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TO IMMEDIATE FCO
TELEGRAM NUMBER 406 OF 30 OCTOBER.

INFO PRIORITY WASHINGTON, PARIS, BONN, MOSCOW, LUXEMBOURG,
UK DEL NATO, BUDAPEST.

SECRETARY OF STATE'S MEETING WITH POLISH PRIME MINISTER

FOLLOWING FROM PRIVATE SECRETARY

1. MR PINKOWSKI WELCOMED LORD CARRINGTON AS THE FIRST WESTERN FOREIGN MINISTER TO VISIT POLAND SINCE HER RECENT TROUBLES. THE POLES WERE CONVINCED THAT THERE WERE SUFFICIENT POSITIVE FORCES IN THE COUNTRY TO HELP OVERCOME THEIR PROBLEMS, AND TO CONTINUE THE DEVELOPMENT OF PEOPLE'S POLAND. THE ACCOMPLISHMENTS OF SOCIALISM SHOULD NOT BE UNDERMINED. RELATIONS BETWEEN POLAND AND BRITAIN HAD BEEN TRADITIONALLY BROAD. HE WOULD LIKE TO MAINTAIN AND DEVELOP THESE. THE GROWTH OF ANGLO/POLISH TRADE WAS LESS DYNAMIC THAN WITH GERMANY AND FRANCE, BUT THERE WERE POSSIBILITIES TO GIVE IT GREATER IMPETUS.

2. RECENT EVENTS IN POLAND HAD LED TO A DECREASE IN EXPORTS AND A CUT IN INVESTMENT. BUT THESE WERE TRANSIENT PHENOMENA. POLAND WAS RICH IN NATURAL RESOURCES (COAL, LIGNITE, COPPER, ZINC, LEAD AND SULPHUR) AND HAD GREAT INDUSTRIAL POTENTIAL, WHICH NEEDED TO BE USED TO BETTER EFFECT. THEY ALSO HAD A HIGHLY EDUCATED WORKFORCE. THERE HAD BEEN MISTAKES IN ECONOMIC POLICY IN RECENT YEARS, WHICH HAD CAUSED DISSENT AMONGST THE PEOPLE. THE BASIC AIM OF CURRENT ECONOMIC REFORMS WAS TO INCREASE SELF-MANAGEMENT, AND TO USE INCENTIVES TO STIMULATE THE ECONOMY. THE GOVERNMENT WISHED TO TRANSFORM THE ECONOMIC STRUCTURE TO ACCELERATE AGRICULTURAL AND FOOD PRODUCTION, USING INDIVIDUAL, COOPERATIVE AND STATE FARMS. THERE WOULD BE A SLOW-DOWN OF CAPITAL INTENSIVE INVESTMENT, AND AN INCREASE IN EXPORT INDUSTRIES.

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3. ALL THIS WAS USEFUL GROUND FOR COOPERATION WITH THE NEW UNIONS, OF WHICH THERE WERE NOW A MULTITUDE WITH DIFFERENT ATTITUDES. AS A WHOLE, HOWEVER, THEY WERE FOR A SOCIALIST POLAND. IN DRAWING UP THEIR STATUTES, HOWEVER, THEY HAD ADDED REMARKS WHICH WERE STILL THE SUBJECT OF NEGOTIATION. THE GOVERNMENT'S AIM WAS TO DEEPEN THE SELF-GOVERNMENT OF TRADE UNIONS AND INCREASE THEIR PARTICIPATION IN THE SOLUTION OF PROBLEMS, AND NOT ONLY IN DISCUSSING SALARIES. THE PRESENT DIFFICULTIES WOULD BE OVERCOME, PROVIDED THAT ALL THE NEW ORGANISATIONS TOOK A STAND ON THE SOCIALIST SYSTEM.

