

DECLASSIFIED

E.O. 12958, as amended, Sect 3.5

NSC/Soubers to Smith 09/06/2002

By *hfr* Date *02/14/07*

THE WHITE HOUSE

WASHINGTON

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July 7, 1972

National Security Decision Memorandum 173

Council on International Economic Policy Decision Memorandum 8

TO: The Secretary of State
 The Secretary of the Treasury
 The Secretary of Commerce

SUBJECT: Polish-US Economic Relations

1. Export-Import Bank Credit Facilities

Exercise of the President's authority to extend these facilities is tied to a solution of the claims of US holders of dollar bonds issued by the pre-war Polish government. The Secretary of State should notify the Foreign Bondholders Council that the US Government continues to favor a reasonable settlement of US holders' claims within a reasonable time. If Polish government representatives inquire when Export-Import Bank credit facilities can be made available to Poland, they should be informed that the President, in accordance with his discussions in Warsaw, will make this decision in light of the status of negotiations between the Polish government and the bondholders' representatives.

2. Deferral of PL-480 Dollar Debt

In response to Chairman Jaroszewicz's message on this subject to the President of June 5, 1972, the Department of State, after appropriate coordination with the Department of Commerce and other agencies, should inform the Polish government that we are willing to defer the dollar tranches under the PL-480 agreements which fall due in the years 1973-1974 for a period of five years, i. e. , so that these payments will be made in the years 1977 and 1978. Toward the end of 1974 we would be prepared to consider deferral of further tranches. This is contingent, however, upon appropriate assurances from the Polish government, as proposed in the aide memoire of December 2, 1971, and Chairman Jaroszewicz's letter of June 5, 1972, to the President, that Polish

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enterprises will purchase in the United States during the period 1972-1973 machinery and equipment for the amount equivalent to the total of deferred tranches.



Henry A. Kissinger



Peter Flanigan

cc: The Secretary of Agriculture
The President's Special Representative
for Trade Negotiations
The President of the Export-Import Bank