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ACTION SLIP

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POLAND: JARUZELSKI LEADS A COUNTERREFORMATION

CORBACHEV'S POLICIES ARE PROVIDING JARUZELSKI WITH MANEUSERING ROOM TO FASHION A REFORM PROGRAM OF HIS OWN--CLOSE
ESSOCIATION WITH SOVIET "NEW THINKING" BUFFERS THE GENERAL
EROM HARD-LINERS IN WARSAW. NEVERTHELESS, THE PACE AND
OPE OF POLISH REFORM WILL CONTINUE TO BE SET BY INTERNAL
COTORS. IT IS STILL UNCERTAIN WHETHER JARUZELSKI WILL
WINDERTAKE CHANGES THAT MIGHT BEGIN TO RESTORE EVEN MINIMAL
DEGITIMACY TO THE POLISH REGIME.

THE SUCCESS OF EFFORTS TO "NORMALIZE" THE POLISH SITUATION THE POLISH SITUATION OF THE POLISH SITUATION OF THE POLISH SITUATION OF THE SOLIDARITY ERA. ALTHOUGH GORBACHEV'S PRIME OF THE SOLIDARITY ERA. ALTHOUGH GORBACHEV'S PRIME OF THE MOSCOW WOULD TOLERATE THE DEGREE OF LIBERALIZATION OF THE POLISH AUTHORITIES TO ACHIEVE A MODUS OF THE POLISH AUTHORITIES TO ACHIEVE A MODUS OF THE POPLE.

ENIQUELY POLISH: REFORM FROM BELOW. THE EXISTING DEGREE OF LIBERALIZATION AND THE RECENTLY ANNOUNCED REFORM PRO-ECSALS PLACE POLAND AHEAD OF OTHER BLOC COUNTRIES, WITH ET POSSIBLE EXCEPTION OF HUNGARY. THAT COMPARATIVE

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NATO SECRET

2.

PERSPECTIVE IS INHERENTLY LIMITED. HOWEVER. BY THE REALITY OF THE POLISH INTERNAL SITUATION.

BOLES, FOR THE MOST PART, CREDIT THEMSELVES AND SOLIDIAITY MITH THEIR CURRENT ABILITY TO KEEP THE GOVERNMENT. AT A PISTANCE. THE RELATIONSHIP BETWEEN REGIME AND SOCIETY IS FOOMINATED BY PUBLIC DISDAIN FOR THE AUTHORTIES WHI, IN HURN. HAVE PROVEN INFLEXIBLE ON THE VERY ISSUES THAT HACE ALIENANTED THE POPULACE FROM THE REGIME SINCE THE IMPOSI-ON OF MARTIAL LAW: A PUBLIC ROLE IN DECISION MAKING AND TUE RIGHT TO INDEPENDENCT ASSOCIATAION AHANGING THE SYSTEM...

BOTH GORBACHEV AND JARUZELSKI

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SEEM TO SHARE A CONVICTION THAT THE LASTING EFFECTS OF SCUIDARITY AND ECONOMIC STAGNATION THE UATEN THE SYSTEM'S SURVIVAL IN POLAND, AND THAT ADJUSTMENTS ARE THEREFORE UNAVOADABLE. TO THE EXTENT THAT THESE CHANGES MAY REQUIRE Someological accommodation and a different leadership TYLE, THEY PIT THE GENERAL AGAINST PARTY STALWARTS WHO GUNKERED DOWN IN THE FACE OF THE SOLIDARITY CHALLENGE AND BEMAIN ADAMANT.

. . IN ORDER TO PRESERVE IT. THE DECLINE OF TRADITIONAL ARTY PRIVILEGE IMPLICIT IN THE LATEST REGIME PROPOSALS, SELATIVE TOLERANCE TOWARDS THE CLITICAL OPPOSITION AND THE CHURCH, ARE A REPUDIATION OF

NATO

SECRET

NATO SECRET

3.

PARTY ORTHODOXY. AT THE SAME TIME, JARUZELSKI HAS SKILLFULLY AVOIDED INSTITUTIONALIZING THE TOLERANCE HE IS
SOMPELLED TO SHOW AND HAS SOUGHT OPPOSITION COOPERATION
TRICTLY ON HIS OWN TERMS.

DUCH OF THE LIBERALIZATION THAT HAS RECENTLY OCCURRED IN COLAND (THE 1986 POLITICAL AMNESTY, A MORE OPEN OFFICIAL PRESS, AND SELECTIVE APPROVAL OF INDEPENDENT CULTURAL CTIVITY THROUGHOUT THE PAST YEAR) CAN BE INDIRECTLY TRIBUTED TO GORBACHEV'S POLICY OF OPENNESS. IT HAS NOT EN ENOUGH, HOWEVER, TO END THE PRESENT STALEMATE BETWEEN FOR EQIME AND SOCIETY. THE ISSUE FOR POLISH AUTHORITIES (AND CORBACHEV) IS HOW MUCH LIBERALIZATION THE REGIME CAN MAINTION AND STILL PRESERVE THE SYSTEM.

