SENSITIVE

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WASHINGTON

May 3, 1982

MEMORANDUM AFOR: A 9 : THE PRESIDENT

Alexander M. Haig, Jr. 70

- West European Views on East-West Economic Relations. At lunch today with the British and West German Ambassadors and the French Charge, Acting Assistant Secretary Allen Holmes emphasized again the importance of reaching agreement before or at the Versailles Summit on restricting government and governmentsubsidized credits and quarantees for the USSR. German Ambassador Hermes agreed on the urgency of coming to a conclusion on this question. He commented that the U.S. could facilitate agreement by making clear that an accord on credits would result in U.S. decisions favorable to the West Europeans on the export of machinery and technology for the Soviet gas pipeline. (SECRET/SENSITIVE)
- SIG Meeting on East Europe Policy. Walt Stoessel chaired a meeting of the Senior Interagency Group on policy toward Eastern Europe. The group agreed on a draft decision document for your approval which would establish a policy of differentiation toward the countries of the Warsaw Pact, excluding the USSR. Under this policy, the United States would exploit diplomatic, financial, commercial and other leverage to encourage political and economic evolution away from Soviet norms in East Europe, while penalizing those countries which hew to the Soviet line in foreign policy or severely repress civil rights at home. The choice of leverage will depend on the country. (c)
- Demonstrations in Poland. For the second time in three days, anti-government demonstrations have occurred in Poland, the largest and most active show of resistance to the regime since martial law was imposed in December. On May 1, more than 50,000 Poles in Warsaw staged a counter-demonstration to the official May Day celebration and on May 3, which marks the pre-war Polish Constitution, between 15,000-25,000 Poles again took to the streets in Warsaw, this time clashing with police who used water cannons, tear gas, and clubs to subdue the crowd. Telephone communications in Warsaw have been cut off. Our Consulate in Krakow reports that a demonstration of 20,000 there clashed with militia armed with water cannons. Finally, disturbances in the port city of Gdansk have also been reported and Western correspondents have been denied access to that city. (C)

SECRET

RDS 2/3 5/03/02 (HAIG, Alexander M., Jr.)

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THE WHITE HOUSE

WASHINGTON

SECRET ATTACHMENT

May 4, 1982

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MEMORANDUM FOR THE PRESIDENT

FROM:

WILLIAM P. CLARK W

SUBJECT:

Secretary Haig's Evening Report

Attached is Al Haig's Evening Report for Monday, May 3, 1982.

cc: The Vice President Ed Meese Jim Baker Mike Deaver