

Jan Kofman

THE POLITICAL ROLE OF BIG BUSINESS CIRCLES IN
POLAND BETWEEN THE TWO WORLD WARS

FOREWORD

The subject has not to-date been given the attention it deserves in historical literature. To a large extent, that fact, as also the political and ideological context in which the problem has on various occasions been put in historiography and especially in political writing in Poland, has contributed to superficial views being expressed on the supposed role played by the big business in the nation's economic and political life and on its relationship with the government. Such views consisted either in repeating the vague thesis on the fundamental agreement between the policies of the State and big business interests or even in arguing that State policies were nothing but an offshoot of such interests. Such views either neglected or ignored the differences (occasionally very significant) between the ruling circles and the big business, or else looked upon them as merely a tactical manoeuvre. In point of fact the problem appears to be more complex than that.

The terms used in the following article — such as “big business circles,” captains of industry, etc.¹ — refer to entrepreneurial

¹ When using these terms one must realize their relative value in Polish circumstances. In 1929 approximately 200 people were counted among the financial-industrial oligarchy and only several dozen of those (in his

groups represented by the Central Union of Polish Industry, Mining, Commerce and Finance, founded in 1919 and renamed in 1932 as the Central Union of Polish Industry (*Centralny Związek Przemysłu Polskiego* — C.Z.P.P.).

The Central Union (also known popularly as “Leviathan”) affiliated the more important economic associations. Its policy line, while certainly being a compromise between different interests of the different groups involved, was nonetheless determined by the Polish bourgeoisie, both in the 1920s as well as in the later period when, in the then reconstructed organization, the Poles very definitely kept their dominance over the industrialists of Upper Silesia. Prominent representatives of that group included: Andrzej Wierzbicki, Alfred Falter, Jan Hołyński, Edward Natanson, Janusz Prince Radziwiłł, Henryk Strasburger.

Quite an exceptional role in “Leviathan” was played by Wierzbicki, an eminent manager with a flair for politics, a former president of the Association of Industrialists of the Polish Kingdom and a founder of “Leviathan”, during World War I a leader of the Union for Economic Independence [*Związek Niezależności Gospodarczej*], a member of the Provisional Council of State and the Minister of Industry and Commerce in Prime Minister Świeżyński’s ephemeral cabinet appointed by the Regency under the German occupation of the Kingdom of Poland (1918); a member of the Polish National Committee in Paris (1919). He had for many years been associated with the right-wing party of National Democrats (*endecja*). Wierzbicki was Director General of the Central Union from its first to the last days, and the Board of Directors under him was instrumental in shaping “Leviathan’s” policy line.

A special niche in the structure of that organization was assigned to the fortnightly “Przegląd Gospodarczy” [Economic Review] the Union’s official press organ and one of the most important Polish economic periodicals, incidentally very closely associat-

very interesting study Landau says that only seven!) were to be regarded on a par with their western European counterparts. That fact alone evidences the relative underdevelopment of private enterprise in Poland. Cf. Z. Landau, *Oligarchia finansowa Drugiej Rzeczypospolitej* [*Financial Oligarchy of the Second Polish Republic*], “Przegląd Historyczny,” 1971, No. 1, p. 86; printed also in: Z. Landau, J. Tomaszewski, *Druga Rzeczypospolita*, Warszawa 1977, p. 209.

ed with Wierzbicki. That journal, which provided the principal forum for presenting big business views on key economic issues, tended also to mould the economic and political outlook of big business circles. Further, it was the most important media instrument whereby the Central Union sought to influence select society groups, particularly the top echelons of State bureaucrats.

With regard to the ideological background of the views and attitudes of the representatives of the big business: putting it in a nutshell, the ideology professed by the Wierzbicki group was rooted firmly in the liberal doctrine. Nonetheless, their interpretation of *laissez faire* — *laissez passer* definitely departed from the current understanding of that term. Spokesmen for “Leviathan” declared themselves unambiguously for developing monopoly forms of production and trade and for intense industrial protectionism. Also, they tended to obliterate the difference between free-market competition and monopoly competition, thereby distorting the classical sense of the above-cited principle. And yet, there was room in their concept for such elements of the liberal doctrine as free trade, free flow of capital and manpower, and a definite reluctance to accept State controls and, albeit to a much smaller extent (particularly since “Leviathan” approved of the government’s reflationary policy), opposition to other forms of interventionism. Therefore economic quasi-liberalism appears the most appropriate term to describe the peculiar interpretation of the liberal doctrine by “Leviathan.”

DEVELOPMENTS IN THE 1920S

In attempting to present an ideological-political picture of the representatives of Poland’s big business provision must be made that this is by no means a picture of the whole social class. The Polish bourgeoisie as a whole was still far from full realization of the fact that, as a distinct social class, it occupied the top rung in the capitalist society’s hierarchy. By and large, it neither took pride in its class identity nor cherished a conviction about its long-term historic destiny (as was the case with the bourgeois class of the highly-developed countries). The persisting, outdated structure of class and group status, which the Polish society of the

1920s continued to respect, was reflected forcefully in the sense of identity of the Polish bourgeoisie. That status structure caused the bourgeoisie to seek “melting into the intelligentsia or, better still, the landed gentry and the aristocracy”.² However, this assessment of the class identity position, while being true on a national scale, could hardly be applied to the sense of identity represented by the social group which is the subject of this article: “Leviathan” spokesmen steadfastly advocated superiority of the capitalist economy and the bourgeois social order over all other systems. Naturally enough, they were by no means shy to identify themselves with the bourgeois.

