

Originally Processed With FOIA(s):
2009-0275-S

FOIA Number:
2009-0275-S

FOIA MARKER

**This is not a textual record. This is used as an
administrative marker by the George Bush Presidential
Library Staff.**

Record Group/Collection: George H.W. Bush Presidential Records
Collection/Office of Origin: Scowcroft, Brent, Collection
Series: USSR Chronological Files
Subseries: Soviet Power Collapse in Eastern Europe Files

OA/ID Number: 91125
Folder ID Number: 91125-001

Folder Title:
Soviet Power Collapse in Eastern Europe (November 1989) (Part I)

Stack:	Row:	Section:	Shelf:	Position:
G	34	3	3	4

Withdrawal/Redaction Sheet

(George Bush Library)

Doc. No. / Type	Subject/Title	Date	Restriction	Classification
01a. Outline	Re: Meeting with Imre Pozsgay, Minister of State of Hungary (2 pp.)	11/1/89	(b)(1)	✓
01b. Talking Points	Re: Points To Be Made for Meeting with Imre Pozsgay, Minister of State of Hungary (3 pp.)	n.d.	(b)(1)	✓
01c. Report	Re: Biography (2 pp.)	10/27/89	(b)(1)	C
01d. Memo	Robert L. Hutchings to Brent Scowcroft Re: The President's Meeting with Imre Pozsgay, Minister of State of Hungary, November 2, 1989 (1 pp.)	10/31/89	(b)(1)	✓
02a. Memo	J. Stapleton Roy to Brent Scowcroft Re: Presidential Correspondence (1 pp.)	11/3/89	(b)(1)	✓
02b. Draft	Re: Department of State Draft Reply (3 pp.)	n.d.	(b)(1)	
02c. Message	Prime Minister Thatcher to President Bush (4 pp.)	10/9/89	(b)(1)	
03a. Memo	Nancy Bearg Dyke to Brent Scowcroft Re: U.S. Policy on Eastern European Refugees (3 pp.)	11/7/89	(b)(1)	S
03b. Memo	Ambassador Jewel S. Lafontant to Secretary of State Re: Refugee Policy for Poles and Hungarians (5 pp.)	n.d.	(b)(1)	S

Page 1 of 3

Collection:

Record Group: Bush Presidential Records
Office: Scowcroft, Brent, Files
Series: USSR Chronological Files
Subseries: Soviet Power Collapse in Eastern Europe Files
WHORM Cat.:
File Location: Soviet Power Collapse in Eastern Europe (November 1989) (Part I)

Pinksheet Number: cap1054
OA/ID Number: 91125-001
Date Closed: 3/20/2009
FOIA/Sys Case #: 2009-0275-S
Re-review Case #:
P-2/P-5 Review Case #:

Withdrawal/Redaction Sheet

(George Bush Library)

Doc. No. / Type	Subject/Title	Date	Restriction	Classification
04a. Summary	Re: Heads of State Correspondence Summary (1 pp.)	n.d.	(b)(1)	✓
04b. Letter	Chancellor Kohl to President Bush [Translation] (4 pp.)	11/5/89	(b)(1)	
04c. Letter	Chancellor Kohl to President Bush [German] (5 pp.)	11/6/89	(b)(1)	
04d. Letter	President Jaruzelski to President Bush [Unofficial Translation] (2 pp.)	11/2/89	(b)(1)	
04e. Letter	President Jaruzelski to President Bush [Polish] (2 pp.)	11/2/89	(b)(1)	
05a. Letter	President Bush to Chancellor Kohl (1 pp.)	1/2/90	(b)(1)	
05b. Letter	Chancellor Kohl to President Bush (2 pp.)	11/89	(b)(1)	
05c. Draft	Re: Draft Letter to Helmut Kohl from President Bush on IMF Quotas (2 pp.)	n.d.	(b)(1)	
05d. Draft	Re: Draft Letter to Helmut Kohl from President Bush on IMF Quotas (2 pp.)	n.d.	(b)(1)	
05e. Letter	Chancellor Kohl to President Bush (2 pp.)	11/89	(b)(1)	

Page 2 of 3

Collection:

Record Group: Bush Presidential Records
Office: Scowcroft, Brent, Files
Series: USSR Chronological Files
Subseries: Soviet Power Collapse in Eastern Europe Files
WHORM Cat.:
File Location: Soviet Power Collapse in Eastern Europe (November 1989) (Part I)

Pinksheet Number: cap1054
OA/ID Number: 91125-001
Date Closed: 3/20/2009
FOIA/Sys Case #: 2009-0275-S
Re-review Case #:
P-2/P-5 Review Case #:

Withdrawal/Redaction Sheet

(George Bush Library)

Doc. No. / Type	Subject/Title	Date	Restriction	Classification
06. Memo	Timothy E. Deal to Brent Scowcroft Re: Poland: Evaluation of th Reform Program (2 pp.)	11/15/89	(b)(1)	✓
07a. Memo	Adrain Basora to Brent Scowcroft Re: Press Release for Coordinator of U.S. Assistance to Poland and Hungary (1 pp.)	11/10/89	(b)(1)	✓
07b. Memo	G. Philip Hughes to James W. Cicconi Re: Press Release for Coordinator of U.S. Assistance to Poland and Hungary (1 pp.)	n.d.	(b)(1)	✓
08a. Outline	Re: Dinner with Lech Walesa (2 pp.)	11/13/89	(b)(1)	✓
08b. Talking Points	Re: Points To Be Made for Dinner with Lech Walesa (3 pp.)	n.d.	(b)(1)	✓
08c. Talking Points	Re: Points To Be Made for Dinner with Lech Walesa (2 pp.)	n.d.	(b)(1)	✓
08d. Memo	Condoleezza Rice to Brent Scowcroft Re: President's Dinner with Lech Walesa (1 pp.)	11/13/89	(b)(1)	✓

Collection:

Record Group: Bush Presidential Records
Office: Scowcroft, Brent, Files
Series: USSR Chronological Files
Subseries: Soviet Power Collapse in Eastern Europe Files
WHORM Cat.:
File Location: Soviet Power Collapse in Eastern Europe (November 1989) (Part I)

Pinksheet Number: cap1054
OA/ID Number: 91125-001
Date Closed: 3/20/2009
FOIA/Sys Case #: 2009-0275-S
Re-review Case #:
P-2/P-5 Review Case #:

~~CONFIDENTIAL~~

~~CONFIDENTIAL~~

CHRON FILE

THE WHITE HOUSE

WASHINGTON

8674

DECLASSIFIED
PER E.O. 13526

November 1, 1989

2009-1008- MR

SCS 8/8/13

MEETING WITH
IMRE POZSGAY, MINISTER OF STATE OF HUNGARY

DATE: November 2, 1989

LOCATION: Oval Office

TIME: 1:30 p.m. - 2:00 p.m.

FROM: BRENT SCOWCROFT

Rg for

I. PURPOSE

To reaffirm your support for the process of democratic change as Hungary prepares for Presidential and parliamentary elections in the first half of 1990.

II. BACKGROUND

Pozsgay is at once a leading proponent of multiparty democracy in Hungary and a candidate for President in the elections now expected early in 1990. It will be important to distinguish your support for the democratic process that Pozsgay champions from his personal political fortunes.

As you know from your meetings in July, Pozsgay is a charismatic and popular proponent of radical political and economic change. Well before the dramatic changes following Kadar's removal in May 1988, Pozsgay had used his position as leader of the Patriotic People's Front to build a powerful following around the country. He unquestionably has the broadest political base of any Hungarian politician. Opinion polls also have him the most popular, though such sentiments may well change in today's fluid environment.

At the October conference which dissolved the Hungarian Socialist Workers Party and renamed it the Hungarian Socialist Party, Pozsgay was only partially successful in gaining endorsement of his reform agenda. In the process, the distance has increased between himself and Rezső Nyers, who has sought to balance the Party's reform and conservative wings. Not only has the HSP's leadership become more fragile, but Pozsgay's candidacy for the Presidency is no longer the sure thing it once seemed. Just this week, opposition parties demanded a national referendum that will put off the Presidential election until next January at the earliest.

cc: Vice President
Chief of Staff

~~CONFIDENTIAL~~

Declassify on: OADR

~~CONFIDENTIAL~~

CONFIDENTIAL

~~CONFIDENTIAL~~

Pozsgay sees his meeting with you, coming on the heels of his meetings with Prime Ministers Thatcher and Mulroney, as a means of strengthening his political position, though he will be careful to avoid exploiting his visits publicly. Sensitive to the higher visibility Poland has here, he will also seek your views on the status of economic assistance measures for Hungary.

The meeting will give you an opportunity to project your support for democratic change in Eastern Europe and help arrest Congressional criticism that the Administration is not doing enough for Poland and Hungary. You will also want to sound Pozsgay out on his assessment of Hungary's progress toward economic and political reform, including the crucial parliamentary elections planned for next spring. If these turn out to be as free and open as promised, the Hungarian Socialist Party could well become a minority party in the next parliament.

In a White House press release after the meeting, we will stress that your meeting was in the context of Pozsgay's key role as advocate and architect of democratic change in Hungary and that we do not support any particular candidate for office. The statement will also allude to the November 2-16 visit to the U.S. of nine representatives of other Hungarian parties and opposition groups, who are here on a USIA-sponsored visitor program to examine election processes in the U.S.

III. PARTICIPANTS

A list of participants is at Tab C.

IV. PRESS PLAN

Open photo, writing pool.

V. SEQUENCE

Photo opportunity and meeting in the Oval Office.

Attachments

Tab A	Points to be Made
Tab B	Biography
Tab C	Participants List

CONFIDENTIAL

~~CONFIDENTIAL~~

Tab A

~~CONFIDENTIAL~~

~~CONFIDENTIAL~~

POINTS TO BE MADE FOR MEETING WITH
IMRE POZSGAY, MINISTER OF STATE OF HUNGARY

- I want to commend you and the rest of the Hungarian leadership, including opposition leaders, for the impressive progress toward democracy Hungary has made, even since my visit in July.
- In a Rose Garden ceremony last week, I signed the documents necessary to grant Hungary continuing Most Favored Nation treatment, without the requirement of annual waivers.
 - o This was not only a symbolic step, but one which will have important practical consequences for our trade relations and Hungary's economic progress.
 - o I also took the occasion to welcome the historic constitutional and practical steps you have taken toward multiparty democracy, and to salute the new "Republic of Hungary."
- As you know, we have taken other steps to support your efforts and to follow through on the initiatives I announced in July.
- We are urging Congress to act quickly to approve my request to establish a Hungarian-American Enterprise Fund, create a

~~CONFIDENTIAL~~

Declassify on: OADR

~~CONFIDENTIAL~~

DECLASSIFIED
PER E.O. 13526

2009-1008-MR
SCS 8/8/13

~~CONFIDENTIAL~~

~~CONFIDENTIAL~~

regional environmental center in Budapest, and authorize OPIC to operate in Hungary.

