



Foreign and Commonwealth Office

London SW1A 2AH

13 January 1982

*Dear John,*Poland

You will have seen the Declaration issued at the NATO Foreign Ministers' meeting on 11 January. The Americans were grateful for the firm tone of its political language as well as for the willingness of those concerned (less the Greeks) to list the sort of measures which they could consider taking. The clear demonstration of unity will have disappointed the Soviet Union, who had hoped and worked for a major demonstration of disarray.

The pressure will now be on the European Allies to translate these words into action. This will not be easy. There is likely to be a series of meetings in the Community, the Ten and NATO with a view to reaching decisions in the week starting 25 January. Decisions which fall to be taken in the Community could be taken in the Foreign Affairs Council of 25/26 January. Other decisions which are for individual governments may be co-ordinated in discussions in the NATO framework (where there will be a follow-up Council meeting on 21 January), although we may have trouble with the French, and, for different reasons, the Irish. The biggest impact would be made if the decisions were all announced at the same time after a final co-ordinating session in the NATO Council. But we doubt if it will be possible to achieve this. Decisions taken in the Community become known almost immediately and some alliance members, and the Irish, may announce their national measures at times which suit them.

As far as Parliament is concerned, however, Lord Carrington believes we should aim at a statement immediately after the decisive session in NATO. He will return to this question if it proves impossible to co-ordinate in NATO and the Ten as tightly as he would like.

/For the time

A J Coles Esq  
10 Downing Street





For the time being he does not think any new decisions are needed. Officials are proceeding on the basis of the decisions reached when Ministers met on 7 January and recorded in your letter of 8 January. I would, however, like to draw attention to the following points which have emerged in discussion in NATO and the Community.

#### Subsidised Food Sales to Poland

Discussion in Brussels on 12 January indicated, as expected, that the French would press hard for continued sales at special subsidised prices (ie 15% discount from normal prices), supported by credits from individual member states. It is not clear yet whether they will be able to rally majority support. The Germans gave hesitant backing. As Lord Carrington made clear at the meeting on 7 January, he is unhappy about further such subsidised sales in the present circumstances in Poland. But he does not propose to attempt to block them if the rest of the Community thinks otherwise, although he will continue to argue in favour of operating wherever possible through voluntary or church agencies, and in any case of obtaining the best assurances we can from the Polish authorities that the food will be going to the people for whom it is intended. He is not, however, in favour of providing any credit for UK suppliers to participate in any forthcoming Community offer, although there would of course be nothing to stop UK traders from selling food for cash - which the Poles seem ready to produce for at any rate one commodity (butter) - with the benefit of the special Community subsidy.

There seems to be general agreement within the Community on the principle of further humanitarian aid to Poland. Lord Carrington proposes to continue supporting this. He hopes, however, that it can be agreed that there can be no question of the cost of this humanitarian assistance falling upon the ODA budget, even if the Community finds it most convenient to use funds from the Community aid budget.

#### Gas Pipeline

The Americans have publicly taken all the steps necessary to apply the regulations they have published in a way which will prevent the execution of existing contracts. This emphasises the importance of discussions to reach agreement on the precise meaning of the undertaking "not to undermine the effects of each other's measures". It does seem, however, that the Americans understand European concerns and are aware of the determination of the Germans and others that major contracts already signed should be honoured. We shall, however, need to keep up the pressure and we shall report at once if it looks as if the Americans may not be prepared to be co-operative over this. It is of course possible that the US position may be tactical, ie that they want to see the Europeans deliver a package of measures comparable to those

/announced





announced by President Reagan on 29 December before they give way over the pipeline.

Non-Undermining

The commitment by all members of the Alliance not to undermine each other's measures has served an important political purpose, and has received a favourable public reaction. But we shall need to consider carefully how it is to be given practical effect with regard to future contracts.

Export Credits

It was agreed at NATO that we and others should examine "the conditions surrounding export credits" to the Soviet Union. The size of our credits depends on the volume of our existing and future exports and also on what trade measures towards the Soviet Union are finally agreed. We must try to ensure that we do not suffer more than other countries whose exporters make less use of official credits and guarantees.