Taking a generalized approach one can say that the representatives of the Polish big business circles had political convictions which were definitely conservative.³ The reasons for this are many and complex but the most important must surely have been the underdevelopment of capitalism in Poland. A consequence and an expression of that underdevelopment was the participation of some of the nation’s top aristocrats on “Leviathan’s” Board of Directors. There was a time when three princes sat on the Board: Stanisław (as President) and Andrzej Lubomirski as well as Janusz Radziwiłł. Their presence on the Board reflected, on the one hand, the gradual merger of the interests of the big landowners and industrialists and, on the other, the realism of the big business, perfectly aware of the role still played by the aristocracy and landed gentry in the life of the nation. The union of interests, while largely looked upon in a pragmatic fashion, nonetheless forced representatives of “Leviathan” into political concessions to suit the interests of the conservative ally. Another source of conservatism in the ideology of big business circles was the absence in Poland of a western European type of political tradition and the dominant position within “Leviathan” of the bourgeois from the former Polish Kingdom, whose sense of socio-

² J. Żarnowski, *Spółczesność Drugiej Rzeczypospolitej* [*The Society of the Second Polish Republic*], Warszawa 1973, p. 273.

³ If a contemporary observer of the scene, never suspected of any kind of social radicalism, is to be believed, the political views of some “Leviathan” executives (e.g. W. Kiślański, E. Natanson) were so ultraconservative as to border on obscurantism. Cf. Ignotus [A. Peretz?] *Finansjera warszawska, 1870 - 1925* [*Warsaw Financiers*], Warszawa 1926, pp. 76, 80.

political identity had largely been shaped under the impact of the peculiar Russian, overwhelmingly conservative, variety of "State liberalism."

The conservative political attitudes of "Leviathan's" captains of industry, who sought to preserve the social *status quo* at all cost (even at the cost of infringing on democratic freedoms), was perhaps most fully reflected in their conception of the political system for Poland. Their conception was in a high degree conditioned by "Leviathan's" ambition to have a say in deciding about Poland's political and economic guidelines. Their organization never denied that ambition and categorically, on many occasions, refused to rest content in performing its purely professional role and no more.⁴ "Leviathan" entertained the ambition of becoming a *sensu stricto* political entity by winning seats for its members in parliament on behalf of a few different parties.⁵ Eventually, it was hard put to give up those plans since a "Leviathan" faction in parliament stood no chance of winning a large bloc of votes even if teamed up with landowners' votes.⁶ Realizing that position, "Leviathan" spokesmen demanded all along — and from 1927 practically clamoured for — the introduction of conservative political solutions arguing that the state of the national economy made them absolutely indispensable.

In the 1920s "Leviathan" pinned much hope on plans for setting up a Supreme Economic Chamber with legislative powers, a body in which it could justifiably play a dominant role. In that way the captains of industry sought to set up a third fundamental political entity in the nation, side by side with parliament and the government. When, however, that idea came up against

⁴ E.g. B. Stypiński, *Ewolucja roli, zadań i form organizacyjnych zrzeszeń przemysłowych* [Evolution of the Role, Objectives and Organizational Forms of Industrial Associations], "Przegląd Gospodarczy," 1937, No. 12.

⁵ J. Lempicki, *Stosunek władz państwowych do przedstawicielstwa interesów gospodarczych* [Attitudes of the State Authorities towards Representatives of Economic Interests], *ibidem*, 1922, No. 9; A. Wierzbicki, *Synteza roku ubiegłego* [A Summing-up of the Past Year], *ibidem*, 1927, No. 12.

⁶ A. Wierzbicki, *Życie gospodarcze w obliczu zagadnień politycznych* [Economic Life vis à vis Political Developments], *ibidem*, 1927, No. 23.

insurmountable barriers⁷ “Leviathan” attached even greater weight to designs aimed at revising the democratic Constitution of March 1921 whereby the executive powers would be given a permanent edge over the legislative powers in the nation. Thus, for example, Edward Rose, a member of the “Leviathan” Board and for many years editor-in-chief of “Przegląd Gospodarczy,” stated that the Constitution “does not [. . .] meet the most essential needs of the operation of the State”.⁸

Big business dissatisfaction with the system of parliamentary government reached its climax towards the end of 1925 with the collapse of Prime Minister Władysław Grabski’s cabinet with whose initiatives considerable hope had been associated for overhauling the country’s economy. That sentiment was expressed in the demonstrative petition addressed by the economic organizations to Polish President Stanisław Wojciechowski.⁹ Disenchantment with partisan politics eventually provided a convenient platform enabling “Leviathan” to take the side of Piłsudski whom it succoured in the showdown with parliament. By December 1927 Polish big business circles stated in a proclamation written by Wierzbicki that “the just-concluded six-month-long terminal paroxysms of Parliament did not disturb the profound depth of the soul of the Polish nation”.¹⁰ A year later “Przegląd Gospodarczy” declared: “Stability of economic policy is an elementary condition for any type of rational economic development of the country. Such stability can only be safeguarded when the executive powers

⁷ Business circles made futile attempts to overcome this barrier by upgrading the Industrial Evaluations Commission to a Provisional State Economic Council. See *Korespondencja w sprawie utworzenia Państwowej Rady Gospodarczej* [Correspondence Relating to the Setting up of the State Economic Council], Archiwum Akt Nowych (New Public Records Archives) in Warsaw (AAN), Komitet Ekonomiczny Ministrów, Biuro Ekonomiczne, vol. 491.

