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CONFIDENTIAL

FM WARSAW 021530Z FEB

TO IMMEDIATE FCO

TELEGRAM NUMBER 76 OF 2 FEB

AND TO IMMEDIATE CABINET OFFICE (ASSESSEMENT STAFF)

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IMMEDIATE

INFO MOSCOW EAST BERLIN PRAGUE PARIS BONN
WASHINGTON UKDEL NATO MODUK

SAVING TO SOFIA BUDAPEST BUCHAREST BELGRADE HELSINKI
STOCKHOLM UKMIS NEW YORK UKDEL BRUSSELS

MIPT (attached)

POLISH SITUATION

1. THE MEASURE OF AGREEMENT REACHED BETWEEN THE GOVERNMENT AND SOLIDARITY IS MUCH MORE A VICTORY FOR THE LATTER THAN THE FORMER. WHILE THERE ARE ELEMENTS OF COMPROMISE, THEY WERE REACHED UNDER THREAT OF STRIKES AND SOLIDARITY PROMISES TO PURSUE ITS AIMS WITH THE SAME SUCCESSFUL TACTICS.

2. THE SITUATION REMAINS PRETTY TENSE. WITH THE SETTLEMENT, FOR THE MOMENT, OF THE DISPUTES ABOUT FREE SATURDAYS AND ACCESS TO THE MEDIA, THERE REMAIN TWO IMPORTANT ISSUES

ACCESS TO THE MEDIA, THERE REMAIN TWO IMPORTANT ISSUES TO THE FORE (WITH OTHERS OF COURSE IN THE BACKGROUND). THE DESIRE OF THE PEASANTS TO REGISTER AS A TRADE UNION (IN EFFECT TO JOIN SOLIDARITY) AND SOLIDARITY'S APPARENT WISH TO HAVE A VETO ON CERTAIN GOVERNMENT APPOINTMENTS. THESE PROBLEMS ARE COMPOUNDED BY THE FACT THAT SOLIDARITY HAS LOST CONTROL OF SOME OF ITS PROVINCIAL BRANCHES.

3. THE GOVERNMENT HAVE A GOOD TECHNICAL CASE FOR SAYING THAT THE PRIVILEGES OF A TRADE UNION ARE NOT APPROPRIATE TO FARM PROPRIETORS AND THAT THE RURAL "CIRCLES" GIVE THE PEASANTS MOST OF WHAT THEY NEED. BUT THIS IS ESSENTIALLY A MATTER OF POLITICS AND CONFIDENCE. THE PEASANTS WANT TO JOIN SOLIDARITY BECAUSE THEY DO NOT TRUST THE GOVERNMENT TO GIVE THEM A SQUARE DEAL WITHOUT THE PRESSURE THAT SOLIDARITY CAN EXERT. THE GOVERNMENT DO NOT WANT THEM TO JOIN BECAUSE THEY WILL REPRESENT A NEW AND LARGELY CONSERVATIVE ELEMENT OF PRESSURE WITHIN THE UNION. MOREOVER, WHILE THEY HAVE OBTAINED SOVIET CLEARANCE FOR URBAN SOLIDARITY, THEY PROBABLY HAVE NOT DONE SO FOR THE RURAL VARIETY.

4. WHEN I TOOK MARK BONHAM CARTER TO CALL ON THE MARSHALL OF THE SEJM HE SPOKE OF SOLIDARITY'S ATTEMPTS TO HAVE A SAY IN APPOINTMENTS SUCH AS THOSE OF PROVINCIAL GOVERNORS (WOJEWODAS) AND CHAIRMEN OF PROVINCIAL COUNCILS AND PROBABLY LOWER DOWN THE LINE. THIS MAY NOT BE A FORMAL DEMAND OF SOLIDARITY BUT IS EVIDENTLY CAUSING MUCH UNREST IN THE COUNTRY, AND THE STRIKES AT BIELSKO-BIALA IN THE SOUTH ARE ESSENTIALLY ABOUT SUCH MATTERS. IN ADDITION THE MAJOR SIT-IN AT LODZ UNIVERSITY CONTINUES AND MAY SPREAD.

