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FM FCO 182200Z DEC 81

TO PRIORITY WARSAW

TELEGRAM NUMBER 720 OF 18 DECEMBER

INFO ROUTINE WASHINGTON PARIS BONN UKDEL NATO MOSCOW UKREF BRUSSELS
INFO SAVING BUDAPEST BUCHAREST BELGRADE PRAGUE EAST BERLIN SOFIA

POLISH CRISIS

1. YOU MAY FIND IT HELPFUL TO HAVE A BRIEF REVIEW OF HOW THE SITUATION LOOKS FROM THIS END, TOWARDS THE END OF THE FIRST WEEK, AND OUR VIEWS ON SOME OF THE PARTICULAR PROBLEMS WHICH HAVE EMERGED.
2. THE RUSSIANS UNDOUBTEDLY KNEW WHAT WAS GOING TO HAPPEN AND APPROVED OF IT. THEY PRESUMABLY HAVE CONTINGENCY PLANS INCLUDING DIRECT INTERVENTION IF THE SITUATION APPEARED TO BE GETTING OUT OF THE CONTROL OF THE POLISH AUTHORITIES. IT IS POSSIBLE THAT JARUZELSKI MAY AT LEAST BE PARTLY SINCERE IN HIS REFERENCES TO RETURNING TO THE PATH OF REFORM AND RENEWAL. BUT IT IS DOUBTFUL WHETHER EVENTS WILL PERMIT THIS, AT LEAST IN THE NEXT FEW WEEKS AND POSSIBLY MONTHS. ANOTHER INTERPRETATION IS THAT WE ARE WITNESSING THE START OF THE EXTINCTION OF THE PROCESS OF RENEWAL WHICH BEGAN IN AUGUST 1980.
3. IN PUBLIC A STRONGER LINE THAN THAT IN THE STATEMENT ISSUED BY THE TEN ON 15 DECEMBER HAS BEEN NECESSARY TO MATCH THE WORSENING SITUATION AND THE TONE OF COMMENT FROM OTHER WESTERN CAPITALS. THIS IS REFLECTED IN THE PASSAGE ON POLAND IN MY SPEECH ON 17 DECEMBER IN STRASBOURG. THE TASK OF COORDINATION WITH OUR PARTNERS WILL NOT GET ANY EASIER. BUT IT IS ESSENTIAL THAT CRACKS OVER BOTH PRESENTATION AND POLICY DO NOT OPEN UP.
4. ON DETAILED QUESTIONS WE HAVE CONSIDERED WHETHER WE SHOULD INCREASE THE BROADCASTING HOURS OF THE BBC POLISH SERVICE, BUT FOR THE PRESENT, FOR A VARIETY OF REASONS, WE HAVE DECIDED AGAINST THIS.
5. WE ARE MAINTAINING OUR PRESENT POLICY OVER THE ISSUE OF VISAS WHILE ACKNOWLEDGING THAT RESTRICTIONS IMPOSED BY THE POLES EFFECTIVELY PREVENT THEM BEING TAKEN UP FOR THE TIME BEING. NEVERTHELESS IF THE SITUATION DEGENERATES FURTHER THE UK, LIKE OTHERS, COULD BE FACED WITH A CONSIDERABLE REFUGEE PROBLEM. WE ARE EXAMINING THIS URGENTLY WITH THE HOME OFFICE.

16.

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6. THE GOVERNMENT HAS COME UNDER PRESSURE TO TAKE ON A COORDINATING ROLE FOR THE VARIOUS VOLUNTARY AGENCIES PROVIDING HUMANITARIAN RELIEF. WE SHALL BE REVIEWING THE POSITION IN THE LIGHT OF AN INTER-AGENCY MEETING WHICH THE RED CROSS ARE HOLDING ON 21 DECEMBER.

7. FINALLY THERE ARE A NUMBER OF COMPLEX AND SENSITIVE ECONOMIC QUESTIONS. AT THE MOMENT COMMUNITY ASSISTANCE ALREADY 'IN THE PIPELINE' INCLUDING THE 8,000 TONNES OF BEEF WHICH IS TO BE SUPPLIED AS A GIFT BEFORE CHRISTMAS, IS GOING AHEAD. A DECISION WILL HOWEVER BE NEEDED QUITE SOON ON THE SECOND PART OF THE THIRD TRANCHE OF COMMUNITY FOOD ASSISTANCE. WE ARE ALSO LOOKING AGAIN AT THE RELATIVELY SMALL AMOUNT OF INDUSTRIAL CREDIT WHICH REMAINS OUTSTANDING FOR FINANCIAL YEAR 1981/82 (APRIL). RESCHEDULING ARRANGEMENTS FOR 1981 ARE ALREADY COMPLETE. AS FAR AS 1982 IS CONCERNED, THE POSITION ON RESCHEDULING AND CREDIT FOR URSUS WILL BE REVIEWED EARLY IN THE NEW YEAR IN THE LIGHT OF THE CIRCUMSTANCES AT THE TIME.

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2

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