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WITHDRAWAL SHEET

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Collection Name BAILEY, NORMAN: FILES

Withdrawer

RBW 2/6/2013

File Folder EASTERN EUROPEAN POLICY 05/13/1982-05/30/1982

FOIA

M452

Box Number 1

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26

ID	Doc Type	Document Description	No of Pages	Doc Date	Restrictions
153446	MEMO	PAULA DOBRIANSKY TO WILLIAM CLARK RE. POLISH PRIVATE SECTOR INITIATIVE <i>R 12/7/2016 M452/1</i>	1	5/17/1982	B1
153451	MEMO	DOBRIANSKY TO CLARK RE. HUMANITARIAN ASSISTANCE TO POLAND [COPY OF DOC. 153449]	1	5/21/1982	B1
153454	MEMO	CLARK TO RR RE. HUMANITARIAN ASSISTANCE TO POLAND	2	ND	B1
153457	PAPER	RE. OPTIONS FOR HUMANITARIAN ASSISTANCE TO POLAND [COPY OF DOC. 153469] <i>R 12/12/2016 M452/1</i>	7	ND	B1
153458	MEMO	MICHAEL WHEELER TO PAUL BREMER, DAVID PICKFORD, ET AL, RE. HUMANITARIAN ASSISTANCE TO POLAND <i>R 12/7/2016 M452/1</i>	1	ND	B1
153459	REPORT	RE. THE EAST GERMAN PEACE MOVEMENT <i>R 12/7/2016 M452/1</i>	7	5/24/1982	B1
153460	MEMO	MICHAEL WHEELER TO PAUL BREMER, DAVID PICKFORD, ET AL, RE. HUMANITARIAN ASSISTANCE TO POLAND [COPY OF DOC. 153458] <i>R 12/7/2016 M452/1</i>	1	5/26/1982	B1

Freedom of Information Act - [5 U.S.C. 552(b)]

- B-1 National security classified information [(b)(1) of the FOIA]
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ID	Doc Type	Document Description	No of Pages	Doc Date	Restrictions
153462	MEMO	CLARK TO RR RE. HUMANITARIAN ASSISTANCE TO POLAND [COPY OF DOC. 153454]	2	5/24/1982	B1
153456	PAPER	RE. OPTIONS FOR HUMANITARIAN ASSISTANCE TO POLAND [COPY OF DOC. 153469] R 12/12/2016 M452/1	7	ND	B1
153449	MEMO	DOBRIANSKY TO CLARK RE. HUMANITARIAN ASSISTANCE TO POLAND	1	5/21/1982	B1
153469	PAPER	OPTIONS FOR HUMANITARIAN ASSISTANCE TO POLAND R 12/7/2016 M452/1	8	ND	B1

Freedom of Information Act - [5 U.S.C. 552(b)]

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MEMORANDUM

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153446

Bailey 1

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NATIONAL SECURITY COUNCIL

May 17, 1982

INFORMATION

SE

MEMORANDUM FOR WILLIAM P. CLARK

FROM: PAULA DOBRIANSKY *PD*

SUBJECT: Update: Polish Private Sector Initiative

On Tuesday, May 11, I met at the Rockefeller Foundation with Dr. Edwin Deagle (Dir., International Relations), Marcin Sar (Polish Visting Fellow), John Pino (Dir., Agricultural Div.) and William Moody (Rockefeller Brothers Fund) to discuss their findings on Polish private sector initiatives. During this meeting, they emphasized that in designing various aid programs, the U.S. government has not given sufficient attention to the peculiarities of the Polish economy and agricultural system. They maintained that there is a need to better comprehend these conditions so as to discern what programs are workable, effective and should be implemented.

In seeking to determine what role the private sector can potentially have in Poland, the Foundation sent in April a fact-finding mission to Poland to ascertain the needs and those areas of mutual interest. The Foundation sent Dr. Norman Borlaug (Nobel Prize winner - Agriculture) and Marcin Sar on this trip. Dr. Borlaug's detailed report is expected to be completed by the end of May; a copy will be sent to me. However, some preliminary conclusions were made available. Specifically, the issue of rendering assistance to the Polish potato growing sector was discussed -- a subject which the Poles attach great importance to. Also, all agreed that despite the continuation of martial law in Poland, a private sector initiative needs to be developed -- on a small scale currently and/or as part of a major agricultural recovery program should conditions change in Poland.

I was given by the Foundation materials which will be invaluable in devising a "private sector initiative package," to be discussed at our next working group meeting on May 24. I have also arranged follow-up meetings in Washington with Dr. Deagle and Marcin Sar at the end of May and early June.

cc: Norman Bailey

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Review on 5/17/88

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NLRR M4521 #153446

BY RW NARA DATE 12/1/86

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<i>ID</i>	<i>Document Type</i> <i>Document Description</i>	<i>No of</i> <i>pages</i>	<i>Doc Date</i>	<i>Restric-</i> <i>tions</i>
153451	MEMO	1	5/21/1982	B1

DOBRIANSKY TO CLARK RE. HUMANITARIAN
ASSISTANCE TO POLAND [COPY OF DOC. 153449]

Freedom of Information Act - [5 U.S.C. 552(b)]

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<i>ID</i>	<i>Document Type</i> <i>Document Description</i>	<i>No of</i> <i>pages</i>	<i>Doc Date</i>	<i>Restric-</i> <i>tions</i>
153454	MEMO CLARK TO RR RE. HUMANITARIAN ASSISTANCE TO POLAND	2	ND	B1

Freedom of Information Act - [5 U.S.C. 552(b)]

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S/S 8214149
3363 add on 5



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DEPARTMENT OF STATE

Washington, D.C. 20520

02 MAY 20 P 2: 39

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May 20, 1982

MEMORANDUM FOR MR. WILLIAM P. CLARK
THE WHITE HOUSE

Subject: Humanitarian Assistance to Poland

The attached decision memorandum on options for humanitarian assistance to Poland has been reviewed and approved by an interagency group comprising State, Treasury, Agriculture, AID, OMB, and the NSC. It is submitted herewith for consideration by the President.

L. Paul Bremer, III
Executive Secretary

Attachment:

Decision Memorandum

- cc:OVP - Mrs. Nancy Bearg Dyke
- Agriculture - Mr. Raymond Lett
- AID - Mr. Gerald Pagano
- OMB - Mr. William Schneider
- Treasury - Mr. David Pickford

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GDS 5/18/88

DECLASSIFIED
Dept. of State Guidelines, July 21, 1997
BY RW NARA, DATE 2/6/13

FOR STAFFING

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DEPARTMENT OF STATE

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GDS 5/18/88

DECLASSIFIED
Dept of State Guidelines, July 21, 1997
BY RW NARA, DATE 2/6/13

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OPTIONS FOR HUMANITARIAN ASSISTANCE TO POLAND

I. Humanitarian Food Aid to Poland in FY-82

Last September in response to the continued economic deterioration and shortages evident in Poland, you authorized up to \$50 million in humanitarian food aid for distribution directly to the Polish people through private charitable agencies. CARE and Catholic Relief Services (CRS) subsequently developed programs to distribute \$30 million of food aid to about 3.3 million beneficiaries. The full \$50 million was not used due to uncertainties at that time regarding the strength of the delivery infrastructure.

