

Prime Minister,



I think that you should
be aware of this, even though
much of it is already known
to you.

Foreign and Commonwealth Office

London SW1A 2AH

24 December 1981

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(Mufaxed to Cheamers)
24/12/81

Dear Clive,

Poland

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Since the Foreign and Commonwealth Secretary circulated a minute to his Cabinet colleagues last week there have been further developments, some of which were touched on when he saw the Prime Minister yesterday.

The picture in Poland itself is clouded by the news black-out and the cutting of communications, so that it is impossible (for example) to be sure even of basic facts such as the number of deaths. But it seems that martial law has been successfully imposed in all but one or two places. Passive resistance however is widespread, mostly taking the form of attending work places but not working. The military council has made no move either towards economic reform or towards resumption of the dialogue with other elements, although there are some contacts with the Church. The economic situation must be deteriorating rapidly from the low level to which it had already sunk before martial law was imposed, but this is masked by special deliveries of food and consumer goods from the Soviet Union and Eastern Europe. We may see relaxations in some aspects of martial law, eg shorter curfews, but the prospects for the Polish people must be one of hardship and repression lasting certainly for months and possibly for years.

Western reactions are beginning to take shape. The tone in Washington naturally continues to be sharper than elsewhere, but there have been strong statements from most other NATO capitals (not including Ottawa) and from the Ten as a whole.

As regards actions, the problem is to devise measures constituting pressure on or inducement for the Polish leadership without imposing hardship on the Polish people; and measures which might impel the Soviet Union to help and not hinder such steps back towards normality as Jaruzelski may be able and willing to take. To these objectives the Americans would add the need to strike a firm pose in the context of US-Soviet and East/West relations as a whole. The latter, together with domestic considerations, are probably the main motives behind President Reagan's speech last night.

There has been a great deal of consultation, bilaterally, among the Ten and in NATO. As agreed with the Prime Minister yesterday, Lord Carrington has invited his colleagues in the

/Ten



Ten to a special informal meeting in London on 30 December: its task would be to try to identify steps which we could usefully take, either as individual governments or as the Ten, or which we could promote in other groups such as NATO and the major creditors' club; and Lord Carrington has it very much in mind that such a meeting would provide an effective response to the kind of criticism levelled at the Ten for its inactivity during the Afghanistan crisis two years ago. We are in close touch with the Americans and will take account of their views, although it seems likely that the United States government intends to advance down the path of 'punishment' of both the military regime in Poland and the Soviet Union, using economic as well as political levers, whether or not its allies are in the mood to follow suit.

There are two particular problems which the Foreign and Commonwealth Secretary wishes to draw to the attention of his colleagues:

a. Refugees

The Home Office have announced that any Pole already in Britain who does not wish to return to Poland may apply for his stay in Britain to be extended; that this will normally be granted, initially for two months. Lord Carrington hopes that there will be few if any refusals. A bigger question is how to respond to Chancellor Kreisky's appeal to Western countries to help absorb the 30,000 Poles now in Austria. Lord Carrington hopes that we will consider with sympathy what part we may be able to play.

b. Economic Aid

Leaving aside aid from private sources and humanitarian aid (eg baby food and medical supplies) there are two main aspects here: first, the supply of food; and second all other forms of economic assistance (re-scheduling, fresh credits etc). On food, Lord Carrington considers that supplies already agreed by the Community should go ahead, subject to reasonable satisfaction that the food is being distributed fairly in Poland. (We are already seeking assurances to this effect about the 8,000 tonnes of free beef from France and Ireland, but not so far about the uncompleted part of subsidised food supplies from various Community countries including Britain which were agreed before 13 December.) Meanwhile, the Community has agreed not to take decisions about supplies additional to those agreed before 13 December. As regards the other forms of economic assistance, the question is whether we should make some or all of them depend on our getting evidence that the regime in Warsaw is living up to its own assurances about an early return to the path of reform and renewal.

/Lord



Lord Carrington's expectation is that it will be necessary to consult his colleagues again on various aspects of the Polish problem very early in the New Year. The French are at present making difficulties about having the proposed meeting of the Ten at Foreign Minister level (as are the Greeks, although we would be prepared to go ahead without them), and it may be that a first meeting will have to take place at Political/Economic Director level. Either way, FCO officials have been in touch with their colleagues over the subjects likely to arise at the meeting and briefs will be cleared as necessary. If the meeting takes place, as we would wish, at Ministerial level, it is the rule at informal meetings of this kind that conclusions which may be reached will need to be processed formally in the appropriate political cooperation and community institutions. Further consultations in the alliance will no doubt also be necessary.

I am sending copies of this letter to the Private Secretaries to all Members of OD and to Robert Armstrong.

Yours ever,

(B J P Fall)
Private Secretary

C A Whitmore Esq
10 Downing Street