- o (IF ASKED) I cannot say at this point what the level of funding will be. We will be working urgently with Congress to translate our initiatives into reality.
- We are gratified by the progress we have made through the Group of 24 in Brussels to develop concerted Western action in support democratic change in Hungary and Poland. This is important not only to coordinate our assistance but also to ensure that the industrialized democracies are involved over the long term.
- There are a number of other measures already concluded, including a Science and Technology Agreement and a Peace Corps Memorandum of Understanding.
- Next week, the Agency for International Development will have a team in Budapest to see what the U.S. can do to assist you in developing the private economic sector.
- On the political side, I am encouraged by the arrival today of nine representatives of various Hungarian opposition groups, who are here for a two-week program on electoral procedures.

~~CONFIDENTIAL~~

~~CONFIDENTIAL~~

~~CONFIDENTIAL~~

~~CONFIDENTIAL~~

- o As I am sure you understand, our support is for the process of democratic change, not for any one party or candidate.

- As I said in Budapest, the U.S. is not looking to gain strategic advantage or make life difficult for Mr. Gorbachev. We see Hungary's evolution toward democracy as vital to stability and security in Europe. This process contributes to Soviet security as well.

- Let me also commend Hungary for its courageous decision to help refugees from East Germany find their way to the West through Hungary. It appears that the new leadership in the GDR has come to realize that it must respond to growing public demands for change.

- I would be very interested in your views of the dramatic changes in central Europe -- in Hungary especially but also in Poland and the GDR. What do you expect as Hungary prepares for parliamentary elections next year?

~~CONFIDENTIAL~~

~~CONFIDENTIAL~~

Withdrawal/Redaction Sheet

(George Bush Library)

Document No. and Type	Subject/Title of Document	Date	Restriction	Class.
01c. Report	Re: Biography (2 pp.)	10/27/89	(b)(1)	C

Collection:

Record Group: Bush Presidential Records
Office: Scowcroft, Brent, Collection
Series: USSR Chronological Files
Subseries: Soviet Power Collapse in Eastern Europe Files
WHORM Cat.:
File Location: Soviet Poser Collapse in Eastern Europe (November 1989) (Part I)

Date Closed:	3/20/2009	OA/ID Number:	91125-001
FOIA/SYS Case #:	2009-0275-S	Appeal Case #:	
Re-review Case #:		Appeal Disposition:	
P-2/P-5 Review Case #:		Disposition Date:	
AR Case #:		MR Case #:	
AR Disposition:		MR Disposition:	
AR Disposition Date:		MR Disposition Date:	

RESTRICTION CODES

Presidential Records Act - [44 U.S.C. 2204(a)]

P-1 National Security Classified Information [(a)(1) of the PRA]
 P-2 Relating to the appointment to Federal office [(a)(2) of the PRA]
 P-3 Release would violate a Federal statute [(a)(3) of the PRA]
 P-4 Release would disclose trade secrets or confidential commercial or financial information [(a)(4) of the PRA]
 P-5 Release would disclose confidential advice between the President and his advisors, or between such advisors [(a)(5) of the PRA]
 P-6 Release would constitute a clearly unwarranted invasion of personal privacy [(a)(6) of the PRA]

C. Closed in accordance with restrictions contained in donor's deed of gift.

PRM. Removed as a personal record misfile.

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]
 (b)(4) Release would disclose trade secrets or confidential or financial information [(b)(4) of the FOIA]
 (b)(6) Release would constitute a clearly unwarranted invasion of personal privacy [(b)(6) of the FOIA]
 (b)(7) Release would disclose information compiled for law enforcement purposes [(b)(7) of the FOIA]
 (b)(8) Release would disclose information concerning the regulation of financial institutions [(b)(8) of the FOIA]
 (b)(9) Release would disclose geological or geophysical information

PARTICIPANTS

U.S.

The President

Lawrence Eagleburger, Acting Secretary of State

John H. Sununu, Chief of Staff

Brent Scowcroft, Assistant to the President for National Security Affairs

Robert M. Gates, Assistant to the President and Deputy for National Security Affairs

Robert D. Blackwill, Special Assistant to the President for National Security Affairs, NSC (Notetaker)

James Dobbins, Principal Deputy Assistant Secretary of State for European and Canadian Affairs

Interpreter

Hungary

Imre Pozsgay, Minister of State

Laszlo Kovacs, State Secretary, Ministry of Foreign Affairs

Peter Varkonyi, Ambassador

Judit Abri, Interpreter

~~CONFIDENTIAL~~

~~CONFIDENTIAL~~

8674

NATIONAL SECURITY COUNCIL
WASHINGTON, D.C. 20506

October 31, 1989

ACTION

MEMORANDUM FOR BRENT SCOWCROFT

THROUGH: ROBERT D. BLACKWILL *RB*
FROM: ROBERT L. HUTCHINGS *RLH*
SUBJECT: The President's Meeting with Imre Pozsgay,
Minister of State of Hungary, November 2, 1989

At Tab I is the President's briefing package for his meeting with Hungarian Minister of State Imre Pozsgay. As Pozsgay is a candidate for President of Hungary, it will be important to convey that the meeting is a sign of U.S. support for the process of democratic change in Hungary rather than for any one candidate. We will make that point in a draft White House statement which we will forward for release after the meeting.

RECOMMENDATION

That you sign the memorandum for the President at Tab I.

Attachments

Tab I Memorandum for the President
Tab A Points to be Made
Tab B Biography
Tab C Participants List

DECLASSIFIED
PER E.O. 13526

2009-1008-MK
SCS 8/8/13

~~CONFIDENTIAL~~

Declassify on: OADR

~~CONFIDENTIAL~~

~~CONFIDENTIAL~~
NSC/S PROFILE

RECORD ID: 8908117
RECEIVED: 11 OCT 89 11

TO: SCOWCROFT

COMMON FILE

FROM: ROY, J

DOC DATE: 03 NOV 89
SOURCE REF: 8924314

KEYWORDS: GREAT BRITAIN
ECONOMIC ASSISTANCE

POLAND
HS



PERSONS:

SUBJECT: LTR TO PRES FM PM THATCHER RE ECONOMIC ASSISTANCE TO POLAND

ACTION: NFAR PER HUTCHINGS

DUE DATE: 08 NOV 89

STATUS: C

STAFF OFFICER: STATE

LOGREF: 8907936 8907942

FILES: WH

NSCIF:

CODES:

DOCUMENT DISTRIBUTION

FOR ACTION

FOR CONCURRENCE

FOR INFO

DECLASSIFIED
White House Guidelines
E.O. 12958, SEC 3.4 (B) September 11, 2006
By Cop NARA, Date 3/20/09

COMMENTS: _____

DISPATCHED BY _____ DATE _____ BY HAND W/ATTCH

OPENED BY: NSMDC

CLOSED BY: NSJRP

DOC 2 OF 2

~~CONFIDENTIAL~~



United States Department of State

Washington, D.C. 20520

Gammill

November 3, 1989

~~CONFIDENTIAL~~MEMORANDUM FOR BRENT SCOWCROFT
THE WHITE HOUSE

Subject: Presidential Correspondence.

Attached is the State Department's proposed response to the October 9 letter from Prime Minister Thatcher to the President on the stabilization fund for Poland. The Prime Minister was writing in response to an October 4 letter from the President.

J. Stapleton Roy
J. Stapleton Roy
Executive Secretary

Attachments:

1. Proposed Response to Thatcher letter to the President.
2. Copy of Prime Minister Thatcher's letter to the President.

DECLASSIFIED
PER E.O. 13526

2009-1008-MR

SCS 8/8/13

~~CONFIDENTIAL~~

(DECL: OADR)

DEPARTMENT OF STATE

DRAFT REPLY

Dear Margaret,

Thank you for your letter of October 9. I fully agree that we have made great progress on supporting reform in Eastern Europe since we met in Paris in July. The Commission and the members of the European Community have played a crucial role in this process.

As I indicated in my letter of October 4, the Poles' recent plan to transform their economy presents us with a new and important challenge. The Mazowiecki Government is now engaged in a daring effort to eradicate inefficiencies of 40 years of economic mismanagement. This effort is based, in part, on the provision of substantial concrete assistance by the West. Deputy Premier Balcerowicz, during his visit to Washington, informed us that a key requirement in this regard would be a \$1 billion stabilization fund provided by the West during the first quarter of 1990. As you know, we have announced a \$200 million grant to such a fund, contingent on an IMF agreement and the report of our Presidential experts' mission. I understand the Federal Republic of Germany has also made a substantial commitment to the stabilization fund.

The Right Honorable
Margaret Thatcher, M.P.,
Prime Minister,
London.

Balcerowicz stated that the stabilization fund is needed to support the zloty as Poland moves to a fully convertible currency. However, I believe we should work with the IMF and the Mazowiecki Government to determine the most appropriate uses for such a fund. I did not mean to indicate in my earlier letter that the money would be used for any type of project funding. Rather, I would recommend that our representatives meet with representatives of the IMF and the Mazowiecki Government at a later date to determine parameters for the uses of the stabilization fund.

I believe it is essential, however, for the Polish Government and the IMF to know now whether they can count on the \$1 billion stabilization fund. It will give them a clearer picture of the dimensions of Western support so that the most appropriate IMF program can be drafted. Although project-based assistance to Poland is important, I believe our priority attention at this time must be on full funding for Poland's stabilization program.

I would encourage you to announce as soon as possible your government's willingness to participate in the stabilization fund and the amount that you will contribute to the fund. I hope that amount will be commensurate with our contribution.

With regard to Hungary, I share your concern that we not lose track of Hungary's needs, even as we concentrate our coordinated support on the historic opportunity in Poland. We are greatly impressed by Hungary's momentum for political reform and will continue to explore ways for further encouragement. Great progress has been made in addressing Hungary's trade agenda (e.g., GSP and MFN from the United States; GSP and the accelerated phasing out of quantitative restrictions from the EC). Although Hungary's financial situation is not in the same crisis position as Poland's, we should all be working to encourage Hungary and the IMF to reach a new, feasible stand-by agreement.

I look forward to seeing you in Washington in late November to discuss these and other matters.

Sincerely,

George

NATIONAL SECURITY COUNCIL

ID 8908402

REFERRAL

DATE: 19 OCT 89

MEMORANDUM FOR: SECRETARIAT STATE

DOCUMENT DESCRIPTION:

TO: PRESIDENT

8924314

'89 OCT-20 12:18 AM

SOURCE: DELORS, JACQUES

DATE: 09 OCT 89

SUBJ: LTR TO PRES FM DELORS / PM EC RE ECONOMIC ASSISTANCE TO EAST EUROPE

REQUIRED ACTION: RECOMMENDATIONS

DUE DATE: 24 OCT 89

COMMENT:

FOR

Walter E. Avis

GEORGE VAN ERON

DIRECTOR NSC SECRETARIAT

Rec'd in S/S-IRM on
10/19 at 2310 by CWA



FROM THE AMBASSADOR

BRITISH EMBASSY

WASHINGTON, D. C. 20008

TELEPHONE: (202) 462-1340

The Honorable
Brent Scowcroft
Assistant to the President for
National Security Affairs
Room 1/WW
The White House
Washington DC 20500

10 October 1989

Dear Brent,

I should be grateful for your assistance in passing to
/ the President the enclosed text of a message from the Prime
Minister.

