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## POLAND: ANNUAL REVIEW 1985

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

## SUMMARY

## Introduction

General Jaruzelski remains firmly in charge but there is increasing pessimism over the economy (paragraph 1).

## Internal

2. The October shuffle of portfolios produced a Council of Ministers composed largely of technocrats. Jaruzelski's exchange of the Premiership to become Head of State only consolidated his position. The Opposition continued in disarray and relations with the Church were static. The economy remained a mess with little progress on economic reform. There were moves towards rescheduling of foreign debt (paragraphs 2-13).

## External

3. Relations with the Soviet Union remained unchanged but there were a number of high-level Western contacts. Relations with West Germany and France showed some improvement (paragraphs 14-15).

## Anglo-Polish Relations

4. The Secretary of State's visit took our relations a step forward. Several senior Polish technical Ministers visited the UK. Trade in both directions continued to make substantial progress (paragraphs 16-19).

## The Future

5. General Jaruzelski will concentrate on Party matters in the run-up to the Xth Party Congress and there will be more talk of ideology. The economy will remain the main preoccupation with no clear formula for success. IMF membership should be achieved. General Jaruzelski's basic weaknesses will remain (paragraphs 20-24).

6. We should maintain our balance of links with all shades of Polish opinion.



Warsaw  
10 January 1986

Sir,

1985 has been a year of relative political calm. General Jaruzelski remains as firmly in charge as ever and grudging acceptance of him has increased, although the regime remains generally unloved. There has been a note of increasing admitted pessimism over the economy.

## INTERNAL

### (a) The Government

2. The main political event of the year was the elections to the new Sejm in October and the subsequent reshuffling of portfolios. General Jaruzelski exchanged the Premiership to become Head of State but retained Party leadership and chairmanship of the powerful Committee of National Defence. He thus remains the effective ruler of the country. His prestige has marginally improved. His statesmanlike and largely patriotic address to the UN General Assembly earned him praise even from some of his usual critics and his stock rose after meeting President Mitterand in Paris in December. The number voting in the elections was, although low by Eastern European standards, slightly higher than in last year's local elections. This trend was accepted by the Opposition although they disputed the figures. Fewer members of the clergy voted than ever before. Nevertheless it was overall a success for the Government. The new Prime Minister, Messner, himself a Professor of Economics, now has a team largely composed of technocrats dedicated to the priority but daunting task of making some progress in improving the parlous state of the economy.

3. The removal from his Party and Government posts of the Foreign Minister, Olszowski, regarded as a hard-liner and Moscow man, should be seen as evidence of Jaruzelski's strength rather than a weakening of Soviet ties. In any event his successor as Foreign Minister, Orzechowski, has an impeccable Soviet background and should balance Olszowski's removal in Soviet eyes.

4. The Army's strong position remained undiminished.

### (b) The Opposition

5. It was again not a good year for the Opposition and its leadership remained largely in disarray. Walesa looked even more a figure of the past although still free and able to issue regular statements. Calls for strikes over rises in food prices, boycott of the elections and sundry demonstrations produced insignificant results. Solidarity's main policy statement, "5 Years since August", had little impact. The year saw arrests and releases of political prisoners but at the end of the year several leading Solidarity figures were again in prison.

### (c) The Church

6. The trial of Father Popiełuszko's murderers concluded in February with the conviction of the 4 security police. Although at its outset the authorities seemed concerned for the trial to be fair and just the latter part degenerated into a blatant attack on the Church. Father Popiełuszko's grave has become a highly political shrine. On the anniversary of his death there were more flowers and Solidarity banners than at his funeral and tens of thousands attended.

7. Cardinal Glemp had only one, apparently unproductive, meeting with General Jaruzelski in June, the first since January 1984. The Church resisted all Government pressures to put forward candidates in the Sejm elections and adopted a generally low profile throughout. Discussion of the Church Agricultural Fund lingered on.



## The Trade Unions

8. The Government-sponsored Trade Union movement made limited progress in membership, which numbered 5.7 million at the end of the year. There are, however, 52 Trade Union members in the new Sejm. There was no progress in reactivating the defunct intellectual Unions.

## Relations with the Universities

9. In November the authorities removed some sixty 'liberal' university administrators including three prominent Rectors. It was the first and harsh use of the new law on Higher Education.

## (e) The Economy

10. The Polish economy made little, if any, progress. The continued absence of central decisions on priorities coupled with the increasingly run-down industrial base meant that the economy remained in a mess. The most serious shortfall was in the hard currency trade surplus which at the end of November stood only at \$931 million against the year's target of \$1.5 billion. The surplus for the whole year is thought unlikely to exceed \$1.1 billion. The inflation rate remained at the 1984 level of 14-15% but wages rose by 19-20%. There was no evidence that the Polish worker was prepared to work harder or longer given that there remained no tangible incentives. Sugar rationing ceased but meat and petrol rationing and shortages remained.

11. Despite difficult weather conditions the harvest produced better results than other sectors of the economy although the requirement for considerable grain imports remained.

12. Little progress was achieved in economic reform. Again, there were conflicting signals from the Government: on the one hand the aim of greater decentralisation was continually stressed but moves towards large industrial combines went in the opposite direction.

