

~~Top Secret~~

POLAND: Dealing With Western Bank Debts

Polish banking officials admit that overdue interest payments to Western banks are greater now than at the end of December. Increased production of coal and other minerals is due to the six-day workweek. The statement by a government spokesman that the regime would like to end martial law soon should not be taken too seriously.

Polish financial officials on Monday told [redacted] that overdue interest payments to banks amounted to \$288 million through 11 January, an increase of \$38 million since the end of December. The Poles asked [redacted] whether he would prefer Warsaw to pay interest only to small banks--those most likely to declare default--or pay all banks six months late.

Comment: The growing arrearages since the beginning of this year indicate that recent interest payments have been less than new payments coming due.

Increased Production

Planning officials told [redacted] yesterday that production of coal and other minerals has increased since the imposition of martial law because of greater work discipline but that output has stagnated in sectors dependent upon Western materials. One official said that the six-day workweek had been introduced largely in the mining and transportation sectors; other militarized sectors work longer hours only if materials are available. He added that the compulsory six-day workweek would end with the lifting

--continued

~~Top Secret~~

13 January 1982

Approved for Release
Date AUG 1999

385

~~Top Secret~~

of martial law and the government would then have to increase market supplies to encourage miners and other key workers to work overtime voluntarily in return for extra pay. [REDACTED]

Comment: Increased production in mining is due to the six-day workweek rather than "high discipline." Consequently, the government will be very reluctant to give up the extra output and is therefore likely to prolong this element of martial law. The authorities may also extend the workweek in other militarized sectors if it can assure regular supplies. [REDACTED]

End to Martial Law?

A government spokesman told foreign journalists yesterday that the authorities "would like to end" martial law by 1 February but hastily added that there is no timetable and that such a move "depends on the situation." Another spokesman said that "a place would be found for Walesa" in future agreements on trade unions. The same official said, however, that "We demand loyalty to the state," and added that union activity had been banned from government institutions and ministries. [REDACTED]

Comment: The moderate comments seem intended to impress a Western audience and do not presage any breakthrough. Martial law authorities do not yet feel secure enough to end restrictions or to release significant numbers of those detained. [REDACTED]

The authorities would like to have Walesa's cooperation, but he still seems unprepared to play their game. The harsher references to loyalty are probably more representative of prevailing attitudes among regime officials. [REDACTED]

[REDACTED]

--continued

~~Top Secret~~

13 January 1982

Pages: iii

Exemptions: (b)(1), (b)(3)