Following the imposition of martial law on December 13, all official U.S. Government credits to Poland were suspended. However, humanitarian assistance was continued both on the evidence of need (presented by CRS, CARE, the Polish Catholic Church, and our Embassy in Warsaw) for such assistance and on political and foreign policy grounds:

Our assistance is widely visible in Poland, undermining regime propaganda and providing material evidence of Western support for Solidarity and the Church. Our continued assistance would help refute European criticism of sanctions and the view that Poland is a screen for a U.S. policy of confrontation with the Soviets. Our assistance also undermines Soviet propaganda portraying themselves as the only true friends of Polish workers.

Poland's economic situation is continuing to deteriorate under martial law with our sanctions exacting an increasingly heavy toll. Poland's GNP declined by about 14 percent in 1981 and signs point to an acceleration of the decline in living standards (the Warsaw regime predicts a 25 percent fall in 1982). The regime's 300-400 percent increases in food prices appear to have brought demand and supply into closer balance. The increases have placed many food items out of reach of the average Polish consumer. The outlook is for continued economic decline in Poland. An exceptionally good harvest could provide some relief of staple food shortages such as wheat, but there is no way to judge the harvest this early in the year. Despite the gloomy economic situation and outlook, a decision to provide additional Title II food is a political one since Poland's situation is not so poor that it would meet the normal criteria for granting of such aid.

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NLRR M4521 #153457
BY RW NARA DATE 12/7/16

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FUNDING OF HUMANITARIAN FOOD ASSISTANCE IN FY-82

The US Government has provided CARE with \$15 million in PL-480 Title II food supplements for 2.2 million children and elderly persons in pre-school, day care, and health facilities under CARE and Polish Ministry of Health supervision. At the current recipient level food supplies will last until October 1982. Additional funds must be committed by July, however, if we decide to continue CARE's program uninterrupted into FY-83 because of the lead time for food procurement.

The CRS program was initially designed to provide food supplements to 1.1 million persons, with \$15 million in US Government donated PL-480 Title II food. The CRS program uses the extensive infrastructure of the Polish Catholic Church to identify needy individuals and distribute food to them through charity committees in each church parish. Over 250,000 volunteers are involved in this task. CRS assistance is targeted toward the elderly, handicapped, invalid, infants and small children, and large families with young children. Because charity committees were given the task of identifying beneficiaries, and these Committees identified others they considered needy, CRS expanded its program from the original 1.1 million recipients to 1.8 million albeit without seeking prior approval from the US Government. But at this faster rate of delivery, food supplies will run out in July instead of October as originally planned.

Consequently, CRS has requested funding for additional food to keep its program going through October, when the harvest is completed. CARE also has requested \$11.4 million additional in FY-82 to expand its program. Funding of this request is not recommended. Because of procurement lead time, a funding commitment will be necessary by May 21 if CRS is to continue its program uninterrupted into FY-83 at the current distribution level. Sufficient flexibility currently exists in the PL-480 Title II budget to fund CRS' request for an additional \$11.2 million to continue its program through October. There is a consensus of all concerned agencies and the NSC in favor of funding this CRS request.

OPTIONS:

A. Notify CARE and CRS that no further funds will be made available in 1982. This would force CRS either to cut its level of recipients from 1.8 to 1.1 million persons or to reduce ration levels in order to stretch its program through the end of the harvest season in October.

Approve _____ Disapprove _____

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B. Grant CRS request for \$11.2 million in additional PL-480 Title II funds for FY-82. Deny CARE's \$11.4 million request. This would permit continuation of the present program level through October. This also would mean that the total level for this fiscal year of \$41.2 million is well within the \$50 million approved by the President. The \$11.2 million could be funded from the Title II reserve without additional budget authority. State, AID, NSC, Treasury, Agriculture, and OMB support this option.

Approve _____ Disapprove _____

II. Extension of Humanitarian Food Assistance into 1983

The beneficiaries of both CARE and CRS programs are those who are unlikely to be able to fend for themselves even after the October harvest. Further, the economic outlook given the effects of Western sanctions and martial law is for continued deterioration and declining food supplies. Consequently, both CARE and CRS are requesting authority to continue their food aid into 1983.

The PL-480 Title II budget request for 1983 was reduced from prior years and makes no provision for a Poland program. However, recent USDA estimates indicate lower than anticipated commodity costs and, thus, if you decide this is a priority use of such "windfall savings", there should be sufficient funds to finance any of the options below without incurring additional 1983 outlays.

OPTIONS:

A. Provide no FY-83 funding. CARE and CRS would have to be notified immediately to plan for termination of their US Government funded programs when they run out of food. Treasury supports this option.

Approve _____ Disapprove _____

B. Fund CARE and CRS programs at one half their current level of recipients in FY-83 at an estimated cost of \$25 million. We would need to inform them now of the cuts so that they could plan gradually to cut back their U.S. funded programs.

Approve _____ Disapprove _____

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- 4 -

C. Fund CARE and CRS programs at current levels of recipients (CRS - 1.8 million , CARE - 2.2 million) through the first quarter of FY-83 at a \$12.5 million level. Give CARE and CRS a commitment to fund their programs only through the rest of FY-83 at a total cost for the fiscal year not to exceed \$40 million. The appropriate program level would be determined after the Polish harvest is gathered permitting accurate assesment of food needs. The \$40 million level to complete this program will require a reduction in either the number of recipients or rations during the final three quarters of FY-83. Any unused portion of the \$40 million set aside for Poland would be reprogrammed to other priority uses. State, AID, NSC, Agriculture, and OMB support this option.

Approve _____ Disapprove _____

ESF Funding

The FY 1982 Foreign Assistance appropriations bill earmarked \$5 million in ESF for humanitarian food and medical assistance to Poland to be provided through private voluntary agencies. CARE, CRS, and Project HOPE have made proposals for the use of these funds as follows:

CARE: requests \$345,000 for repackaging and administrative expenses in FY-82 and an identical sum for FY-83.

CRS: requests \$3.5 million for additional food and provision of sanitary and infants supplies and agricultural supplies. Of this, \$1.5 million is for packages of infant food, diapers, and soap. Transportation and administrative costs are included. Certain items in the proposal are not recommended for funding: agricultural supplies (pesticides) food packages for old age centers (duplicates CARE's effort) and whole milk (not cost effective).

Project HOPE: requests up to \$5 million for disposable medical supplies, drugs, surgical sutures, and sterilization supplies to alleviate life-threatening shortages of these items in Polish obstetric and pediatric hospitals. HOPE has an agreement with the Polish Government and the Catholic Church to permit church monitoring of distribution of medical supplies to 16 such hospitals. Although this program would expand humanitarian assistance into the health area, it appears consistent with your policy and with the intent of the legislation authorizing ESF funds for Poland.

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~~CONFIDENTIAL~~

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Options for ESF Allocation:

A. Reprogram to uses other than in Poland. This would require prompt notification of Congress in order to seek a waiver. Substantial congressional opposition is likely. Treasury supports this option.