Sincerely

Antony

Antony Acland

**NOTED**

TEXT OF A MESSAGE DATED 9 OCTOBER 1989
FROM THE PRIME MINISTER TO THE PRESIDENT

Begins

Dear George,

I was encouraged by your letter of 4 October about Poland. It confirms that our views are very close, and that the West is working well together to support reform in Eastern Europe.

You will have seen that the EC Foreign Ministers meeting on 3 October approved a substantial package of help for Poland and Hungary. Under this, the Community will expand access to our markets for Poland and Hungary. We shall also spend 200 million ecu from next year's EC budget, mainly to promote reform of agriculture in Poland and to finance management training and environmental protection in both countries. This matches what they need with what Europe can best offer.

Like you, we are impressed with the economic policies which the Poles have outlined and with their determination to carry them through. We shall give the fullest backing to efforts to secure a strong and sustainable programme with the IMF. This is the key to unlock the further help we can all give. In particular, we need the guidance of the Fund on the scale and timing of Poland's external financing needs, to which the IMF itself, the World Bank and Poland's friends and supporters would respond.



I welcome most warmly your decision to contribute \$200 million, contingent on the conclusion of an IMF agreement, and which would go towards a total of \$1 billion in Western assistance for Poland. Your action provides a good lead. I hope, as you do, that it will be matched by others. We have already committed ourselves to substantial aid to Poland, both through the community and bilaterally by our \$40 million "Know-How Fund". But I confirm that we are ready to do more and provide a further British contribution as part of a collective Western effort. I would prefer not to set a precise figure until we know more from the IMF about Poland's precise needs. But our contribution would certainly be proportionate to yours.

I agree with you that it is right to offer grants, not loans, so as not to increase Poland's heavy debt. We note that your proposed stabilisation fund differs from the Poles' proposal for a stabilisation loan, aimed at building up international reserves and supporting a newly unified and convertible currency. We should be interested to learn more of the intended uses of the stabilisation fund and the period envisaged for disbursement.

We should think carefully about how these grants are used, to ensure good value both for the Poles and ourselves. My own view is that the priority objectives should be:-

- to promote the conversion of state-owned firms into market-based ones. Finance Minister Balcerowicz especially asked Nigel Lawson for help in this.



- to encourage Western private sector involvement in Poland.
- to improve the quality of Polish management.

We need ways of bringing together capital and expertise from many sources - Western and Polish, multilateral and bilateral, public and private - for these purposes. One method might be an investment consortium, which would bring together Polish enterprises and potential investors. This might be developed into an Investment Bank, drawing equity both from the Poles and from the West, which would take shares in state firms being privatised and help to turn them into profit-making operations. At every stage, the skill and experience of the International Finance Corporation would be invaluable and I believe they would be ready to help. We would want to pursue these ideas further with you and other Western participants, as well as with the Poles themselves. I hope that the team you propose to send to Poland could visit London en route to exchange ideas.

The transformation of Eastern Europe is only just beginning. So in helping Poland, we should be mindful of other East European countries embarking on similar reforms to escape from the straightjacket of Communism, whether now or in the future. This especially applies at present to Hungary. Hungary's political reforms are in some ways as ambitious as Poland's. Economically, they need to get back into close relations with the IMF and to correct their fiscal and external deficits. But their economy is certainly healthier than



Poland's: they have so far serviced their debts; they can feed themselves; they have gone further towards a market economy. The EC will help Hungary, through its recent decisions, and you announced measures of assistance when you visited Budapest. But we should also give more thought to how the West can together help the Hungarian reforms.

I am writing in this sense to all our G7 colleagues and to Jacques Delors.

Warm regards,

Yours ever,

Margaret

Ends

Withdrawal/Redaction Sheet

(George Bush Library)

Document No. and Type	Subject/Title of Document	Date	Restriction	Class.
03a. Memo	Nancy Bearg Dyke to Brent Scowcroft Re: U.S. Policy on Eastern European Refugees (3 pp.)	11/7/89	(b)(1)	S

Collection:

Record Group: Bush Presidential Records
Office: Scowcroft, Brent, Collection
Series: USSR Chronological Files
Subseries: Soviet Power Collapse in Eastern Europe Files
WHORM Cat.:
File Location: Soviet Poser Collapse in Eastern Europe (November 1989) (Part I)

Date Closed:	3/20/2009	OA/ID Number:	91125-001
FOIA/SYS Case #:	2009-0275-S	Appeal Case #:	
Re-review Case #:		Appeal Disposition:	
P-2/P-5 Review Case #:		Disposition Date:	
AR Case #:		MR Case #:	
AR Disposition:		MR Disposition:	
AR Disposition Date:		MR Disposition Date:	

RESTRICTION CODES

Presidential Records Act - [44 U.S.C. 2204(a)]

P-1 National Security Classified Information [(a)(1) of the PRA]
 P-2 Relating to the appointment to Federal office [(a)(2) of the PRA]
 P-3 Release would violate a Federal statute [(a)(3) of the PRA]
 P-4 Release would disclose trade secrets or confidential commercial or financial information [(a)(4) of the PRA]
 P-5 Release would disclose confidential advice between the President and his advisors, or between such advisors [(a)(5) of the PRA]
 P-6 Release would constitute a clearly unwarranted invasion of personal privacy [(a)(6) of the PRA]

C. Closed in accordance with restrictions contained in donor's deed of gift.

PRM. Removed as a personal record misfile.

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]
 (b)(4) Release would disclose trade secrets or confidential or financial information [(b)(4) of the FOIA]
 (b)(6) Release would constitute a clearly unwarranted invasion of personal privacy [(b)(6) of the FOIA]
 (b)(7) Release would disclose information compiled for law enforcement purposes [(b)(7) of the FOIA]
 (b)(8) Release would disclose information concerning the regulation of financial institutions [(b)(8) of the FOIA]
 (b)(9) Release would disclose geological or geophysical information

Withdrawal/Redaction Sheet

(George Bush Library)

Document No. and Type	Subject/Title of Document	Date	Restriction	Class.
03b. Memo	Ambassador Jewel S. Lafontant to Secretary of State Re: Refugee Policy for Poles and Hungarians (5 pp.)	n.d.	(b)(1)	S

Collection:

Record Group: Bush Presidential Records
Office: Scowcroft, Brent, Collection
Series: USSR Chronological Files
Subseries: Soviet Power Collapse in Eastern Europe Files
WHORM Cat.:
File Location: Soviet Poser Collapse in Eastern Europe (November 1989) (Part I)

Date Closed:	3/20/2009	OA/ID Number:	91125-001
FOIA/SYS Case #:	2009-0275-S	Appeal Case #:	
Re-review Case #:		Appeal Disposition:	
P-2/P-5 Review Case #:		Disposition Date:	
AR Case #:		MR Case #:	
AR Disposition:		MR Disposition:	
AR Disposition Date:		MR Disposition Date:	

RESTRICTION CODES

Presidential Records Act - [44 U.S.C. 2204(a)]

P-1 National Security Classified Information [(a)(1) of the PRA]
P-2 Relating to the appointment to Federal office [(a)(2) of the PRA]
P-3 Release would violate a Federal statute [(a)(3) of the PRA]
P-4 Release would disclose trade secrets or confidential commercial or financial information [(a)(4) of the PRA]
P-5 Release would disclose confidential advice between the President and his advisors, or between such advisors [(a)(5) of the PRA]
P-6 Release would constitute a clearly unwarranted invasion of personal privacy [(a)(6) of the PRA]

C. Closed in accordance with restrictions contained in donor's deed of gift.

PRM. Removed as a personal record misfile.

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]
(b)(4) Release would disclose trade secrets or confidential or financial information [(b)(4) of the FOIA]
(b)(6) Release would constitute a clearly unwarranted invasion of personal privacy [(b)(6) of the FOIA]
(b)(7) Release would disclose information compiled for law enforcement purposes [(b)(7) of the FOIA]
(b)(8) Release would disclose information concerning the regulation of financial institutions [(b)(8) of the FOIA]
(b)(9) Release would disclose geological or geophysical information

UNCLASSIFIED
NSC/S PROFILE

RECORD ID: 8909119
RECEIVED: 13 NOV 89 16

TO: BUSINESSMEN

CHRON FILE

FROM: PRESIDENT

DOC DATE: 08 NOV 89
SOURCE REF:

KEYWORDS: POLAND

ECONOMICS

PERSONS:

SUBJECT: LTRS TO BUSINESSMEN RE POLAND & ECONOMICS

ACTION: PRES SGD LTRS

DUE DATE: 16 NOV 89

STATUS: C

STAFF OFFICER: NONE

LOGREF:

FILES: WH

NSCIF:

CODES:

DOCUMENT DISTRIBUTION

FOR ACTION

FOR CONCURRENCE

FOR INFO

BASORA
BLACKWILL
DEAL
HAYDEN
HUTCHINGS
RICE

COMMENTS:

DISPATCHED BY _____ DATE _____ BY HAND W/ATTCH

OPENED BY: NSMDC

CLOSED BY: NSMDC

DOC 1 OF 1

UNCLASSIFIED

UNCLASSIFIED
ACTION DATA SUMMARY REPORT

RECORD ID: 8909119

DOC ACTION OFFICER

CAO ASSIGNED ACTION REQUIRED

001

X 89111316 PRES SGD LTRS

UNCLASSIFIED

CF new copy 9119

November 8, 1989

Dear Dr. SerVaas:

I would like to invite you to participate in a Presidential Mission to Poland, November 29-December 2, to assist me in further developing the U.S. program of support for that country's economic restructuring.

As you know, I have made it one of the highest priorities of my Administration to encourage and support the historic economic and political transformation now beginning in Eastern Europe. In July, on the eve of my visits to Poland and Hungary, I called upon our private sector to engage its enormous energies and creativity in support of those reforms. And, in Warsaw and Budapest, I announced an initial program of U.S. assistance for both countries.

Since then -- in Poland -- the first democratic government in Eastern Europe in over 40 years has emerged and embarked upon a courageous program of economic reform. In response to the Mazowiecki government's urgent appeal, I have already allocated over \$100 million in emergency food aid to Poland. I have also asked Congress for well over \$300 million, primarily to stimulate private-sector development and to finance the U.S. share of a \$1 billion fund to back the Mazowiecki government's program to stabilize and reform the economy.