13. The Paris Club Agreement on rescheduling of debts due in 1982-84 to Western governments was finally signed in July. Nevertheless foreign currency shortfalls meant that even this Agreement needed further rescheduling before the end of the year. The Poles nevertheless made payments of over \$2 billion under their obligations and our Agreement on the rescheduling of 1982-1984 Debt was signed in November.

## EXTERNAL

14. There were continued efforts on Poland's part to re-establish itself as a respectable member of the international community but there remained no discernible difference from the Soviet line in Polish statements on foreign policy issues. There was a steady stream of Soviet high-level visitors including Mr Gorbachev, who stayed on after the summit meeting to renew the Warsaw Pact. The Poles were wary of Gorbachev's attitude to Poland and, in particular, feared that there was a danger that he would be less generous with economic assistance to Poland. Relations with China improved with large numbers of Chinese ministerial visits and increased trade. Contacts with the West also increased. Apart from your own visit, the Italian Prime Minister and the West German, Japanese and Egyptian Foreign Ministers came to Warsaw. Despite regular attacks on West German revanchism one of Poland's major foreign policy achievements of the year was an overall improvement in relations with Bonn. Mr Brandt visited Warsaw in December and there was a steady stream of delegations in both directions. Polish-American political and economic relations remained sour.

15. General Jaruzelski paid visits to India, Cuba, Yugoslavia, Libya, Algeria and Tunisia, as well as to the United Nations. Apart from the latter they were devoid of substantial results. He succeeded in engineering a call on President Mitterand 'on the way' from Algiers to Tunis. This was his first meeting with a Western Head of State.



## ANGLO-POLISH RELATIONS

16. The high point on our bilateral links was your visit to Warsaw in April. Your plain-speaking had a salutary impact. Your meetings with Solidarity figures and the visit to Father Popiełuszko's grave caused the authorities a show of pique but has not harmed our relations. My own meeting with Wałęsa in October also caused muted official disquiet but no lasting effects.

17. There were significant inward Polish visits. Apart from Cardinal Glemp, the Ministers of Agriculture, the Chemical Industry, and the Vice Minister of Mining and Energy visited the UK. Anglo-Polish political consultations at Vice ministerial level were held in London in November and the Trade Mixed Commission in October. The first Anglo-Polish Round Table since 1981 was held in Oxford. Lord Jellicoe as Chairman of the British Overseas Trade Board attended the Opening of the Poznan Trade Fair.

18. The British Council had a good year with visits by the Royal Shakespeare Theatre, the Royal Choral Society and the Ballet Rambert. They also succeeded in opening a Reading Room in Wrocław with the Poles providing the premises and the staff. Our Polish language magazine 'BRYTANIA' had its circulation increased to 25,000.

19. In the trade field we retained our place as Poland's second largest Western trading partner, as did Poland second place after the Soviet Union for our trade with the Eastern Bloc. Our exports rose by 15% in the first 11 months of the year and Polish imports rose 25%. The year should end with a surplus of some £130 million in Poland's favour.

## THE FUTURE

20. Jaruzelski looks like staying in command. There is no obvious contender for the job. He will now devote an increasing proportion of his time to the Xth Party Congress due to be held in June. This will produce a Party programme which will seek to chart Poland's future course and strengthen the role of the Party. It could result in a change of Party personalities comparable to this year's Governmental reshuffle. Despite greater emphasis on ideological terminology the overall policy is likely to remain one of cautious pragmatism. There are unlikely to be any developments towards a genuine dialogue and popular support is likely still to elude Jaruzelski. He has all the legal and practical powers to smother dissent.

21. The economy will remain the major preoccupation. The new Government seems to have the right mix of qualifications but much improvement is doubtful. Housing and consumer goods shortages will continue to be acute. The burden of foreign debt will remain. Theoretically the amounts due in 1986 approach \$6 billion against a target of hard currency earnings of \$6.4 billion. Further generous governmental and commercial bank rescheduling will be essential. The chances of any substantial Western credits remain remote. IMF membership should be achieved in 1986 which should provide some help, although less than the Poles appear to expect.

22. The essential weaknesses of Jaruzelski's rule remain. He cannot deliver economic reform because he cannot command the necessary forces. Nor can he dominate the Party and is approaching the Congress with caution. He hopes for confirmation of his policies but seems prepared to make some sacrifices to preserve their essence.

23. Anglo-Polish relations should continue to improve and our exports look set to maintain their growth. Little change is likely in Poland's foreign policy generally. US-Polish relations seem likely to continue to stagnate with an exchange of Ambassadors as far off as ever. Relations with France could improve after General Jaruzelski's meeting with President Mitterand.



24. Poland remains the most liberal regime in Eastern Europe and we must continue to exploit to the full the Poles' receptivity to Western influence, while not having any illusions that we shall wean them away from their Soviet ties. High-level, hard-talking visits from the UK remain the best method of putting our views across to the leadership. The proposed visit by a Polish Parliamentary delegation to the UK in February (the first since Martial Law) and the Foreign Minister's visit projected for the first half of the year will also provide good opportunities. [REDACTED]

25. I am sending copies of this despatch to Her Majesty's representatives in Moscow and East European posts and to Her Majesty's Permanent Representatives to NATO and the European Community.

I am, Sir  
Yours faithfully

J A L MORGAN