One measure which Lord Carrington believes that we should consider is that members of the OECD Export Credit Consensus (which includes all major NATO members) should agree to up-grade the Soviet Union from the category of "intermediate" to "relatively rich", which is where it belongs. Not only would this reduce the export credit subsidies the Soviet Union receives; but it would also affect most NATO members equally. It would take time, but he believes we should press strongly for this.

I am sending copies of this letter to the Private Secretaries to the Chancellor of the Exchequer and the Secretaries of State for Industry, Trade and Agriculture, and to David Wright in the Cabinet Office.

*Yours ever,*

*F N Richards*

(F N Richards)  
Private Secretary





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POLAND: ADVANCE COPIES

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RESIDENT CIEPK

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TO IMMEDIATE FOREIGN AND COMMONWEALTH OFFICE,

TELEGRAM NUMBER 015 OF 11 JANUARY 1982,

INFO IMMEDIATE WASHINGTON, PARIS, BONN, WARSAW, MOSCOW,

INFO PRIORITY ALL OTHER NATO POSTS, UKMIS NEW YORK, UKMIS GENEVA,

UKREF BRUSSELS, MADRID,

INFO SAVING TOKYO, CANBERRA, WELLINGTON, PRAGUE, SOFIA, EAST

BERLIN, BUCHAREST, BUDAPEST, BELGRADE, STOCKHOLM, VIENNA, BERNE,

HELSINKI.

NORTH ATLANTIC COUNCIL : POLAND.

1. THE FOLLOWING IS THE TEXT OF THE DECLARATION ON EVENTS IN POLAND  
ISSUED FOLLOWING TODAY'S MEETING OF THE COUNCIL AT MINISTERIAL  
LEVEL.

QUOTE:



1. THE ALLIED GOVERNMENTS CONDEMN THE IMPOSITION OF MARTIAL LAW IN POLAND AND DEMOUNCE THE MASSIVE VIOLATION OF HUMAN RIGHTS AND THE SUPPRESSION OF FUNDAMENTAL CIVIL LIBERTIES IN CONTRAVENTION OF THE UNITED NATIONS CHARTER, THE UNIVERSAL DECLARATION ON HUMAN RIGHTS AND THE FINAL ACT OF HELSINKI.

2. THE PROCESS OF RENEWAL AND REFORM WHICH BEGAN IN POLAND IN AUGUST 1980 WAS WATCHED WITH SYMPATHY AND HOPE BY ALL WHO BELIEVE IN FREEDOM AND SELF-DETERMINATION; IT RESULTED FROM A GENUINE EFFORT BY THE OVERWHELMING MAJORITY OF THE POLISH PEOPLE TO ACHIEVE A MORE OPEN SOCIETY IN ACCORDANCE WITH THE PRINCIPLES OF THE FINAL ACT OF HELSINKI.

3. THE IMPOSITION OF MARTIAL LAW, THE USE OF FORCE AGAINST POLISH WORKERS, WITH THE THOUSANDS OF INTERMENTS, THE HARSH PRISON SENTENCES AND THE DEATHS THAT FOLLOWED, HAVE DEPRIVED THE POLISH PEOPLE OF THEIR RIGHTS AND FREEDOMS, IN PARTICULAR IN THE FIELD OF TRADE UNIONS. THESE ACTS THREATEN TO DESTROY THE BASIS FOR RECONCILIATION AND COMPROMISE WHICH ARE NECESSARY TO PROGRESS AND STABILITY IN POLAND. THEY ARE IN CLEAR VIOLATION OF POLISH COMMITMENTS UNDER THE HELSINKI FINAL ACT, PARTICULARLY THE PRINCIPLE RELATING TO RESPECT FOR HUMAN RIGHTS AND FUNDAMENTAL FREEDOMS. DEVELOPMENTS IN POLAND DEMONSTRATE ONCE AGAIN THE RIGIDITY OF THE WARSAW PACT REGIMES WITH RESPECT TO THOSE CHANGES NECESSARY TO MEET THE LEGITIMATE ASPIRATIONS OF THEIR PEOPLES. THIS ENDANGERS PUBLIC CONFIDENCE IN CO-OPERATION BETWEEN EAST AND WEST AND SERIOUSLY AFFECTS INTERNATIONAL RELATIONS.

