

31 December 1983

POLAND: ANNUAL REVIEW FOR 1983

*Her Majesty's Ambassador at Warsaw to the
Secretary of State for Foreign and Commonwealth Affairs.*

SUMMARY

For Poland in 1983 only three names counted: General Jaruzelski, Pope John Paul II and Lech Wałęsa. (Paragraph 1)

INTERNAL

(a) The Government

2. Although Martial Law was lifted in July and an amnesty declared, the Poles attached little significance to this. General Jaruzelski dominated the Party, although it remained in disarray, and despite resigning as Defence Minister he maintained his powers through a reconstituted Council of National Defence. (Paragraphs 2-4)

(b) The Opposition

3. Apart from the award of the Nobel Peace Prize to Lech Walesa, it was largely downhill for the opposition. The scale of demonstrations was substantially reduced and they were easily contained by the security forces. New intellectual unions acceptable to the authorities replaced those disbanded. (Paragraphs 5-6)

(c) The Church

4. The Papal visit demonstrated the massive extent of the Church's support. Since the visit Church/State relations have remained calm. Cardinal Glemp and General Jaruzelski appear to respect each other. (Paragraph 7)

(d) The Economy

5. The Polish economy remains in a mess and is unlikely to recover quickly. The new trade unions progressed slowly. Towards the end of the year discussion began on the implementation of price rises. Further debt rescheduling was achieved with Western commercial banks but the rescheduling of Government debt will be a long haul. (Paragraphs 8-12)

EXTERNAL

6. Poland is too absorbed in her own affairs for foreign policy to loom large. East European acceptance of Jaruzelski and his policies was signified by the visits of three Communist leaders to Warsaw. (Paragraph 13)

ANGLO-POLISH RELATIONS

7. High level contacts were minimal. Our trade with Poland however showed a marked increase and is worth more than that with any other East European country except the Soviet Union. (Paragraph 14).

THE FUTURE

8. General Jaruzelski's main aims for 1984 must be the maintenance of internal security and the re-establishment of a healthy economy. He is likely to achieve the first but not the second. The Poles appear misguidedly to believe that in due course there will be a return of generous Western credits. Considerable price increases for staple foods will have to be implemented and in the past these have provoked unrest. The authorities should be able to contain it. Poland's future is, however, unpredictable. (Paragraphs 15-17)

Warsaw
31 December, 1983

Sir,

For Poland in 1983 only three names counted; General Jaruzelski, Pope John Paul II and Lech Wałęsa; the first by systematically consolidating his authority, the second by dramatically demonstrating during his visit the massive extent of Catholic fervour in this paradoxical country and the third by attracting considerably international attention by his award of the Nobel Peace Prize but at the same time having a decreasing internal role.

INTERNAL

(a) The Government

2. The year opened with Martial Law suspended but still not withdrawn. It was lifted in July and an amnesty declared. The amnesty was extended and finally expired on 31 December. Official figures on the extent of the amnesty have been consistently both confused and contradictory. The most recent, however, suggest that some 9,000 people have benefited from it and that there are now 217 people in prison or awaiting trial for political offences. Although there are problems defining "political offenders", the Church authorities, who have the best sources, consider that the Government figures are on the right lines. By any standards this is a considerable achievement and show of confidence by the Polish authorities. The Polish people attached little significance to the lifting of Martial Law, as it was replaced by a series of, allegedly temporary, measures capable of having much the same effect.

[REDACTED]

3, During the year there were three largely routine Party Plenums and one joint Plenum on Agriculture with the Peasant Party. General Jaruzelski consistently dominated the scene. His speeches were thoughtful, frank and generally devoid of jargon, concentrating more on hard economic reality than on ideological exhortation. There is no sign of any coordinated opposition within or without the Party to him or his policies. References to the leading role of the Party are muted and indeed it remains in disarray, particularly in the provinces. There continues to be a marked shortage of young members.

