SENSITIVE

WITTE HOUSE SITUATION ROOM

DEPARTMENT OF STATE WASHINGTON

January 13, 1982

MEMORANDUM FOR: THE PRESIDENT

From : Walter J. Stoessel, Jr.
Acting Secretary of State

1. US-China Talks. On the third day of our talks in Beijing there was a special meeting to discuss Poland and other international issues. We presented a full assessment of Soviet involvement in Poland and the steps we and our allies have undertaken in response. The Chinese repeated their "consistent policy" of opposition to all forms of outside intervention in Poland, but declined to be drawn out on possible actions they might take. Our delegation believes that the session was useful in that it continued our strategic dialogue with Beijing at a delicate moment in our bilateral relations, and gave us the opportunity to put our case on Poland to them directly and in detail. A joint press statement will be released Thursday, stating that further talks will be held in Washington and Beijing on a wide range of international and bilateral subjects.

- 2. Polish Debt. The Poles have not been able to meet all their overdue interest obligations to the banks and, as a result, the private rescheduling agreement for 1981 remains unsigned. Nonetheless, the banks are treading softly and most of them wish to avoid a Polish default. The NATO Ministers agreed in Brussels to hold the 1982 debt rescheduling negotiations in suspense "for the time being." There is general agreement that leaving default as an implicit threat maximizes Western leverage on the Polish government and on the Soviets. The threat that the US might move toward a unilateral default is also an inducement to bring our allies into line on other sanctions against Poland and the USSR.
- Respond. Britain, France, Italy and the Netherlands today delivered to Israel their individual but almost identical responses to Israel's request that they confirm their acceptance of the principles contained in the joint US-Israeli statement on the multinational force. Secretary Haig will use the occasion of his visit to urge the Israelis to accept the four European states in the force without further ado.

RDS-1 1/13/02 (STOESSEL, Walter J., Jr.)

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MEMORANDUM



WASHINGTON

SECRET ATTACHMENT SENSITIVE

January 14, 1982

MEMORANDUM FOR THE PRESIDENT

FROM:

WILLIAM P. CLARK

SUBJECT:

Acting Secretary Stoessel's Evening Report

Attached is Walter Stoessel's Evening Report for January 13, 1982.

cc: The Vice President Ed Meese

James Baker Michael Deaver

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