TINKERING WITH THE ECONOMY. JARUZELSKI APPEARS TO BE
EARED TOWARDS CHANGES IN THE ECONOMIC SPHERE WHICH GIVE
THE CENTER MORE EFFICIENT INSTRUMENTS OF CONTROL, RATHER
AN SIGNIFICANTLY REDUCING THAT CONTROL PER SE. THE
TATED EMPHASIS OF POLISH ECONOMIC REFORM PROPOSALS IS ON
TREAMLINING THE CENTRAL ADMINISTRATIVE APPARATUS, EXTEND—
TOTAL MORE RESPONSIBILITY TO ENTERPRISE MANAGERS, AND
RESTRUCTURING OF PRICES.

THE RECENT ELIMINATION OFSSOME POSITIONS IN THE CENTRAL ADMINISTRATIVE APPARATUS IS A STEP IN THE RIGHT DIRECTION, BUT THERE IS LITTLE MOVEMENT TOWARDS ACTUALLY EXTENDING

NATO

SECRET

4.

NATO

SECRET

FCONOMIC DECISIONMAKING AUTHORITY TO LOWER LEVELS OR ELIMINATING NOMENKLATURA POSITIONS. REGIME PLANS TO ACHIEVE "MARKET EQUILIBRIUM" BY RAISING PRICES AND REDUC MING SUBSIDIES DO NOT ADDRESS A FUNDAMENTAL SYSTEMIC PROBLEM, THAT IS, HOW PRICES ARE SET IN THE FIRST PLACE. FUBLIC POISED FOR AUSTERITY. PUBLIC ATTENTION, MEANWHILE, $ec{+}$ s riveted on the annual price increase exercise as polfs BENERALLY BELIEVE THAT PRICE HIKES ARE ONCE AGAIN THE JOR THRUST OF ECONOMIC REFORM. IN THE ABSENCE OF AANGIBLE CHANGES THAT MIGHT IMPROVE THE SUPPLY OF CONSUMER SCODSSUCH AS AN EXPANSION OF PRIVATE SECTOR ACTIVITIES-BREATER AUSTERITY RISKS UNREST AND EVEN INSTABILITY. SIGNIFICANT WORKER UNREST OVER PRICE INCREASES WOULD END ARUZELSKI'S NORMALIZATION EFFORTS AND MIGHT OFFER ZONSFRVATIVES THROUGHOUT THE BLOC A PRETEXT TO SLOW GORBACHEVIAN CHANGE. Q ZEE INTERNATIONAL DIMENSION. JARUZELSKI HAS EFFUSIVELY

THE INTERNATIONAL DIMENSION. JARUZELSKI HAS EFFUSIVELY
UPPORTED GORBACHEV'S FOREIGN AND DOMESTIC POLICY INITIA—
TIVES, PARTICULARLY THOSE WHICH DIRECTLY AFFECT THE REST
F THE PACT. FEAR WITHIN THE BLOC OF CONTAMINATION BY
OLISH HERESIES ADDED TO WARSAW'S INTERNATIONAL ISOLATION
DOLLOWING THE UPHEAVALS OF THE EARLY 1982'S. GORBACHEV—
NSPIRED OPENNESS HAS RELIEVED PRESSURE ON JARUZELSKI FROM
ARD—LINERS NOT ONLY AT HOME, BUT THROUGHOUT THE BLOC.

NATO SECRET

SECRET

5.

WITH SOVIET BLESSINGS. POLAND HAS RECLAIMED A "LEADING BOLE" BEHIND MOSCOW IN THE WARSAW PACT AND HAS INCREASED TTS ACTIVITY ON THE INTERNATIONAL SCENE. THE APPARENT PADE-OFF FOR THIS HAS BEEN POLISH SUPPORT FOR SOVIET EFFORTS TO IMPROVE BILATERAL INTEGRATION WITHIN THE WARSAW SACT AND CEMA FRAMEWORK. ALTHOUGH THE POLES HAVE BEEN ECONTROL, THE LONG-TERM RISK IS DUIWEIGHED BY THE IMMEDIATE

SONTROL, THE LONG-TERM RISK IS DUIWEIGHED BY THE IMMEDIATE

ONCOMPONION OF GORBACHEV'S SUPPORT.

ONCOMPONION OF GORBACHEV'S SUPPORT. 罗ARY OF INSTITUTIONAL CHANGES THAT MIGHT INCREASE SOVIET

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