4. THE ALLIES DEPLORE THE SUSTAINED CAMPAIGN MOUNTED BY THE SOVIET UNION AGAINST EFFORTS BY THE POLISH PEOPLE FOR NATIONAL RENEWAL AND REFORM, AND ITS ACTIVE SUPPORT FOR THE SUBSEQUENT SYSTEMATIC SUPPRESSION OF THOSE EFFORTS IN POLAND. THESE ACTS CANNOT BE RECONCILED WITH THE SOVIET UNION'S INTERNATIONAL UNDERTAKINGS, AND IN PARTICULAR WITH THE PRINCIPLES OF THE FINAL ACT OF HELSINKI, ESPECIALLY THOSE DEALING WITH SOVEREIGNTY, NON-INTERVENTION, THREAT OF FORCE, AND SELF-DETERMINATION. THE SOVIET UNION HAS NO RIGHT TO DETERMINE THE POLITICAL AND SOCIAL DEVELOPMENT OF POLAND.

5. THE ALLIES CALL UPON THE POLISH LEADERSHIP TO LIVE UP TO ITS DECLARED INTENTION TO RE-ESTABLISH CIVIL LIBERTIES AND THE PROCESS OF REFORM. THEY URGE THE POLISH AUTHORITIES TO END THE STATE OF MARTIAL LAW, TO RELEASE THOSE ARRESTED, AND TO RESTORE IMMEDIATELY A DIALOGUE WITH THE CHURCH AND SOLIDARITY. ONLY WITH RECONCILIATION AND GENUINE NEGOTIATION CAN THE BASIC RIGHTS OF THE POLISH PEOPLE AND WORKERS BE PROTECTED AND THE POLISH PEOPLE...



~~DIALOGUE WITH THE CHURCH AND SOLIDARITY, ONLY WITH RESPECT TO THE~~  
~~RELATION CAN THE BASIC RIGHTS OF THE POLISH PEOPLE~~  
AND WORKERS BE PROTECTED, AND THE ECONOMIC AND SOCIAL PROGRESS OF  
THE COUNTRY BE SECURED. POLAND COULD THEN EXPECT TO ENJOY FULLY  
THE BENEFITS OF STABILITY IN EUROPE AND OF CONSTRUCTIVE POLITICAL  
AND ECONOMIC RELATIONS WITH THE WEST.

6. THE ALLIES CALL UPON THE SOVIET UNION TO RESPECT POLAND'S  
FUNDAMENTAL RIGHT TO SOLVE ITS OWN PROBLEMS FREE FROM FOREIGN  
INTERFERENCE AND TO RESPECT THE CLEAR DESIRE OF THE OVERWHELMING  
MAJORITY OF THE POLISH PEOPLE FOR NATIONAL RENEVAL AND REFORM.  
SOVIET PRESSURE, DIRECT OR INDIRECT, AIMED AT FRUSTRATING THAT  
DESIRE, MUST CEASE. THE ALLIES ALSO WARN THAT IF AN OUTSIDE ARMED  
INTERVENTION WERE TO TAKE PLACE IT WOULD HAVE THE MOST PROFOUND  
CONSEQUENCES FOR INTERNATIONAL RELATIONS.

7. IN THEIR COMMUNIQUE OF 11TH DECEMBER, 1981, NATO MINISTERS  
REAFFIRMED THEIR COMMITMENT TO WORK FOR A CLIMATE OF CONFIDENCE AND  
MUTUAL RESTRAINT IN EAST-WEST RELATIONS: WHAT HAS SINCE HAPPENED  
IN POLAND HAS GREAT SIGNIFICANCE FOR THE DEVELOPMENT OF SECURITY  
AND CO-OPERATION IN EUROPE. THE PERSISTENCE OF REPRESSION IN POLAND  
IS ERODING THE POLITICAL FOUNDATION FOR PROGRESS ON THE FULL AGENDA  
OF ISSUES WHICH DIVIDE EAST AND WEST.

