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FM WARSAW 061420Z JAN

TO PRIORITY FCO

TELEGRAM NUMBER 6 OF 6 JAN

INFO MOSCOW PRAGUE SOFIA BUDAPEST BUCHAREST EAST BERLIN

BELGRADE UKDEL NATO WASHINGTON PARIS BONN HELSINKI

STOCKHOLM MODUK

Read in full.

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POLISH SITUATION

1. WHILE THE ATMOSPHERE IS MUCH LESS TENSE THAN IT WAS IN THE FIRST HALF OF DECEMBER, DISAGREEMENT HAS BEEN BUILDING UP BETWEEN THE GOVERNMENT AND SOLIDARITY ON THE ISSUE OF FREE SATURDAYS.

2. THE GOVERNMENT GOT ITSELF INTO A MESS BY AGREEING LAST AUTUMN TO MAKE ALL SATURDAYS FREE FOR MINERS, WHILE IN THE GDANSK AGREEMENTS THEY ONLY AGREED TO INCREASE THE NUMBER OF FREE SATURDAYS. THEY HAVE SO FAR CARRIED OUT THE AGREEMENTS TO THE LETTER ANNOUNCING TWO FREE SATURDAYS A MONTH FOR EVERYONE EXCEPT MINERS WHO ARE TO HAVE ALL SATURDAYS OFF. AFTER PROTESTS THEY HAD HASTILY TO OFFER LAST WEEK 3 FREE SATURDAYS IN JANUARY WITH DECISIONS ON THE REST OF THE YEAR PROMISED LATER THIS MONTH.

3. ALTHOUGH THIS IS NOT AN ISSUE LIKELY TO WIN GREAT SYMPATHY ABROAD, SOLIDARITY APPEAR CURRENTLY TO BE PRESSING IT HARDER THAN THOSE OF THE TRADE UNION LAW OR CENSORSHIP OF FOOD SUPPLIES. NO DOUBT THERE IS GRASS ROOTS PRESSURE FOR FREE SATURDAYS AND SOLIDARITY'S FACTORY-LEVEL ELECTIONS ARE NOW TAKING PLACE. FURTHERMORE IT IS SEEN AS A GOOD SIMPLE CONCRETE ISSUE BY THOSE WHO ARE LOOKING FOR ONE AND WHO ARE AFRAID OF SOLIDARITY SINKING BACK INTO INACTIVITY. IT IS ACCEPTED THAT THE GOVERNMENT CANNOT PRODUCE MORE MEAT AND MORE FLATS AT ONCE BUT THEY CAN AT LEAST PRODUCE MORE FREE SATURDAYS. THERE IS ALSO ROOM FOR SUGGESTIONS THAT THE GOVERNMENT IS GOING BACK ON THE AGREEMENTS OF LAST AUTUMN.

4. A MAJOR CONFRONTATION ON THIS POINT ALONE IS UNLIKELY BUT IT COULD SERIOUSLY CLOUD THE RECENT HONEYMOON BETWEEN GOVERNMENT AND UNIONS. THE SITUATION MAY BE CLEARER AFTER A MEETING OF SOLIDARITY'S FULL BOARD LATER THIS WEEK.

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5. THE MAJOR SHORT-TERM PRE-OCCUPATION IS TO MEET PAYMENTS DUE IN THE FIRST QUARTER OF 1981 BEFORE A GENERAL AGREEMENT WITH WESTERN CREDITORS IS REACHED. THE SUPPLY SITUATION IN THE MARKET IS A LITTLE EASIER THAN IT WAS IN DECEMBER PROBABLY BECAUSE OF EXTENSIVE GOVERNMENT PURCHASE FOR THE CHRISTMAS SEASON. THE COUNTRY HAS BEEN STRIKE-FREE FOR SEVERAL WEEKS AND THE ECONOMY IS GENERALLY WORKING AGAIN. BUT COAL, TRANSPORT AND POWER SUPPLIES REMAIN PROBLEM AREAS WHICH COULD GET MUCH WORSE IF HARD WEATHER SETS IN. MINOR REFORMS (TO BE REPORTED SEPARATELY) CAME INTO FORCE ON JANUARY 1ST BUT NO FURTHER ANNOUNCEMENTS HAVE BEEN MADE ABOUT MAJOR REFORM WHICH IS BEING STUDIED BY A 200 STRONG COMMISSION.

FOREIGN AFFAIRS

6. THE FOREIGN MINISTER'S VISIT TO MOSCOW ON DECEMBER 26 IS REPRESENTED AS A PURELY ROUTINE VISIT AND I WAS TOLD BY VICE-MINISTER OLECHOWSKI THAT ONLY 10% OF THE TIME WAS DEVOTED TO POLISH AFFAIRS. THE REST OF THE DISCUSSIONS COVERED THE INTERNATIONAL SCENE AND MINISTER CZYREK HAD RETURNED VERY SATISFIED WITH THE JOINT SOVIET/POLISH DETERMINATION TO DO EVERYTHING POSSIBLE '' AND INDEED IMPOSSIBLE'' TO IMPROVE THE STATE OF EAST-WEST RELATIONS.

7. OLECHOWSKI SAID THAT POLAND NOW WISHED TO RESUME THE ACTIVE ROLE IN FOREIGN AFFAIRS WHICH IT PLAYED BEFORE THE EVENTS OF LAST AUGUST, NOTABLY AS SOMETHING OF A BRIDGE BETWEEN EAST AND WEST. IT IS DIFFICULT HOWEVER TO ENVISAGE POLAND IN ITS PRESENT STATE CUTTING MUCH OF A DASH. NOR CAN I BELIEVE THAT POLISH INFLUENCE WITH THE USSR AND OTHER WARSAW PACT COUNTRIES ON FOREIGN AFFAIRS CAN YET BE ANYTHING BUT SLIGHT. RECENT PRESS ARTICLES REFLECT A GOOD DEAL OF THE SOVIET VIEWS ON SUCH MATTERS AS THE RECENT NATO MEETING. THIS IS NO DOUBT PART OF THE PRICE TO BE PAID FOR SOVIET AID IN OTHER FIELDS.

PRIDHAM

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[THIS TELEGRAM WAS NOT ADVANCED]

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