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POLAND: Price Increases

The regime is trying to cushion the psychological impact of price increases. Premier Jaruzelski will attempt to reorganize the trade unions and the party. Pravda has published only an abridged version of Jaruzelski's speech on Monday.

Food prices apparently are still scheduled to rise by as much as 400 percent beginning on Monday. The government is counseling people to lessen the impact of increases by raising their own food or by getting an extra job.

Consumers have already had a taste of increases as prices on some manufactured goods have escalated this month. Under reform provisions effective on 1 January, firms have been allowed considerable latitude to pass their actual costs to the consumer. Shoppers also face lowered butter rations and the start of rationing of oil, lard, and margarine.

Comment: Despite its nervousness, the regime seems intent on forging ahead with its plans for marketplace austerity. This time, however, it is making every effort to avoid taking consumers by surprise. The government may deem it prudent to increase security around the country.

Jaruzelski's Options

A reliable source recently prepared an analysis of Jaruzelski's possible courses of action in the months ahead. The source believes that Jaruzelski will totally reorganize the trade unions, basing them on industries or geographic regions and limiting them to economic issues.

In addition, the source believes that the leadership hopes to pull the party back together with a combination of intimidation and patronage. As for the military, he believes that the senior officer corps

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enjoys its new power and enhanced self-image and will continue to be involved in administration after the formal lifting of martial law. [REDACTED]

Comment: Elements of this alleged strategy are plausible, especially the plan for rebuilding the party. In the past, party membership has carried privileges, and their lure will be irresistible to some. [REDACTED]

The other aspects of the strategy are more likely to cause problems for the government. The regime probably would not be able to devise a new union structure that would be attractive to workers while preserving the element of control the regime sees as necessary. Although the military officers are influential now because of the weakened state of the party and government, their new role sets the stage for later conflicts when the party tries to reassert itself. [REDACTED]

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