⁸ E. R. [Edward Rose], *Podstawowy warunek* [The Precondition], “Przegląd Gospodarczy,” 1927, No. 22.

⁹ *Sprawozdanie Centralnego Związku Polskiego Przemysłu, Górnictwa, Handlu i Finansów z działalności za rok 1925* [The 1925 Report by the Central Union of Polish Industry, Mining, Commerce and Finance], Warszawa 1926, p. 4.

¹⁰ *Odezwa przedstawicieli sfer gospodarczych wszystkich ziem Rzeczypospolitej* [A Proclamation by Representatives of Business Circles in All the Lands of the Polish Republic], “Przegląd Gospodarczy,” 1928, No. 1.

of government are strengthened".¹¹ Such a point of view quite logically led to "Leviathan's" positive assessment of the 1930 election results which democratic opposition parties and groups overwhelmingly denounced as having been rigged by the government camp (*sanacja*). "Leviathan," on the other hand, regarded those results as a failproof guarantee of stability.¹² That same point of view later caused that the Central Union of Polish Industry regarded with approval the antidemocratic Constitution of April 1935 and the primacy it gave to the executive over the legislative powers. Yet, contrary to the long-cherished hope of the Polish captains of industry and finance, those political changes in the country did not bring their political ambitions to fruition. On the contrary, in ultimate effect limitations imposed on parliamentary democracy in the 1930s actually turned against their interests as well.

The class status and ideology quite naturally made the political sentiments of "Leviathan" spokesmen gravitate towards right-wing parties. When contemplating which of the different political movements to throw their weight behind, they were guided above all by the consideration to what extent the given movement was able to guarantee stability of the social and political system. Political likes and dislikes were of secondary importance. Wierzbicki once expressed that idea succinctly and candidly when he said: "continuity of conditions is more important for economic life than their political hue".¹³

Before the Piłsudski coup of May 1926 "Leviathan's" political sympathies leaned towards nationalist groups, more especially the National Democrats to whom it had developed strong ideological

¹¹ E. R., *Sytuacja* [Situation], *ibidem*, 1928, No. 23; also in a similar vein spoke H. Gliwic; see *Senat Rzeczypospolitej Polskiej, II kadencja* [Senate of the Polish Republic, 2nd Term], shorthand minutes from the 26th Session, March 7, 1930, column 60.

¹² E. R., *Przegląd sytuacji* [Tour d'horizon], "Przegląd Gospodarczy," 1930, No. 23.

¹³ A. Wierzbicki, *Synteza* . . . The well-known economist, Henryk Tennenbaum, on his part, tried to breathe noble ideological motivations into such pragmatism. He wrote: "Modern industry always works hand in glove with Government, not because it is servile but because production is managed by industry from the private-economic point of view and by Government from the public-legal point of view" (H. T. *Przegląd sytuacji* [Tour d'horizon], "Przegląd Gospodarczy," 1923, No. 3.

and personal links. For example, Andrzej Wierzbicki and Jerzy Zdziechowski, Vice-President of the Central Union, were both members of the top executive of Związek Ludowo-Narodowy (*endecja*) [People's National Union].¹⁴ Therefore the Piłsudski *coup* put the big business circles in a tight spot, but only momentarily. Confusion was short-lived and soon afterwards "Leviathan," faithful to its principle of political pragmatism, started seeking rapprochement with the victors, preparing for talks "which will have to be taken up with the new government".¹⁵

On their part, the newly emergent ruling camp also sought support from the industrial and land-owning establishment. The first such telling move by the Piłsudski group was the appointment of Hipolit Gliwic, connected with the big business, to head the Ministry of Industry and Commerce in K. Bartel's first cabinet.¹⁶ Wierzbicki's panegyric tribute to the new President, I. Mościcki, who had been proposed to the top office by Piłsudski himself, a tribute contained in an article in "Kurier Czerwony" on June 4, 1926, was understood as a positive response to that decision. Even more important was the article printed by "Przegląd Gospodarczy" at the beginning of June, promising the Central Union's support for the new authorities,¹⁷ on condition that "no change in the present economic and social regime in Poland is being contemplated" and that they would stand resolutely against "all attempts at social experiments".¹⁸

¹⁴ These links found their material expression in, among other things, the financial support given to *endecja* in the 1922 elections. Cf. J. Holzer, *Powstanie Lewiatana [The Emergence of "Leviathan"]*, "Zeszyty Historyczne Uniwersytetu Warszawskiego," vol. II, 1961, pp. 91-93.

¹⁵ CZPPGHiF, *Sprawozdanie z działalności od 25.IV. do 10.VI.1926 [The Central Union of Polish Industry, Mining, Commerce and Finance. Report-back on Activities between April 25 and June 10, 1926]*, "Przegląd Gospodarczy," 1926, No. 12.

