SECRET

DEPARTMENT OF STATE WASHINGTON

May 13, 1982 PID: 41

MEMORANDUM FOR:

THE PRESIDENT

FROM:

Walter J. Stoessel, Jr. Acting Secretary of State

1. Mobutu "Renounces" US Aid. President Mobutu of Zaire has ordered the renunciation of all US foreign assistance now under consideration in the House Foreign Affairs Committee. Mobutu reacted angrily to the Committee's recommended cuts in security assistance because of alleged past misuse of aid and corruption in Zaire. Mobutu's action stems also from his frustration over his not receiving the kind of additional massive assistance which would obviate the need for the economic reforms essential to Zaire's economic recovery. These are precisely the reforms which Mobutu has pledged to undertake and which he has failed to do. Without backtracking on what Mobutu needs to do, we have sent a message to the Zairian Foreign Minister which (a) reconfirms our interest in Zaire's stability; (b) explains Congressional realities; and (c) offers to send Dick Walters once again to discuss Mobutu's concerns. (S)

2. Polish Debt. We understand from banking sources that Poland has paid to the banks virtually all of the past-due interest on its 1981 private debt. Since these overdue amounts were the last major obstacle to the implementation of a 1981 private rescheduling agreement, the agreement should soon be in place. In addition, the banks and the Poles have held preliminary discussions on the rescheduling of Poland's 1982 private debt. (S)

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BY CH NARADATE 1/09/08



MEMORANDUM THE WHITE HOUSE OF CLASSIFIED UPON REMOVAL OF CLASSIFIED ENCLOSURE(S) WASHINGTON May 14, 1982 SECRET ATTACHMENT MEMORANDUM FOR THE PRESIDENT WILLIAM P. CLARK FROM: Acting Secretary Stoessel's Evening Report SUBJECT: Attached is Walt Stoessel's Evening Report for May 13, 1982. cc: The Vice President Ed Meese Jim Baker Mike Deaver SECRET ATTACHMENT