The Presidential Mission in which I am asking you to participate has two immediate purposes: to provide me with recommendations on how best to assure the most effective use of these funds and to assist the Poles in refining their economic restructuring plans. The Mission would break into subgroups in order to focus both on the macroeconomic and financial problems facing Poland and on those key economic sectors where U.S. expertise could help most. In addition, I would hope that the contacts you make and the insights you develop will lead to your continued involvement in encouraging Poland's reform and redevelopment.

I have asked Clayton Yeutter, Bob Mosbacher, Elizabeth Dole, and Michael Boskin to undertake the Mission; and one of them will be in contact with you about the details.

I hope very much that you will join me in aiding the Polish people in this historic effort.

Sincerely,

^A
GEORGE BUSH

Dr. Beurt SerVaas
Chairman of the Board
SerVaas, Inc.
1000 Waterway Boulevard
Indianapolis, Indiana 46202

GB/NSC/JC/SMG/emu-pt (PC-11PGRP)
Poland2.lts

cc: G. Philip Hughes, NSC
Adrian Basora, Room 368

CLEARED THROUGH JIM CICCONI
(NOTE: Revised 11/09/89 to add title and correct spelling of name-pt)

November 8, 1989

Dear Mr. Sullivan:

I would like to invite you to participate in a Presidential Mission to Poland, November 29-December 2, to assist me in further developing the U.S. program of support for that country's economic restructuring.

As you know, I have made it one of the highest priorities of my Administration to encourage and support the historic economic and political transformation now beginning in Eastern Europe. In July, on the eve of my visits to Poland and Hungary, I called upon our private sector to engage its enormous energies and creativity in support of those reforms. And, in Warsaw and Budapest, I announced an initial program of U.S. assistance for both countries.

Since then -- in Poland -- the first democratic government in Eastern Europe in over 40 years has emerged and embarked upon a courageous program of economic reform. In response to the Mazowiecki government's urgent appeal, I have already allocated over \$100 million in emergency food aid to Poland. I have also asked Congress for well over \$300 million, primarily to stimulate private-sector development and to finance the U.S. share of a \$1 billion fund to back the Mazowiecki government's program to stabilize and reform the economy.

The Presidential Mission in which I am asking you to participate has two immediate purposes: to provide me with recommendations on how best to assure the most effective use of these funds and to assist the Poles in refining their economic restructuring plans. The Mission would break into subgroups in order to focus both on the macroeconomic and financial problems facing Poland and on those key economic sectors where U.S. expertise could help most. In addition, I would hope that the contacts you make and the insights you develop will lead to your continued involvement in encouraging Poland's reform and redevelopment.

I have asked Clayton Yeutter, Bob Mosbacher, Elizabeth Dole, and Michael Boskin to undertake the Mission; and one of them will be in contact with you about the details.

I hope very much that you will join me in aiding the Polish people in this historic effort.

Sincerely,

GEORGE BUSH^A

Mr. Barry F. Sullivan
Chief Executive Officer
Chicago First National Bank
First National Plaza
Chicago, Illinois 60670

GB/NSC/JC/SMG/emu-pt (PC-11PGRP)
Poland2.lts

cc: G. Philip Hughes, NSC
Adrian Basora, Room 368

CLEARED THROUGH JIM CICCONI

November 8, 1989

Dear Bob:

I would like to invite you to participate in a Presidential Mission to Poland, November 29-December 2, to assist me in further developing the U.S. program of support for that country's economic restructuring.

As you know, I have made it one of the highest priorities of my Administration to encourage and support the historic economic and political transformation now beginning in Eastern Europe. In July, on the eve of my visits to Poland and Hungary, I called upon our private sector to engage its enormous energies and creativity in support of those reforms. And, in Warsaw and Budapest, I announced an initial program of U.S. assistance for both countries.

Since then -- in Poland -- the first democratic government in Eastern Europe in over 40 years has emerged and embarked upon a courageous program of economic reform. In response to the Mazowiecki government's urgent appeal, I have already allocated over \$100 million in emergency food aid to Poland. I have also asked Congress for well over \$300 million, primarily to stimulate private-sector development and to finance the U.S. share of a \$1 billion fund to back the Mazowiecki government's program to stabilize and reform the economy.

The Presidential Mission in which I am asking you to participate has two immediate purposes: to provide me with recommendations on how best to assure the most effective use of these funds and to assist the Poles in refining their economic restructuring plans. The Mission would break into subgroups in order to focus both on the macroeconomic and financial problems facing Poland and on those key economic sectors where U.S. expertise could help most. In addition, I would hope that the contacts you make and the insights you develop will lead to your continued involvement in encouraging Poland's reform and redevelopment.

I have asked Clayton Yeutter, Bob Mosbacher, Elizabeth Dole, and Michael Boskin to undertake the Mission; and one of them will be in contact with you about the details.

I hope very much that you will join me in aiding the Polish people in this historic effort.

Sincerely,

^A
GEORGE BUSH

Mr. Robert Malott
Chairman of the Board
FMC Corporation
200 East Randolph Drive
Chicago, Illinois 60601

GB/NSC/JC/SMG/emu-pt (PC-11PGRP)
Poland2.lts

/cc: G. Philip Hughes, NSC
Adrian Basora, Room 368

CLEARED THROUGH JIM CICCONI

November 8, 1989

Dear Mr. Gingrich:

I would like to invite you to participate in a Presidential Mission to Poland, November 29-December 2, to assist me in further developing the U.S. program of support for that country's economic restructuring.

As you know, I have made it one of the highest priorities of my Administration to encourage and support the historic economic and political transformation now beginning in Eastern Europe. In July, on the eve of my visits to Poland and Hungary, I called upon our private sector to engage its enormous energies and creativity in support of those reforms. And, in Warsaw and Budapest, I announced an initial program of U.S. assistance for both countries.

Since then -- in Poland -- the first democratic government in Eastern Europe in over 40 years has emerged and embarked upon a courageous program of economic reform. In response to the Mazowiecki government's urgent appeal, I have already allocated over \$100 million in emergency food aid to Poland. I have also asked Congress for well over \$300 million, primarily to stimulate private-sector development and to finance the U.S. share of a \$1 billion fund to back the Mazowiecki government's program to stabilize and reform the economy.

The Presidential Mission in which I am asking you to participate has two immediate purposes: to provide me with recommendations on how best to assure the most effective use of these funds and to assist the Poles in refining their economic restructuring plans. The Mission would break into subgroups in order to focus both on the macroeconomic and financial problems facing Poland and on those key economic sectors where U.S. expertise could help most. In addition, I would hope that the contacts you make and the insights you develop will lead to your continued involvement in encouraging Poland's reform and redevelopment.

I have asked Clayton Yeutter, Bob Mosbacher, Elizabeth Dole, and Michael Boskin to undertake the Mission; and one of them will be in contact with you about the details.

I hope very much that you will join me in aiding the Polish people in this historic effort.

Sincerely,

^A
GEORGE BUSH

Mr. Don Gingrich
President
National Pork Producers Council
Rural Route 1
Parnell, Iowa 52325

GB/NSC/JC/SMG/emu-pt (PC-11PGRP)
Poland2.lts

cc: G. Philip Hughes, NSC
Adrian Basora, Room 368

CLEARED THROUGH JIM CICCONI

THE WHITE HOUSE

WASHINGTON

October 30, 1989

Dear Mr. McGillicuddy:

I would like to invite you to participate in a Presidential Mission to Poland, November 29-December 2, to assist me in further developing the U.S. program of support for that country's economic restructuring.

As you know, I have made it one of the highest priorities of my Administration to encourage and support the historic economic and political transformation now beginning in Eastern Europe. In July, on the eve of my visits to Poland and Hungary, I called upon our private sector to engage its enormous energies and creativity in support of those reforms. And, in Warsaw and Budapest, I announced an initial program of U.S. assistance for both countries.

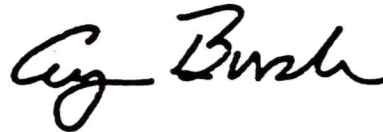
Since then -- in Poland -- the first democratic government in Eastern Europe in over 40 years has emerged and embarked upon a courageous program of economic reform. In response to the Mazowiecki government's urgent appeal, I have already allocated over \$100 million in emergency food aid to Poland. I have also asked Congress for well over \$300 million, primarily to stimulate private-sector development and to finance the U.S. share of a \$1 billion fund to back the Mazowiecki government's program to stabilize and reform the economy.

The Presidential Mission in which I am asking you to participate has two immediate purposes: to provide me with recommendations on how best to assure the most effective use of these funds and to assist the Poles in refining their economic restructuring plans. The Mission would break into subgroups in order to focus both on the macroeconomic and financial problems facing Poland and on those key economic sectors where U.S. expertise could help most. In addition, I would hope that the contacts you make and the insights you develop will lead to your continued involvement in encouraging Poland's reform and redevelopment.

I have asked Clayton Yeutter, Bob Mosbacher, Elizabeth Dole, and Michael Boskin to undertake the Mission; and one of them will be in contact with you about the details.

I hope very much that you will join me in aiding the Polish people in this historic effort.

Sincerely,

A


Mr. John F. McGillicuddy
Chairman
Manufacturers Hanover Corporation
270 Park Avenue
New York, New York 10022

~~CONFIDENTIAL~~

CHRON FILE

~~CONFIDENTIAL~~

THE PRESIDENT HAS SEEN

9390

Heads of State Correspondence Summary

4

President Ozal of Turkey - November 13, 1989

President Ozal appreciates your congratulatory message upon his election. He hopes to further enhance the bonds of friendship between Turkey and the U.S. He also hopes that you will visit Turkey at the earliest opportunity.

Chancellor Kohl of The Federal Republic of Germany - November 6, 1989

Chancellor Kohl acknowledges your letter of October 4th and informs you of FRG assistance plans for Poland and Hungary.

He states that coordination of aid to Poland & Hungary should be discussed at the next meeting of the Group of 24. He hopes that western efforts can be coordinated in the areas of: program assistance, food donations and other projects which will help foster their self reliance.

He will announce, during his visit to Poland, that the FRG will make available DM 3 billion as a guaranteed framework for loans to Poland.

Over the last two years, the FRG has contributed a total of DM 2 billion to Hungary.

Kohl regards the extension of assistance to Poland and Hungary as a contribution to the future of NATO.

President Jaruzelski of Poland - November 2, 1989

President Jaruzelski acknowledges your October 4th letter. He is pleased with the intentions, of the U.S. and its partners, to substantially support Poland's present economic reforms. Finally, he accepts your invitation to pay an official state visit and hopes to do so in the first quarter of 1990.