¹⁶ Gliwic soon established a direct rapport with Wierzbicki. Cf. A. Wierzbicki, *Uwagi o przewrocie majowym [Remarks on the May 1926 Coup]*, "Najnowsze Dzieje Polski," vol. IX, 1965.

¹⁷ In it, E. Rose gave an a priori exoneration of the expected antiparliamentary moves by Piłsudski, regarding them as indispensable for the purpose of setting up strong executive powers. E. R., *Perspektywy [Prospects]*, "Przegląd Gospodarczy," 1926, No. 11.

¹⁸ *Ibidem*.

Soon thereafter Bartel and Wierzbicki had their much-publicized meeting on June 8, 1926,¹⁹ which inaugurated closer contacts between "Leviathan" and the *sanacja* regime. Accepting Wierzbicki's suggestion, Bartel appointed Czesław Klarner, a former member of the Grabski cabinet, as Minister of the Treasury. The decision was read as agreement by the new regime to carry on with Grabski's economic policy line of 1925, a line which had been accepted in principle by the big business. During the same meeting Bartel also declared that "neither in social nor in economic policies will the Marshal [i.e. Piłsudski] embark on any experiments".²⁰ And shortly thereafter members of the government officially advised the Central Union that the new regime would be guided by the well-tested methods of capitalist economy.²¹

In due course contacts between "Leviathan" and the government grew into intensive and permanently-based cooperation.²² The ultimate and official, as it were, adherence of big business circles to the *sanacja* camp was signalled by the December 1927 proclamation which has already been mentioned in this article. Emphasis was put in that document on the fact that the government was keeping its promise that "no experiments are in the offing in economic life", the demise was trumpeted of old-type parliamentary democracy and praise was expressed for strong-arm executive powers. A practical, tangible sequel to the proclamation was the entry of a number of captains of industry and finance to the *sanacja* - sponsored *Bezpartyjny Blok Współpracy z Rządem* — B.B.W.R. (Nonparty Bloc of Cooperation with the Government), a strictly authoritarian organization, and the financial assistance given to the Bloc by the big business in the subsequent election campaign. While no hard facts have come to light on the extent of that assistance and whether the vote canvassing bill was indeed underwritten by the "Leviathan" Board, nonethe-

¹⁹ A. Wierzbicki, *Wspomnienia i dokumenty* [Reminiscences and Documents], vol. II, p. 872, manuscript at the Polish Academy of Sciences Institute of History in Warsaw.

²⁰ *Ibidem*, pp. 795 - 798, 765.

²¹ Speech by E. Kwiatkowski, released for the Press. Z. Landau, *Plan stabilizacyjny 1927 - 1930* [Stabilization Plan, 1927 - 1930], Warszawa 1963, p. 23; K. Bartel, *Mowy parlamentarne* [Speeches in Parliament], Warszawa 1928, p. 19.

²² A. Wierzbicki, *Synteza...*,

less the known fact that money was paid into the Bloc's election fund by the yeast cartel, through the good offices of J. Radziwiłł, member of the Central Union's Board and deputy Chairman of the Bloc's Club in Parliament, was a tell-tale sign.²³

In return for the assistance some "Leviathan" prominents were given seats in parliament on behalf of the Non-party Bloc (Jan Hołyński, a top executive of the organization, who had hitherto been affiliated with *endecja*, was one of them). Interestingly, Wierzbicki never joined the Bloc, keeping his formal allegiance to the National Democrats. Even when he committed himself politically in 1935 (after the Bloc became defunct) and won a seat in parliament in an election boycotted by the opposition, he used the opportunity only to further the interests of the Central Union of Polish Industry.

BIG BUSINESS IN THE PERIOD OF ASCENDANCY OF THE ROLE OF THE STATE AND OF TOTALITARIAN TRENDS

The good relationship between "Leviathan" and the *sanacja* regime of the years 1926 - 1930 cooled off to a certain degree during the Great Depression. The reason is to be seen in disagreement on certain key aspects of economic policy.²⁴ The cooling off did not, however, lead to a change of political priorities by the big business. "Leviathan's" press organ continued supporting in principle the regime's domestic policy line, increasingly oriented towards authoritarian rule. There was a sharp change in that relationship a little later, in 1935 - 1936, when the government camp started disintegrating. "Leviathan" apparently became concerned that one of a few economic-political trends then manifest-

²³ Z. Landau, *Działalność kartelu drożdżowego w Polsce, 1925 - 1938* [Operation of the Yeast Cartel in Poland, 1925 - 1938], "Roczniki Dziejów Społecznych i Gospodarczych," 1972, p. 145. On the financial support given to the Non-party Bloc also see W. Władyka, *Działalność polityczna polskich stronnictw konserwatywnych w latach 1926 - 1935* [Political Activities of Polish Conservative Parties between 1926 and 1935], Warszawa 1977.

