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FM WARSAW 211330Z JUL 80

TO IMMEDIATE FCC
TELEGRAM NO. 215 OF 21 JUL 80INFO PRIORITY MOSCOW, WASHINGTON, BELGRADE, BUCHAREST, BUDAPEST,
PRAGUE, EAST BERLING, SOFIA, UKDEL NATOR, DOT, MOD, BANK OF
ENGLAND, BONN, PARIS,MY TELEGRAM NO. 210 OF 17 JULY: LABOUR UNREST IN POLAND.
MAIN FEATURES.

1. LATEST REPORTS OVER THE WEEKEND ABOUT THE MOST RECENT LABOUR STOPPAGES IN PUBLIC TRANSPORT SERVICES IN LUBLIN INDICATE A RETURN TO WORK FOLLOWING WAGE INCREASES AND A SLIGHTLY IMPROVED GENERAL SITUATION. THIS IS THE THIRD PHASE IN THE CURRENT INDUSTRIAL UNREST HERE FOLLOWING MEAT PRICE RISES AT THE BEGINNING OF THE MONTH AND IS CERTAINLY THE MOST SERIOUS DEVELOPMENT SO FAR. A POLITBURO APPEAL FOR RAILWAY AND OTHER WORKERS TO RESUME WORK AND THE ANNOUNCEMENT OF A COMMISSION TO ENQUIRE INTO THEIR GRIEVANCES INDICATE THE EXTENT OF GOVERNMENT CONCERN. THE INTERRUPTION OF RAILWAY TRAFFIC EASTWARDS TO THE SOVIET UNION AND PARALYSIS OF PUBLIC SERVICES IN LUBLIN WERE SERIOUS BLOWS.
2. BUT THE GOVERNMENT'S REACTION HAS BEEN RESTRAINED, PROBABLY BECAUSE THERE HAS BEEN NO VIOLENCE NOR STREET MANIFESTATIONS. INDIVIDUAL WORKERS IN LUBLIN WERE RELUCTANT TO TALK WITH FOREIGN PRESS REPRESENTATIVES ON FRIDAY OR EVEN TO ADMIT STRIKING: IT WAS ONLY A QUESTION OF DISCUSSIONS PROCEEDING DURING WORK STOPPAGES, THEY SAID. DISSIDENT SPOKESMEN HAVE BEEN MAKING MOST OF THE PUBLICITY OPPORTUNITIES OFFERED BY THIS PROTEST ACTION (AND THE REUTERS AND BBC REPORTS IN PARTICULAR HAVE LEANT HEAVILY ON MATERIAL SUPPLIED BY DISSIDENTS) BUT THERE HAS BEEN NO SERIOUS PROVOCATION OF THE AUTHORITIES SO FAR.
SIGNIFICANCE.
3. IT IS CLEAR FROM RECENT EVENTS THAT POLISH WORKERS ARE AGAIN DEMONSTRATING THEIR STRENGTH AND INFLUENCE OVER GOVERNMENT POLICIES AND ACTIONS. THIS IS A SALUTARY REMINDER TO THE GOVERNMENT, IF ONE WERE NEEDED, TO TREAD CAREFULLY IN INTRODUCING ANY ECONOMIC REFORMS. THE GOVERNMENT IS SENSIBLY NOT WILLING TO RISK A HEAD-ON COLLISION WITH INDUSTRIAL WORKERS. LIBERAL VOICES AMONGST THE LEADERSHIP APPEAR FIRMLY IN CHARGE WITH HARD-LINERS FAIRLY QUIET. BUT THE GOVERNMENT IS VIRTUALLY HELPLESS AGAINST THIS KIND OF NON-VIOLENT, REASONABLE PROTEST, SINCE THERE IS LITTLE TO REPRESS. SOME POLES HAVE SUGGESTED PRIVATELY THAT THE INDUSTRIAL 'SIT-INS' AND LINKING OF WAGE INCREASES WITH PRODUCTIVITY DEALS HAVE SOME RESEMBLANCE TO BRITISH PRACTICE.

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4. THESE EVENTS ALSO SERVE A CLEAR WARNING ON THE SOVIET UNION THAT GOVERNING POLAND IS AS DIFFICULT AS EVER. THIS COUNTRY COULD BE A VERY DOUBTFUL ALLY.
5. THE EFFECT OF THESE STOPPAGES UPON THE GOVERNMENT'S CURRENT EFFORTS TO RAISE THE US DOLL 500 MILLION BALANCE OF PAYMENTS LOAN IN WESTER MARKETS AND OTHER BILATERAL OFFICIAL LOANS CAN ONLY BE HIGHLY UNFAVOURABLE.
PROSPECTS.
6. AT THIS POINT IT IS IMPOSSIBLE TO SAY WHETHER THERE WILL BE FURTHER STOPPAGES, AND, IF THERE ARE, WHETHER THE REGIME WILL KEEP ITS COOL OR WHETHER THERE WILL BE A SERIOUS FLARE-UP OF VIOLENCE.
7. ON THE SHOWING SO FAR, THE ODDS MUST BE AGAINST THE LATTER ANDD

IN FAVOUR OF FURTHER NON-VIOLENT SOLUTIONS. BUT THE FUNDAMENTAL FACT IS THAT THE SYSTEM DOES NOT REST UPON THE CONSENT OF THE VAST MAJORITY OF THE GOVERNED WHO HAVE LITTLE WAY OF INFLUENCING GOVERNMENT POLICY EXCEPT BY THIS KIND OF INDUSTRIAL ACTION. POLISH INDUSTRIAL WORKERS HAVE TWICE IN THE PAST TOPPLED GOVERNMENT AND, AS RECENTLY AS 1976, FORCED REVERSAL OF A MAJOR ECONOMIC POLICY DECISION. THIS TIME THE WORKERS SEEM MORE CAREFUL, LESS AGGRESSIVE AND LESS VIOLENT THAN BEFORE: THE GOVERNMENT SEEMS MORE DETERMINED BUT ALSO MORE SENSITIVE AND CAUTIOUS IN ITS REACTION. THIS MAY BE THE BEGINNING OF A PROLONGED SERIES OF NEGOTIATIONS BETWEEN GOVERNMENT AND WORKERS TO INTRODUCE GENUINE ECONOMIC REFORMS. BUT, AS THESE COULD LEAD TO PROFOUND POLITICAL CHANGE, THEY WILL NOT BE ACHIEVED EASILY AND PERHAPS EVEN NOT AT ALL.

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2

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