Approve _____ Disapprove _____

B. Allocate \$345,000 to CARE for FY-82, and an additional \$345,000 for FY-83 if decided to fund CARE program in FY-83, and \$4,650,000 to Project HOPE for Poland.

Approve _____ Disapprove _____

C. Allocate \$345,000 to CARE (or \$690,000 as per II above), \$1.5 to CRS, and \$3,150,000 to Project HOPE for Poland. Agriculture, and AID, support this option.

Approve _____ Disapprove _____

D. Allocate entire \$5 million to Project HOPE. State and NSC support this option.

Approve _____ Disapprove _____

CARE proposals for agricultural assistance:

CARE has submitted a proposal for US Government funding of a program to provide \$100 million in feed grains to private farmers in Poland as a form of humanitarian assistance. Provision of this funding would require a radical redefinition of humanitarian aid not in accordance with your current policy or with legislative guidelines for such aid. Distribution of the grain would be monitored by CARE, and CARE would undertake to monitor distribution of some of the chickens and eggs produced with the grain. CARE has submitted an initial proposal for funding 120,000 tons of feed grain worth about \$20 million.

The most feasible option for USG financing of the grain would be a supplemental appropriation which would require your support to pass quickly. But you would need to see substantial Polish progress toward meeting our three political conditions before lending support to the supplemental budget request. This form of humanitarian assistance would also require a considerable educational effort on the Hill and to the American

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- 6 -

public. Use of Commodity Credit Corporation (CCC) funding may be possible with your strong support and Congressional backing, but USDA is adamantly opposed to use of CCC credit for this purpose on both legal and policy grounds. Considering that USDA has an exposure of 3-year financing to Poland of \$1.6 billion, and that the P.L. 480 Title I assignment of \$47.6 million was regarded as a one-time emergency call on P.L. 480 funds, USDA believes that no further financing from those sources can be considered for Poland and that Title II would not be a suitable financing vehicle for feed grains. The financing of \$20.0 million for the purchase of feed grains is not within USDA's guidelines or plans for this fiscal year and the Department has so stated before Congress.

OPTIONS

A. RECOMMENDATION: Inform CARE that the proposal for feed grain funding cannot be supported by the Administration until Poland makes substantial progress toward meeting our three political requirements and even then supplemental funding would need to be sought. All concerned agencies support this recommendation.

Approve _____ Disapprove _____

B. Redefine humanitarian assistance to Poland to include provision of feed grain to private farmers. Seek a \$20 million supplemental to fund CARE's proposal. Congressional contacts indicate there is considerable Hill support for such a request.

Approve _____ Disapprove _____

CARE has proposed to provide tractor parts to private farmers in two Polish provinces (there are 49). The proposal would cost a total of \$2-3 million. This proposal also would require a major redefinition of humanitarian assistance.

As with the other agriculturally-related requests above, this also departs from the intent of the current legislation. For this reason we do not believe it represents a viable option for the use of E.S.F. funds. And there would seem to be higher priority needs for U.S. help in the near term.

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- 7 -

A. RECOMMENDATION: Inform CARE that its proposal to provide tractor parts to private farmers cannot be considered humanitarian assistance. Consequently, the Administration cannot support public funding for such a program at this time. All concerned agencies support this recommendation.

Approve _____ Disapprove _____

~~CONFIDENTIAL~~

~~CONFIDENTIAL~~NATIONAL SECURITY COUNCIL
WASHINGTON, D.C. 20506MEMORANDUM FOR L. PAUL BREMER, III
Executive Secretary
Department of StateDAVID PICKFORD
Executive Secretary
Department of the TreasuryRAYMOND LETT
Executive Assistant to the Secretary
Department of AgricultureWILLIAM SCHNEIDER
Associate Director for National Security
and International Affairs
Office of Management and BudgetGERALD PAGANO
Executive Secretary
Agency for International Development

SUBJECT: Humanitarian Assistance to Poland

The President has approved the following options on humanitarian assistance to Poland:

1. That the Catholic Relief Services (CRS) be granted \$11.2 million in additional PL-480 Title II funds for FY 82.
2. That CARE and CRS programs be funded through the first quarter of FY 83 at a \$12.5 million level and through the rest of FY 83 at a total cost for the fiscal year not to exceed \$40 million. The program level will be determined after the Polish harvest. Any unused portion of the \$40 million set aside for Poland will be reprogrammed to other priority uses.
3. That Project Hope be allocated the entire \$5.0 million earmarked for Poland by the FY 82 Foreign Assistance Appropriations Bill.
4. That CARE be informed that its proposal to provide feed grains to Polish private farmers cannot be supported by the Administration at this time and that its tractor spare parts program cannot be considered humanitarian assistance. (C)

Michael O. Wheeler
Staff Secretary~~CONFIDENTIAL~~

Review May 21, 1988.

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NLRR #153458
BY DW NARA DATE 2/7/86

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BAILEY

~~CONFIDENTIAL~~ (entire text)

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BUREAU OF
INTELLIGENCE
AND RESEARCH

CURRENT
ANALYSES

(U) THE EAST GERMAN PEACE MOVEMENT

Summary

A loose grouping of pacifists, dissident Marxists, and alienated youth emerged in the German Democratic Republic (GDR) in late 1981. Supported by the Evangelical (Lutheran) Church and inspired by the example of peace activities in West Germany, the GDR movement has become the sole grassroots peace protest in Eastern Europe. Its proposals and views include criticism of both Western and Eastern arms policies.

After an initially tolerant attitude, the East German authorities decided to crack down--a shift signaled by their prohibition on wearing the movement's symbol, the "Swords into Plowshares" peace patch. The GDR leadership apparently fears that an unchecked movement, with anti-regime overtones, could mushroom into a political opposition that would rally the discontented. For its part, the church has supported the movement in principle and given it institutional shelter. But the church has not backed all the activists' beliefs and actions and has tried to moderate developments so as not to jeopardize its earlier hard-won gains from the state.

The Honecker regime's limited clampdown (it has eschewed the use of major force) has been partially successful: since the mid-February demonstration in Dresden, unauthorized peace marches have not occurred. But the possibility of a serious flareup between the authorities and the movement remains real, as peace pressure continues at the local level.

* * * * *

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RDS-1,4 5/24/12 (Stoddard, P.)

DECLASSIFIED

Report 393-CA
May 24, 1982

NLRR M4521 #153459
BY KW NARA DATE 12/11/16

Emergence of Peace Movement

The East German peace movement has been fueled mainly by politically disillusioned youth and intellectuals. While related to earlier popular agitation against GDR policies perceived as militarizing society, the movement has coopted this protest into a broader range of disarmament concerns. These include, most significantly, criticism of both Western and Eastern arms policies.

The shift from solely GDR-oriented concerns to East-West ones was highlighted at the Magdeburg-Saxon Synod of the Lutheran Church, November 4-8, 1981. The Synod passed an arms reduction resolution that criticized US arms policies but also expressed hope that there might be a cutback in Soviet SS-20 missiles and Warsaw Pact tanks. The same session also resolved to lobby with GDR authorities on behalf of individuals who had written to the church requesting its support for an alternative to military service.^{1/} The Synod, in effect, publicly sanctioned a "peace dialogue" that deviated from several basic GDR policies.