²⁴ Cf. J. Kofman, *Koła wielkoprzemysłowe wobec rządowej polityki deflacji w latach 1930 - 1935* [Big Industrialists and the Government's Deflationary Policy in 1930 - 1935] "Przegląd Historyczny," 1974, No. 2; also idem, *Koła wielkoprzemysłowe a kwestia kapitałów obcych w okresie 1920 - 1939* [The Great Industrial Circles and the Question of Foreign Capital in 1920 - 1939], "Kwartalnik Historyczny," 1975, No. 2.

ing themselves within the *sanacja* movement²⁵ might effectively shunt the government's course of economic policy towards State interventionism and State capitalism. Also, the accelerated evolution of the *sanacja* regime in 1936 - 1939 towards extreme nationalism and semitotalitarianism, a trend advancing a formula of government which was unacceptable to Poland's big business, however much it might have favoured right-wing trends, was met with unconcealed disapproval by the official press organ of the Central Union.

The anti- or atotalitarian attitude of Polish big business circles was determined by, apart from world-outlook reasons, considerations of a political and organizational nature. Among the former we might cite the political heritage and tradition of the older generation of "Leviathan" executives, with Wierzbicki a prime example. By and large they came from among the so-called "old" National Democrats whose nationalism was of a distinctly liberal-democratic hue and who were generally opposed to the overtly totalitarian trend among the "young" National Democrats. Also, among the "Leviathan" executives there were some who were to a larger or lesser extent politically connected with the centre or liberal-democratic factions within the *sanacja* movement. Those associated with the centre faction included, for example, J. Raziwiłł and, albeit for some time only, H. Strasburger, President of the Central Union, both liberal conservatives and both opposed to totalitarianism. Those associated with the liberal-democratic faction included, among others, J. Przedpełski, member of the Central Union's Praesidium. There were even some adherents of the opposition among the Union's executives, such as Marian Szydłowski, a member of the Praesidium, who had for a time been associated with the peasant party PSL-Piast. The powerful figure of A. Falter, a friend of W. Korfanty and perhaps the biggest capitalist of them all, was not without reason described as a follower of Front Morges with which he had established ties through the intermediary of the Christian Democrats in Silesia. Also Strasburger was, after 1937, quite definitely associated with the opposition. As an aside we might recall that the Central

²⁵ According to an exaggerated appraisal by Rose in mid-1936, that trend was supposed to lead to "integral state capitalism".

Union's link with the opposition was substantial enough to enable some prominent executives of the organization joining the emigré government formed by General Sikorski during World War II.²⁶

With regard to organizational considerations which made "Leviathan" executives look on with disapproval on the regime's evolution towards totalitarian rule, cohesion of the Central Union must have been the primary concern. Very significantly, a large proportion of the nation's big bourgeoisie was Jewish (a fact, let us add, which had scant reflection in the personal composition of "Leviathan's" top executive organs). Thus, overt approval of the regime's growing antisemitism and totalitarian orientation could undermine the very structure of the Central Union.

The above-listed multiple considerations cause this author to believe that the Central Union's eventual adherence to the totalist Camp of National Unification (*Obóz Zjednoczenia Narodowego* — O.Z.N., OZON) was a largely verbal act of little practical consequence.²⁷ This proposition is supported by such concrete evidence as Wierzbicki's speeches in parliament in the period preceding the formation of O.Z.N., in which the speaker gave full vent to his reluctance to accept totalitarian ideology. To cite an example: on December 2, 1936, Wierzbicki told parliament that Poland should better follow her own road of development, excluding both materialism and "Hypernationalism which goes against the grain of the Polish nation".²⁸ Further evidence of the same was the Central Union's interpretation of O.Z.N.'s founding declaration proclaimed by O.Z.N. head A. Koc. The interpretation brought into sharp relief the solidarity motif while almost ignoring the na-

²⁶ "Leviathan" presidents Strasburger and Falter were appointed as Minister and Vice-minister of the Treasury and of Industry and Commerce. W. Pobóg-Malinowski, *Najnowsza historia polityczna Polski 1864 - 1945* [Recent Political History of Poland, 1864 - 1945], vol. III, London 1960, pp. 86, 160.

²⁷ A different view is represented by J. Żarnowski, *Struktura i podłoże społeczne obozu rządzącego w Polsce w latach 1926 - 1939* [The Structure and Social Base of the Ruling Group in Poland between 1926 and 1939], "Najnowsze Dzieje Polski," vol. X, 1966, p. 81.

²⁸ A. Wierzbicki, *Co musimy odrobić i na czym budować?* [What Shortfalls We Have to Make Good and What to Build on], "Przegląd Gospodarczy 1936," No. 24.

tionalistic message.²⁹ “Leviathan” executives were also loath to accept the slogan of economic nationalism, its cutting edge directed against Jews. “Przegląd Gospodarczy” printed not a single article on that topic and the Polish captains of industry and finance virtually ignored the slogan.

Faced with the further inexorable evolution of O.Z.N. ideology and the considerable popularity of the idea of State capitalism within that organization, the Central Union’s press organ went into open opposition by going to print with a special series of articles. Ostensibly they were a polemic against the concept of social federalism (or rather the idea of *sui generis* corporate development), as expounded by F. Młynarski in a book published in 1937. In point of fact, the issue was but a convenient pretext for “Leviathan’s” spokesmen to clearly present their own rationale. The author of one article stated, exaggerating a little: “The system of coercion, proposed by Professor Młynarski in *Proporcjonalizm ekonomiczny* [Economic Proportionalism], is totalitarianism. Not only because it outwardly resembles so closely the Italian and German patterns, but also because it goes back on human rights to a terrifying extent”.³⁰ When juxtaposed with O.Z.N.’s extreme nationalistic phraseology and its tendency to set up a totalitarian social order, the reader could have no doubt as to who was the target of those remarks.

