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FM WARSAW 301200Z JAN

TO IMMEDIATE FCO

TELEGRAM NUMBER 71 OF 30 JAN

INFO MOSCOW EAST BERLIN PRAGUE PARIS BONN WASHINGTON

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SAVING TO SOFIA BUDAPEST BUCHAREST BELGRADE HELSINKI
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MY TELNO 69

1. THE GOVERNMENT ANNOUNCED LAST NIGHT THAT STRIKES WERE CONTINUING OVER THE COUNTRY IN SPITE OF ITS OWN EFFORTS AND THE APPEAL OF THE CENTRAL COMMISSION OF SOLIDARITY. IT MIGHT THEREFORE HAVE TO FULFIL ITS RESPONSIBILITIES UNDER THE CONSTITUTION AND TAKE STEPS TO RESTORE THE NORMAL CONDITIONS OF LIFE. STRIKES OF VARIOUS KINDS ARE OFFICIALLY REPORTED IN HALF A DOZEN AREAS AN NO DOUBT THERE ARE MORE. IN SPITE OF WALESAS VISIT TO RZESZOW, THE SIT-IN THERE BY PEASANT FARMERS CONTINUES, BUT TALKS ABOUT ENDING IT ARE DUE TODAY IN WARSAW.

2. NOONE QUITE KNOWS WHAT THE GOVERNMENT STATEMENT PORTENDS PROBABLY A READINESS TO DECLARE A STATE OF EMERGENCY. IT IS HOPED THAT THERE MAY BE TALKS BETWEEN THE GOVERNMENT AND SOLIDARITY TOMORROW ABOUT FREE SATURDAYS, WHICH IF SUCCESSFUL COULD LEAD TO A CALLING OFF OF THE

THE GOVERNMENT AND SOLIDARITY TOMORROW ABOUT FREE SATURDAYS, WHICH, IF SUCCESSFUL, COULD LEAD TO A CALLING OFF OF THE PROJECTED SHORT GENERAL STRIKE NEXT WEEK. A PARTY PLENUM IS ALSO EXPECTED THIS WEEKEND WHILE RUMOURS GROW THAT THE PRIME MINISTER IS ON HIS WAY OUT.

3. THE GOVERNMENT HAVE PUBLISHED A DETAILED REVIEW OF IMPLEMENTATION OF THE GDANSK AGREEMENTS, WHICH THOUGH SOMEWHAT DISINGENUOUS DOES NOT READ TOO BADLY. BUT IN A TV DEBATE ON FREE SATURDAYS A SOLIDARITY TRIO

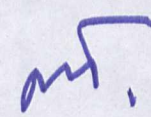
OF YOUNG ACTIVISTS WIPED THE FLOOR WITH THE GOVERNMENT TEAM OF TIRED CIVIL SERVANTS. THE INSTINCTS OF MOST PEOPLE, SO FAR AS I CAN JUDGE, ARE TO FAVOUR SOLIDARITY AGAINST THE GOVERNMENT WHILE ADMITTING THAT THERE IS AN ECONOMIC CRISIS WHICH NEEDS FIRM HANDLING. THERE IS A CRY FOR LEADERSHIP AND REAL GOVERNMENT BUT NOT MUCH DISPOSITION TO ACCEPT THAT THIS MUST MEAN REJECTING MANY OF SOLIDARITY'S DEMANDS. IT IS NOW CLEAR THAT PINKOWSKI WAS A BAD CHOICE FOR PRIME MINISTER: HE LACKS CHARISMA AND THE POWER TO IMPOSE HIS WILL OR GIVE DIRECTION LOWER DOWN. BUT HE IS OPERATING WITHIN A DIVIDED POLITBURO. IT IS PROBABLE THAT KANIA AND BARCIKOWSKI REPRESENT THE "LIBERAL" ELEMENT AND OLSZOWSKI, MOCZAR AND GRABSKI THE "HARD-LINERS". BUT AS EVER THESE LABELS ARE MISLEADING AND INDIVIDUALS CAN BE HARD OR SOFT ACCORDING TO THE ISSUE. THE DIVISIONS AT THE TOP ARE A NATURAL RESULT OF A GROUP OF MEN OF PROBABLY MEDIOCRE ABILITIES GRAPPLING WITH UNPRECEDENTED PROBLEMS OUTSIDE THEIR EXPERIENCE AND LACKING A LEADER OF REAL STATURE. THERE IS NO GOMULKA OR EVEN A GIEREK IN SIGHT.

4. MEANWHILE SOLIDARITY ITSELF IS DIVIDED AND WALESA'S AUTHORITY APPEARS TO BE WANING. THERE IS CERTAINLY AN ELEMENT IN SOLIDARITY WHICH IS NOT INTERESTED IN ACCOMMODATION WITH THE GOVERNMENT AND WHICH WILL FOLLOW EACH CONCESSION WITH FURTHER DEMANDS

5. THE SITUATION TODAY IS THAT EVEN THAT MEASURE OF AUTHORITY WHICH THE GOVERNMENT HAD A FEW WEEKS AGO IS SLIPPING FROM IT. THE ECONOMY IS LURCHING TILL FURTHER

5. THE SITUATION TODAY IS THAT EVEN THAT MEASURE OF AUTHORITY WHICH THE GOVERNMENT HAD A FEW WEEKS AGO IS SLIPPING FROM IT. THE ECONOMY IS LURCHING STILL FURTHER WITH PRODUCTION IN JANUARY ABOUT 50% OF JANUARY 1979 AND COAL SUPPLIES TO POWER STATIONS RUNNING LOW. THE MORALE OF THOSE WHO ACTUALLY TO TO RUN THINGS, THAT IS THE MUCH ABUSED MIDDLE-MANAGEMENT , IS POOR.

6. THE NEXT 2 WEEKS MAY BE A CRUCIAL TIME. A CHANGE OF PRIME MINISTER TO, SAY, BARCIKOWSKI MAY RETRIEVE THE SITUATION OF THE TIME BEING GIVING AT LEAST AN APPEARANCE OF FRESH POLICIES AND FRESH ATTEMPTS TO COOPERATE WITH SOLIDARITY. IF HOWEVER OLSZOWSKI WERE TO TAKE OVER, THAT WOULD BE AN INDICATION OF READINESS TO ACCEPT CONFRONTATION WITH THE UNIONS AND I WOULD EXPECT CLASHES. IF PINKOWSKI STAYS AND NO AGREEMENT IS REACHED WITH SOLIDARITY THIS WEEKEND, DECLARATION OF A STATE OF EMERGENCY IS FAIRLY LIKELY. THE CHURCH HAS KEPT SILENT OVER THE PAST FEW WEEKS AND PERHAPS THE BEST HOPE OF PRESERVING UNEASY CALM IS THE NEAR-CERTAINTY THAT IT WILL THROW ITS WEIGHT ON THE SIDE OF MODERATION.



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