The East German Socialist Unity Party (SED), at least initially, acquiesced to such expressions and tried to channel them in ways that might bolster the effectiveness of GDR peace propaganda in the Federal Republic of Germany (FRG). The Schmidt-Honecker summit in the GDR, December 11-13, served to reinforce this unusual regime response. In this context, the GDR permitted one of its critics, author Stephan Hermlin, to organize a meeting of East and West German intellectuals to discuss disarmament issues. The East Berlin meeting, which included several East German dissidents now residing in the FRG, was the first officially sanctioned pan-German writers' conference since the late 1940s.

Although the West bore the brunt of criticism at the meeting, East German and Warsaw Pact/Soviet arms policies also came under attack. GDR dissident writers Stephan Heym and Jurek Becker argued the need for an independent East German peace movement; Heym lambasted the Honecker regime for militarizing youth and society. Several West German writers denounced both US and Soviet arms policies. The articulation of such views, unprecedented for

^{1/} The GDR does not recognize conscientious objection, but permits religious conscientious objectors to serve in non-combatant "construction brigades" within the army.

a GDR conference, was recorded by the FRG media and duly played back to East German TV audiences.

Movement Growth

The SED, perhaps nudged by Moscow, saw the nascent East German peace views as giving the GDR's anti-NATO rhetoric greater force in the FRG and among the proliferating West European peace movements. East German President and SED chief Erich Honecker, during his 1981 New Year's address, even praised the convergence of the East German and West European peace movements:

"The swelling of the peace movement beyond ideological frontiers, political differences of opinion, party membership and religious beliefs is evidence of the urge for awareness of responsibility and reason, for real progress toward peace. The masses of the GDR are a firm part of this frontier-crossing peace movement."

Secular and church intellectuals seized on the pro-peace mood and regime flexibility to issue a "Berlin Appeal." Authored by a Lutheran minister, Rainer Eppelmann, and initially signed by 35 persons (including longtime GDR dissident Robert Havemann), it called for a de facto all-German neutralization spearheaded by the withdrawal of "occupation troops" from both Germanies. The Appeal also advocated extensive de-militarization of East German society--thus fusing East-West and East German military issues. Eppelmann was arrested after the Appeal was published in the FRG, but was quickly released when the church intervened on his behalf.

In the meantime, movement activists increased in number, with one sympathetic East German estimate putting them at 2,000-5,000. Many had taken to wearing peace badges. One of these--with a depiction of "Swords into Plowshares"--quickly became the symbol of the GDR peace movement. The badge seems to have been procured and distributed by church pastors. Based as it was on the Soviet memorial to peace at UN headquarters in New York, the badge's symbol was viewed as relatively less susceptible to state criticism than others might be. It was soon being displayed by hundreds, perhaps thousands, of school-age youth.

East German peace ferment reached something of a culmination on February 13 in Dresden during ceremonies commemorating the 1945 Allied bombing of the city. Thousands of young people had converged on the city to participate in a church-sponsored forum on disarmament issues; 1,500 youth, however, marched to the ruins of the Frauenkirche, where they lit candles and sang hymns and peace anthems. There were no speeches and the assembly remained orderly. Although rumors of such a gathering had circulated days before the event, GDR authorities made no effort to stop it. The Dresden

march thus became the first unauthorized peace demonstration in the history of the GDR.

The State Crackdown

The SED's earlier forbearance toward the peace movement began giving way to a hard line after the Dresden demonstration. By March 1982, unofficial peace activity--even sentiment--was judged to be against state interests. It was growing too fast and taking on too much of a pacifist cast with anti-regime overtones.

At the same time, Lutheran Church involvement with the peace issue was on the rise.^{2/} A church leadership meeting in mid-March declared that the "Swords into Plowshares" motto:

"...is not a political instruction for everyday practice, nor is it a simple recipe against nuclear weapons. It is a signpost pointing to the direction which all those should take who desire disarmament....Young men in our congregations are trying before God to find an answer to the question of whether they should do their military service in the National People's Army, whether they should decide for serving in the construction units [of the army] or whether they should generally object to military service....We stand by the young Christians who show by words or deeds that the peace efforts by our state do not make Christian disarmament efforts superfluous."

GDR State Secretary for Church Affairs Klaus Gysi informed Lutheran Church leaders on March 22 that henceforth wearing the "Swords into Plowshares" patch would be viewed by the regime as "the expression of a mentality hostile to the state and proof of membership in an illegal political association." Individuals who persisted in flaunting the badge, Gysi warned, were liable to expulsion from school or their apprenticeship. The church expressed its "dismay" at the attitude of the authorities, but stressed that individuals who sought to disobey could not be protected by the church.

Backing up this tougher line, the East German Government implemented previously planned measures to strengthen military service requirements. Legislation passed by the East German legislature, the Volkskammer, made women subject to conscription

^{2/} The Catholic Church in East Germany--much smaller than the Lutheran Church and more vulnerable to state pressure--does not want formal involvement with the movement. Some Catholic youth, however, have cooperated informally with their Lutheran counterparts on peace issues.

in time of war or general mobilization, while reservists' training was extended from 21 to 24 months. A much-rumored extension of general conscription from 18 to 24 months did not materialize--perhaps for fear that it would give new ammunition to the peace movement. The March 25 session of the Volkskammer also passed a border law that, for the first time, delineated publicly the conditions under which border guards are permitted to shoot persons seeking to escape from the GDR. In presenting the new military legislation, Defense Minister Hoffmann clearly rebuked the peace movement: "As much as we would like to scrap our weapons, we know, one day, socialism and peace will need both our plowshares and our swords."

The clampdown dampened the movement's momentum. Activists' hopes for peace marches--planned first for the Easter period and subsequently for Havemann's funeral on April 17--did not materialize. The Lutheran Church clearly was not interested in abetting public demonstrations, while the authorities increased their preemptive surveillance of peace protestors. But neither the moderating influence of the church nor regime repression has squelched peace-oriented pressure from young East Germans.

Dilemmas and Prospects

That a grassroots peace movement should exist only in East Germany, among the Warsaw Pact states, is initially explicable in terms of the country's unique status. GDR citizens, as part of a divided nation on the East-West confrontation line, are influenced by political currents in the FRG. The surge of the FRG peace movement, whose activities can be followed in the GDR through TV transmissions, resonated with many young East Germans already alienated from the regime. Peace activity came to be seen as an ideal vehicle for resisting despised GDR policies. Using the institutional shelter of the church and some of the GDR's own peace rhetoric, young people were able to turn disarmament themes into symbolic protests against the regime, the USSR, and East-West competition.

The Lutheran Church gave the movement not only shelter but also moral legitimacy. As the only major institution not controlled by the state, the church has been crucial for the movement's growth. In many instances it has given substantive direction to peace activists, even while trying to hold them back from radical actions that would provoke a confrontation with the government. Church leaders see their support for the movement as a matter of principle, but one that must be tempered by realism: they must balance off fidelity to principle with a need to survive as a "church in socialism." Some of the more radical activists have strongly resented what they see as the church's "career Christian" orientation, but they have no alternative to cooperation with it.

