend. In 1970, he reports a little over 70,000 crimes of the type (excluding clerical offenses) [Madej K. 2010: 195-197]. Could that be

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<sup>9</sup> See more in: *Prestiż prawa. Problematyka, zakres i metody badań* [Prestige of law. Problems, scope and research methods], OBOP, Warszawa 1966, p. 9-28.

evidence of at least partial effectiveness of the Gomułka administration's actions? Such conclusion is risky for the reasons mentioned above.

Surely, the abnormalities which were at the origin of financial crime were functionally related and developed within the social and economic system defined as the socialist "economy of shortages". They were a kind of a systemic, chronic disease. The medicine administered was very strong, had painful side effects, and was only a temporary remedy.

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**Dariusz Jarosz** – Professor of History at the University of Warsaw and the Polish Academy of Sciences. Scientific interests include the history of Poland after 1945 and relationships with Western countries. Selected books include *Wkrzywym zwierciadle. Polityka władz komunistycznych w Polsce w świetle plotek i pogłosek z lat 1949-1956* [Through a Distorting Mirror. The Image of Polish Communist Authorities in the Light of Common Knowledge, 1995], *Polacy a stalinizm* [Poles and Stalinism 1948-1956], and *Mieszkanie się należy... Studium z peerelowskich praktyk społecznych* [Apartment to be... Study of social practices in Polish People's Republic, 2010].