Given such attitude by “Leviathan” members it came as no surprise that they reacted favourably to Deputy Prime Minister Eugeniusz Kwiatkowski’s speech, made in April 1938 at a meeting of the Katowice province branch of O.Z.N. In it, Kwiatkowski, unlike other O.Z.N. prominents, suggested the possibility of arriving at a compromise with the opposition.³¹ The Central Union

²⁹ *Oświadczenie C.Z.P.P. w sprawie deklaracji pułk. Adama Koca* [A Statement by the Central Union of Polish Industry on the Declaration by Col. Adam Koc], *ibidem*, 1937, No. 6; also, *Wobec deklaracji Pułkownika Adama Koca* [On the Declaration by Col. Adam Koc], *ibidem*, No. 5.

³⁰ T. Sławiński, *Replika* [Retort], *ibidem*, 1938, No. 3; *idem*, *Pseudokorporacjonizm* [Pseudocorporationism], *ibidem*, No. 1; *idem*, *Proporcjonalizm ekonomiczny* [Economic Proportionalism], *ibidem*, No. 2; also, A. Wierzbicki, *Totalizm czy twórczość* [Totalism or Creativity], *ibidem*, No. 24.

³¹ E. Kwiatkowski, *Przez odrodzenie polityczne do powodzenia gospodarczego Polski* [Through Political Revival to Poland’s Economic Success], Katowice 1932, p. 12 ff; *Enuncjacja C.Z.P.P.* [Enunciation by the Central Union of Polish Industry], “Przegląd Gospodarczy,” 1938, No. 11.

also threw its weight behind Kwiatkowski — who favoured moderation in economic policies — in the latter's conflict with Col. Zygmunt Wenda, the *de facto* head of O.Z.N., who was pushing the idea of armaments at the cost of steep inflation. "Leviathan" also pulled its secret strings to have the O.Z.N.-sponsored project of organizational coercion in industries shelved indefinitely.

"Leviathan's" ill-disposition towards O.Z.N. was purposefully toned down in its official press organ. On the other hand, it was given full vent by other papers connected with "Leviathan": "Kurier Polski" [Polish Courier] and "Depesza" [Telegramme] (the latter being also associated with Front Morges). In the years 1937 - 1939 it was especially "Depesza" which carried a host of articles denouncing political and economic totalitarianism. The paper plunged headlong into sharp polemics with "Gazeta Polska" [Polish Gazette], the O.Z.N. press organ. It was with that press campaign in mind that Col. Wenda accused "Leviathan" of teaming up with conservatists, and abetting socialists, to obstruct the process of political consolidation around O.Z.N.³²

All those things considered, one reservation must be made nonetheless. The obvious disapproval of totalitarian trends by official big business spokesmen should be neither exaggerated nor taken out of context. Looking at it realistically, their opposition was of only limited nature and limited importance. It seems a plausible proposition that in the long run "Leviathan", which had after all many links to the ruling group³³ and was in many ways dependent on them, would have to, albeit reluctantly, start gravitating towards the right-wing and nationalistic platform. On the assumption, that is, that the evolution of the *sanacja* regime continued unimpeded and unaltered in the then established direction. Such a political reorientation within "Leviathan" would then have to be accompanied by a far-reaching shift in the balance of forces within that organization and important personal changes in its top executive office.

³² *Sejm RP, V kadencja, Sprawozdanie stenograficzne z 11 posiedzenia [Parliament of the Polish Republic, 5th Term, Shorthand Minutes from the 11th Session]*, February 16, 1939, column 11.

³³ Representatives of State capital also sat on the Central Union's Board.

THE POLITICAL ROLE AND POSITION OF "LEVIATHAN"

It is hard to determine beyond doubt to what extent the opinion was true, expressed by contemporaries and since taken up by many historians, about "Leviathan's" omnipotence in Poland's political life and especially in the politico-economic endeavours.³⁴ Even if the thesis is correct that the Polish State gave top priority to defending the interests of the ruling classes, that does not by itself indicate such omnipotence. Historians have not secured enough source material on the extent and impact of pressures brought to bear on the nation's political scene by various interest groups, including "Leviathan." With regard to the latter the problem is not only in the scarcity of available source material but, in this author's opinion, above all in the complex nature of the whole issue. There were phenomena and trends in the economic and social development of Poland between the two world wars which put in doubt the allegedly exceptional political role played by the big business establishment and its supreme organization.

