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28th April 1988
to ASBPA with thank
DPA(88)347

To: Director of Private Office
cc: Director, Economics Directorate
Secretary, IMS
Chief, SITCEN
From: ASG for Political Affairs
Subject: Industrial unrest in Poland
Ref: DPA(88)344

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Summary

1. The latest reports from Poland suggest that the authorities have little idea of how the situation will evolve, are reluctant to use force to deal with it, but may have to do so if pushed too hard.

Detail

2. The strike at the "Lenin" steelworks in Nowa Huta is now in its third day. The number of strikers is put variously at 4,000, 8,000 and 12,000 (figures for the total workforce at the plant are put at 15-30,000). Though OPZZ seems tacitly to be backing their action, negotiations are being conducted by a nine-man team of strikers' representatives. Their demands include an immediate 50% wage increase to compensate for recent price rises; the reinstatement in the work-force of former Solidarity activists; and a 6000 zloty (\$15) monthly pay increase for all other industrial workers, teachers, health workers and pensioners throughout the country.

3. In their response, the authorities have tried to look firm, but not provocative. Following a PZPR Politburo meeting already on the first day of the strike (26th April), a statement was published yesterday calling on the government to take "radical" measures to end what the Politburo called "unfavourable spontaneous processes". At the same time it urged the authorities to use "care and consideration" in dealing with the situation. An official agency (PAP) report said that any wage demands not based on actual productivity increases were entirely unjustified. It also accused the strikers of "seeking to heighten the tension in the country" before May Day and implied that their real purpose was to achieve a comeback for Solidarity.

4. A separate item attacked Walesa who has allegedly called strike alerts at factories in the Wroclaw, Szczecin and Gdansk regions and ordered Solidarity supporters to strike if force were used against the Nowa Huta strikers. PAP commented that Walesa's ability to organise strikes in 1981 was still having a "negative impact" in Poland.

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Comment

5. Negotiations at Nowa Huta appear to be deadlocked. According to today's Financial Times, the strike committee actually turned down an offer of a 50% pay rise. If this is true, then the strikers would seem to be bent on raising their demands into a national political issue - particularly in view of their calls for reinstatement of ex-Solidarity officials and compensation for some 12 million other workers and pensioners. Walesa has entered the lists - which suggests that Solidarity and the OPZZ may be in some kind of covert coalition; also that he is confident that this is the right political and psychological moment to encourage industrial workers to take on the authorities once again.

6. For their part, the latter seem to be trying very hard to avoid any physical confrontation. No police presence has been reported yet near the Nowa Huta mill, even though the strikers have acted illegally under Polish law by going on strike before negotiating. The local scene is reported to be generally quiet, with no banners or slogans: yesterday striking workers were staying at their posts for two consecutive shifts, and then going home.

Outlook

7. This could be the lull before the storm. Several reports suggest that strike actions are spreading from Nowa Huta to Krakow itself (transport and dairy workers) and more significantly to the Stalowa Wola engineering works in the region south of Krakow. So far, the authorities appear to have no actual security problem on their hands. But if the strikes reach Warsaw and the Baltic ports, then the situation will almost certainly become more volatile. The real test may come on 1st May, if Solidarity tries to exploit the current situation to organise counter-demonstrations (as it did in 1981-83) and again on 3rd May, which is traditionally marked by all opposition forces as Poland's pre-war Constitution Day. On the other hand, Solidarity tactics so far suggest that they will try to avoid violence and to keep the confrontation with the government for as long as possible behind locked factory gates - something which resembles a re-run of the summer of 1980.

8. We have now heard that Deputy Prime Minister Sadowski, who is in charge of Poland's economic reform programme, has cancelled the visits he was to have made this weekend to the UK and to the US (for talks with the IMF). Other senior officials have openly admitted to Western embassies in Warsaw their nervousness about the present situation. So far we have seen no reaction from TASS.

for Robert Baron
Henning WEGENER

Drafted: D.I. Miller, Head RSQS/PA - Ext. 2082
Concurred: W.R. Pearson, DASG/PA - Ext. 2080

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