4. In November General Jaruzelski gave up the Ministry of Defence but at the same time had himself appointed Chairman of a reconstituted Committee of National Defence, maintaining and in certain respects enhancing his powers in the defence field. The new Committee has full power to take emergency measures with reference only to the Council of State. It can reimpose Martial Law in the event of an external threat and could meet an internal political or economic crisis by declaring a state of emergency in all or part of the country. The authorities will also be able to suspend trades unions and the right to strike: to intern 'agitators' and to restrict movement round the country. As Chairman of the Committee, Jaruzelski has overall responsibility for Poland's security and would become Commander-in-Chief of the Polish Armed Forces in time of war. In addition, the Government has re-established its Committee for Law, Public Order and Social Discipline under the Interior Minister, a close crony of Jaruzelski. This will in effect be an executive arm of the Defence Committee in matters of internal security.

(b) The Opposition

5. The only high spot for the opposition in 1983 was the award to Lech Wałęsa of the Nobel Peace Prize: otherwise it was all largely downhill. Although Wałęsa was received in private during the Pope's visit, even this was soured by the impression later given that the Pope was less than fully confident about the future of Solidarity. A smear campaign against Wałęsa continued, alleging in particular that he had large sums of money abroad. Some underground leaders, notably Bujak, remain in hiding and made occasional appeals for demonstrations and go-slows, but these were decreasingly observed. The security forces showed increasing sophistication and required less force to control public demonstrations. By September the authorities felt able to remove the Solidarity cross of flowers outside St Anne's Church which had been a feature of Warsaw life with a regular crowd singing Solidarity songs. The site continues to be guarded by militia. Eleven leading activists remain in detention and await trial. There are signs that the authorities would prefer to avoid this and they have offered to release those detained if they would emigrate. None has yet agreed to do so.

6. During the course of the year the authorities succeeded in setting up some new intellectual unions to replace those disbanded. At the end of the year artists', writers' and actors' unions had been registered. However, the leadership contained virtually none of the respected figures of the former unions and consisted in the main of ageing nonentities.

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(d) The Economy

8. The Polish economy remains in a mess. Over-generous provision of Western credit in the past has distorted the economic structure and the Government admit that the economy is unlikely to be back to a healthy state much before the end of the decade. They consistently blame their difficulties on the effect of NATO economic measures. The official figure for inflation in 1983 is 28% (against a planned target of 16%) although the true figure may be somewhat higher. National income grew by 3.8% – the first growth in four years. This was possible given the exceptionally low level of 1982.

9. Economic policies were confused and even at times contradictory. Although there was continued talk of economic reform based on profitability and reduction of central control, by the end of the year the move was towards an increase in Government and Party control over the management of the economy. The new style trades unions continued slowly to increase in numbers and membership, and by the end of the year there were over 30 nationally-registered union organisations and the total union membership stood at 3.7 million. This compares with a membership of over 10 million for Solidarity at its height.

10. Despite frequent exhortations from the leadership the Polish worker showed no inclination, and indeed has little incentive to work harder. It is now estimated that, despite the official 42-hour week, the average effective working week is 34 hours, and that a further 7 hours is lost because of bad factory organisation. This makes it one of the lowest in Europe.

11. The year saw the right to own private farms enshrined in the Constitution. Poland's agriculture is generally backward but the grain harvest this year was reasonable. The result is still that this country which should rightly be a food exporter will continue to require to spend large sums of scarce hard currency on food imports. Rationing continues of many products and the inept reintroduction of butter rationing lead to the sacking of two Vice Ministers of Internal Trade. Towards the end of the year a discussion document was issued setting out various ways of implementing the price rises which are already required. The authorities hoped that the discussion this has provoked would help to defuse the unrest which has traditionally accompanied the announcement of price increases. However, the outcome was so confused that the Government felt obliged by the end of the year to put off the rises for yet further discussion.

12. In the course of the year the Poles succeeded in reaching agreement in further rescheduling their debts to Western commercial banks. In November a Polish delegation attended the discussions in the "Paris Club" for the rescheduling of Government debt. The start was not auspicious and it will clearly be a long haul to reach agreement.