The following are just some of these doubts. How, for example, are we to circumscribe the sphere of influence of "Leviathan" when compared with the very substantial socio-political role played by the aristocracy and the gentry? After all, the latter's role in society was surely more important than would follow from the simple calculation of their numerical strength and economic wherewithal. Another question: whose interests — agriculture's or industry's — did the State take more into account

³⁴ The following are two opinions characterizing the whole atmosphere around the Central Union and the quite popular manner of understanding its role by observers and even by active participants in politics. Thus General Berbecki included "Leviathan" as one among "four ruling cliques". See J. Grzędziński, *Wspomnienia z lat 1935 - 1937* [*Reminiscences from 1935 - 1937*], p. 13 (manuscript in the Manuscripts Department of the National Library in Warsaw). Another observer believed that "Leviathan" "systematically worked to acquire all assets of the Republic. It affiliated within itself all regional industrial associations, decided the personal rosters of boards of directors and seats in successive parliaments, personnel affairs in political parties, appointments in economic ministries in State administration". See L. Berger, *Rządy i żądze, czyli szukanie programu* [*Governments and Desires or in Quest of a Programme*], Tel Aviv 1943, p. 26. Cf. also W. Paczkowski, *Spoleczny bilans dwudziestolecia* [*Social Balance Sheet of the Twenty (interwar) Years*], "Gospodarka Narodowa," 1938, No. 22.

in deciding the economic policy course, and what from that point of view did "Leviathan's" position look like? A third question: how are we to evaluate the extent of big business influence in the 1930s when examined in the context of the State's policy to restrict the freedom of movement of cartels and capital? How are we to evaluate that influence in the context of the ascendant trend towards State control and interventionism in economic life? In this last question, even a correct reply that the State, seeking to preserve the politico-economic system, had to embark on the road of guided economy, is only of indirect and limited value.

These and a number of other doubts lead to the reasonable question: what indeed was the true scope of influence wielded by big business interest groups on State policy? It is quite certain that there was a gulf between the avowed aspirations of "Leviathan" spokesmen to play a significant political and politico-economic role in the nation, on the one hand, and the actual weight of that role, on the other. The relatively larger role in the 1920s should be put down on the known fact that in the early period of Polish independence the State administration, lacking their own economic specialists and skilled bureaucrats, had to rely in a high degree on experts from among big business organizations and on many occasions appointed such experts to high-ranking official posts. Between 1919 and 1930 a relatively large number of seats in both houses of parliament were occupied by people either themselves counted as captains of industry and finance or directly dependent on big business circles. Their number decreased in the subsequent period. And yet, in this author's opinion, not even then was there a distinct and powerful "Leviathan" lobby in parliament. Whatever their number and influence, they were only a small group in proportion to the parliamentary gremium—probably between 20 and 25 MP's in the first term in independent Poland, and even less in the second and third terms of parliament.³⁵ On the other hand, there was definitely a thing which could be called "a gentry-plus-'Leviathan'" lobby in Polish parliament at that time.

³⁵ Estimates drawn up after Rzepecki publications on the Constitutional Parliament and on the parliaments of 1922 and 1928, and after "Rocznik Polskiej Agencji Telegraficznej" [A Yearbook of the Polish Telegraph Agency, PAT], 1932.

In the period 1918 - 1926 big business circles (also outside the "Leviathan" organization) had definitely a greater say in deciding who was to be appointed to important positions in the economic ministries. Out of the 29 ministers of the Treasury and ministers of industry and commerce during those years 14 came directly from among big business circles. They were: J. English, S. Karpiński, K. Hącia, A. Olszewski, W. Chrzanowski, J. Steczkowski, S. Przanowski, H. Strasburger, K. Zaczek, M. Szydłowski, C. Klarner, J. Kiedroń, J. Zdziechowski, H. Gliwic. Interestingly, even before the Central Union of Polish Industry, Mining, Commerce and Finance was set up in 1919, the then existing Association of Industrialists had used to give the Cabinet its own opinion concerning the suitability of candidates for economic ministers.³⁶ It used to be said, and the version seems very plausible, that many of the ministers had been "made" by Andrzej Wierzbicki who himself, according to one story, in the middle of 1921 was about to be designated as prime minister on behalf of the *endecja*.³⁷

Cooperation with the government was also rooted firmly in participation by "Leviathan" representatives in various government advisory bodies. For example, in 1926 "Leviathan" members were reliably reported to be sitting on thirty such bodies. "Leviathan" also sought to have a say in the economic policy making process at the stage when economic laws and government ordinances were being drafted, seeing that opportunity as an important instrument whereby political and economic decisions could be influenced. In 1925 it succeeded in having the government appoint, albeit for a short period only, a Provisional Economic Council. Whatever advantages and influence "Leviathan" failed to win from cabinets before the May 1926 *coup* (those cabinets were, after all, of limited freedom of action owing to preponderant control by parliament), it won with surprising ease from the first *sanacja* cabinets. The Industrial Evaluations Commission, set up

³⁶ *Postulaty wielkiego kapitału w sprawie obsadzenia stanowiska ministra przemysłu i handlu* [Big Business Postulates on Nomination to the Post of Minister of Industry and Commerce], New Public Records Archives, Paderewski Archive, vol. 752, section 34. Quite possibly that procedure was continued in the following years, too.

³⁷ Ignotus, *op. cit.*, p. 124; A. Ajnenkiel, *Od rządów ludowych do przewrotu majowego* [From a People's Government to the May Coup], Warszawa 1968, p. 203.

by Prime Minister K. Bartel in 1926, was presided over by Wierzbicki, with Rose as Secretary. It evaluated the merits and demerits of draft bills and ordinances subject to approval by the Minister's Economic Committee. In practice the Commission proved to be a very important instrument by which the Central Union of Polish Industry influenced economic policy making. A certain role in this respect was also played in the years 1920 - 1929 by the frequent official contacts between cabinet members and spokesmen for the big business establishment. Such contacts initially took the form of cabinet members being invited to address meetings of the Union's Board (a frequent occurrence between 1920 and 1926), later the form of direct personal contacts (the closest of which were with K. Bartel), and finally the form of economic conferences (1926 - 1930).

