



PM/80/85

PRIME MINISTER

Yes

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Agree that Cabinet Office should begin
 a.s.a.p. to coordinate an inter departmental
 view on the catalogue of possible measures?

① 12A

Amul 16/K11

Poland: Contingency Planning

1. The meeting of NATO Foreign Ministers in Brussels last week was dominated by the question of Poland. There was a very strong feeling, reflected in the communique, that a Soviet military intervention would be a development of the utmost gravity, striking at the root of detente and creating an entirely new situation in East/West and international relations.

2. It was recognised that, although there was little more that we could do to deter an intervention, the early provision of aid to Poland would make it less likely that economic difficulties this winter would provoke a breakdown of law and order and thus a pretext for intervention. The point is an important one. Food aid from the Community will help to meet it, but I am concerned that the Paris meeting of Western creditors is taking too leisurely an approach to the urgent problems of the short term. We should aim to make it clear to the Poles at the meetings on 22 and 23 December that, although what we may be able to do to help the Poles in the longer term will require careful consideration, we are prepared to offer them some new credit and refinancing to tide them over the next six months. The sooner we are able to give them figures on this, the better.

3. Discussions in Brussels then turned to what action Western countries should take in response to an intervention. Permanent Representatives in Brussels were instructed to keep the situation under close review and to work out proposals for the kind of response which, it was agreed, the West would need to make.

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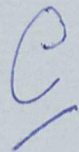


4. In subsequent discussion with our closest allies, officials have worked out a catalogue of the economic measures which could be considered by Governments in the event of an outright Soviet invasion of Poland, recognising that they would of course need to be accompanied by a full range of political measures; that actual decisions would be reserved to Governments to take at the time; and that a Soviet intervention in a form falling short of outright invasion would call for a proportionately lesser response. / I enclose a copy of the catalogue. The seven headings in it constitute a text which we have agreed with our closest partners as a basis for further discussion. The sub-headings are items which we and they have agreed informally to study in capitals.


5. I think we now need to reach an agreed inter-Departmental view on the various items in this catalogue in preparation for the next round of discussions both in the same small group of close allies and in the Nine/Ten and NATO. (Other institutions, such as the OECD and COCOM, would need to be brought into the process once the Allies had agreed to take action.) If you agree, I suggest that the Cabinet Office should arrange the necessary coordination.

6. The situation in Poland is such that Soviet intervention might occur at any time and with very little warning. I am therefore obliged to ask that this exercise be got under way and completed as soon as possible.

7. I am copying this minute to the members of OD and to Sir Robert Armstrong and to the Departments of Energy and Industry.


(CARRINGTON)

Foreign and Commonwealth Office
16 December 1980



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POLAND CONTINGENCY PLANNING

POSSIBLE ECONOMIC MEASURES

1. Selective restrictions on trade.

(a) Trade in food (note EC competence).

(b) Export credits.

(i) Lines of credit

(ii) Export credit subsidies

(iii) Export credit insurance

(iv) New consensus on terms for the Soviet Union.

(c) COCOM and technology.

(i) Maintain existing post-Afghanistan restrictions

(ii) Further tightening - a complete 'no exceptions policy'

(iii) Extension of the three lists, to include eg semi-conductor manufacturing technology, laser interferometers, categories of automatic testing devices, etc

(iv) Settling differences over computers.

(d) Problems related to industrial contracts (sic)

(i) New or existing contracts?

(ii) Large contracts only?

2. Possible suspension of air services with the Soviet Union.

(i) Passenger services

(ii) Charter flights

(iii) Overflights

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3. Shipping

- (i) Closure of ports
- (ii) Possible termination of maritime agreements
- (iii) Trans-Siberian Railway.

4. Fishing.

- (i) Termination of fishing agreements
- (ii) Factory ships.

5. Energy

- (i) Suspension of gas pipeline project.

6. Finance

- (i) Restriction of acceptance of Soviet deposits by Western Banks
- (ii) Restriction of loans by Western Banks to the Soviet Union.
- (iii) Restrictions on the activities of Soviet Banks.
- (iv) Freezing of Soviet assets.

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