5. ONCE AGAIN A FURTHER BREATHING-SPACE HAS BEEN OBTAINED ITS LENGTH DEPENDING IMMEDIATELY ON THE OUTCOME OF THE DISPUTE OVER RURAL SOLIDARITY. FOR THE SLIGHTLY LONGER TERM THE PROBLEMS ARE THE PRESSURE OF THE ACTIVIST WING OF SOLIDARITY WHICH DOES NOT WANT TO ABANDON THE HEADY EXCITEMENTS OF ADVANCE, STRIKE AND CONFRONTATION FOR THE ROUTINE WORK OF A TRADE UNION. AND THE UNWILLINGNESS OF THE PARTY TO ABANDON THE HABITS OF COMMAND FOR THOSE OF PERSUASION. THEY ARE SO USED TO HANDING DOWN DECISIONS THAT THEY CANNOT CONCEIVE OF POWER COMING UP TO THEM FROM BELOW.

IT IS NOT FAIR HOWEVER TO ATTRIBUTE ALL THEIR OBSTRUCTIONISM TO HABIT AND DESIRE TO HOLD ON TO OFFICE. THE FLEXIBILITY WHICH CRITICS SUGGEST THEY SHOULD HAVE MAY STILL BE IMPOSSIBLE IN TERMS OF PRESERVING THE SYSTEM AND THUS

IMPOSSIBLE IN TERMS OF PRESERVING THE SYSTEM AND THUS THE INDEPENDENCE OF THE COUNTRY. IT IS CLEAR HOWEVER THAT THE PARTY CONGRESS DUE IN MARCH/APRIL WILL BE POSTPONED. A RIGGED CONGRESS IS NOW PROBABLY NOT POSSIBLE, WHILE AN UNRIGGED ONE IS STILL TOO DANGEROUS. SO MANY DELEGATES WOULD BE SOLIDARITY MEMBERS. BUT IF THE PARTY DELAY TOO LONG THEY MAY LOSE FURTHER CREDIBILITY, SINCE SOLIDARITY WILL FAIRLY SOON COMPLETE ITS ELECTIONS AND WILL THEN BE ABLE TO CLAIM THAT IT REPRESENTS 10 MILLION PEOPLE AGAINST A PARTY STILL CONSTITUTED UNDER THE OLD RIGGED ELECTIONS.

6. IF DISASTER IS TO BE AVOIDED THE REGIME MUST FIND SOME WAY OF GIVING THE MODERATE ELEMENTS SOLIDARITY A GREATER ROLE IN GOVERNMENT; AND THE LATTER MUST FOR THEIR PART FIND A WAY OF ACCEPTING. APART FROM ANYTHING ELSE IT IS DIFFICULT TO SEE HOW EFFECTIVE ECONOMIC REFORM CAN PROCEED WITHOUT SOME RENEGOTIATION OF THE GDANSK AGREEMENTS; AND FOR THAT CONFIDENCE IS ESSENTIAL. THE PRESENT COURSE IF MAINTAINED MUST LEAD TO COLLISION.

THE NEXT WEEK

7. IN CONVERSATION OVER THE WEEKEND WITH PARTY STALWARTS, INDEPENDENTS AND ONE SOLIDARITY ADVISER, I HAVE FOUND A GOOD DEAL OF NERVOUSNESS AND GLOOM. IN SPITE OF PINKOWSKI'S SUCCESS IN AVERTING A STRIKE ON 3 FEBRUARY, GOVERNMENT CHANGES ARE ON THE CARDS AT THIS WEEK'S MEETING OF THE SEJM. THE RUSSIANS MAY BE PRESSING FOR A HARDER LINE AND A NEW MAN (MOSCOW TELEGRAM NO 52). THE TROUBLE IS THAT A HARDER LINE AND USE OF POLISH FORCE MAY SO EASILY LEAD TO PHYSICAL CLASHES FOLLOWED BY SOVIET INTERVENTION. I AM INCLINED TO THINK THAT KANIA WILL SURVIVE FOR THE MOMENT. BUT IF THE GOING GETS STILL ROUGHER I WOULD NOT EXCLUDE MOCZAR TAKING OVER ON A TICKET OF NATIONAL UNITY.

