1. CONFIDENTIAL - ENTIRE TEXT.

2. SUMMARY. GENERAL KISZCZAK ASKED ME TO CALL ON HIM TODAY AND GAVE A RATHER ALARMING REVIEW OF THE CURRENT POLITICAL SITUATION. HE EXPLAINED THAT SOLIDARITY'S LATEST PROPOSAL THAT IT TAKE OVER THE GOVERNMENT IN COALITION WITH THE PEASANT PARTY AND DEMOCRATIC PARTY (WHICH ARE FORMALLY ALLIED WITH THE COMMUNISTS) WAS UNACCEPTABLE TO THE SENIOR OFFICERS OF THE ARMY AND POLICE AND TO THE CZECHS, EAST GERMANS AND SOVIETS. HE SAID HE WAS PREPARED TO SUBJECT HIS PROPOSED NEW GOVERNMENT TO INTENSE MONTHS IF ECONOMIC REFORMS WERE NOT BEING CARRIED OUT TO THE FULL SATISFACTION OF THE OPPOSITION. HE NOTED THAT WALESA HAD FORMALLY AND REPEATEDLY PROMISED HIM SOLIDARITY SUPPORT WHEN HE WAS A CANDIDATE FOR PRESIDENT BUT NOW WAS SUDDENLY OPPOSING HIS CANDIDATURE FOR THE PREMIERSHIP. HE STRONGLY HINTED THAT "EVERYONE IN POLAND" ASSUMES SOLIDARITY IS ACTING UNDER WESTERN ORDERS OR INFLUENCE.

I RESPONDED BY RESTATING OUR SUPPORT FOR THE ROUND TABLE AGREEMENTS AND DENYING THAT THE U.S. GOVERNMENT HAD INSPIRED SOLIDARITY'S LATEST TACTICAL MOVE. WE REGARDED THE COMPOSITION OF THE NEW GOVERNMENT AS IMPORTANT FOR THE FUTURE STABILITY OF POLAND AND THE EASTERN EUROPEAN REGION.
OF THE GOVERNMENT AS AN INTERNAL POLISH MATTER.
KISZCZAK ALSO OFFERED SOME STARTLINGLY GLOOMY VIEWS ON GORBACHEV'S PROSPECTS IN THE SOVIET UNION. I LEFT WITH THE CLEAR IMPRESSION THAT POLAND IS ENTERING A PERIOD OF VERY SERIOUS CRISIS.

3. GENERAL KISZCZAK ASKED ME TO CALL TODAY AT NOON FOR A PRIVATE CONVERSATION LASTING AN HOUR AND A QUARTER, WHICH HE SAID WAS THE FIRST OF ITS KIND HE HAS HELD WITH A NATO AMBASSADOR. HE EXPRESSED PLEASURE AT THE OPPORTUNITY HE HAD TO MEET THE PRESIDENT AND GENERAL SCOWCROFT AND NOTED SOMEWHAT RUEFULLY THAT GENERAL SCOWCROFT HAD AT DINNER HALF-JOKINGLY URGED HIM TO ACCEPT THE RESPONSIBILITY OF THE PREMIERSHIP IF IT WERE OFFERED TO HIM. HE HAD DONE SO AND WAS NOT FINDING THE TASK EASY.

4. KISZCZAK SAID HE TOOK ON THE FORMATION OF A GOVERNMENT AT JARUZELSKI’S URGING AFTER MALINOWSKI AND BAKA HAD REFUSED UNLESS AN ALL-PARTY COALITION COULD BE FORMED. KISZCZAK DESCRIBED HIS OWN ROLE IN THE ROUND TABLE AND THE PREPARATIONS FOR IT AND SAID WALESA HAD THREE TIMES IN FRONT OF WITNESSES PROMISED HIM THE SUPPORT FOR THE PRESIDENCY OF 60 TO 80 PERCENT OF THE SOLIDARITY DEPUTIES AND SENATORS. HE HAD NOT BEEN ABLE TO MAKE GOOD HIS PROMISE. NOW WALESA HAD NOT RESPONDED TO KISZCZAK’S TELEPHONE INVITATION TO TALK AND HAD SUDDENLY DECLARED HIMSELF AGAINST HIS PREMIERSHIP AND FOR A NEW COALITION OF SOLIDARITY, THE ZSL AND THE SD.