The Honecker regime has its own dilemmas stemming from the peace movement. Paradoxically, the state has responsibility for inadvertently encouraging peace lobbying. Its intense praise for the West German and other West European peace movements and its initially tolerant approach to a "balanced" grassroots disarmament campaign backfired. Young people and intellectuals seized on the opening to widen the scope of their concerns. The SED soon concluded that it had made a tactical error, but in restricting the movement it has tried to avoid the use of major force. A confrontation with the church and/or GDR youth could unravel East Germany's internal stability and weaker relations with the FRG. It would also put the GDR in an awkward position vis-a-vis Moscow and the Warsaw Pact.

State Secretary for Church Affairs Gysi, in an unusually candid conversation with the US Ambassador, admitted that the party leadership, particularly the ideological hardliners, feared an unchecked GDR peace movement could mushroom into a Solidarity-type political opposition. This view indicates the depth of the party's insecurity and the fears generated by the Polish crisis. But the overreaction has been at least partially successful: more public peace demonstrations have not occurred. The authorities, in effect, have let it be known that they will not tolerate peace activities which could serve as a rallying point for the politically discontented.

But aside from using coercion, the SED is also trying to redirect peace activities into acceptable official channels, particularly the Free German Youth (FDJ). While the FDJ is seen by most peace movement enthusiasts as a compromised organization, the SED is trying to improve its image and appeal. Thus, FDJ contacts with FRG leftist and Protestant groups are on the upswing. FDJ-sponsored peace activities are also more prevalent. It is unlikely that the FDJ can coopt grassroots peace sentiment, however, although some youth might be encouraged to participate in order to "infiltrate" the official group and try to win converts.

The heterogeneity of the East German peace movement constitutes both its strength and its weakness. Many otherwise disparate individuals are able to find common cause under the umbrella of peace/disarmament concerns with pan-German and anti-GDR implications. But the movement lacks a systematic program and is highly dependent upon the Lutheran Church for whatever organizational basis it has. The looseness and lack of effective structure facilitate penetration and pressure by the authorities who, at the same time, are quietly trying to buy off the church with promises of more concessions.

Despite these problems, and the movement's loss of momentum, all of the actors in this drama--church, state, and youth--recognize that the skirmishing is far from over. The possibility for a

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serious flareup, a public event getting out of control, remains very real, particularly as the movement's supporters try to devise new tactics to circumvent the state's crackdown. Another surge in the FRG movement, combined with more GDR policies aimed at militarizing the society, could well touch off a more militant demonstration in the GDR. Because of its internal and external ramifications, the East German peace movement represents one of the most complex political problems facing the SED. Furthermore, the longer it persists, the greater the chance that other East European youth might get similar ideas.

Prepared by Robert Farlow
x28538

Approved by Martha Mautner
x29536

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NATIONAL SECURITY COUNCIL
WASHINGTON, D.C. 20506

May 26, 1982

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MEMORANDUM FOR L. PAUL BREMER, III
Executive Secretary
Department of State

DAVID PICKFORD
Executive Secretary
Department of the Treasury

SE

RAYMOND LETT
Executive Assistant to the Secretary
Department of Agriculture

WILLIAM SCHNEIDER
Associate Director for National Security
and International Affairs
Office of Management and Budget

GERALD PAGANO
Executive Secretary
Agency for International Development

SUBJECT: Humanitarian Assistance to Poland

The President has approved the following options on humanitarian assistance to Poland:

1. That the Catholic Relief Services (CRS) be granted \$11.2 million in additional PL-480 Title II funds for FY 82.
2. That CARE and CRS programs be funded through the first quarter of FY 83 at a \$12.5 million level and through the rest of FY 83 at a total cost for the fiscal year not to exceed \$40 million. The program level will be determined after the Polish harvest. Any unused portion of the \$40 million set aside for Poland will be reprogrammed to other priority uses.
3. That Project Hope be allocated the entire \$5.0 million earmarked for Poland by the FY 82 Foreign Assistance Appropriations Bill.
4. That CARE be informed that its proposal to provide feed grains to Polish private farmers cannot be supported by the Administration at this time and that its tractor spare parts program cannot be considered humanitarian assistance. (C)

Michael O. Wheeler
Michael O. Wheeler
Staff Secretary

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Review May 21, 1988.

BY RW NARA DATE 12/11/02

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153456	PAPER RE. OPTIONS FOR HUMANITARIAN ASSISTANCE TO POLAND [COPY OF DOC. 153469]	7	ND	B1

Freedom of Information Act - [5 U.S.C. 552(b)]

- B-1 National security classified information [(b)(1) of the FOIA]
- B-2 Release would disclose internal personnel rules and practices of an agency [(b)(2) of the FOIA]
- B-3 Release would violate a Federal statute [(b)(3) of the FOIA]
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153462	MEMO CLARK TO RR RE. HUMANITARIAN ASSISTANCE TO POLAND [COPY OF DOC. 153454]	2	5/24/1982	B1

Freedom of Information Act - [5 U.S.C. 552(b)]

- B-1 National security classified information [(b)(1) of the FOIA]
- B-2 Release would disclose internal personnel rules and practices of an agency [(b)(2) of the FOIA]
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OPTIONS FOR HUMANITARIAN ASSISTANCE TO POLAND

I. Humanitarian Food Aid to Poland in FY-82

Last September in response to the continued economic deterioration and shortages evident in Poland, you authorized up to \$50 million in humanitarian food aid for distribution directly to the Polish people through private charitable agencies. CARE and Catholic Relief Services (CRS) subsequently developed programs to distribute \$30 million of food aid to about 3.3 million beneficiaries. The full \$50 million was not used due to uncertainties at that time regarding the strength of the delivery infrastructure.

Following the imposition of martial law on December 13, all official U.S. Government credits to Poland were suspended. However, humanitarian assistance was continued both on the evidence of need (presented by CRS, CARE, the Polish Catholic Church, and our Embassy in Warsaw) for such assistance and on political and foreign policy grounds:

Our assistance is widely visible in Poland, undermining regime propaganda and providing material evidence of Western support for Solidarity and the Church. Our continued assistance would help refute European criticism of sanctions and the view that Poland is a screen for a U.S. policy of confrontation with the Soviets. Our assistance also undermines Soviet propaganda portraying themselves as the only true friends of Polish workers.

Poland's economic situation is continuing to deteriorate under martial law with our sanctions exacting an increasingly heavy toll. Poland's GNP declined by about 14 percent in 1981 and signs point to an acceleration of the decline in living standards (the Warsaw regime predicts a 25 percent fall in 1982). The regime's 300-400 percent increases in food prices appear to have brought demand and supply into closer balance. The increases have placed many food items out of reach of the average Polish consumer. The outlook is for continued economic decline in Poland. An exceptionally good harvest could provide some relief of staple food shortages such as wheat, but there is no way to judge the harvest this early in the year. Despite the gloomy economic situation and outlook, a decision to provide additional Title II food is a political one since Poland's situation is not so poor that it would meet the normal criteria for granting of such aid.

