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CIACO NID 81 [REDACTED]

October 06, 1981

POLAND: Government Stands Firm

The government's decision yesterday to go ahead with previously announced price increases on tobacco and several other consumer goods despite the objections of Solidarity will intensify militant pressures within that union. [REDACTED]

This move by the government is an embarrassment for Solidarity leader Walesa, who had proposed a resolution--adopted unanimously by the delegates--that the government defer action until discussing the increases with the union. It undercuts Walesa's recent arguments that union-government negotiations on a range of issues should begin soon. As a consequence, Walesa will be under pressure to make good on his loss of face by taking a tough stance toward the regime. Several delegates to the congress criticized him yesterday for "being weak and backing down." [REDACTED]

The announcement of the price increases may have been a bureaucratic blunder. The government has indicated that it wants to move quickly in raising all consumer prices; it apparently believed that Solidarity's negotiators had agreed to these specific price hikes. [REDACTED]

The regime ignored Solidarity's objections probably because it felt that it could not accede to what amounted to an ultimatum from the union without losing even more credibility with the Soviets and its domestic critics. Warsaw's leaders also may have calculated that the modest increases would not stir popular discontent. They have tried to soften the impact of the action by offering to negotiate with the union on a system to compensate consumers. [REDACTED]

Solidarity has not given any indication that it will make good on strike threats and other forms of retaliation that the delegates had proposed during a heated debate with the government ministers on Sunday. [REDACTED]

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