8. THE ALLIES REMAIN COMMITTED TO THE POLICIES OF EFFECTIVE  
DETERRENCE AND THE PURSUIT OF ARMS CONTROL AND IN PARTICULAR HAVE  
WELCOMED THE INITIATIVES CONTAINED IN PRESIDENT REAGAN'S 18TH  
NOVEMBER SPEECH. THE SOVIET UNION WILL BEAR FULL RESPONSIBILITY IF  
ITS ACTIONS WITH REGARD TO POLAND AND ITS FAILURE TO LIVE UP TO  
EXISTING INTERNATIONAL OBLIGATIONS DAMAGE THE ARMS CONTROL PROCESS.  
A RETURN TO THE PROCESS OF REAL REFORMS AND DIALOGUE IN POLAND  
WOULD HELP CREATE THE ATMOSPHERE OF MUTUAL CONFIDENCE AND RESTRAINT  
REQUIRED FOR PROGRESS IN NEGOTIATIONS IN THE FIELD OF ARMS CONTROL  
AND LIMITATIONS, INCLUDING THE GENEVA TALKS ON INTERMEDIATE-RANGE  
NUCLEAR FORCES DUE TO RESUME ON 12TH JANUARY.

9. IN VIEW OF THE GRAVE DEVELOPMENTS IN POLAND, WHICH CONSTITUTE  
A SERIOUS VIOLATION OF THE HELSINKI FINAL ACT, THE ALLIES AGREED  
THAT THE MADRID CONFERENCE SHOULD DEAL WITH THE SITUATION AS SOON  
AS POSSIBLE AT THE LEVEL OF FOREIGN MINISTERS.

10. THE ALLIES WILL ALSO INTENSIFY THEIR EFFORTS TO BRING TO THE  
ATTENTION OF WORLD PUBLIC OPINION AND INTERNATIONAL ORGANIZATIONS  
INCLUDING THE UNITED NATIONS AND ITS SPECIALIZED AGENCIES SUCH AS  
THE INTERNATIONAL LABOUR ORGANIZATION, THE VIOLATION OF HUMAN RIGHTS



THE INTERNATIONAL LEADER ORGANIZATION, THE VIOLATION OF HUMAN RIGHTS AND ACTS OF VIOLENCE IN POLAND.

11. EACH ALLY WILL IN ACCORDANCE WITH ITS OWN SITUATION AND LEGISLATION IDENTIFY APPROPRIATE NATIONAL POSSIBILITIES FOR ACTION IN THE FOLLOWING FIELDS:

- (A) FURTHER RESTRICTIONS ON THE MOVEMENTS OF SOVIET AND POLISH DIPLOMATS, AND OTHER RESTRICTIONS ON SOVIET AND POLISH DIPLOMATIC MISSIONS AND ORGANIZATIONS;
- (B) REDUCTION OF SCIENTIFIC AND TECHNICAL ACTIVITIES OR NON-RENEWAL OF EXCHANGE AGREEMENTS;

MEANWHILE THE ALLIES EMPHASIZE:

- THEIR DETERMINATION TO DO WHAT LIES IN THEIR POWER TO ENSURE THAT THE TRUTH ABOUT EVENTS IN POLAND CONTINUES TO REACH THE POLISH PEOPLE DESPITE THE OBSTACLES CREATED BY THE AUTHORITIES IN WARSAW AND MOSCOW IN DIRECT CONTRAVENTION OF THEIR OBLIGATIONS UNDER THE HELSINKI FINAL ACT;
- THEIR RESOLVE THAT THE EQUALITY OF THEIR RELATIONS WITH THE MILITARY REGIME IN POLAND SHOULD REFLECT THE ABNORMAL NATURE OF THE PRESENT SITUATION AND THEIR REFUSAL TO ACCEPT IT AS PERMANENT;
- THEIR WILLINGNESS TO CONTRIBUTE, WITH OTHER GOVERNMENTS, TO THE SOLUTION OF THE PROBLEM OF POLISH CITIZENS NOW ABROAD AND UNABLE OR UNWILLING TO RETURN TO THEIR OWN COUNTRY.