~~CONFIDENTIAL~~

Declassify on: OADR

DECLASSIFIED

PER E.O. 13526

2011-1608-MR

SLC 2/25/13

~~CONFIDENTIAL~~

Pls copy only:

Kohl 11/6

Jaruzelski 11/2

PRES NOTED SUMMARY

Translation

The Federal Republic of Germany
The Federal Chancellor

Bonn, 6, November 1989

Dear George,

On the eve of my official visit to the Polish People's Republic I am writing to inform you, in reply to your letter of 4 October, about the economic and financial assistance that has been agreed in connection with my visit and to bring you up to date on the aid we are providing for Hungary.

Permit me also to inform you about further considerations which should be discussed at the next round of talks to co-ordinate aid within the framework of the so-called Group of 24.

At the Paris economic summit and in our subsequent discussion we were unanimously agreed that a historic process is taking place before our eyes in Poland and Hungary, and in other socialist countries. They are moving with considerable momentum towards the granting of civil rights and liberties, the development of a pluralist society, and the transition to market economy principles. We shared the view that the continuation of this process is in our own interest, that we should therefore regard its advancement and support as a challenge to us to take joint action. And we considered that speedy and substantial assistance is necessary so that this unique historic opportunity will not be missed.

His Excellency
Mr George H. W. Bush,
President of the
United States of America,
The White House,
Washington, D.C.

The new Polish Government under Prime Minister Masowiecki is firmly resolved to co-operate closely with the West and - as far as the Federal Republic of Germany is concerned - to make a clean break with the past. It is important for the success - and possibly the survival - of the new Polish Government that it should quickly be able to produce economic results and show that it is receiving effective assistance from Western partners.

My Government is therefore prepared to support Poland with a substantial economic and financial aid programme which will become effective on the occasion of my visit - that is to say, prior to the conclusion of a stand-by credit agreement with the International Monetary Fund and a further re-scheduling arrangement within the Paris Club (Poland V).

The Government of the Federal Republic of Germany will make available DM 3 billion as a guarantee framework for loans to Poland. Of this global amount, DM 2.5 billion will be used to secure debts owed to German firms or banks for supplies and services from the Federal Republic of Germany to the Polish People's Republic.

As for your proposed co-ordinated stabilization aid from Western partners within the framework of the stabilization programme to be agreed with the International Monetary Fund, my Government is prepared to make available 200 million dollars for this purpose. This amount would form part of the aforementioned global guarantee framework of DM 3 billion.

An outstanding amount of approximately DM 760 million (principal and interest) of a DM 1 billion loan granted by the Federal Government in 1975 is to be waived and future liabilities totalling about DM 570 million will, upon maturity, be met in Zloty and used for projects of mutual interest in Poland.

Under a treaty on the mutual protection and promotion of investments which is about to be concluded, the Federal Government will also assume unlimited guarantees for investments in the Polish People's Republic.

Projects which are the subject of applications for export credit or investment guarantees will be examined by a new German-Polish monitoring committee as

to their economic value in the context of measures designed to rebuild and develop the Polish economy. The details have still to be worked out.

The Government of the Federal Republic of Germany is aware that the conclusion of a credit agreement between the Polish People's Republic and the International Monetary Fund on the basis of a reliable Polish adaptation programme is of fundamental significance. It is therefore strongly supportive of an early, constructive agreement between Poland and the Fund. It also considers that the World Bank, too, should soon be granting loans to Poland.

In implementing the Poland IV rescheduling arrangement covering debts totalling DM 2.5 billion, the Federal Government has granted last year's favourable interest rate, which, related to the whole credit period, means a saving of DM 100 million.

In addition, the Federal Government will advocate in the Paris Club a long-term rescheduling of Poland's liabilities on terms which make the greatest possible allowance for Poland's ability to pay.

The Federal Government realizes that it is essential in supporting the Polish reform efforts not only to provide material assistance but to send leading experts to Poland to help the Government devise and carry out the transition from a centrally planned to a market economy.

It would be most gratifying if we could agree on a co-ordinated approach in this matter as well.

Furthermore, I also fully agree with proposals for Western steps to promote the training of manpower in industry and commerce. My Government will be making a bilateral contribution.

Owing to the acute shortage of food and the rapidly spreading poverty in Poland, that country's Government gives top priority to at least satisfying minimum needs and thus preventing social eruptions. We should support these efforts as best we can in our own interest.

The Government of the Federal Republic of Germany therefore considers further supplies of food to Poland from the West to be indispensable. In order to facilitate private consignments I have instructed the German Post Office to halve the cost of mailing parcels to Poland for six months, thus foregoing its share entirely.

But the foremost aim of the West must be to ensure that Poland will be in a position as from 1990 to produce a much greater proportion of its food requirements itself. I therefore propose that the Group of 24 should even now reach agreement on the necessary non-financial programme - such as the delivery of seed, fertilizer, pesticides, as well as agricultural machinery and spares.

My Government's support for the process of political, economic and social reform in Hungary began two years ago. In the autumn of 1987 it provided a guarantee framework of DM 1 billion for an untied loan. At the urgent request of the Hungarian Government it has now widened that framework by another DM 500 million.

At the same time, Bavaria and Baden-Württemberg have each made available DM 250 million as guarantee backing for project-tied loans.

This means that in all we have made available DM 2 billion for Hungary within two years.

In taking these not easy decisions to extend extensive economic and financial assistance to Poland and Hungary the Federal Government has also been guided by the consideration that the Federal Republic, in keeping with the need for a distribution of burdens among the Western countries, is thus making a substantial contribution to the future tasks of the Alliance, which were again impressively endorsed at the NATO summit in May.

Sincerely, *yours*

(sgd) Helmut Kohl

BUNDESREPUBLIK DEUTSCHLAND
DER BUNDESKANZLER

Bonn, den 6 . November 1989

Seiner Exzellenz
dem Präsidenten der Vereinigten
Staaten von Amerika
Herrn George Bush

Washington, D.C.

Lieber George,

am Vorabend meines offiziellen Besuchs in der Volksrepublik Polen möchte ich Sie in Antwort auf Ihr Schreiben vom 4. Oktober über die wirtschaftlichen und finanziellen Hilfsmaßnahmen, die im Zusammenhang mit diesem Besuch verabredet worden sind, unterrichten.

Gleichzeitig möchte ich Ihnen den Stand unserer Ungarn-Hilfe mitteilen.

Ferner möchte ich Ihnen weiterführende Überlegungen unterbreiten, die wir in die nächste Runde der Abstimmung westlicher Hilfsmaßnahmen im Rahmen der sogenannten 24er-Gruppe einbeziehen sollten.

Auf dem Wirtschaftsgipfel in Paris und in unserem nachfolgenden Meinungsaustausch haben wir einmütig festgestellt, daß sich vor unseren Augen in Polen und Ungarn - wie auch in anderen sozialistischen Ländern - historische Prozesse vollziehen. Sie laufen mit beachtlicher Dynamik in Richtung auf die Gewährung bürgerlicher Rechte und Freiheiten, die Entwicklung eines pluralistischen Systems und den Übergang zur Marktwirtschaft.

Wir waren uns einig, daß die Fortsetzung dieser Prozesse in unserem Interesse liegt und wir deshalb ihre Förderung und Unterstützung als Herausforderung zum gemeinsamen Handeln begreifen sollten.

Wir waren uns schließlich einig, daß rasche und substantielle Hilfe erforderlich ist, damit wir diese bisher einmalige geschichtliche Chance nicht verpassen.

Die neue polnische Regierung unter Ministerpräsident Mazowiecki ist fest entschlossen, eng mit dem Westen zusammenzuarbeiten und - was die Bundesrepublik Deutschland betrifft - einen Schlußstrich unter die Vergangenheit zu ziehen.

Für die Durchsetzungsfähigkeit - und möglicherweise für das Überleben - der neuen polnischen Regierung wird es wesentlich sein, daß sie rasche wirtschaftliche Erfolge und wirksame Hilfe der westlichen Partnerländer nachweisen kann.

Die Bundesregierung ist deshalb bereit, Polen mit einem bedeutenden wirtschaftlich-finanziellen Hilfsprogramm zu unterstützen, das mit meinem Besuch - d.h. noch vor Abschluß eines Beistandskreditabkommens mit dem Internationalen Währungsfonds und vor einer weiteren Umschuldung im Pariser Club (Polen V) - in Kraft tritt.

Die Bundesregierung stellt einen Gewährleistungsrahmen von 3 Mrd. DM für Kredite an Polen zur Verfügung.

Von diesem Gesamtbetrag sind rund 2,5 Mrd. DM für die Absicherung von Forderungen deutscher Lieferanten oder Banken für Lieferungen und Leistungen aus der Bundesrepublik Deutschland in die Volksrepublik Polen vorgesehen.

Was die von Ihnen angeregte koordinierte Stabilisierungshilfe der westlichen Partnerländer im Rahmen des mit dem Internationalen Währungsfonds zu vereinbarenden Stabilisierungsprogramms angeht, so ist die Bundesregierung bereit, ebenfalls einen Betrag von 200 Mio US \$ zur Verfügung zu stellen. Dieser Betrag würde im Rahmen des genannten Gesamt-Gewährleistungsrahmen von 3 Mrd. DM vorgesehen.

Ein von der Bundesregierung im Jahre 1975 gewährter ungebundener Finanzkredit in Höhe von 1 Mrd. DM wird hinsichtlich der rückständigen Fälligkeiten (Zinsen und Tilgungen) in Höhe von rd. 760 Mio DM erlassen und hinsichtlich der künftigen Verpflichtungen in Höhe von rd. 570 Mio DM bei deren Fälligkeit in Zloty erbracht und für Projekte gemeinsamen Interesses in Polen eingesetzt.

Bei Abschluß eines Vertrages über den gegenseitigen Schutz und die Förderung von Kapitalanlagen, der unmittelbar bevorsteht, wird die Bundesregierung ferner Garantien für Kapitalanlagen in der Volksrepublik Polen ohne Begrenzung übernehmen.

Projekte, für die Exportkreditbürgschaften oder Kapitalanlagegarantien beantragt werden, sollen durch ein neues deutsch-polnisches Prüfungsgremium auf ihre wirtschaftliche Qualität für den Auf- und Ausbau der Wirtschaft der Volksrepublik Polen geprüft werden. Einzelheiten hierzu werden noch festgelegt.

Die Bundesregierung ist sich bewußt, daß der Abschluß einer Kreditvereinbarung zwischen der Volksrepublik Polen und dem Internationalen Währungsfonds auf der Grundlage eines tragfähigen polnischen Anpassungsprogramms von fundamentaler Bedeutung ist. Die Bundesregierung unterstützt deshalb nachdrücklich eine baldige konstruktive Einigung Polens mit dem Internationalen Währungsfonds.

Sie setzt sich auch für die baldige Gewährung von Krediten der Weltbank an die Volksrepublik Polen ein.

