SECRET

THE SECRETARY OF STATE WASHINGTON

April 2, 1981

MEMORANDUM FOR: THE PRESIDENT

FROM: Alexander M. Haig, Jr./

1. Meeting with Polish Deputy Prime Minister Jagielski. In his meeting at the Department, Jagielski reaffirmed his government's policy of avoiding the use of force to resolve problems and its determination to proceed with social renewal and democratization. He stressed Poland's critical economic situation which he said contributed to the tension in Poland. He asked for US assistance in debt rescheduling, \$200 million in additional Commodity Credit Corp. guarantees for FY 1981, an unspecified amount of CCC for FY-1982, and assistance in purchasing agricultural produce. In response, we indicated our willingness to arrange the purchase, at concessional prices, of surplus butter and dried milk but held out no hope for large new CCC credits at this stage.

Jagielski was told of our concern over various military readiness steps being taken along Poland's borders and our position that no Western economic assistance would be possible in the event of internal or external suppression of the Polish people. It was also made clear that the Soviet Union must bear some of the burden of the Polish economy. He pointed to a 50% shortfall in coal deliveries to the Soviet Union and over \$4 billion in Soviet credits to Poland in 1980-81 (a dubious figure) as evidence that Moscow was helping. (S)

2. Nicaragua. The Nicaraguan Government's official statement reacting to our determination of yesterday was not as negative as it could have been. Centering on the theme of "economic aggression" the Nicaraguans presented themselves as the injured party, accusing us of wounding their national sovereignty, and trying to destabilize their revolution. Nevertheless, the Nicaraguans said that they hope to maintain good relations with us. They did not threaten us, but vowed to protest and present their case to other governments, the UN, the OAS and the Non-Aligned Movement.

No demonstrations or public protests have yet been staged, however, we are ready to implement our emergency plans rapidly, if required. (C)

RDS 2/3 4/2/01 (Haig, Alexander M., Jr.)





MEMORANDUM THE WHITE HOUSE WASHINGTON April 3, 1981 SECRET ATTACHMENT MEMORANDUM FOR THE PRESIDENT RICHARD V. ALLEN FRPM: Secretary Haig's Evening Report SUBJECT: Herewith Secretary Haig's Evening Report of April 2, 1981. CC: The Vice President Ed Meese James Baker SECRET ATTACHMENT