12. THE ALLIES RECOGNIZE THE IMPORTANCE OF ECONOMIC MEASURES TO PERSUADE THE POLISH AUTHORITIES AND THE SOVIET UNION OF THE SERIOUSNESS OF WESTERN CONCERN OVER DEVELOPMENTS IN POLAND, AND STRESS THE SIGNIFICANCE OF THE MEASURES ALREADY ANNOUNCED BY PRESIDENT REAGAN.

13. REGARDING ECONOMIC RELATIONS WITH POLAND, THE ALLIES:

- NOTED THAT FUTURE COMMERCIAL CREDITS FOR GOODS OTHER THAN FOODS WILL BE PLACED IN ABEYANCE;
- NOTED THAT THE QUESTION OF HOLDING NEGOTIATIONS ABOUT THE PAYMENTS DUE IN 1982 ON POLAND'S OFFICIAL DEBTS SHOULD, FOR THE TIME BEING, BE HELD IN SUSPENSE;



~~AFFIRMED~~ THEIR WILLINGNESS TO CONTINUE AND INCREASE HUMANITARIAN AID TO THE POLISH PEOPLE FOR DISTRIBUTION AND MONITORING BY NON-GOVERNMENTAL ORGANIZATIONS TO ENSURE THAT IT REACHES THE PEOPLE FOR WHOM IT IS INTENDED:

- NOTED THAT THOSE ALLIES WHICH SELL FOOD TO POLAND WILL SEEK THE CLEARST POSSIBLE POLISH COMMITMENTS WITH REGARD TO THE USE OF THE FOOD.

14. IN THE CURRENT SITUATION IN POLAND, RELATIONS WITH POLAND AND THE SOVIET UNION ARE BOUND TO BE AFFECTED. SOVIET ACTIONS TOWARDS POLAND MAKE IT NECESSARY FOR THE ALLIES TO EXAMINE THE COURSE OF FUTURE ECONOMIC AND COMMERCIAL RELATIONS WITH THE SOVIET UNION. RECOGNISING THAT EACH OF THE ALLIES WILL ACT IN ACCORDANCE WITH ITS OWN SITUATION AND LAWS, THEY WILL EXAMINE MEASURES WHICH COULD INVOLVE ARRANGEMENTS REGARDING IMPORTS FROM THE SOVIET UNION, MARITIME AGREEMENTS, AIR SERVICES AGREEMENTS, THE SIZE OF SOVIET COMMERCIAL REPRESENTATION AND THE CONDITIONS SURROUNDING EXPORT CREDITS.

15. THE ALLIES WILL MAINTAIN CLOSE CONSULTATIONS ON THE IMPLEMENTATION OF THEIR RESOLVE NOT TO UNDERMINE THE EFFECT OF EACH OTHER'S MEASURES.

16. IN ADDITION TO AGREEING TO CONSULT ON STEPS TO BE TAKEN IN THE NEAR FUTURE, THE ALLIES WILL ALSO REFLECT ON LONGER-TERM EAST-WEST ECONOMIC RELATIONS, PARTICULARLY ENERGY, AGRICULTURAL COMMODITIES AND OTHER GOODS, AND THE EXPORT OF TECHNOLOGY, IN LIGHT OF THE CHANGED SITUATION AND OF THE NEED TO PROTECT THEIR COMPETITIVE POSITION IN THE FIELD OF MILITARY AND TECHNOLOGICAL CAPABILITIES. UNQUOTE.

2. THERE ARE FOOTNOTES RECORDING GREEK RESERVATIONS ON THE PENULTIMATE SENTENCE OF PARAGRAPH 3 AND ON PARAGRAPHS 11, 12, 13, 14 AND 16.

3. COMMENT FOLLOWS.

FCO PLEASE PASS SAVING TO TOKYO, CANBERRA, WELLINGTON, PRAGUE, SOFIA, EAST BERLIN, BUCHAREST, BUDAPEST, BELGRADE, STOCKHOLM, VIENNA, DENN, HELSINKI.

ROSE.