EXTERNAL

13. The Poles are so absorbed in their own affairs that foreign policy does not loom large. Their internal preoccupations were such that on external issues they took the easy path of slavish adherence to Soviet policies. In international fora the speeches of the Polish

and Mongolian representatives were distressingly similar. NATO measures have meant that they have had virtually no political contact with the West. To all outward appearances relations with the Soviet Union were on a calm level at the end of the year, with the minimum of public Soviet comment on Polish affairs. Poland played its routine part in Warsaw Pact and CMEA meetings. A regular theme of General Jaruzelski's speeches was that Western measures had shown the danger of excessive dependence on the West and forced Poland to turn more to the Soviet bloc for trade. It is true that Poland's trade has continued to shift towards the CMEA but at a reduced rate. There is a limit to how far the Polish economy can do without the Western technological expertise to which it is already committed. In the latter half of the year three communist leaders (Honecker from East Germany, Kadar from Hungary and Husak from Czechoslovakia) signified their acceptance of Jaruzelski and his policies by visits to Warsaw. The Polish interest in the Third World was maintained by Foreign Minister Olszowski who paid visits to Latin America, Africa and South East Asian countries in the course of the year.

ANGLO-POLISH RELATIONS

14. The only high level contact this year was your brief meeting with Foreign Minister Olszowski at the closing session of the CSCE Conference in Madrid. In December the Director of Eastern European Affairs at the Foreign Ministry was received at the Foreign and Commonwealth Office by Mr Jenkins, the Assistant Under-Secretary responsible. There have been no major cultural manifestations, but the meeting of the Anglo-Polish Mixed Cultural Commission took place successfully in London in December. Paradoxically our trade with Poland showed a marked increase. Our exports at £112 million for the first nine months of 1983 were up 37% on 1982. Polish exports at £130 million for the same period showed an increase of 18%. The balance is thus now in Poland's favour. The number of business visitors to the Embassy increased by 65%. Some 40 British firms were represented in June at the Poznan International Trade Fair with British Overseas Trade Board support. Virtually all our exports are being purchased without an element of credit. Representatives of the East European Trade Council visited Warsaw in November and were most cordially received. Britain has now taken second place in Western Europe (after the Federal Republic of Germany) as Poland's trading partner. Our trade with Poland is worth more than our trade with any other East European country except the Soviet Union.

THE FUTURE

15. General Jaruzelski's main aims for 1984 must be the maintenance of internal security and the re-establishment of a healthy economy. All the signs are that he is fully capable of achieving the first but not the second. It is therefore economic considerations which are likely to predominate. The Poles continue to delude themselves in thinking that any easing of NATO economic measures or progress on rescheduling will result in a return to generous Western credits. They choose not to recognise that the world has changed and that events elsewhere, particularly in Latin America, will mean that substantial credit will only be forthcoming for good financial and commercial reasons. These are unlikely to be demonstrable in Poland for some time.

16. At some stage early in 1984 the delayed price increases for staple foods must be implemented. For them to make economic sense they should be considerable. The Poles themselves admit at least 15% on average. Since 1945 price rises have been the trigger for popular unrest. The authorities are well aware of this and are well prepared. Indeed demonstrations for whatever cause are likely to be able to be controlled and any moves towards greater 'freedom' effectively stifled.

17. All that Poles can expect in 1984 is containment of unrest coupled with continuing political and economic gloom. But who can predict with confidence the future of Poland – certainly not General Jaruzelski, even less can I.

18. I am sending copies of this despatch to Her Majesty's Ambassadors at Moscow, East Berlin, Budapest, Bucharest, Sofia, Prague, Belgrade, Washington, Paris, Bonn, Helsinki, Stockholm, to the UK Permanent Representatives on the North Atlantic Council and to the European Communities and to the United Nations and Other International Organisations at Geneva and to the Secretary of State for Trade and Industry.

I am, Sir
Yours faithfully

J A L MORGAN