

March 12, 1981

**Memorandum from John McMahon to the Secretaries
of State and Defense and Director of the National
Security Agency, '[Redacted] Report'**

Citation:

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Summary:

Translation reveals new economic controls from the Minister of Domestic Trade and Services such as rationing, temporary price controls, and restricted deliveries.

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English

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Original Scan

[Redacted]

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CENTRAL INTELLIGENCE AGENCY
WASHINGTON, D.C. 20505

12 March 1981

MEMORANDUM FOR: The Secretary of State
The Secretary of Defense
Director, National Security Agency

FROM : John N. McMahon
Deputy Director for Operations

SUBJECT : [Redacted] Report

1. Enclosed is a [Redacted] report. For convenience of reference by NFIB agencies, the codeword [Redacted] has been assigned to the product of certain extremely sensitive agent sources of CIA's Directorate of Operations. The word [Redacted] is classified [Redacted] and is to be used only among persons authorized to read and handle this material.

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[Redacted]
John N. McMahon

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HR70-14 DATE: 06-Aug-2008

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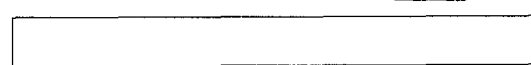
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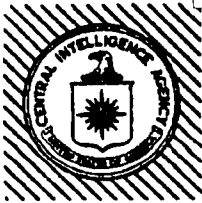
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Intelligence Information Special Report

COUNTRY Poland

FIRDB-312/00766-81

DATE OF
INFO. February 1981

DATE 12 March 1981

SUBJECT

Preparatory Work of the Minister of Domestic
Trade and Services for a "Special Situation"

SOURCE Documentary

Summary:

This report is a translation of a "Memorandum of the Minister of Domestic Trade and Services on the State of Preparatory Work," classified SECRET. It discusses temporary controls on the sale of basic consumer goods such as food, clothing, textiles, soap, and condiments. Restrictions on deliveries of goods are to be initiated, and the volume of daily sales will be controlled. Rationing of basic items is proposed, to be carried out with the use of ration coupons already on hand since 1961. The Ministry of Domestic Trade and Services is to be the responsible authority in any program of commodity controls. In a "special situation" protection of food and commodity warehouses, precious metals repositories, and ammunition and weapons stores must be assured by the armed forces.

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MEMORANDUM
of the Minister of Domestic Trade and
Services on the State of Preparatory Work

1. Work connected with the preparation of trade for activity under special conditions is being carried out exclusively by persons from the group appointed by the Minister of Domestic Trade and Services (eight persons).

2. A time schedule was prepared of basic measures which are a requisite for commercial competence in this period.

3. The main effort was directed to preparation of the principles of temporary controls on the sale of basic goods (especially for the urban populace).

Guidelines for temporary controls on sales:

1) Because of the limited quantity of goods on hand the following is approved:

- a 2-week period of enforcement of controls;
- differentiation of selling norms for the urban populace, nonagricultural populace living in the country, and agricultural populace.

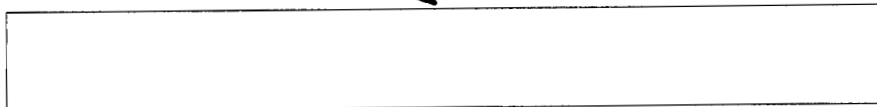
2) Controls encompass the following products:

- baked goods, meat, smoked meat products, butter, wheat flour, cereals, rice, macaroni, sugar, salt, eggs, soap, and washing powder--for the urban populace;
- baked goods, salt, soap and washing powder--for the nonagricultural populace living in the country;
- salt, soap and washing powder--for the agricultural populace.

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3) Delivery of goods from stores to the retail network will be limited to rationed quantities of sales.

4) Depending upon the volume of commodity deliveries from production and the accumulation of reserves, the Ministry of Domestic Trade and Services will control the daily sales level of particular articles, also in the coupon system.

4. For the introduction of sales controls in accordance with the above principles we intend to use the supply of ration coupons, amounting to about 31 million, which have been on hand since 1961, and which are located in provincial Citizens Militia headquarters in cities of provinces which existed prior to the administrative reform. The time needed to introduce temporary sales control principles is 6 to 7 days.

5. The aim of ensuring uniform supply of the populace, especially urban, is established by the principle of daily estimate of the commodity situation in individual provinces. The commodities administrator is exclusively the Minister of Domestic Trade and Services, and on the basis of his decision appropriate transfer and routine distribution of deliveries from production will be carried out.

6. It is planned to maintain regular work in warehouses, in accordance with needs of the retail network, and also ensure the functioning of internal trade transport, consumer industry transport, and part of rural transport.

7. Draft directives have been prepared for the Minister of Domestic Trade and Services on the militarization of enterprises of industrial urban trade transport, also for the "Konsum" cooperative stores. The required time for militarization is 4-5 days (time for introducing directives, preparation in plants of necessary documents and notification of crews concerning militarization.)

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8. Special protection will be required by large food warehouses (wholesale establishments) and industrial bakeries from which the urban populace is supplied, especially in large cities (agglomerations). The existing protection of these installations by "building watchmen," reinforced during this period by self-defense formations, does not guarantee its security. In this connection the need arises to reinforce their protection by armed forces or militia. This especially pertains to the following metropolitan areas and cities:

WARSAW	7	bakeries and	5	warehouses
GDANSK	3	"	"	3
KATOWICE	10	"	"	10
KRAKOW	3	"	"	1
LUBLIN	3	"	"	1
LODZ	4	"	"	6
POZNAN	4	"	"	1
SZCZECIN	2	"	"	1
WROCLAW	3	"	"	3

In the remaining provincial cities, at least one warehouse (wholesale establishment) each. In all, 110 installations require protection by the armed forces or militia, for which about 1,000 men are needed (an average of 7 to 10 men per installation).

9. Hunting arms and ammunition in "Hunters' Association" cooperative shops and warehouses also require special protection. Depending on the development of the situation, the possibility arises of safeguarding them in areas designated by the appropriate Citizens Militia Provincial Headquarters. The decision in this matter will be made by the provincial governor, or equivalent, in coordination with the Citizens Militia provincial commandant.

10. The need also arises to reinforce protection of gold, silver and gold objects in PHU [expansion unknown] "Jeweler" shops, with the possibility of their eventual deposit in the Polish National Bank. This decision is made by the provincial governor (or equivalent).

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Conslusions

1. Because of the fact that the shortest possible time for printing merchandise coupons is about 14 days, the need arises for a decision on their printing for the next time period as soon as the sales controls are initiated, ensuring for this purpose the necessary means.

2. Implementation of sales control norms is based on reserves and current deliveries. There is a need in this regard to regularize deliveries from agriculture and the food and chemical industries.

3. It seems expedient to exclude from current sales to the public manufactured goods (e.g., bed linens, sheeting, flannels) with their allocation as needed to militarized units, especially in barracks, needs of the armed forces, etc.

4. The anticipated limited inflow of energy will increase the requirements for supplementary lighting means (candles, oil lamps, etc.). In this connection industries concerned must make appropriate changes in production, already at the outset of the special situation.

5. The objective of ensuring uninterrupted communications for day-by-day control of commodity requirements (in the event of an interruption in the present communications system) requires developing a capability of using a substitute communications net, by the Minister of Domestic Trade and Services.

The above report was approved by the Undersecretary of State
Lucjan JASKOLKI

Prepared by Directorate I, General Staff

Director
Military Department
Col Tadeusz ANTONIAK

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