Bei Umsetzung der Umschuldungsvereinbarung Polen IV mit einem Forderungsvolumen von 2,5 Mrd. DM hat die Bundesregierung die günstigen Zinsen des Vorjahres gewährt, was eine Ersparnis in Höhe von 100 Mio DM, bezogen auf die Gesamtlaufzeit, bedeutet.

Die Bundesregierung wird sich darüber hinaus im Pariser Club dafür einsetzen, daß die polnischen Zahlungsverpflichtungen im Rahmen einer langfristigen Regelung zu Bedingungen, die der polnischen Zahlungsfähigkeit möglichst weitgehend Rechnung tragen, umgeschuldet werden.

Die Bundesregierung ist sich bewußt, daß es bei der Unterstützung der polnischen Reformen unerläßlich ist, nicht nur materielle Hilfe zu leisten, sondern darüber hinaus hochrangige Experten nach Polen zu entsenden, die die polnische Regierung bei der konzeptionellen und praktischen Bewältigung des Übergangs von der zentralen Planwirtschaft zur Marktwirtschaft beraten.

Ich würde es sehr begrüßen, wenn wir auch hierzu ein international abgestimmtes Vorgehen verabreden könnten.

Darüber hinaus teile ich voll und ganz die vorgeschlagenen westlichen Schritte hinsichtlich der Aus- und Fortbildung von wirtschaftlichen Nachwuchskräften. Die Bundesregierung wird hierzu ihren bilateralen Beitrag leisten.

Angesichts akuter Engpässe in der Versorgung mit Lebensmitteln und einer sich rasch ausbreitenden Armut weiter Bevölkerungsschichten in Polen ist es derzeit höchste Priorität der polnischen Regierung, durch Gewährleistung einer Minimalversorgung soziale Eruptionen zu vermeiden. Wir sollten diese Bemühungen im eigenen Interesse nach besten Kräften unterstützen.

Die Bundesregierung geht deshalb davon aus, daß weitere westliche Lebensmittellieferungen nach Polen unerläßlich sind. Zur Erleichterung privater Hilfssendungen habe ich veranlaßt, daß die Deutsche Bundespost die Paketgebühren nach Polen für ein halbes Jahr halbiert und dabei auf ihren Anteil voll verzichtet.

Vorrangiges Ziel des Westens muß aber sein, daß Polen ab 1990 in der Lage ist, einen wesentlich höheren Teil seiner Eigenversorgung selbst zu erzeugen. Ich schlage deshalb vor, daß sich die 24er-Gruppe bereits jetzt über die notwendigen Sachprogramme - etwa Lieferung von Saat-, Dünge- und Pflanzenschutzmitteln sowie von landwirtschaftlichen Maschinen und Ersatzteilen - verständigt.

Die Hilfsmaßnahmen der Bundesregierung zur Abstützung des politischen, wirtschaftlichen und gesellschaftlichen Reformprozesses in Ungarn haben bereits vor zwei Jahren eingesetzt.

Im Herbst 1987 hat die Bundesregierung einen Bürgschaftsrahmen für einen ungebundenen Finanzkredit in Höhe von einer Mrd DM zur Verfügung gestellt. Auf dringende Bitte der ungarischen Regierung hat die Bundesregierung diesen Bürgschaftsrahmen nunmehr um weitere 500 Mio DM erhöht.

Gleichzeitig haben die Bundesländer Bayern und Baden-Württemberg Bürgschaften für projektgebundene Kredite in Höhe von je 250 Mio DM gewährt.

Zusammengenommen bedeutet dies, daß Ungarn von unserer Seite in zwei Jahren 2 Mrd DM zur Verfügung gestellt worden sind.

Bei ihren nicht leichten Entscheidungen über diese weitreichenden wirtschaftlichen und finanziellen Hilfsmaßnahmen für Polen und Ungarn hat sich die Bundesregierung auch von der Erwägung leiten lassen, daß die Bundesrepublik Deutschland damit im Sinn einer innerwestlichen Lastenteilung einen substantiellen Beitrag zu den Zukunftsaufgaben leistet, die unser Bündnis beim Gipfeltreffen Ende Mai dieses Jahres erneut eindrucksvoll bekräftigt hat.

Mit freundlichen Grüßen

Ze
L. Jun

Withdrawal/Redaction Sheet

(George Bush Library)

Document No. and Type	Subject/Title of Document	Date	Restriction	Class.
04d. Letter	President Jaruzelski to President Bush [Unofficial Translation] (2 pp.)	11/2/89	(b)(1)	

Collection:

Record Group: Bush Presidential Records
Office: Scowcroft, Brent, Collection
Series: USSR Chronological Files
Subseries: Soviet Power Collapse in Eastern Europe Files
WHORM Cat.:
File Location: Soviet Poser Collapse in Eastern Europe (November 1989) (Part I)

Date Closed:	3/20/2009	OA/ID Number:	91125-001
FOIA/SYS Case #:	2009-0275-S	Appeal Case #:	
Re-review Case #:		Appeal Disposition:	
P-2/P-5 Review Case #:		Disposition Date:	
AR Case #:		MR Case #:	
AR Disposition:		MR Disposition:	
AR Disposition Date:		MR Disposition Date:	

RESTRICTION CODES

Presidential Records Act - [44 U.S.C. 2204(a)]

P-1 National Security Classified Information [(a)(1) of the PRA]
 P-2 Relating to the appointment to Federal office [(a)(2) of the PRA]
 P-3 Release would violate a Federal statute [(a)(3) of the PRA]
 P-4 Release would disclose trade secrets or confidential commercial or financial information [(a)(4) of the PRA]
 P-5 Release would disclose confidential advice between the President and his advisors, or between such advisors [(a)(5) of the PRA]
 P-6 Release would constitute a clearly unwarranted invasion of personal privacy [(a)(6) of the PRA]

C. Closed in accordance with restrictions contained in donor's deed of gift.

PRM. Removed as a personal record misfile.

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]
 (b)(4) Release would disclose trade secrets or confidential or financial information [(b)(4) of the FOIA]
 (b)(6) Release would constitute a clearly unwarranted invasion of personal privacy [(b)(6) of the FOIA]
 (b)(7) Release would disclose information compiled for law enforcement purposes [(b)(7) of the FOIA]
 (b)(8) Release would disclose information concerning the regulation of financial institutions [(b)(8) of the FOIA]
 (b)(9) Release would disclose geological or geophysical information

Withdrawal/Redaction Sheet

(George Bush Library)

Document No. and Type	Subject/Title of Document	Date	Restriction	Class.
04e. Letter	President Jaruzelski to President Bush [Polish] (2 pp.)	11/2/89	(b)(1)	

Collection:

Record Group: Bush Presidential Records
Office: Scowcroft, Brent, Collection
Series: USSR Chronological Files
Subseries: Soviet Power Collapse in Eastern Europe Files
WHORM Cat.:
File Location: Soviet Poser Collapse in Eastern Europe (November 1989) (Part I)

Date Closed:	3/20/2009	OA/ID Number:	91125-001
FOIA/SYS Case #:	2009-0275-S	Appeal Case #:	
Re-review Case #:		Appeal Disposition:	
P-2/P-5 Review Case #:		Disposition Date:	
AR Case #:		MR Case #:	
AR Disposition:		MR Disposition:	
AR Disposition Date:		MR Disposition Date:	

RESTRICTION CODES

Presidential Records Act - [44 U.S.C. 2204(a)]

P-1 National Security Classified Information [(a)(1) of the PRA]
 P-2 Relating to the appointment to Federal office [(a)(2) of the PRA]
 P-3 Release would violate a Federal statute [(a)(3) of the PRA]
 P-4 Release would disclose trade secrets or confidential commercial or financial information [(a)(4) of the PRA]
 P-5 Release would disclose confidential advice between the President and his advisors, or between such advisors [(a)(5) of the PRA]
 P-6 Release would constitute a clearly unwarranted invasion of personal privacy [(a)(6) of the PRA]

C. Closed in accordance with restrictions contained in donor's deed of gift.

PRM. Removed as a personal record misfile.

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]
 (b)(4) Release would disclose trade secrets or confidential or financial information [(b)(4) of the FOIA]
 (b)(6) Release would constitute a clearly unwarranted invasion of personal privacy [(b)(6) of the FOIA]
 (b)(7) Release would disclose information compiled for law enforcement purposes [(b)(7) of the FOIA]
 (b)(8) Release would disclose information concerning the regulation of financial institutions [(b)(8) of the FOIA]
 (b)(9) Release would disclose geological or geophysical information

THE WHITE HOUSE

WASHINGTON

January 2, 1990

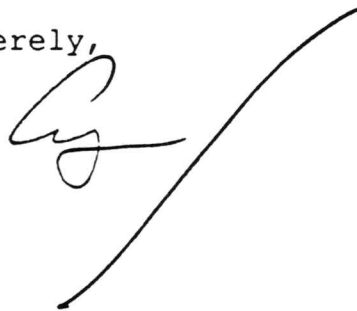
Dear Helmut:

Thank you for your letter regarding the current review of IMF quotas.

I agree with you that a quota increase is necessary. The IMF has played a key role throughout its history in promoting a stronger world economy and international monetary system. It must have adequate resources at hand to fulfill its responsibilities in the 1990's, which will include the international efforts to assist the countries of Eastern Europe and the effective implementation of our strengthened debt strategy.

I have, therefore, authorized Treasury Secretary Brady to participate in negotiations on a quota increase and to complete them as a matter of priority.

Sincerely,

A handwritten signature in black ink, appearing to be "G. H. W. Bush", followed by a long, sweeping diagonal line that extends from the bottom right of the signature towards the bottom right of the page.