Concluding, it can be said that it was between 1926 and 1929 that "Leviathan" enjoyed the largest opportunity for and the widest scope of influence on economic policies. That scope of influence shrank appreciably in the 1930s, a fact which was reflected in the somewhat sombre tenor of the organization's official reports. The downward trend was further manifested in the diminishing numbers of MP's and senators connected with the big business as the years, and parliamentary terms, wore on, until they were all but eliminated from parliament in the last term before the outbreak of World War II.

A "Leviathan" lobby in parliament was absolutely out of the question. More than that, even the existence of a common "gentry-plus-capital" bloc of influence was rather doubtful, not only because certain controversies soon became apparent in that alliance but above all on account of the glaring disproportion of forces between the two. Thus, for example, in the fourth-term parliament there were 43 members of the landed gentry, compared with 11 deputies and senators representing industries and 15 representing commerce and economic self-government. From among that total of 26 only between 6 and 8 were actually linked with the Central Union of Polish Industry³⁸ whereas the others

³⁸ "Rocznik Polskiej Agencji Telegraficznej," 1937, pp. 40 - 42, "Depesza," September 30, 1930.

were either noncommittal or outright inimically disposed towards "Leviathan". Official contacts between the government and "Leviathan" became increasingly rare and the hitherto popular form of economic conferences virtually disappeared as the widely-touted Economic Managers' Conferences held under the Non-party Bloc aegis were merely a propaganda exercise. It was only in 1936 that a new conference was called for reasons that were genuinely political but for the ostensible purpose of discussing narrowly-conceived economic matters. The importance of the many ministerial advisory commissions was on the wane and the Central Union's potential for influencing nominations to cabinet posts became insignificant or altogether nil. It was symptomatic of that diminishing influence that, from 1930 onwards, a long series of "colonels" were appointed to the key post of minister of industry and commerce. The Industrial Evaluations Commission became defunct even towards the close of the 1920s.

Such a general evolution of the balance of forces was determined by, above all, the *sanacja* regime's changed attitude towards "Leviathan". The change reflected quite profound economic, social and political processes which were under way. The Great Depression displayed the stark weakness of the private enterprise sector in the Polish economy and gave an impulse to strive towards State control and interventionism. The State repeatedly stood up as competition, oftentimes victorious competition, against private enterprise. That process played into the hands of the State bureaucracy whose growing political ambitions dictated the need for independent decision making in the area of economic policy as well. Also the distinct anticapitalist sentiments, or the vague ill-disposition towards capitalism, present both among the left and the right wing, and, above all, regard for social demagoguery, made the government take action against cartels. When on top of all those elements we recall the already-discussed ideological evolution of the *sanacja* regime, an evolution which was regarded with reluctance and distrust by all but a very few Polish big business leaders, we shall have an almost complete list of the reasons why the relationship between the government and "Leviathan" cooled down and why, consequently, "Leviathan's" influence in the politico-economic, and even more political,

sphere was sharply diminished. On the other hand, it would be inappropriate to fall into the other extreme and underestimate or ignore the political position still enjoyed by the big business in the 1930s. "Leviathan" continued to cling to some positions of influence, and its position proved quite substantial in the period of disintegration of the *sanacja* movement in 1935 - 1936. It now appears certain that the support then given by the big business to the more moderate "Castle" group, led by President Mościcki in his clash with the groups of former Prime Minister Sławek and Marshal Rydz-Śmigły strengthened the position of Deputy Prime Minister Kwiatkowski. That position was further reinforced by the support "Leviathan" gave in 1936 - 1939 to Kwiatkowski's economic policies.³⁹

Concluding, it can be said that the opinion concerning the omnipotence of "Leviathan" was only partly, even though significantly, borne out by the economic and political reality of Poland in her first decade of independent statehood, and was not borne out at all by the reality of the 1930s. Also, when compared with the more highly-developed capitalist countries, the political importance of the Polish industrial and financial oligarchy was much less, owing to the smaller strength and lower status of the Polish bourgeoisie.⁴⁰ A. Wierzbicki himself realized just that when, in his memoirs written after World War II, he proposed the basically correct opinion that underdeveloped private enterprise in Poland "had no political counterpart, thus being unable to influence politics as is the case in the capitalist powers in the West, more particularly in the United States of America, where the financiers and the big industry are a decisive factor in politics".

(Translated by Jerzy Jastrzębowski)

³⁹ More on this subject: J. Kofman, *Das polnische Grosskapital und die allgemeinen Grundsätze der staatlichen Wirtschaftspolitik in den Jahren 1929 bis 1939*, "Jahrbuch für Wirtschaftsgeschichte," Berlin (G.D.R.) 1978, No. 3.

⁴⁰ See also the interesting remarks by Z. Landau, *Oligarchia...*, p. 88, and J. Żarnowski, *Spółeczeństwo...*, p. 267.