4. BY MAKING BETTER USE OF HER POTENTIAL, POLAND WOULD BE AN ATTRACTIVE COMMERCIAL PARTNER FOR BRITAIN. IT WAS NO SECRET THAT POLAND HAD FINANCIAL TROUBLES. HE WAS THEREFORE GRATEFUL FOR THE FOREIGN RESPONSE TO HER PROBLEMS ON CREDIT. POLAND WOULD LIKE TO MAINTAIN AND INCREASE EXPORTS, NOTABLY CHEMICALS FOOTWEAR AND TEXTILES, AND HOPED THAT BRITAIN COULD ELIMINATE RESTRICTIONS WHICH EXISTED ON 40% OF POLISH PRODUCTS. WITHIN TWO YEARS REPAYMENT OF MUCH OF POLAND'S ACCUMULATED DEBT WOULD FALL DUE. SHE WOULD DO HER UTMOST TO PAY OFF HER CREDITS, AND SHOW HERSELF AS A RELIABLE ECONOMIC PARTNER. PRESENT CIRCUMSTANCES WERE THE RESULT OF STRIKES AND DISTURBANCES. THE TURN OF THE YEAR WOULD BE DIFFICULT FOR POLAND. IF CREDIT REPAYMENTS COULD BE PARTIALLY RESCHEDULED, THIS WOULD GIVE POLAND AN ADVANTAGE BY INCREASING HER EXPORTS TO UK AND OTHER COUNTRIES. POLAND WAS ALSO FACED WITH THE NEED TO IMPORT RAW MATERIALS IN LARGE QUANTITIES. THIS WOULD BE MADE MORE DIFFICULT IF RESOURCES HAD TO BE EARMARKED FOR THE REPAYMENT OF CREDITS. IN THE FUTURE, HE HOPED TO EXTEND CONTACTS WITH THE UK, AND HOPED THAT THE ECONOMIC COOPERATION AGREEMENT WHICH EXPIRE NEXT YEAR COULD BE ANALYSED FROM THE POINT OF VIEW HE HAD DESCRIBED.

5. LORD CARRINGTON SAID THAT THERE WAS UNDERSTANDING AND SYMPATHY IN BRITAIN FOR POLISH DIFFICULTIES. WE WOULD LOOK AT POLISH FINANCIAL REQUESTS SYMPATHETICALLY AND DO OUR BEST TO HELP. IT WAS TO BOTH OUR ADVANTAGE THAT THE POLISH ECONOMY SHOULD BE STRONG AGAIN. WE HAD CLOSER ECONOMIC AND OTHER TIES WITH THE POLES

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THAN WITH OTHER EASTERN EUROPEAN COUNTRIES. THIS WAS A DIFFICULT MOMENT FOR POLAND. HE WOULD NO DOUBT BE ASKED BY HIS COLLEAGUES IN THE NINE AT THEIR MEETING ON 4 NOVEMBER FOR HIS IMPRESSIONS. HOW DID THE POLES PLAN TO FULFIL THE ECONOMIC EXPECTATIONS ARISING FROM THE GGANSK AGREEMENTS AT A TIME OF FOOD SHORTAGES; AND WHAT WAS THE LIKELY TIMESCALE OF ANY AGREEMENTS BETWEEN THE POLISH GOVERNMENT AND TRADE UNIONS? IT WAS THE VIEW OF THE BRITISH AND OF OTHER EUROPEAN COUNTRIES THAT WHAT HAPPENED IN POLAND WAS A MATTER FOR THE POLES AND NOT FOR US. THERE WAS NO SUGGESTION OF OUR TAKING SIDES, OR OF ADOPTING ANY ATTITUDE WHICH MIGHT EMBARRASS POLAND. SOME UK PRESS COMMENTATORS SPECULATED, BUT THIS DID NOT REPRESENT THE POLICY OF THE BRITISH GOVERNMENT, WHICH HAD NO CONTROL OVER THE PRESS.