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BY DW NARA DATE 12/7/16

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FUNDING OF HUMANITARIAN FOOD ASSISTANCE IN FY-82

The US Government has provided CARE with \$15 million in PL-480 Title II food supplements for 2.2 million children and elderly persons in pre-school, day care, and health facilities under CARE and Polish Ministry of Health supervision. At the current recipient level food supplies will last until October 1982. Additional funds must be committed by July, however, if we decide to continue CARE's program uninterrupted into FY-83 because of the lead time for food procurement.

The CRS program was initially designed to provide food supplements to 1.1 million persons, with \$15 million in US Government donated PL-480 Title II food. The CRS program uses the extensive infrastructure of the Polish Catholic Church to identify needy individuals and distribute food to them through charity committees in each church parish. Over 250,000 volunteers are involved in this task. CRS assistance is targeted toward the elderly, handicapped, invalid, infants and small children, and large families with young children. Because charity committees were given the task of identifying beneficiaries, and these Committees identified others they considered needy, CRS expanded its program from the original 1.1 million recipients to 1.8 million albeit without seeking prior approval from the US Government. But at this faster rate of delivery, food supplies will run out in July instead of October as originally planned.

Consequently, CRS has requested funding for additional food to keep its program going through October, when the harvest is completed. CARE also has requested \$11.4 million additional in FY-82 to expand its program. Funding of this request is not recommended. Because of procurement lead time, a funding commitment will be necessary by May 21 if CRS is to continue its program uninterrupted into FY-83 at the current distribution level. Sufficient flexibility currently exists in the PL-480 Title II budget to fund CRS' request for an additional \$11.2 million to continue its program through October. There is a consensus of all concerned agencies and the NSC in favor of funding this CRS request.

OPTIONS:

A. Notify CARE and CRS that no further funds will be made available in 1982. This would force CRS either to cut its level of recipients from 1.8 to 1.1 million persons or to reduce ration levels in order to stretch its program through the end of the harvest season in October.

Approve _____ Disapprove _____

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B. Grant CRS request for \$11.2 million in additional PL-480 Title II funds for FY-82. Deny CARE's \$11.4 million request. This would permit continuation of the present program level through October. This also would mean that the total level for this fiscal year of \$41.2 million is well within the \$50 million approved by the President. The \$11.2 million could be funded from the Title II reserve without additional budget authority. State, AID, NSC, Treasury, Agriculture, and OMB support this option.

Approve _____ Disapprove _____

II. Extension of Humanitarian Food Assistance into 1983

The beneficiaries of both CARE and CRS programs are those who are unlikely to be able to fend for themselves even after the October harvest. Further, the economic outlook given the effects of Western sanctions and martial law is for continued deterioration and declining food supplies. Consequently, both CARE and CRS are requesting authority to continue their food aid into 1983.

The PL-480 Title II budget request for 1983 was reduced from prior years and makes no provision for a Poland program. However, recent USDA estimates indicate lower than anticipated commodity costs and, thus, if you decide this is a priority use of such "windfall savings", there should be sufficient funds to finance any of the options below without incurring additional 1983 outlays.

OPTIONS:

A. Provide no FY-83 funding. CARE and CRS would have to be notified immediately to plan for termination of their US Government funded programs when they run out of food. Treasury supports this option.

Approve _____ Disapprove _____

B. Fund CARE and CRS programs at one half their current level of recipients in FY-83 at an estimated cost of \$25 million. We would need to inform them now of the cuts so that they could plan gradually to cut back their U.S. funded programs.

Approve _____ Disapprove _____

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C. Fund CARE and CRS programs at current levels of recipients (CRS - 1.8 million , CARE - 2.2 million) through the first quarter of FY-83 at a \$12.5 million level. Give CARE and CRS a commitment to fund their programs only through the rest of FY-83 at a total cost for the fiscal year not to exceed \$40 million. The appropriate program level would be determined after the Polish harvest is gathered permitting accurate assesment of food needs. The \$40 million level to complete this program will require a reduction in either the number of recipients or rations during the final three quarters of FY-83. Any unused portion of the \$40 million set aside for Poland would be reprogrammed to other priority uses. State, AID, NSC, Agriculture, and OMB support this option.

Approve _____ Disapprove _____

ESF Funding

The FY 1982 Foreign Assistance appropriations bill earmarked \$5 million in ESF for humanitarian food and medical assistance to Poland to be provided through private voluntary agencies. CARE, CRS, and Project HOPE have made proposals for the use of these funds as follows:

CARE: requests \$345,000 for repackaging and administrative expenses in FY-82 and an identical sum for FY-83.

CRS: requests \$3.5 million for additional food and provision of sanitary and infants supplies and agricultural supplies. Of this, \$1.5 million is for packages of infant food, diapers, and soap. Transportation and administrative costs are included. Certain items in the proposal are not recommended for funding: agricultural supplies (pesticides) food packages for old age centers (duplicates CARE's effort) and whole milk (not cost effective).

Project HOPE: requests up to \$5 million for disposable medical supplies, drugs, surgical sutures, and sterilization supplies to alleviate life-threatening shortages of these items in Polish obstetric and pediatric hospitals. HOPE has an agreement with the Polish Government and the Catholic Church to permit church monitoring of distribution of medical supplies to 16 such hospitals. Although this program would expand humanitarian assistance into the health area, it appears consistent with your policy and with the intent of the legislation authorizing ESF funds for Poland.

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Options for ESF Allocation:

A. Reprogram to uses other than in Poland. This would require prompt notification of Congress in order to seek a waiver. Substantial congressional opposition is likely. Treasury supports this option.

Approve _____ Disapprove _____

B. Allocate \$345,000 to CARE for FY-82, and an additional \$345,000 for FY-83 if decided to fund CARE program in FY-83, and \$4,650,000 to Project HOPE for Poland.

Approve _____ Disapprove _____

C. Allocate \$345,000 to CARE (or \$690,000 as per II above), \$1.5 to CRS, and \$3,150,000 to Project HOPE for Poland. Agriculture, and AID, support this option.

Approve _____ Disapprove _____

D. Allocate entire \$5 million to Project HOPE. State and NSC support this option.

Approve _____ Disapprove _____

CARE proposals for agricultural assistance:

CARE has submitted a proposal for US Government funding of a program to provide \$100 million in feed grains to private farmers in Poland as a form of humanitarian assistance. Provision of this funding would require a radical redefinition of humanitarian aid not in accordance with your current policy or with legislative guidelines for such aid. Distribution of the grain would be monitored by CARE, and CARE would undertake to monitor distribution of some of the chickens and eggs produced with the grain. CARE has submitted an initial proposal for funding 120,000 tons of feed grain worth about \$20 million.

The most feasible option for USG financing of the grain would be a supplemental appropriation which would require your support to pass quickly. But you would need to see substantial Polish progress toward meeting our three political conditions before lending support to the supplemental budget request. This form of humanitarian assistance would also require a considerable educational effort on the Hill and to the American

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public. Use of Commodity Credit Corporation (CCC) funding may be possible with your strong support and Congressional backing, but USDA is adamantly opposed to use of CCC credit for this purpose on both legal and policy grounds. Considering that USDA has an exposure of 3-year financing to Poland of \$1.6 billion, and that the P.L. 480 Title I assignment of \$47.6 million was regarded as a one-time emergency call on P.L. 480 funds, USDA believes that no further financing from those sources can be considered for Poland and that Title II would not be a suitable financing vehicle for feed grains. The financing of \$20.0 million for the purchase of feed grains is not within USDA's guidelines or plans for this fiscal year and the Department has so stated before Congress.

