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SITUATION REPORT

POLAND

Polish dissidents fear that the regime plans to arrest some members of the dissident Committee for Social Self-Defense (KOR) before Christmas. Such an action would place the regime back in direct confrontation with Solidarity and the Church.

A member of KOR visiting the West received word from Poland on 18 December that, according to information leaked from Polish Government sources, the authorities are planning to engineer a confrontation with KOR that would provide a pretext for making arrests. The Polish media have regularly attacked KOR, especially one of its main leaders, Jacek Kuron, for antisocialist attitudes.

Arresting KOR members would be a serious political blunder. The regime would lose much of the good will and credibility it has tried to gain during recent months. Both Solidarity and the Church would feel compelled to protest strongly and would be inclined to interpret the regime action as a reversal of its commitment to moderate policies of "socialist renewal."

While we think such arrests are unlikely, they cannot be dismissed out of hand. The Kania regime has been under pressure from the Soviets and some of the other East Europeans to take a firmer stance. These hardline critics could, of course, be pressing for the arrest of more dissidents. The Kania regime has already arrested a handful of dissidents from an extremist group that commands little sympathy from broader segments of the populace.

Gierek Removed From Parliament

The Polish parliament yesterday accepted the resignation of former party leader Gierek and a large number of his top-ranking associates, including the two previous

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Prime Ministers. The action underscores the Kania regime's commitment to a complete rejection of Gierek's policies. It may also be intended to signal Gierek followers remaining in the lower ranks of the bureaucracy that they should abandon any hope of returning to the past. [REDACTED]

Economic Problems

Finance Minister Krzak told the parliament yesterday that the already bad economic conditions in Poland will continue to deteriorate. In addition, he announced that Poland next year will have its first postwar budget deficit; budget income will rise by only 1 percent, while expenditures, including subsidies, will increase 22 percent. Krzak strongly implied that the deficit would stem from increased outlays to keep promises on safeguarding the standard of living made to workers in the strike settlements last summer. [REDACTED]

Military Situation

Although exercise activity by Soviet forces in areas adjacent to Poland is increasing, we have no evidence of additional mobilization or deployment of forces. [REDACTED]

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