6. MR PINKOWSKI EXPRESSED APPRECIATION OF BRITISH RESTRAINT. THIS WAS ESPECIALLY WELCOME BECAUSE, GIVEN THE POLISH SPIRIT, IT WAS DIFFICULT TO PREDICT THE COURSE OF EVENTS. FEW NATIONS WERE AS ATTACHED TO THEIR HOMELAND AS THE POLES. THIS HAD BEEN SO THROUGHOUT POLISH HISTORY. AS REGARDS THE EEC, POLAND WAS INTERESTED IN COOPERATION WITH AND ASSISTANCE FROM COMMUNITY MEMBERS, ON A BILATERAL BASIS. HER ECONOMY WAS SLOWLY BUT STEADILY RETURNING TO NORMAL. THERE HAD BEEN NO RECENT STRIKES, AND ECONOMIC OUTPUT, WHICH HAD BEEN 10% DOWN IN AUGUST, AND 7% DOWN IN SEPTEMBER, WAS NOW ONLY 3% BELOW LAST YEAR'S LEVEL. THERE WAS A CLEAR TENDENCY TO IMPROVEMENT. A DRAFT PLAN FOR ECONOMIC DEVELOPMENT HAD ALREADY BEEN PRESENTED TO PARLIAMENT, ALLOWING FOR AN INCREASE IN THE PLANNED INDUSTRIAL PRODUCTION FROM 3.5 TO 4%.

7. INCOMES NEXT YEAR WOULD RISE BY 12%, AND THIS WOULD BE DIFFICULT TO DEAL WITH. ONE OPTION WAS TO LIMIT THE GROWTH OF INVESTMENT BY ONE-FIFTH, SO THAT RESOURCES COULD BE PUT INTO CONSUMER PRODUCTION. SPECIAL PREFERENCES WOULD BE IMPLEMENTED FOR EXPORT PRODUCTION. OF A CURRENT INDUSTRIAL PRODUCTION OF 300 BILLION ZLOTY, IT WAS HOPED TO SHIFT 90 BILLION ZLOTY WITHIN A YEAR TO CONSUMPTION AND EXPORTS. AUSTERITY MEASURES WOULD SAVE 30 BILLION ZLOTY, AND PEOPLE WOULD BE ENCOURAGED TO SAVE BY BETTER INTEREST RATES.

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8. THE POLES HAD HAD A PARTICULARLY DISASTROUS YEAR IN AGRICULTURE. POTATOES, A STAPLE CROP, HAD DONE WORSE THAN AT ANY TIME IN THE LAST TWENTY YEARS. THERE HAD BEEN HIGH IMPORTS OF GRAIN AND FODDER, NOTABLY FROM THE US AND SOVIET UNION AS A RESULT. MEAT AND FATS WOULD BE RATIONED, AND FARMERS GIVEN PRODUCTION INCENTIVES.

9. THE GOVERNMENT WANTED THE FULL IMPLEMENTATION OF THE AGREEMENTS WITH THE TRADE UNIONS. HE BELIEVED THAT THERE WOULD BE NO PROBLEM IF BOTH SIDES SHOWED GOODWILL AND KEPT THEIR PROMISES. THE NEW TRADE UNIONS WERE YOUNG, AND WOULD SHAKE DOWN INTO REGULAR INSTITUTIONS, AND COOPERATE WITH THE GOVERNMENT. THE ONLY PRE-CONDITION WAS THAT THE UNIONS SHOULD SUPPORT A PEOPLE'S POLAND. POLAND WAS A STABLE ELEMENT IN THE EUROPEAN ORDER ESPECIALLY AS A RESULT OF THE SECOND WORLD WAR. NO SERIOUS PERSON COULD THINK OF CHANGES IN THIS AREA. POLAND FAVOURED CONTINUED DIALOGUE AND COOPERATION, AND HOPED THAT THE MADRID MEETING WOULD BE HELD IN A NON-CONFRONTATIONAL ATMOSPHERE, AND BRING GOOD RESULTS.

10. LORD CARRINGTON ASKED WHETHER THE GOVERNMENT'S AUSTERITY PLANS AND THE LACK OF FOOD COULD CAUSE POLITICAL PROBLEMS THIS WINTER. PINKOWSKI SAID THAT THE POLISH PEOPLE WANTED A RATIONING SYSTEM, WHICH WAS INCLUDED IN THE AGREEMENTS.

11. MR PINKOWSKI SAID THAT THE BRITISH PRIME MINISTER OWED THE POLES A RETURN VISIT. LORD CARRINGTON SAID THAT HE WOULD PASS THIS ON TO MRS THATCHER, WHO SENT HER GREETINGS TO MR PINKOWSKI.