OPTIONS

A. RECOMMENDATION: Inform CARE that the proposal for feed grain funding cannot be supported by the Administration until Poland makes substantial progress toward meeting our three political requirements and even then supplemental funding would need to be sought. All concerned agencies support this recommendation.

Approve _____ Disapprove _____

B. Redefine humanitarian assistance to Poland to include provision of feed grain to private farmers. Seek a \$20 million supplemental to fund CARE's proposal. Congressional contacts indicate there is considerable Hill support for such a request.

Approve _____ Disapprove _____

CARE has proposed to provide tractor parts to private farmers in two Polish provinces (there are 49). The proposal would cost a total of \$2-3 million. This proposal also would require a major redefinition of humanitarian assistance.

As with the other agriculturally-related requests above, this also departs from the intent of the current legislation. For this reason we do not believe it represents a viable option for the use of E.S.F. funds. And there would seem to be higher priority needs for U.S. help in the near term.

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- 7 -

A. RECOMMENDATION: Inform CARE that its proposal to provide tractor parts to private farmers cannot be considered humanitarian assistance. Consequently, the Administration cannot support public funding for such a program at this time. All concerned agencies support this recommendation.

Approve _____ Disapprove _____

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153449	MEMO DOBRIANSKY TO CLARK RE. HUMANITARIAN ASSISTANCE TO POLAND	1	5/21/1982	B1

Freedom of Information Act - [5 U.S.C. 552(b)]

- B-1 National security classified information [(b)(1) of the FOIA]
- B-2 Release would disclose internal personnel rules and practices of an agency [(b)(2) of the FOIA]
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DEPARTMENT OF STATE

Washington, D.C. 20520

May 12, 1982

CONFIDENTIAL
MEMORANDUM

TO: NSC - Mr. Michael O. Wheeler
 Agriculture - Mr. Raymond Lett
 AID - Mr. Gerald Pagano
 OMB - Mr. William Schneider
 Treasury - Mr. David Pickford

Handwritten notes:
- Mr. Michael O. Wheeler
- Mr. Raymond Lett
- Mr. Gerald Pagano
- Mr. William Schneider
- Mr. David Pickford

SUBJECT: Draft Decision Memo on Options for Humanitarian Assistance to Poland.

The attached draft decision memorandum on options for humanitarian assistance for Poland has been approved by an interagency working group of the IG on Poland. It is being circulated for policy-level clearance in the IG member agencies.

Addressees are requested to review the proposed decision memorandum for final clearance. Comments or clearance should be telephoned to Mr. Tain Tompkins, 632-5804 by COB Friday May 14. Absence of comment will be construed as clearance. The target date for submitting the proposed decision memorandum to the White House is Monday, May 17.

Your prompt action will be appreciated.

Handwritten signature of L. Paul Bremer, III
L. Paul Bremer, III
Executive Secretary

Attachment: Draft Decision Memo

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GDS 5/11/02

DECLASSIFIED
Dept. of State Guidelines, July 21, 1997
BY FW NARA, DATE 2/6/13

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OPTIONS FOR HUMANITARIAN ASSISTANCE TO POLAND

I. Humanitarian Food Aid to Poland in FY-82

Last September in response to the continued economic deterioration and shortages evident in Poland, you authorized up to \$50 million in humanitarian food aid for distribution directly to the Polish people through private charitable agencies. CARE and Catholic Relief Services (CRS) subsequently developed programs to distribute \$30 million of food aid to about 3.3 million beneficiaries. The full \$50 million was not used due to uncertainties at that time regarding the strength of the delivery infrastructure.

Following the imposition of martial law on December 13, all official U.S. Government credits to Poland were suspended. However, humanitarian assistance was continued both on the evidence of need (presented by CRS, CARE, the Polish Catholic Church, and our Embassy in Warsaw) for such assistance and on political and foreign policy grounds.

Our assistance is widely visible in Poland, undermining regime propaganda and providing material evidence of Western support for Solidarity and the Church. Our continued assistance would help refute European criticism of sanctions and the view that Poland is a screen for a U.S. policy of confrontation with the Soviets. Our assistance also undermines Soviet propoganda portraying themselves as the only true friends of Polish workers.

Poland's economic situation is continuing to deteriorate under martial law with our sanctions exacting an increasingly heavy toll. Poland's GNP declined by about 13 percent in 1981 and signs point to an acceleration of the decline in living standards (the Warsaw regime predicts a 25 percent fall in 1982). The regime's 300-400 percent increases in food prices appear to have brought demand and supply into closer balance. The increases have placed many food items out of reach of the average Polish consumer. The outlook is for continued economic decline in Poland. An exceptionally good harvest could provide some relief of staple food shortages such as wheat, but there is no way to judge the harvest this early in the year. Despite the gloomy economic situation and outlook, a decision to provide additional Title II food is a political one since Poland's situation is not so poor that it would meet the normal criteria for granting of such aid.

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- 2 -

FUNDING OF HUMANITARIAN FOOD ASSISTANCE IN FY-82

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The CRS program was initially designed to provide food supplements to 1.1 million persons, with \$15 million in US Government donated PL-480 Title II food. The CRS program uses the extensive infrastructure of the Polish Catholic Church to identify needy individuals and distribute food to them through charity committees in each church parish. Over 250,000 volunteers are involved in this task. CRS assistance is targeted toward the elderly, handicapped, invalid, infants and small children, and large families with young children. Because charity committees were given the task of identifying beneficiaries, and these Committees identified others they considered needy, CRS expanded its program from the original 1.1 million recipients to 1.8 million albeit without seeking prior approval from the US Government. But at this faster rate of delivery, food supplies will run out in July instead of October as originally planned.

Consequently, CRS has requested funding for additional food to keep its program going through October, when the harvest is completed. CARE also has requested \$11.4 million additional in FY-82 to expand its program. Funding of this request is not recommended. Because of procurement lead time, a funding commitment will be necessary by May for CRS if we decide to continue its program uninterrupted into FY-83 at the current distribution level. Sufficient flexibility currently exists in the PL-480 Title II budget to fund CRS' request for an additional \$11.2 million to continue its program through October. There is a consensus of all concerned agencies and the NSC in favor of funding this CRS request.

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OPTIONS:

A. Notify CARE and CRS that no further funds will be made available in 1982. This would force CRS either to cut its level of recipients from 1.8 to 1.1 million persons or to reduce ration levels in order to stretch its program through the end of the harvest season in October. Treasury supports this option.

Approve _____ Disapprove _____

B. Grant CRS request for \$11.2 million in additional PL-480 Title II funds for FY-82. Deny CARE's \$11.4 million request. This would permit continuation of the present program level through October. This also would mean that the total level for this fiscal year of \$41.2 million is well within the \$50 million approved by the President. The \$11.2 million could be funded from the Title II reserve without additional budget authority. State, AID, NSC, Agriculture, and OMB support this option.