His Excellency
Dr. Helmut Kohl
Chancellor of the Federal Republic
of Germany
Bonn

~~CONFIDENTIAL~~
NSC/S PROFILE

RECORD ID: 8909567
RECEIVED: 28 NOV 89 14

CHRON FILE

TO: KOHL, HELMUT

FROM: PRESIDENT

DOC DATE: 02 JAN 90
SOURCE REF:

KEYWORDS: GERMANY F R
HS

IMF

PERSONS: KOHL, HELMUT

SUBJECT: REPLY TO KOHL RE IMF QUOTAS

ACTION: PRES SGD LTR

DUE DATE: 01 DEC 89

STATUS: C

STAFF OFFICER: DEAL

LOGREF: 8909446 8909476

FILES: WH

NSCP:

CODES:

DOCUMENT DISTRIBUTION

FOR ACTION

FOR CONCURRENCE

FOR INFO

CLARK

DEAL

HUTCHINGS

DECLASSIFIED

White House Guidelines

E.O. 12958, SEC 3.4 (B) September 11, 2006

By Cop NARA, Date 3/20/09

COMMENTS:

DISPATCHED BY

DATE

BY HAND

W/ATTCH

OPENED BY: NSGAD

CLOSED BY: NSAMM

DOC

5 OF

5

~~CONFIDENTIAL~~

NATIONAL SECURITY COUNCIL

ID 8909567

REFERRAL

DATE: 04 JAN 90

MEMORANDUM FOR: ROY, J

STATE SECRETARIAT

DOCUMENT DESCRIPTION:

TO: KOHL, HELMUT

SOURCE: PRESIDENT

DATE: 02 JAN 90

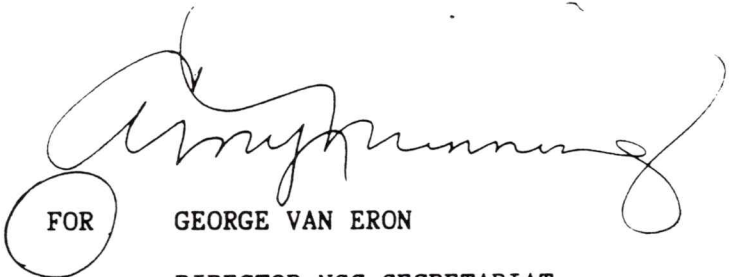
SUBJ: REPLY TO KOHL RE IMF QUOTAS

REQUIRED ACTION: FOR DISPATCH

DUE DATE: 05 JAN 90

COMMENT:

FOR



GEORGE VAN ERON

DIRECTOR NSC SECRETARIAT

NATIONAL SECURITY COUNCIL

ID 8909567

REFERRAL

DATE: 04 JAN 90

MEMORANDUM FOR: EMILY WALKER

SECRETARIAT TREASURY

DOCUMENT DESCRIPTION:

TO: KOHL, HELMUT

SOURCE: PRESIDENT

DATE: 02 JAN 90

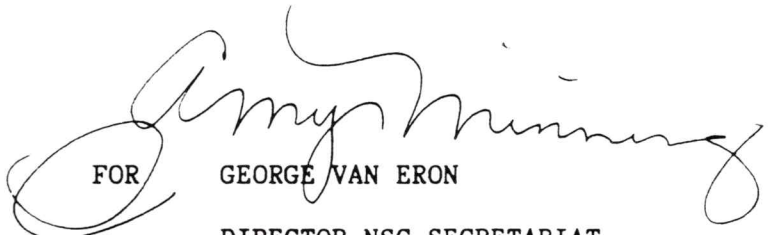
SUBJ: REPLY TO KOHL RE IMF QUOTAS

REQUIRED ACTION: FOR INFORMATION

DUE DATE: 05 JAN 90

COMMENT:

FOR



GEORGE VAN ERON

DIRECTOR NSC SECRETARIAT

THE WHITE HOUSE
WASHINGTON

December 28, 1988 **THE PRESIDENT HAS SEEN**

ACTION

MEMORANDUM FOR THE PRESIDENT

FROM: BRENT SCOWCROFT 

SUBJECT: Proposed Reply to Chancellor Kohl
Regarding IMF Quotas

SIGNED

Purpose

To inform Chancellor Kohl of your decision to support an increase in IMF quotas.

Background

Chancellor Kohl wrote you in November (Tab B) to express his hope that the U.S. would support a substantial increase in IMF quotas. Since Kohl sent his letter, you have agreed to negotiate a quota increase in the 50% range. For negotiating purposes, we have stated publicly that our goal is a 35% increase, recognizing that pressures from other IMF members, who want a 67-100% rise in quotas, will push us toward 50%.

The brief response to Kohl at Tab A, points out that you have authorized Nick Brady to enter into negotiations on a quota increase with the aim of completing them promptly.

RECOMMENDATION

That you sign the letter to Chancellor Kohl at Tab A.

Attachments

Tab A Proposed Reply to Kohl
Tab B Letter from Kohl

cc: Vice President
Chief of Staff

100 DEC 28 11 51

£

1

NATIONAL SECURITY COUNCIL
WASHINGTON, D.C. 20506

December 28, 1989

ACTION

MEMORANDUM FOR BRENT SCOWCROFT

FROM: TIMOTHY E. DEAL 

SUBJECT: Proposed Reply to Chancellor Kohl
Regarding IMF Quotas

At Tab I is a memorandum from you to the President, transmitting a proposed reply to Chancellor Kohl (Tab A), who wrote the President in November concerning an increase in IMF quotas (Tab B).

Once again, Treasury was slow in preparing a draft reply even though the President had decided in November to support a 50% increase in quotas. The proposed reply is an edited version of Treasury's draft.

Concurrence by:  Robert Hutchings

RECOMMENDATION:

That you sign the memorandum to the President at Tab I.

Attachments

Tab I Memo to President
Tab A Proposed Reply to Kohl
Tab B Letter from Kohl
Tab II Memo from Treasury

NOV 15 1989 14:25 FROM FRG. FED. REP. OF GERMANY TO
The Federal Republic of Germany
The Federal Chancellor

Bonn, November 1989

9567

Dear George,

following my letter of 6 November concerning aid for Poland to help stabilize that country, I wish today to draw your attention to the following aspect as well.

The aid programme for Poland again emphasizes the central role which the International Monetary Fund has to play in coping with the payment difficulties of its member countries. It is important that this institution should continue to have sufficient funds of its own. At the present time, therefore, it is essential that the current review of IMF quotas should be brought to a successful conclusion.

Already at our economic summit in July we both welcomed the decision to conclude this review before the end of 1989. We should do everything possible to ensure that this decision is implemented on time.

His Excellency

Mr. George H.W. Bush

President of the United States of America

The White House

Washington, D.C.

At the recent annual meeting of the International Monetary Fund in Washington, Mr. Camdessus recommended that the quotas be doubled. Such an extensive increase in the IMF's funds may not be absolutely essential, but my Government, too, thinks a substantial increase - of about two thirds - is necessary, not least because it would also enable the IMF to meet the requirements of the enhanced debt strategy proposed by Secretary Brady.

I therefore very much hope, George, that the United States, too, can now agree to a substantial increase in quotas. By taking such a step the leading industrial countries would be clearly indicating that they are playing their part in ensuring the stable development of the world economy.

Sincerely,

(sgd) Helmut Kohl

DEPARTMENT OF THE TREASURY
WASHINGTONDEPARTMENT OF TREASURY
15TH & PENNSYLVANIA AVE., N.W.
WASHINGTON, D.C. 20220

DATE: 1-3-90

NUMBER OF SHEETS TO FOLLOW: 3

TO: G. PHILIP HUGHES

ADDRESSE'S FAX #: _____

ADDRESSE'S CONFIRMATION #: _____

FROM: EMILY WALKER

SENDER'S FAX #: 202-786-8422

SENDER'S CONFIRMATION #: 202-566-2403

SPECIAL INSTRUCTIONS/COMMENTS:

to: G. Phillips Hughes Department
room: _____ date: 1-3-90 of the Treasury
Executive Secretary

Attached is the new version of the
Kohl letter.

cc - Jim Collins

Emily

Emily L. Walker
room 3408
phone 566-2867

DRAFT LETTER TO HELMUT KOHL FROM PRESIDENT BUSH ON IMF QUOTAS

Dear Helmut:

Thank you for your letter regarding the IMF quota review.

I have carefully considered this matter and I agree that we should negotiate an increase in IMF quotas. The IMF has played a key role throughout its history in promoting a stronger and more stable world economy and international monetary system. It must have adequate resources at hand to fulfill its responsibilities in the 1990s.

As you note in your letter, the IMF will play a critical role in international efforts to help Poland and other East European nations restructure their economies towards a market basis. The Fund is also playing a central role in the strengthened debt strategy by encouraging key debtor countries, such as Mexico and the Philippines, to adopt market-oriented reforms and by supporting debt and debt service reduction agreements.

-2-

Accordingly, I have authorized the Secretary of the Treasury, Nicholas F. Brady, to participate in negotiations on an IMF quota increase and to complete them as a matter of priority.

Sincerely,

George Bush

NATIONAL SECURITY COUNCIL
DISTRIBUTION RECORD

LOG 8909567
DATE 02 JAN 90

SUBJECT: REPLY TO KOHL RE IMF QUOTAS
DOCUMENT CLASSIFICATION: UNCLASSIFIED

EXTERNAL DISTRIBUTION:	DATE	TIME	SIGNATURE
ROY, J DEPARTMENT OF STATE ROOM 7224, MAIN STATE 2201 C STREET, NW WASHINGTON, DC 20590	_____	_____	_____ COPY: 1_____

DATE, TIME, SIGN THE RECEIPT AND RETURN TO: NSC SECRETARIAT, ROOM 379 OEOB

PAGE 01 OF 01 PAGES

NATIONAL SECURITY COUNCIL
DISTRIBUTION RECORD

LOG 8909567
DATE 02 JAN 90

SUBJECT: REPLY TO KOHL RE IMF QUOTAS
DOCUMENT CLASSIFICATION: ~~CONFIDENTIAL~~

EXTERNAL DISTRIBUTION:	DATE	TIME	SIGNATURE
WALKER, E DEPARTMENT OF THE TREASURY ROOM 3407, MAIN TREASURY 15TH & PENNSYLVANIA AVE, NW WASHINGTON, DC 20220	_____	_____	_____ COPY: <u>1</u> _____

DECLASSIFIED
White House Guidelines
E.O. 12958, SEC 3.4 (B) September 11, 2006
By Cop NARA, Date 3/20/09

DATE, TIME, SIGN THE RECEIPT AND RETURN TO: NSC SECRETARIAT, ROOM 379 OEOB
PAGE 01 OF 01 PAGES

NATIONAL SECURITY COUNCIL

02-Jan-1990 16:39 EDT

e IMF Quotas

MEMORANDUM FOR:

-UNCLASSIFIED- @CPUA.PROFS"@MRGATE

FROM: VMSMail User _PROFS%"NSEF
(_PROFS%"NSEF@CPUA.PROFS"@MRGATE)

SUBJECT: PRS Log 8909567 (Proposed Reply to Chancellor Kohl r

Received: From CPUA(NSEF) by VAXC with Jnet id 5864
for CRAIG@VAXC; Tue, 2 Jan 90 16:39 EST

Date: Tue, 02 Jan 90 16:38:11

From: <NSEF@CPUA.PROFS>

Subject: PRS Log 8909567 (Proposed Reply to Chancellor Kohl re IMF Quotas

To: -UNCLASSIFIED- <CRAIG@VAXC>

Cc: -UNCLASSIFIED- <NSJWF@CPUA>,

-UNCLASSIFIED- <CLARKMD@VAXC>

NOTE FROM: ENTELL FORD

Anita, the Pres has signed the ltr to Chancellor Kohl. Phil Hughes has reviewed & wanted it dated 2 Jan. He ~~do~~not want this ltr dispatched until COB 3 Jan 90. The ltr is located in its PRS folder.