TAILPIECE

8. FOR WHAT IT IS WORTH, GOMULKA NOW AGED 76 TOLD STAREWICZ (FORMER AMBASSADOR IN LONDON) THAT HE RATHER THOUGHT THE RUSSIANS WOULD INTERVENE.

FCO PLEASE PASS SAVING ADDRESSEES.

PRIDHAM

BT

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MR P H. MOBERLY

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TO IMMEDIATE FCO

TELEGRAM NUMBER 75 OF 2 FEB

AND TO CABINET OFFICE (ASSESSMENT STAFF)

INFO ROUTINE MOSCOW EAST BERLIN PRAGUE PARIS BONN WASHINGTON
UKDEL NATO MODUK

SAVING TO BUDAPEST BUCHAREST BELGRADE HELSINKI STOCKHOLM
UKMIS NEW YORK UKDEL BRUSSELS

MY TELNO 23: POLISH SITUATION

1. SOLIDARITY'S NATIONAL COORDINATING COMMISSION (NCC)
MET ON 1 FEBRUARY TO DISCUSS THE AGREEMENT REACHED BETWEEN
WALESA AND THE GOVERNMENT ON 31 JANUARY.

2. THE NCC DESCRIBED THE AGREEMENT AS REMAINING FAR FROM
THE FULFILMENT OF SOCIETY'S EXPECTATIONS. IT WAS NEVERTHELESS

2. THE NCC DESCRIBED THE AGREEMENT AS REMAINING FAR FROM THE FULFILMENT OF SOCIETY'S EXPECTATIONS. IT WAS NEVERTHELESS A STEP IN THE RIGHT DIRECTION, AND AS A RESULT THE GENERAL STRIKE CALLED FOR 3 FEBRUARY HAS BEEN CANCELLED.

3. THE NCC AGREED ON FURTHER ACTION IN PURSUIT OF THE FOLLOWING GOALS:

-A. SHORTENING OF WORKING HOURS.

EARLIEST POSSIBLE EXTENSION OF THE JASTRZEBIE AGREEMENT TO THE WHOLE OF POLAND: EARLY LEGISLATION OF THE RIGHT TO A 5-DAY WEEK: INTRODUCTION OF THE TIMETABLE OF SATURDAY WORKING FOR 1981 IN CONSULTATION WITH THE UNION AT FACTORY LEVEL.

B. ACCESS TO THE MASS MEDIA.

SOLIDARITY WILL DEMAND A REGULAR SLOT FOR THEIR WEEKLY RADIO AND TELEVISION PROGRAMMES: THEY WILL CREATE EDITORIAL TEAMS AT THE NCC AND LOCAL LEVELS FOR NEGOTIATION WITH THE RADIO AND TELEVISION AUTHORITIES: FURTHER NEGOTIATION IS REQUIRED WITH THE AUTHORITIES ON DETAILED ASPECTS OF THIS SUBJECT.

C. RURAL SOLIDARITY.

THE NCC PROMISES TO MAINTAIN FULL SUPPORT FOR REGISTRATION OF RURAL SOLIDARITY: IT RECOMMENDS THAT RURAL SOLIDARITY SHOULD FORM ITS OWN NATIONAL COORDINATING COMMISSION WITH REGIONAL SUBORDINATES SIMILAR TO THOSE OF SOLIDARITY: THE NCC WILL SUPPORT THESE ORGANS: THE NCC WILL UNDERTAKE A PROPAGANDA CAMPAIGN FOR POLISH RATIFICATION OF CONVENTION 147 OF THE ILO, WHICH DEALS WITH AGRICULTURAL TRADE UNIONS, AND FOR THE ESTABLISHMENT OF THE LEGAL CONDITIONS FOR THE REGISTRATION OF RURAL SOLIDARITY: THE NCC RECOMMENDS THAT ITS REPRESENTATIVES IN RZESZOW SHOULD PARTICIPATE IN TALKS BETWEEN THE STRIKE COMMITTEE AND THE GOVERNMENT COMMISSION: ANY ATTACK ON RURAL TRADE UNIONS WILL BE TREATED AS AN ATTACK ON SOLIDARITY.