APPROVE _____ DISAPPROVE _____

II. Extension of Humanitarian Food Assistance into 1983

The beneficiaries of both CARE and CRS programs are those who are unlikely to be able to fend for themselves even after the October harvest. Further, the economic outlook given the effects of Western sanctions and martial law is for continued deterioration and declining food supplies. Consequently, both CARE and CRS are requesting authority to continue their food aid into 1983.

The PL-480 Title II budget request for 1983 was reduced from prior years and makes no provision for a Poland program. However, recent USDA estimates indicate lower than anticipated commodity costs and, thus, if you decide this is a priority use of such "windfall savings", there should be sufficient funds to finance any of the options below without incurring additional 1983 outlays.

OPTIONS:

A. Provide no FY-83 funding. CARE and CRS would have to be notified immediately to plan for termination of their US Government funded programs when they run out of food. Treasury supports this option.

Approve _____ Disapprove _____

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B. Fund CARE and CRS programs at one half their current level of recipients in FY-83 at an estimated cost of \$25 million. We would need to inform them now of the cuts so that they could plan gradually to cut back their U.S. funded programs.

Approve _____ Disapprove _____

C. Fund CARE and CRS programs at current levels of recipients (CRS - 1.8 million , CARE - 2.2 million) through the first quarter of FY-83 at a \$12.5 million level. Give CARE and CRS a commitment to fund their programs only through the rest of FY-83 at a total cost for the fiscal year not to exceed \$40 million. The appropriate program level would be determined after the Polish harvest is gathered, permitting accurate assessment of food needs. The \$40 million level to complete this program will require a reduction in either the number of recipients or rations during the final three quarters of FY 83. Any unused portion of the \$40 million set aside for Poland would be reprogrammed to other priority uses. State, AID, Agriculture, NSC, and OMB support this option.

Approve _____ Disapprove _____

III. ESF Funding

The FY 1982 Foreign Assistance appropriations bill earmarked \$5 million in ESF for humanitarian food and medical assistance to Poland to be provided through private voluntary agencies. CARE, CRS, and Project HOPE have made proposals for the use of these funds as follows:

CARE : requests \$345,000 for repackaging and administrative expenses in FY-82 and an identical sum for FY-83.

CRS: requests \$3.5 million for additional food and provision of sanitary and infants supplies and agricultural supplies. Of this, \$1.5 million is for packages of infant food, diapers, and soap. Transportation and administrative costs are included. Certain items in the proposal are not recommended for funding: agricultural supplies (pesticides) food packages for old age centers (duplicates CARE's effort) and whole milk (not cost effective).

Project HOPE: requests up to \$5 million for disposable medical supplies, drugs, surgical sutures, and sterilization supplies to alleviate life-threatening shortages of these items in Polish obstetric and pediatric

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hospitals. HOPE has an agreement with the Polish Government and the Catholic Church to permit church monitoring of distribution of medical supplies to 16 such hospitals. Although this program would expand humanitarian assistance into the health area, it appears consistent with your policy and with the intent of the legislation authorizing ESF funds for Poland.

IV. Options for ESF Allocation:

A. Reprogram to uses other than in Poland. This would require prompt notification of Congress in order to seek a waiver. Substantial congressional opposition is likely. Treasury supports this option.

Approve _____ Disapprove _____

B. Allocate \$345,000 to CARE for FY-82, and an additional \$345,000 for FY-83 if decided to fund CARE program in FY-83, \$4,650,000 to Project HOPE for Poland.

Approve _____ Disapprove _____

C. Allocate \$345,000 to CARE (or \$690,000 as per II above), \$1.5 to CRS, and \$3,155,000 to Project HOPE for Poland. Agriculture, and AID, support this option.

Approve _____ Disapprove _____

D. Allocate entire \$5 million to Project HOPE. State and NSC support this option. ^{0 m13}

Approve _____ Disapprove _____

V. CARE proposals for agricultural assistance:

CARE has submitted a proposal for US Government funding of a program to provide \$100 million in feed grains to private farmers in Poland as a form of humanitarian assistance. Provision of this funding would require a radical redefinition of humanitarian aid not in accordance with your current policy or with legislative guidelines for such aid. Distribution of the grain would be monitored by CARE, and CARE would undertake to monitor distribution of some of the chickens and eggs produced with the grain. CARE has submitted an initial proposal for funding 120,000 tons of feed grain worth about \$20 million.

The most feasible option for USG financing of the grain would be a supplemental appropriation which would require your support to pass quickly. But you would need to see substantial

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Polish progress toward meeting our three political conditions before lending support to the supplemental budget request. This form of humanitarian assistance would also require a considerable educational effort on the Hill and to the American public. Use of Commodity Credit Corporation (CCC) funding may be possible with your strong support and Congressional backing, but USDA is adamantly opposed to use of CCC credit for this purpose on both legal and policy grounds. Considering that USDA has an exposure of 3-year financing to Poland of \$1.6 billion, and that the P.L. 480 Title I assignment of \$47.6 million was regarded as a one-time emergency call on P.L. 480 funds, USDA believes that no further financing from those sources can be considered for Poland and that Title II would not be a suitable financing vehicle for feed grains. The financing of \$20.0 million for the purchase of feed grains is not within USDA's guidelines or plans for this fiscal year and the Department has so stated before Congress.

OPTIONS

A. RECOMMENDATION: Inform CARE that the proposal for feed grain funding cannot be supported by the Administration until Poland makes substantial progress toward meeting our three political requirements and even then supplemental financing would need to be found. All concerned agencies support this recommendation.

Approve _____ Disapprove _____

B. Redefine humanitarian assistance to Poland to include provision of feed grain to private farmers. Seek a \$20 million supplemental to fund CARE's proposal. Congressional contacts indicate there is considerable Hill support for such a request.

Approve _____ Disapprove _____

CARE has proposed to provide tractor parts to private farmers in two Polish provinces (there are 49). The proposal would cost a total of \$2-3 million total. This proposal also would require a major redefinition of humanitarian assistance.

As with the other agriculturally-related requests, this also departs from the intent of the current legislation. For this reason we do not believe it represents a viable option for the use of E.S.F. funds. And there would seem to be higher priority needs for U.S. help in the near term.

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A. RECOMMENDATION: Inform CARE that its proposal to provide tractor parts to private farmers cannot be considered humanitarian assistance. Consequently, the Administration cannot support public funding for such a program at this time. All concerned agencies support this recommendation.

Approve _____ Disapprove _____

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OPTION FOR HUMANITARIAN ASSISTANCE TO POLAND

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Judge Clark	_____	_____	_____
John Poindexter	_____	_____	_____
Staff Secretary	<u>2</u>	<u>MW</u>	<u>1</u>
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Judge Clark	<u>4</u>	<u>✓</u>	<u>A</u>
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COMMENTS

Recommend you sign out
to the Pres.

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3363

NATIONAL SECURITY COUNCIL

We will, of course,
reverse the memo
at Tab 3 if necessary

MW