12. THE SECRETARY OF STATE WOULD LIKE THE DETAILS OF THIS CONVERSATION KEPT FOR THE BACKGROUND INFORMATION OF ADDRESSEES AT THIS STAGE.

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BUDAPEST

SECRETARY OF STATE'S TALK WITH KANIA

FOLLOWING FROM PRIVATE SECRETARY

1. IN HIS WELCOMING REMARKS, KANIA EMPHASISED THE NEED FOR A STABLE POLAND. HE ALSO SAID THAT HE WOULD BE GOING TO MOSCOW THE NEXT DAY (THURSDAY 30 OCTOBER) WITH PINKOWSKI. LORD CARRINGTON SAID THAT THE BRITISH GOVERNMENT WERE WELL AWARE OF THE DIFFICULTIES FACED BY THE POLES, AND WERE AS ANXIOUS AS THEY WERE TO SEE IMPROVED RELATIONS AND CLOSER CONTACTS. AS THE FIRST WESTERN FOREIGN MINISTER TO VISIT POLAND SINCE AUGUST, HIS COLLEAGUES IN THE NINE WOULD NO DOUBT ASK HIM FOR HIS IMPRESSIONS WHEN HE MET THEM SHORTLY. AS FOR THE BRITISH GOVERNMENT'S ATTITUDE, HE HIMSELF HAD SAID IN SWEADEN IN AUGUST THAT WHAT HAPPENED IN POLAND WAS THE BUSINESS OF THE POLES, AND NO-ONE ELSE. WE WOULD NOT SEEK TO INTERFERE, OR DO OR SAY ANYTHING WHICH COULD MAKE THE PROBLEM MORE DIFFICULT. IT WAS IN OUR INTERESTS, AS WELL AS THOSE OF THE POLES THEMSELVES, THAT A HAPPY SOLUTION SHOULD BE REACHED, AND THAT POLAND SHOULD GET BACK ON THE PATH OF PROGRESS.

2. KANIA SAID THAT HE WAS NOT SURPRISED AT INTEREST BEING SHOWN IN EVENTS IN POLAND, WHICH HAD ALWAYS BEEN CRUCIAL FOR SECURITY IN EUROPE. HIS FORECAST FOR POLAND WAS OPTIMISTIC. HE HAD GIVEN AN OPEN ASSESSMENT OF POLISH DIFFICULTIES AT THE CENTRAL COMMITTEE MEETING. THE CONFLICT IN AUGUST HAD NOT BEEN AIMED AT THE BASIS OF THE POLISH POLITICAL SYSTEM, BUT AT MISTAKES AND ABUSES IN ECONOMIC POLICIES, AND IN THE ORGANISATION OF SOCIAL LIFE. THESE MISTAKES HAD BEEN NAMED, AS WELL AS THOSE RESPONSIBLE. WAYS OF EMERGING FROM THE DIFFICULTIES HAD ALSO BEEN OUTLINED. IT HAD BEEN RECOGNISED AT AN EARLY STAGE THAT THE CRISIS COULD ONLY BE SOLVED BY POLITICAL MEANS. THERE MUST BE A DEMOCRATISATION OF POLISH LIFE IN A VERY EXTENSIVE WAY. THIS WOULD BE CONDUCTIVE TO MORE INITIATIVE, AND GREATER PUBLIC RESPONSIBILITY. THE DIRECTION THE COUNTRY WOULD TAKE WOULD BE THAT OF THE PERFECTING OF SOCIALISM. THEY HAD THE SUPPORT OF THEIR ALLIES FOR SUCH POLICIES.

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3. THE CONFLICTS IN AUGUST HAD LEFT A RESIDUE: EG A CONVICTION THAT MORE COULD BE SHARED OUT THAN WAS PRODUCED. PATIENCE WOULD BE NEEDED TO CURE THIS, AND THE POLES HAD PATIENCE. BUT THERE WERE ALSO PEOPLE IN POLAND WHO WERE THINKING OF DE-STABILISING AND DISMANTLING THE SOCIALIST SYSTEM. THEIR CONCERN WAS NOT TO SOLVE, BUT TO TAKE ADVANTAGE OF PROBLEMS. THE GOVERNMENT TOOK A CALM ATTITUDE TO THIS PHENOMENON. SOONER OR LATER LIFE WOULD SHOW WHO WAS RIGHT. SUCH PEOPLE HAD NO CHANCE OF PREVAILING. WHEN ONE LOOKED AT THE PAST, HOWEVER, HE COULD SEE THAT SOME PEOPLE MIGHT DRAW DIFFERENT CONCLUSIONS.