4. A FURTHER POINT MADE BY SOLIDARITY IN CONNECTION WITH THEIR ACCEPTANCE, ON ECONOMIC GROUNDS, OF THE NEED FOR SOME SATURDAY WORKING IN 1981, IS A DEMAND FOR CLEARER AND

4. A FURTHER POINT MADE BY SOLIDERTY IN CONNECTION WITH THEIR ACCEPTANCE, ON ECONOMIC GROUNDS, OF THE NEED FOR SOME SATURDAY WORKING IN 1981, IS A DEMAND FOR CLEARER AND MORE DETAILED INFORMATION ABOUT THE ECONOMY AND THE RIGHT TO PARTICIPATE IN PUBLIC DISCUSSION OF ECONOMIC REFORM.

THE PARTY

5. THERE WAS A MEETING OF THE PRE-CONGRESS COMMISSION ON 31 JANUARY, CHAIRED BY KANIA. BUT THE GUIDELINES HAVE STILL NOT YET EMERGED. SO IT SEEMS VERY UNLIKELY THAT THE IX CONGRESS CAN TAKE PLACE MUCH BEFORE MAY, AND, RUMOURS ARE ALREADY CIRCULATING THAT IT WILL BE IN JUNE OR LATER.

6. WE HAVE ALSO HEARD A RUMOUR THAT REFORMIST ELEMENTS WITHIN THE PARTY HAVE BEEN ORGANISING THEMSELVES ON A LOCAL AND REGIONAL BASIS, AND ARE TO HOLD A MEETING AT TORUN.

7. A MAJOR PURGE OF THE PARTY IS TAKING PLACE IN KRAKOW: THE LOCAL COMMITTEE AND THE MILICJA ARE INVESTIGATING A NUMBER OF PAST SCANDALS. BARSZCZ, THE FORMER MAYOR AND MINISTER OF THE BUILDING INDUSTRY, HAS BEEN EXPELLED FROM THE PARTY, ALONG WITH SEVERAL OTHERS.

8. ALL THE ABOVE INDICATES THE VERY CONSIDERABLE DISARRAY IN WHICH THE PARTY NOW FINDS ITSELF.

THE CHURCH

9. THE CHURCH HAS STAYED SILENT THROUGHOUT THE RECENT CONFLICT THE BISHOP OF PRZEMYSL, HAS GIVEN SUPPORT TO THE FARMERS IN RZESZOW WHO ARE SITTING - IN IN FAVOUR OF THE REGISTRATION OF RURAL SOLIDARITY. THERE IS TO BE AN EXTRAORDINARY MEETING OF THE MAIN COUNCIL OF THE EPISCOPATE NEXT WEEK (IN ADVANCE OF THE NEXT EPISCOPAL CONFERENCE IN MARCH). IT IS REASONABLE TO ASSUME THAT THIS HAS BEEN CALLED TO DISCUSS THE CHURCH'S LINE IN

THE CURRENT CRISIS.

THE PRESS AND CENSORSHIP

10. THE AGREEMENT REACHED OVER THE WEEKEND MAY AFFECT THE BILL ON CENSORSHIP WHICH SHOULD REACH THE SEJM THIS WEEK.

BAFIA. THE MINISTER OF JUSTICE HAS

THE PRESS AND CENSORSHIP

10. THE AGREEMENT REACHED OVER THE WEEKEND MAY AFFECT THE BILL ON CENSORSHIP WHICH SHOULD REACH THE SEJM THIS WEEK. BAFIA, THE MINISTER OF JUSTICE, WAS INTERVIEWED FOR SATURDAY'S EDITION OF TRYBUNA LUDU. HE REVIEWED THE PROGRESS OF DISCUSSIONS ON THE NEW CENSORSHIP BILL BUT STRESSED THAT ITS AUTHOR MUST BE THE GOVERNMENT. THIS CLEARLY REJECTED THE ALTERNATIVE DRAFT PUT UP BY THE WRITER'S UNION. BUT HE INDICATED THAT THE GOVERNMENT DRAFT HAD UNDERGONE CONSIDERABLE REVISION.

