Cop Secret

POLAND

Poland evidently intends to seek vide-scale debt rescheduling with its Western creditors, but not on a formal, multilateral basis.

Vice Foreign Minister Dobrosielski

has indicated that Poland "preferred" bilateral to formal multilateral rescheduling, hinting that Poland would insist on it. He requested that the US review its refusal to accept rescheduling on a bilateral basis.

High-level Polish officials meeting last week in Warsaw decided to make bilateral requests of Poland's creditors for assistance, including debt deferral. The Poles also will ask for new Western bank credits and new means of financing raw materials purchases. They reportedly rejected applying for International Monetary Fund and World Bank membership, apparently fearing strong Soviet objections.

Poland's agreement to formal multilateral rescheduling would amount to a numiliating public confession of economic and financial mismanagement. It also might incur Soviet displeasure, complicate efforts by other Communist countries to borrow in the West, and make it even more difficult for Poland to obtain new credits. Western creditors also may prefer to avoid formal rescheduling, generally a complex and time-consuming process.

Trade Unions

The Warsaw District Court's rejection of a Katowice factory union's application for legal status is not likely to lead to a confrontation with workers. Representatives of Walesa's organization have ridiculed the 12 unions that have submitted applications, including the one in Katowice, as revamped official unions.

--continued

Date AUG for Rales

Top Socret

24 September 1980

· Top Secret

A better test of the regime's intentions toward free trade unions will come in its handling of the Walesa organization's application, which will be submitted today. The denial of the Katowice unit's registration because of its plans to operate nationwide, to include members from unrelated professions, and to raise donations probably signaled to prespective unions and to Moscow that the regime will carefully screen the applications.

walesa's organization has set 16 December as the deadline for the regime to honor the agreements reached last month. If the organization believes that the regime has not fulfilled its promises, the Walesa group reportedly will call for a general strike.

Student Activity

the leadership of ficial student organization developed a
"conse a recent meeting that a new organization
is new, although apparently no concrete action was
taken. a small group
at the Catholic University in Lublin is considering forming an independent organization. The impetus for this
may have come from the religious organization PAX, which
is closely tied to the regime, and thus may be a regime
effort to preempt the founding of other truly independent
organizations.

Military

Top Secret