4. AS A RESULT OF THE NEW STRUCTURE, THERE WERE NOW TWO (OR WAS IT THREE - HE HAD LOST COUNT) KINDS OF TRADE UNIONS. EMOTIONS WERE AROUSED BECAUSE OF A LACK OF EXPERIENCE. SOCIAL DEMAGOGY WAS ALSO IN FASHION. SOME PEOPLE WANTED TO DIRECT THE ENERGY OF THE UNIONS TO NON-CONSTRUCTIVE, OR EVEN DESTRUCTIVE, AREAS. THE GOVERNMENT WOULD ENSURE THAT THE DEVELOPMENT OF THE UNIONS WAS NOT AGAINST SOCIALISM. THERE WERE SOME HIGH SPIRITS, BUT HIS OWN PERSONAL CONTACTS, WHICH INCLUDED WORKERS AND A GROUP OF TRADE UNION LEADERS IN SZCZECIN WERE ENCOURAGING: THEY HAD CONSTRUCTIVE APPROACH.

5. THE ECONOMIC SITUATION WAS HOWEVER VERY DIFFICULT. THERE WERE SHORTAGES OF CONSUMER GOODS, AND A VERY UNFAVOURABLE SITUATION IN AGRICULTURE, EXPECIALLY POTATOES AND FODDER WHICH WAS TWENTY MILLION TONS LOWER THAN LAST YEAR'S FIFTY MILLION TONS. POLAND'S PRODUCTIVE POTENTIAL WAS NOT PROPERLY UTILISED, AND THERE WERE BALANCE OF PAYMENTS DIFFICULTIES. THE MAIN HOPE WAS TO USE THE COUNTRY'S POTENTIAL FOR MODERNISATION. THEY HAD THE RESOURCES FOR THIS.

6. THE GOVERNMENT WAS CURRENTLY THINKING OVER DIFFERENT PROPOSALS, BUT HAD NO SOLUTIONS YET. THEY HAD TO LOOK FOR WAYS TO PROMOTE DEVELOPMENT AND BREED OPPORTUNITIES TO COPE WITH BALANCE OF PAYMENTS PROBLEMS AND MAINTAIN POLAND AS AN ECONOMIC PARTNER FOR OTHER COUNTRIES, AND THE ABILITY TO PURCHASE TECHNOLOGY. EXPORTS MUST ALSO BE ENCOURAGED, THOUGH ONE POSSIBILITY WHICH WAS BEING CONSIDERED WAS "BIG IMPORTS FOR BIG EXPORTS". POLAND WAS INTERESTED IN CONTACTS WITH BRITAIN, FRANCE, GERMANY AND THE US, WHO ALL HAD AN INTEREST IN A SOLUTION TO POLISH PROBLEMS. THE SOVIET UNION WAS ALSO HELPING POLAND ECONOMICALLY, AND THAT WOULD CONTINUE.

7. THE UK HAD BEEN INVOLVED (THROUGH MASSEY FERGUSON) IN THE RECONSTRUCTION OF THE POLISH TRACTOR FLEET. THIS WAS AS SYMBOLIC AS THE PARTICIPATION OF POLISH PILOTS IN THE BRITISH AIRFORCE. THE POLES HAD A WARM ATTITUDE TO BRITAIN, AND MEMORIES OF THE COMMON STRUGGLE AGAINST THE NAZIS WERE EXTREMELY IMPORTANT AND WIDESPREAD.

