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SITUATION REPORTS

POLAND

Political dissidents and free union leaders reportedly are working together to establish regional unions throughout the country before the regime can organize its defenses.

[redacted] have persuaded the union organizers in the large Ursus tractor factory near Warsaw to join a regional union rather than to remain strictly a factory union. They were successful despite pressure on the workers from local party officials. [redacted]

The free trade union committee in Gdansk under Lech Walesa is also taking an active role in organizing unions throughout Poland. Reliable reports indicate that would-be union organizers are traveling to Gdansk for information and guidance. Walesa is promising funds to help start new unions. [redacted]

[redacted]

[redacted]

The regime presumably believes it cannot at this time directly renege on its word, but in his speech last Monday Kania was markedly defensive. He stressed the need for unity in the trade unions movement and implied that the split inherent in the formation of the new

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unions is a necessary but only temporary phenomenon. The public pledge by the new head of the party-controlled unions that his unions would change into "autonomous, self-governing" representatives of the working class could be a similar indication of the regime's thinking.

Reassuring Other East Europeans

the new regime will soon send a delegation to its East European allies to explain in detail the agreements it has struck with the workers. The delegation, expected to arrive in Prague on Monday, presumably will emphasize the regime's intent to regain control of the situation in Poland and will seek moral and perhaps material support. Shortly after taking power in late 1970, the Giersek regime sent out similar delegations to the East European capitals to establish its credentials.

The Czechoslovaks, meanwhile, continue to display extreme nervousness about the events in Poland.

the regime fears Polish tourists are coming to Czechoslovakia to spread the "liberalization gospel" to workers in the provinces. Czechoslovak security officials also have placed Polish diplomats in Prague under surveillance.

Soviet Economic Aid

The aid agreement signed in Moscow on Thursday will provide during the remainder of this year goods worth about \$150 million at Western market prices--a small amount in terms of Poland's needs. Polish officials estimate that the increases in wages and benefit payments resulting from the labor unrest will be on the order of \$3 billion a year. The aid package also compares unfavorably with Soviet emergency assistance following the civil disturbances in Poland in 1976 when Moscow extended \$1.3 billion in trade credits.

The announced assistance may, however, be followed by other extensions of aid. In addition, the extra goods from the USSR will include wheat, cotton, canned fish, and synthetic rubber that Poland usually imports from the West. This would provide some limited relief for Poland's hard currency balance of payments.

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