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DEPARTMENT OF STATE
WASHINGTON
October 1, 1981

MEMORANDUM FOR: THE PRESIDENT

FROM: William P. Clark, Acting *WPC*

1. Banks Agree to Reschedule Polish Debt. The international bank task force meeting in Vienna has reached agreement on rescheduling Polish debts falling due in 1981. Terms are essentially those demanded by the banks with but one compromise: the banks agreed to defer Polish repayment of 5% of the principal falling due -- about \$150 million -- until 1982. The agreement requires the Poles to pay about \$700 million, a sum they do not have, on signing the agreement -- probably in December. We do not know how Poland will satisfy this obligation, but a senior banker reports the COMECON International Investment Bank is seeking to borrow \$100 million on the Euromarket for Poland. While the agreement may lessen uncertainties over Poland's financial crisis, banks are unlikely to extend significant new loans to Poland at this time. (C)

2. Congressional Meeting on Northern Ireland. In an afternoon meeting with Walter Stoessel, Rep. Charles Dougherty and three other Congressional members of the Friends of Ireland emphasized extreme emotions generated in their constituencies by the Northern Ireland hunger strike. They attacked the Thatcher government's position as "unacceptable" and warned that, if HMG does not show some "flexibility", moderate Congressmen would take action. Dougherty threatened to "attack" the Anglo-American relationship on every possible level including defense cooperation, aiming to force the Administration to overtly support Irish unification. Dougherty said the Friends of Ireland would continue to insist on meeting with you to register their concerns. (C)

3. Under Secretary Stoessel's Meeting with Philippine Prime Minister. Ambassador Walt Stoessel told Philippine Prime Minister Virata that we are today implementing our policy of favoring loans to the Philippines by international development banks, reversing the previous Administration's policy of abstaining on human rights grounds. Walt expressed happiness with the post-martial law political normalization process underway in the Philippines but also reiterated to Virata our continuing interest in human freedoms including the problem of military abuses in areas affected by insurgency. Virata said his government was taking steps to curtail abuses and eliminate causes of insurgency.

Virata said this was a difficult time for the Philippine economy, especially because of high world interest rates. Virata told us the Philippines continue to believe in the importance of private enterprise in promoting development, although assistance from the World Bank and similar institutions is important to infrastructure projects. (C)

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(CLARK, William P.)

NLRD 1453/2-#155773
BY W NARA DATE 2/3/14

MEMORANDUM

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THE WHITE HOUSE
WASHINGTON

~~CONFIDENTIAL ATTACHMENT~~

for
October 2, 1981

MEMORANDUM FOR THE PRESIDENT

FROM: RICHARD V. ALLEN *Allen*

SUBJECT: Acting Secretary Clark's Evening Report

Attached is Acting Secretary Clark's Evening Report for October 1, 1981.

cc: The Vice President
Ed Meese
James Baker
Michael Deaver

~~CONFIDENTIAL ATTACHMENT~~
Received October 1, 1981, 9:47 p.m.

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8/28/01 BY 12703/AM/STW/STW
1000 Hours, Compliance, Dept. of Justice
BY NARA/RW DATE 3/14/13