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8. POLISH FOREIGN POLICY WAS CLEAR, AND WOULD CONTINUE ON ESTABLISHED LINES. POLAND HAD A GREATER MORAL RIGHT THAN OTHERS TO TALK OF PEACE. THE SECURITY OF POLAND WAS OF IMPORTANCE NOT ONLY TO EUROPE BUT OF THE WORLD. THE WORLD HAD GROWN SMALLER, THE WAR BETWEEN IRAN AND IRAQ AFFECTED EUROPE TOO. SO DID THE ARMS SPIRAL. HENCE POLAND'S GREAT INTEREST IN THE MADRID MEETING, WHICH THE POLES HOPED WOULD BE CONSTRUCTIVE AND A STIMULUS TO DETENTE.

9. LORD CARRINGTON REFLECTED THAT, IN A WAY, BRITAIN HERSELF FACED SIMILAR ECONOMIC PROBLEMS. WE HAD BEEN LIVING BEYOND OUR MEANS, AND IT WAS UNCOMFORTABLE TO COME DOWN TO EARTH. UNEMPLOYMENT WAS A SOCIAL EVIL, BUT TO CURE IT WE NEEDED TO PUT THE ECONOMY RIGHT. YET IN THE LONG TERM HE THOUGHT THERE WAS A GOOD FUTURE FOR BOTH POLAND AND BRITAIN, AND THAT POLAND'S DIFFICULTIES WOULD BE SHORT-TERM.

10. WE HAD NOTED POLISH ECONOMIES AND COMMERCIAL REQUESTS, AND WERE NOW EXAMINING THESE WITH SYMPATHY TO SEE WHAT WE COULD DO TO HELP. IT WAS NOT TO POLISH OR BRITISH ADVANTAGE FOR ECONOMIC PROBLEMS TO DEVELOP AT THIS DIFFICULT MOMENT. WE HOPED THAT WE WOULD BE ABLE TO HELP. KANIA THANKED LORD CARRINGTON FOR THIS STATEMENT AND SAID HE WAS CONFIDENT THAT OUR CONSIDERATION OF POLISH ECONOMIC REQUESTS WOULD BE FRUITFUL.

11. ON INTERNATIONAL QUESTIONS LORD CARRINGTON SAID THAT A FAILURE OF DETENTE WOULD HAVE IMPORTANT CONSEQUENCES. YET IT WAS A FACT THAT DETENTE HAD BEEN HALTED DURING THE LAST 10 MONTHS. THE HUNGARIANS HAD TOLD HIM THAT IT WAS IMPORTANT THAT DETENTE SHOULD CONTINUE IN EUROPE, AND THAT THE IMPETUS OF HELSINKI SHOULD NOT BE SLOWED DOWN. BUT IT WAS IMPOSSIBLE TO DIVIDE WHAT HAPPENED IN THE REST OF THE WORLD FROM EUROPE. INEVITABLY THIS AFFECTED ATTITUDES ESPECIALLY THOSE OF THE SUPER POWERS. THE SOVIET OCCUPATION OF AFGHANISTAN, RIGHTLY OR WRONGLY, HAD TEMPORARILY HALTED DETENTE. HENCE FOR EXAMPLE THE INABILITY OF THE AMERICAN PRESIDENT TO GET SALT 11 RATIFIED. THE RUSSIANS HAD LEGITIMATE CONCERN ABOUT WHAT HAPPENED IN AFGHANISTAN, AND ON THEIR BORDERS. BUT THE WEST HAD EQUALLY LEGITIMATE WORRIES ABOUT THE PRESENCE OF SOVIET TROOPS 400 MILES FROM THE STRAITS OF HORMUZ, THROUGH WHICH ONE-THIRD OF WESTERN OIL SUPPLIES PASSED. MAYBE THE WEST'S FEARS, AND THOSE OF THE SOVIET UNION WERE GROUNDLESS. THE SINGLE AND EASIEST WAY TO REMOVE THE THREAT TO DETENTE WAS A POLITICAL SETTLEMENT IN AFGHANISTAN WHICH WOULD REASSURE THE SOVIET UNION, AS WELL AS IRAN, PAKISTAN, AND THE WEST. HE DID NOT BELIEVE THIS WOULD BE IMPOSSIBLE TO ACHIEVE. WE SHOULD CERTAINLY TRY. UNLESS WE DID, WE WOULD NOT GET ANY BIG OR MEANINGFUL AGREEMENTS AT MADRID, THOUGH THIS WAS NOT TO SAY THAT WE SHOULD NOT TRY THERE TOO. WE SHOULD

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LOOK AT IMPLEMENTATION, BUT ALSO TRY TO ACHIEVE CONSTRUCTIVE AND CONCRETE PROPOSALS TO OUR MUTUAL ADVANTAGE. CBMS WERE AN ESSENTIAL PRELIMINARY TO A DISARMAMENT CONFERENCE. THE PROBLEMS WAS THAT DETENTE REALLY WAS INDIVISIBLE. EUROPE COULD NOT BE ISOLATED FROM THE REST OF THE WOULD.