5. KISZCZAK SAID POINTEDLY THAT HE WAS SURPRISED BY THE CURRENT POSITION OF THE OPPOSITION WHICH HE REGARDED AS BREAKING THE DEAL MADE AT THE ROUND TABLE. THE OPPOSITION IS FULL OF EUPHORIA AND HE FEARS THEY ARE MAKING A MISTAKE WHICH WILL UPSET THE DELICATE, IN FACT VERY DELICATE, BALANCE IN POLAND. HE KNOWS FOR A FACT THAT 100 SENIOR OFFICERS OF THE INTERIOR MINISTRY AND MINISTRY OF DEFENSE HAVE BEEN MEETING AND HAVE EXPRESSED DEEP FEARS CONCERNING FUTURE DEVELOPMENTS. RIGHT NOW ANY RAPID CHANGES WOULD BE DEEPLY DETRIMENTAL TO THE ROUND TABLE AGREEMENTS. IT WILL TAKE SIX MONTHS TO TWO YEARS FOR PARTY VETERANS TO GET USED TO HAVING A VOCAL AND CRITICAL OPPOSITION IN BEING.
KISZCZAK IS VERY CONCERNED OVER THE WAVE OF POLITICAL STRIKES NOW THREATENING. IT IS ONLY A SHORT STEP TO BRINGING PEOPLE INTO THE STREETS.
DERED. MILITARY INTERVENTION IS NOT THE PROBLEM. POLAND IS A NATION OF 40 MILLION WITH A FRAGILE ECONOMY. A REDUCTION IN SOVIET DELIVERIES OF 2 MILLION TONS OF OIL OR 100,000 TONS OF COTTON OR EVEN IRON ORE WOULD EXERT INTOLERABLE PRESSURE. KISZCZAK STRONGLY FAVORS PRIVATIZATION AND WORKER SHARE HOLDINGS IN ENTERPRISES BUT TIME IS CONFIDENTIAL.

REQUIRED TO RESTORE THE POLISH ECONOMY. EVEN WITH GOODWILL, THE WEST COULD NOT FEED 40 MILLION POLES. HE ESTIMATES THAT ONLY ABOUT SEVEN PERCENT OF POLISH PRODUCTION IS FULLY COMPETITIVE TODAY ON WORLD MARKETS. NOW THE NEW PARLIAMENT HAS PASSED BAD LEGISLATION ON INDEXATION WHICH THREATENS HYPER-INFLATION. A GRAND COALITION IS ABSOLUTELY ESSENTIAL TO REFORM. IF KISZCZAK’S GOVERNMENT FAILS TO BRING ABOUT REFORM IT WOULD BE READY TO STEP DOWN AND WOULD WELCOME THE PROPOSED EIGHT-MAN PARLIAMENTARY OVERSIGHT COMMISSION ON THE ECONOMY.

7. POLAND MUST MOVE AHEAD, KISZCZAK CONTINUED, AND THE TASK IS EVEN MORE URGENT BECAUSE OF THE GROWING EVIDENCE THAT Gorbachev IS IN TROUBLE. KISZCZAK RECENTLY VISITED THE SOVIET UNION. HE SAYS THE ECONOMIC SITUATION THERE IS DETERIORATING RAPIDLY. PERESTROIKA IS INCREASINGLY PERCEIVED AS A FAILURE. VOICES ARE NOW BEING HEARD THAT STALIN WON WW II AND TURNED THE SOVIET UNION INTO A FEARED AND RESPECTED SUPERPOWER. NOW THEY HAVE GLASNOST AND PERESTROIKA BUT NOTHING TO EAT. IF GORBACHEV FALLS, THE NEXT GOVERNMENT WILL NOT BE MORE LIBERAL. POLAND’S NEW INSTITUTIONS MUST BE PUT INTO PLACE RAPIDLY.

