On October 18th I informed the Council about the forthcoming visit to Rome of Prime Minister Mazowiecki and on some economic cooperation and assistance measures for Poland decided by the Italian government.

I now enclose some more detailed information on the most significant political and economic results of Prime Minister Mazowiecki's visit.

I am sending copy of this letter and enclosure to my colleagues on the Council.

Sincerely yours,

Paolo

H.E.
Dr. Manfred Woerner
Secretary General
North Atlantic Treaty Organization
1. Polish Prime Minister Tadeusz Mazowiecki, accompanied by Foreign Minister Skubiszewski and other technical ministers, made an official working visit to Italy from 18 to 21 October 1989. During his stay, he met with the President of the Republic, the President of the Council of Ministers, and the Minister of Foreign Affairs. He was also received by the Presidents of the Chamber of Deputies and the Senate. Finally, Mazowiecki participated in a meeting at the organization of Italian Industrialists (Confindustria) with numerous influential Italian businessmen.

In parallel with these meetings, there were working sessions between the Ministers and Deputy Ministers of Foreign Trade, Agriculture, Finance and Industry and their Italian counterparts, in order to study the possibilities for a widening of bilateral cooperation in their respective sectors.

On October 20th the Polish Prime Minister also paid a visit to the Vatican.
2. In his talks with various Italian officials, the Polish Prime Minister explained thoroughly the very delicate internal situation in which Poland currently finds itself, as well as the country's serious economic problems. He emphasized that the principal danger facing Poland is the progressive deterioration of the economic situation. Nevertheless, he expressed hope and confidence in the understanding and material assistance of the West, which he hoped would be as wide-ranging and speedy as possible.

Mazowiecki told Prime Minister Andreotti that his official visit to Warsaw in December 1984 and that of President Cossiga and himself in May 1989, had testified to Italy's confidence that Poland would get back on the right track. He also explained in concrete terms the achievements on the political level realized by Solidarity, as well as by other groups. The present internal Polish agreement - emphasized Mazowiecki - is to the credit of all political forces, even if Solidarity was the moving factor. Indeed, there is a general awareness among the Polish political forces that only in unity can they continue with the ongoing process of reform, contributing, at the same time, to greater stability in Europe.

Mazowiecki also stressed the interdependence that exists between Gorbachev's perestroika and the ongoing process in Poland. He assured that his government intends to play a
positive role in that context. The peaceful evolution taking place in Poland - he pointed out - is, in any case, most threatened by the very serious economic problems. Nonetheless, he expressed confidence that these problems can be overcome if Europe helps Poland.

3. Prime Minister Andreotti expressed his satisfaction over the fact that Mazowiecki's visit to Italy is his first official trip abroad. He reaffirmed Italy's firm commitment to provide a valid contribution in order that Poland may be able to overcome its current economic difficulties.

Foreign Minister De Michelis, in outlining the action undertaken by Italy in the political field with respect to Poland, indicated the three following principles to be adhered to:

A) Promptness in taking decisions, in view of Poland's political and economic situation;

B) Globality, based on which the Western countries, and the European Community in particular, should intervene on various levels: emergency aid, financial assistance, the question of foreign debt, Polish exports, promotion of investments by the industrialized countries in Poland, industrialization of agriculture, management training;

C) Adequacy, that is, once the extent of an intervention is decided on, it should be carried out in full.
4. Prime Minister Andreotti and Foreign Minister De Michelis illustrated to their Polish counterparts the various support measures to be taken by Italy in different sectors.

Emergency aid

Recalling the well-known decisions of the European Community, the Italian officials expressed their willingness to grant, in addition to the efforts made within the European Community, bilateral food aid (25,000 tons of olive oil, 6,000 tons of beef, 5,000 of mutton). In this regard, the need for coordination was pointed out, in order to solve transport and distribution problems.

The Italian government also made known its intention to grant Poland up to 10 billion lire (about 7.5 million dollars) for medical supplies, based on a list to be drawn up by the Polish government as soon as possible.

Financial Assistance

The second sector indicated for intervention was the financial one, with the following initiatives.

1) Opening of a 400 million dollar ceiling for guaranteed export credits.

2) Availability of a further credit line facility of 100 billion lire (about 75 million dollars).

3) Maximum support within the IMF Committee of Ten, as well as in the Paris Club for refinancing Poland's external debt.
Initiatives in the Commercial and Industrial Sectors

1) Moving up to 1990 the date for the abolition of quantitative restrictions on Polish exports, already envisaged for 1994.

2) Creation of a fund to promote joint ventures.

3) Willingness to study management training projects.

The foregoing measures will be implemented as rapidly as possible, since they involve administrative decisions not requiring specific legislation.

5. During their talks, Prime Minister Mazowiecki and Foreign Minister Skubichewski invited Prime Minister Andreotti and Foreign Minister De Michelis to pay official visits to Poland in the near future. Dates for such visits will be established through diplomatic channels.