12. KANIA SAID THAT THE POLES HAD ALSO REFLECTED ON THESE EVENTS . THEIR VIEWS DIFFERED FROM OURS BUT THEY SHARED OUR CONCERN AT SUCH ENTANGLEMENTS, WHICH WERE HARD TO CONTAIN. HENCE THE IMPORTANCE THEY ATTACHED TO MADRID. HE REPEATED THAT THE SECURITY OF POLAND WAS INSEPARABLE FROM THE SECURITY OF EUROPE. THE AFGHAN PROBLEM LOOKED DIFFERENT TO THE POLES. THEY ALSO WANTED TALKS TO ELIMINATE TENSION, BUT THE PAKISTANIS HAD REFUSED THESE. ANOTHER VERY IMPORTANT SOURCE OF TENSION WAS NATO'S DECISIONS ON TNF. A FEW MONTHS AGO THE AMERICAN AMBASSADOR HAD ASKED WHY THE POLISH PRESS DID NOT TALK ABOUT THE SS20S. HIS ANSWER HAD BEEN THAT, IF NEW MISSILES WERE POINTED AT THE POLES, THE POLES WOULD MOVE CLOSER TO THOSE WHO HAD ANTI-MISSILE SYSTEMS. HE WAS VERY GLAD THAT THE TALKS IN GENEVA HAD BEGUN.

13. LORD CARRINGTON SAID THAT, JUST AS KANIA FELT THAT THERE WAS NO DANGER TO THE GULF, SO WE THOUGHT THAT THE SOVIET UNION NEED NOT WORRY TOO MUCH ABOUT THEIR FRONTIER. THERE WAS A NEED TO REMOVE FEARS ON BOTH SIDES. ON ARMS CONTROL , WE SHOULD REMEMBER THAT PEACE HAD BEEN MAINTAINED IN EUROPE FOR 35 YEARS BY A BALANCE OF POWER. THE DANGER OF WAR WOULD BE INCREASED IF ONE SIDE WERE TOO POWERFUL. THE ONLY WAY TO REDUCE THIS RISK WAS THAT BOTH SHOULD LIMIT THEIR WEAPONRY SO THAT NEITHER HAD ANY ADVANTAGE. BEFORE THE DECISION LAST DECEMBER, IT WAS AN INESCAPABLE FACT THAT NATO WAS AT A CONSIDERABLE DISADVANTAGE IN TNF. IF TALKS ON TNF LIMITATION WERE TO TAKE PLACE, THE WEST NEEDED SOMETHING TO LIMIT. NOW THAT NATO HAD TAKEN ITS DECISION, BOTH SIDES WOULD BE IN AN ALMOST SIMILAR POSITION. AS A RESULT, TALKS HAD NOW STARTED. WE ALSO HOPEDFOR THE RATIFICATION OF SALT 11 AFTER THE AMERICAN ELECTIONS.

14. IN A CONFIDENTIAL ASIDE , KANIA SAID THAT MINISTERS OF DEFENCE ALWAYS WANTED TO ROUND THE MILITARY BALANCE UPWARDS. FOREIGNM MINISTERS SHOULD TRY TO ROUND IT DOWN. LORD CARRINGTON SAID THAT HE LIKED TO GO INTO A NEGOTIATION WITH HIS TROUSERS ON.

15. THE SECRETARY OF STATE WOULD LIKE THE DETAILS OF THIS CONVER- SATION KEPT FOR THE BACFSGROUND INFORMATION OF ADDRESSEES AT THIS STAGE (SEE HOWEVER MIPT, NOT TO ALL)

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