ECONOMY

11. THE ECONOMY HAS HAD ANOTHER BAD WEEK. THE PRESIDENT OF THE GOVERNMENT STATISTICAL OFFICE HAS REVEALED THAT NATIONAL INCOME FOR 1980 WAS 4% (AND NOT 3% AS WIDELY PREDICTED) DOWN ON 1979, ITSELF 2% DOWN ON 1978, WITH INDUSTRIAL PRODUCTION DOWN 3%, THE CONSTRUCTION SECTOR DOWN 10% AND AGRICULTURE DOWN 15%. JANUARY'S ECONOMIC PERFORMANCE IS LIKELY TO BE EVEN WORSE WITH INDUSTRIAL UNREST, SHORTAGE OF RAW MATERIALS AND ENERGY PROBLEMS TAKING THEIR TOLL. DEPUTY PRIME MINISTER MACH CONFIRMED LAST WEEK THAT INDUSTRIAL PRODUCTION IN THE FIRST 20 DAYS OF JANUARY WAS RUNNING AT 50% OF JANUARY 1980'S PERFORMANCE AND ALL OUR REGULAR CONTACTS ARE MUCH MORE PESSIMISTIC THAT WE HAVE SEEN THEM. COAL, POLAND'S LARGEST HARD CURRENCY EXPORT-EARNER, LOOKS LIKE BEING 2 MILLION TONS SHORT OF TARGET IN JANUARY, ACCORDING TO THE SEJM COMMITTEE, AND FIGURES FOR FIRST 4 SATURDAYS, WHICH MUST REALISE AN AVERAGE OF 480,000 TONS IN WINTER MONTHS TO PRODUCE ENOUGH COAL TO KEEP EXPORT MARKETS RUNNING, WERE 132,000; 99,000, 120,000 AND 190,000 TONS. THE BEGINNING OF MEAT AND FAT RATIONING HAS BEEN POSTPONED FOR ANOTHER MONTH WITH THE GOVERNMENT FEEBLY BLAMING SOLIDARITY FOR THE DELAY, WHICH IS MORE LIKELY TO BE CAUSED BY LACK OF ADEQUATE SUPPLIES. PROGRESS ON DRAFTING LAWS TO CARRY OUT ASPECTS OF THE "LARGE" ECONOMIC REFORM HAS BEEN MADE BUT DIFFICULTIES OVER THE IMPLEMENTATION OF THE "SMALL" REFORM ARE REPORTED.

12. CONSIDERABLY DELAYS ARE BEING EXPERIENCED IN THE SUPPLY OF MUCH-NEEDED FOOD, PARTICULARLY BUTTER, MEAT AND SUGAR, UNDER THE COMMUNITY FOOD PACKAGE. THE BULK OF FOOD SUPPLIES WILL NOT BE HERE BEFORE THE END OF FEBRUARY AND

12. CONSIDERABLY DELAYS ARE BEING EXPERIENCED IN THE SUPPLY OF MUCH-NEEDED FOOD, PARTICULARLY BUTTER, MEAT AND SUGAR, UNDER THE COMMUNITY FOOD PACKAGE. THE BULK OF FOOD SUPPLIES WILL NOT BE HERE BEFORE THE END OF FEBRUARY AND

POSSIBLY MARCH. AN INTERESTING EXCHANGE OF CORRESPONDENCE IN LOCAL PAPERS ON THE ADVANTAGES AND DISADVANTAGES OF A MORATORIUM SUGGEST THAT THE GOVERNMENT IS SOUNDING OUT PUBLIC OPINION.

13. FOR COMMENT SEE MIFT

FCO PSE PASS SAVING ADDRESSEES.

PRIDHAM

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