8. KISZCZAK ENDED HIS LENGTHY EXPOSITION WITH WHAT HE DESCRIBED AS THE "OFF THE RECORD" REMARK THAT THE OPINION IS WIDESPREAD IN POLAND, ALMOST UNIVERSAL, THAT THE OPPOSITION RECEIVES ITS PRINCIPAL SUPPORT AND FINANCING AND ITS CONFIDENTIAL ORDER FROM THE WEST. HE SAID HE DIDN’T WISH TO COMMENT ON THIS VIEW BUT ONLY TO NOTE THAT IT EXISTED IN MANY QUARTERS.
9. I responded that I appreciated the General's frank exposition and his courtesy in receiving me. I said that the President had stated our position very openly during his visit: the U.S. supported the Round Table agreement and was moving to demonstrate its support in concrete ways. I reviewed the steps we have already taken on food aid in response to General Jaruzelski's appeal and the leadership on the question of assistance to Poland which the President exerted during the Paris G-7 meeting. I said we were very aware of the destabilizing effect that price rises had always had in Poland and the resultant pressure on the opposition from its political base to produce visible improvements. However, I told him that no one in the U.S. government was advising the opposition on its tactics or, as far as I was aware, had known in advance of the latest position Walesa had adopted. It was not for us to judge whether that position was in accord with the Round Table agreements. The government coalition had its 65 percent majority as agreed but a new situation was seemingly created if a part of that majority shifted its allegiance. I had not spoken with Walesa since
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10. KISZCZAK SAID THAT SOLIDARITY WAS NOW PROPOSING THAT WALESA BECOME PREMIER AND GEREMEK VICE PREMIER WITH SWEEPING POWERS OVER THE ECONOMY. HE SAID THE COUNTRY AND ITS NEIGHBORS WERE NOT READY FOR THIS AT THE MOMENT AND IT WOULD UPSET A VERY DELICATE BALANCE. THE CHURCH, HE ADDED, WAS NOT SYMPATHETIC TO THIS IDEA AS HE HAD LEARNED IN OPEN CONVERSATIONS WITH THE PRIMATE AND A NUMBER OF IMPORTANT BISHOPS AND CARDINALS. I ASKED ABOUT THE RESULT OF GEREMEK'S AND MICHNIK'S CONVERSATION WITH THE POPE AND KISZCZAK SAID HE WAS TOLD IT WAS A FORMAL CALL WHICH DID NOT TOUCH ON MATTERS OF SUBSTANCE. (MICHNIK AND GEREMEK BOTH GAVE STATEMENTS TO THE PRESS FOLLOWING THE VISIT WHICH LEFT THE IMPRESSION THAT MATTERS OF SUBSTANCE HAD INDEED BEEN DISCUSSED.)

11. IN PARTING, KISZCZAK SAID HE WOULD BE ONLY
TOO HAPPY TO RETIRE IF HIS EFFORTS TO FORM A GOVERNMENT FAIL AND INVITED MY WIFE AND ME FOR A WEEKEND OF FISHING AND MUSHROOM PICKING IN THE LAKE DISTRICT.

12. COMMENT: THE CLEAR MESSAGE CONVEYED WAS THAT A SOLIDARITY GOVERNMENT IS NOT ACCEPTABLE AT THIS TIME ALTHOUGH THEY ARE MORE THAN WELCOME TO TAKE OVER A NUMBER OF MINISTRIES. THERE WAS ALSO THE VERY THINLY-VEILED APPEAL TO THE U.S. TO RESTRAIN THE OPPOSITION'S THRUST FOR POWER, SOMETHING WHICH IS PROBABLY BEYOND OUR CAPACITY NOW EVEN IF WE CHOSE TO TRY. I FEAR THAT FOOD SHORTAGES AND PRICE INCREASES CONFIDENTIAL

HERE HAVE TAKEN THE SITUATION RIGHT TO THE BRINK AND IT WILL TAKE ALL OF THE EFFORTS OF COOLER HEADS ON BOTH SIDES TO AVOID A CRISIS WITH UNPREDICTABLE CONSEQUENCES.

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