13th September 1989

To: Secretary General

cc: Deputy Secretary General
    ASG, Political Affairs

From: Executive Secretary

Summary Record of a Restricted Meeting of the Council
on Friday, 8th September 1989 at 10.15 a.m.

Chairman: Mr. M. Wörner

1. [Redacted]

   B. UNITED KINGDOM INITIATIVE ON POLAND

   C. Prebensen

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II. B. UNITED KINGDOM INITIATIVE ON POLAND

20. The UNITED KINGDOM REPRESENTATIVE said he would take this opportunity to brief his colleagues on a letter recently sent by Prime Minister Thatcher to Presidents Bush and Mitterrand and Chancellor Kohl concerning developments in Poland. He did so against the background of the discussions in another place which had centred on the desirability of keeping the Council informed of changing national policies towards Eastern Europe.

21. Prime Minister Thatcher's letter, copies of which would be distributed immediately, set out her conviction that the reform process in Poland should receive more effective support from the West.

22. Amongst the areas touched on in the letter, it was suggested that the Poles be encouraged to reach agreement with the IMF and that the West should give immediate thought to what kind of help could be given to Poland once the IMF issue had been resolved. This could take the form of financial assistance from the World Bank or the IMF as well as some form of restructuring of the Polish debt.

23. The letter also touched on possible help with food supplies. This initiative should necessarily be linked to the restructuring of the Polish agricultural system itself. Other measures could include removing restrictions on the access of Polish goods to Western markets and the encouragement of foreign equity investment in Poland.

24. Underlining the thinking in the letter was the realization that there was no point in simply allowing the Poles to soak up further credit. This would simply aggravate the current debt problem.

25. A further concrete measure would be to assist Poland with the training of industrial managers, specifically to allow them to move towards a more market-orientated economy.
26. Underlining the message in Prime Minister Thatcher's letter was the realization that the West was presented with a unique, historical opportunity to help a country show that it was possible to move from Communist rule to something quite different. The Poles needed and deserved practical help in this reform process.

27. He felt sure that in other Western capitals intense reflection on the Polish situation was already underway. The United Kingdom, for its part, would welcome, and indeed attach great importance to, the sharing of information and analyses, and the discussion of practical policy with its Allies. The Coordination Group, set up under the auspices of the Economic Summit, would meet in Brussels on 26th September. This would be an important occasion for carrying forward discussion on the developments underway in Eastern Europe. The Council, for its part, had agreed to meet on 27th September to begin its own intensive discussion on Poland. Both these developments were to be welcomed.

28. The CANADIAN REPRESENTATIVE said he welcomed the information given by his United Kingdom colleague. The Polish Prime Minister had now reached agreement on the composition of his Government: this was in itself a major development. In Ottawa, and in no doubt in other Allied capitals, the question now under discussion was how best to assist the positive development of the Polish situation. He would be happy to brief his colleagues, either formally or informally, on his Authorities' view of the situation. In this context, he welcomed the spirit of the United Kingdom initiative to keep its Allies informed of their thinking, both here in the Council and elsewhere, and to seek further discussion of the developments underway in Eastern Europe.

29. The BELGIAN REPRESENTATIVE said he found himself in agreement with his Canadian colleague. However, there was one aspect to this question which he felt he ought to raise. While he welcomed the United Kingdom Representative's briefing on the contents of Prime Minister Thatcher's letter, he felt nonetheless that the impression may be gained that the attitude to be struck by the West towards Eastern Europe was the prerogative of a rather restricted group of Heads of State. By extension, this appeared to exclude from the discussion other nations whose interest in the developments in Poland were perhaps no less keen.

30. The UNITED KINGDOM REPRESENTATIVE said he had to admit to being somewhat surprised by his Belgian colleague's response. Prime Minister Thatcher's letter had been briefed to the EEC the day before, and he himself saw no reason why the Council should not be briefed on the contents of this letter.

31. The CHAIRMAN said it was his understanding that the Belgian Representative was not suggesting that this briefing be withheld from the Council, but was simply pointing out that the original letter was addressed to only three other Heads of State.
32. The UNITED KINGDOM REPRESENTATIVE said he had perhaps misinterpreted his Belgian colleague's words. However, he would stress that it was the prerogative and privilege of one Head of State to address whomever she or he wished.