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THE SECRETARY OF STATE
WASHINGTON

January 4, 1982

MEMORANDUM FOR: THE PRESIDENT

From : Alexander M. Haig, Jr. *AMH*

1. Polish Debt Rescheduling. Press reports early today quote official Polish sources as claiming that Poland is now able to pay \$350 million in interest arrears in order to conclude its 1981 re-scheduling agreement with private banks. The only source for such sums would be the USSR. West German banking sources deny that Polish Vice Premier Rakowski, who was in Bonn recently, agreed to Polish repayment of the full amount. The Poles continue to make some repayments to both German and American banks but there is no confirmation that they can repay the full arrears due. If true, the reported Polish repayment of the \$350 million would therefore seem to signify that the Soviets have decided to bail out the Poles. We are analyzing the implications of this possible bailout both for Poland and for the rest of Eastern Europe. (C)

2. EC Foreign Ministers Meeting on Poland. At their meeting in Brussels today, the EC Foreign Ministers tried to set a positive tone as the prelude to the NATO Foreign Ministers meeting set for January 11. We understand that Genscher took the lead in stressing the need for a solid, positive EC political position that would take into account the Soviet role and the situation in Poland itself. The Ministerial communique stressed the EC's strong disapproval of the situation in Poland, urged the Polish authorities to improve the situation (e.g., lift martial law, release prisoners, re-establish State-Church-Solidarity dialogue), recognized the Soviet role and warned against Warsaw Pact intervention. While the Ten did not agree on any sanctions of their own, they agreed not to undercut U.S. measures. The EC Ministers also stated that--depending on developments--they might consider restrictions on credits and economic assistance for Poland and on commercial policy toward the Soviet Union. The Ministers also called for the Madrid CSCE meeting to reconvene soon at Foreign Minister-level and said the EC would work in the UN to denounce human rights violations.

On the whole, the EC Foreign Ministers meeting was a step forward in the development of European policy-making on Poland. It formed a useful prelude to our discussions with the Allies at NATO next Monday. (C)

3. UN Security Council to Meet Again on the Golan Heights Issue. The UN Security Council is expected to hold informal consultations on the Golan issue Tuesday, although the Soviet Ambassador, who is serving as President this month, has not yet indicated how the Council will proceed. A formal meeting may follow on Wednesday. We understand Syria may introduce a draft resolution that includes Chapter VII sanctions and other provisions unacceptable to us. Our current strategy, conveyed to Council members over the weekend, is to seek to deny Syria the nine affirmative votes needed to force our veto. This might persuade Syria to accept a more moderate resolution that could win a unanimous vote. If we do not succeed in changing the resolution, then we will veto it. (S)

RDS 2/3 1/04/02 (HAIG, Alexander M., Jr.)

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BY RW NARR DATE 9/2/16

President has seen

MEMORANDUM

THE WHITE HOUSE
WASHINGTON

SECRET ATTACHMENT

January 5, 1982

DR

MEMORANDUM FOR THE PRESIDENT

FROM: WILLIAM P. CLARK, JR.

SUBJECT: Secretary Haig's Evening Report

Attached is Al Haig's Evening Report for Monday,
January 4, 1982.

CC: The Vice President
Ed Meese
Jim Baker
Mike Deaver

SECRET ATTACHMENT

RW
3/15/13