CC: -UNCLASSIFIED- @CPUA.PROFS"@MRGATE

CC: -UNCLASSIFIED- @CPUA.PROFS"@MRGATE

MFR:

John:

1/3/89

2 Jan 89

MFR: wwd

Per Phil Hughes do not dispatch
THE ATTACHED LTR UNTIL COB 3 JAN 90.
WAITING FOR INPUT FROM STATE.

CH.

ie

honnie



DEPARTMENT OF THE TREASURY
Washington

December 18, 1989

Memo to: George Van Eron
Director NSC Secretariat

From: Emily Walker *E Walker*
Executive Secretary

Please find the attached response to Chancellor Kohl regarding the IMF quota negotiations. The letter, which has been prepared for the President's signature, has been cleared through the State Department.

Thank you.



DEPARTMENT OF THE TREASURY

WASHINGTON

December 9, 1989

ASSISTANT SECRETARY

ACTION

MEMORANDUM FOR EMILY L. WALKER
EXECUTIVE SECRETARY

THROUGH: David C. Mulford
Under Secretary, International Affairs

FROM: Charles H. Dallara
Assistant Secretary, International Affairs

SUBJECT: Letter from German Chancellor Kohl to President
Bush on IMF Quota Negotiations

ACTION FORCING EVENT:

German Chancellor Helmut Kohl has written, urging President Bush to support an IMF quota increase. The White House has tasked us to prepare a draft response for the President's signature.

RECOMMENDATION:

That you transmit the attached draft response to the White House.

_____ Disagree _____ Let's Discuss

ATTACHMENTS: Draft to be Transmitted
Tab 1: Incoming from Chancellor Kohl

NATIONAL SECURITY COUNCIL

ID 8909567

REFERRAL

DATE: 04 DEC 89

MEMORANDUM FOR: EXECUTIVE SECRETARY

TRANSPORTATION

DOCUMENT DESCRIPTION:

TO: PRESIDENT

SOURCE: KOHL, HELMUT

DATE: 28 NOV 89

SUBJ: LTR FM FRG CHANCELLOR TO PRES ASKING FOR HELP IN BRINGING CURRENT
REVIEW OF IMF QUOTES TO CONCLUSION

REQUIRED ACTION: RECOMS / DRAFT REPLY

DUE DATE: 06 DEC 89

COMMENT:

FOR


GEORGE VAN ERON

DIRECTOR NSC SECRETARIAT

NATIONAL SECURITY COUNCIL
DISTRIBUTION RECORD

LOG 8909567
DATE 28 NOV 89

SUBJECT: LTR FM FRG CHANCELLOR TO PRES ASKING FOR HELP IN BRINGING CURRENT
DOCUMENT CLASSIFICATION: UNCLASSIFIED

EXTERNAL DISTRIBUTION:

DATE

TIME

SIGNATURE

TRANSPORTATION

EXECUTIVE SECRETARY

4 Dec 89

1210

wtl

COPY: 1

DATE, TIME, SIGN THE RECEIPT AND RETURN TO: NSC SECRETARIAT, ROOM 379 OEOB

PAGE 01 OF 01 PAGES

9567



United States Department of State

Washington, D.C. 20520

December 2, 1989

MEMORANDUM FOR: Mr. Philip Hughes
Executive Secretary
National Security Council Staff

SUBJECT: Letter dated November 28 from
Helmut Kohl regarding IMF Quotes
ID #8909567

The attached correspondence was forwarded to the Department of State for draft reply.

We have reviewed the correspondence and believe that action on this matter more appropriately rests with the Department of the Treasury.

for Braden Larkin
Office of the
Executive Secretary

Attachment:

As stated.

EXECUTIVE SECRETARIAT CORRESPONDENCE PROFILE

PROFILE #: 89-83618

CREATE DATE: 11/30/89

ADDRESSEE: Brady, Nicholas F.
Secretary

AUTHOR: Kelley, Sally
White House

SUBJECT: RE: The Honorable Helmut Kohl

ABSTRACT: Writes urging that the current review of IMF quotas be completed.

***** TASK ASSIGNMENT MEMORANDUM *****

ASSIGNED TO: CHARLES H. DALLARA
OASIA

DUE DATE: 12/08/89

ACTION REQUIRED: Letter

TASK: Please prepare a draft response for the signature of the President and clear with General Counsel.

DISTRIBUTION: UNDER SECY/INTL AFF
REVIEWERS

GENERAL COUNSEL
EXEC SEC

FROM: OASIA Secretariat - 12/1/89

ACTION

ACTION TO: Mr. Sobel ~~DATE: 12/8/89~~ - Please see above for task.

INFO COPIES TO: Messrs. Dallara, Bestani & Downing

WASHFAX RECEIPT

THE WHITE HOUSE

C

MESSAGE NO. _____ CLASSIFICATION _____ PAGES _____

FROM G. PHILIP HUGHES _____
(NAME) (EXTENSION) (ROOM NUMBER)

MESSAGE DESCRIPTION _____

LOG # _____

<u>TO (AGENCY)</u>	<u>DELIVER TO:</u>	<u>DEPT/ROOM NO.</u>	<u>EXTENSION</u>
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____

REMARKS _____

WASHFAX RECEIPT

THE WHITE HOUSE

C

COMM 3 P 5 38

SITU. ROOM

MESSAGE NO. 0028

CLASSIFICATION

~~CONFIDENTIAL~~

PAGES 01

FROM G PHILIP HUGHES

(NAME)

(EXTENSION)

(ROOM NUMBER)

MESSAGE DESCRIPTION

PRES LTR TO KOHL OF GERMANY

#9567

TO (AGENCY)

DELIVER TO:

DEPT/ROOM NO.

EXTENSION

STATE

EXECUTIVE SECRETARY

TREASURY

EXECUTIVE SECRETARY

REMARKS TO STATE: FOR IMMEDIATE CABLING; ORIGINAL TO FOLLOW
(TO TREASURY -- FOR INFORMATION)

URGENT

DECLASSIFIED

White House Guidelines

E.O. 12958, SEC 3.4 (B) September 11, 2006

By Cop NARA, Date 3/20/09

DEPARTMENT OF THE TREASURY
WASHINGTONDEPARTMENT OF TREASURY
FACSIMILE COVER SHEET
15TH & PENNSYLVANIA AVE., N.W.
WASHINGTON, D.C. 20000DATE 11/28/89NUMBER OF SHEETS TO FOLLOW: 2TO: Ms. Sally KelleyADDRESSEE'S FAX #: 456-6670ADDRESSEE'S CONFIRMATION #: 456-7486FROM: Sarah HendricksonSENDER'S FAX #: 202-366-3422SENDER'S CONFIRMATION #: 202-366-2403

INSTRUCTIONS/COMMENTS:

Per our conversation, the attached
letter is from the German Embassy.
Please put it in your system and assign it
to us. Thank you.

Sarah

5/5

8927555

NATIONAL SECURITY COUNCIL

ID 8909567

REFERRAL

DATE: 28 NOV 89

MEMORANDUM FOR: STATE SECRETARIAT

DEPT OF STATE

DOCUMENT DESCRIPTION:

TO: PRESIDENT

SOURCE: KOHL, HELMUT

DATE: 28 NOV 89

SUBJ: LTR FM FRG CHANCELLOR TO PRES ASKING FOR HELP IN BRINGING CURRENT
REVIEW OF IMF QUOTES TO CONCLUSION

REQUIRED ACTION: DRAFT REPLY

DUE DATE: 01 DEC 89

COMMENT:

FOR

George Van Eron
GEORGE VAN ERON

DIRECTOR NSC SECRETARIAT

CAH

REC'D S/S -IRM/RMD
1989 NOV 28 P 7:43

DRAFT LETTER TO HELMUT KOHL FROM PRESIDENT BUSH ON IMF QUOTAS

Dear Helmut:

Thank you for your letter regarding the IMF quota review.

I have carefully considered this matter and I agree with you that a quota increase is necessary. The IMF has played a key role throughout its history in promoting a stronger and more stable world economy and international monetary system. It must have adequate resources at hand to fulfill its responsibilities in the 1990s.

As you note in your letter, the IMF will play a critical role in international efforts to help Poland and other East European nations restructure their economies towards a market basis. The Fund is also playing a central role in the strengthened debt strategy by encouraging key debtor countries, such as Mexico and the Philippines, to adopt market-oriented reforms and by supporting debt and debt service reduction agreements.

Accordingly, I have authorized the Secretary of the Treasury, Nicholas F. Brady, to participate in negotiations on an IMF quota increase and to complete them as a matter of priority.

Sincerely,

George Bush

The Federal Republic of Germany
The Federal Chancellor

Bonn, November 1989

PRES NOTED SUMMARY

9567

Dear George,

following my letter of 6 November concerning aid for Poland to help stabilize that country, I wish today to draw your attention to the following aspect as well.

The aid programme for Poland again emphasizes the central role which the International Monetary Fund has to play in coping with the payment difficulties of its member countries. It is important that this institution should continue to have sufficient funds of its own. At the present time, therefore, it is essential that the current law of IMF quotas should be brought to a successful conclusion.

ready at our economic summit in July we both welcomed the decision to conclude this review before the end of 1989. We should do everything possible to ensure that this decision is implemented at time.

His Excellency

Mr. George H.W. Bush

President of the United States of America

The White House

Washington, D.C.

At the recent annual meeting of the International Monetary Fund in Washington, Mr. Camdessus recommended that the quotas be doubled. Such an extensive increase in the IMF's funds may not be absolutely essential, but my Government, too, thinks a substantial increase - of about two thirds - is necessary, not least because it would also enable the IMF to meet the requirements of the enhanced debt strategy proposed by Secretary Brady.

I therefore very much hope, George, that the United States, too, can now agree to a substantial increase in quotas. By taking such a step the leading industrial countries would be clearly stating that they are playing their part in ensuring the stable development of the world economy.

sincerely,

(sgd) Helmut Kohl

~~CONFIDENTIAL~~
NSC/S PROFILE

RECORD ID: 8909551
RECEIVED: 28 NOV 89 10

CHRON FILE

TO: SCOWCROFT

FROM: ACLAND, ANTONY

DOC DATE: 14 NOV 89
SOURCE REF:

KEYWORDS: GREAT BRITAIN
NATO

EUROPE EAST

PERSONS: THATCHER, MARGARET

POWELL, CHARLES

SUBJECT: MAJOR EXTRACT FM SPEECH BY PM THATCHER RE DEVELOPMENTS IN EASTERN
EUROPE

ACTION: NOTED BY PRES

DUE DATE: 01 DEC 89

STATUS: C

STAFF OFFICER: NONE

LOGREF:

FILES: WH

NSCIF:

CODES:

D O C U M E N T D I S T R I B U T I O N

FOR ACTION

FOR CONCURRENCE

FOR INFO
BLACKWILL
HUTCHINGS
MAHLEY
RICE
RODMAN
WILSON
ZELIKOW

DECLASSIFIED

White House Guidelines

E.O. 12958, SEC 3.4 (B) September 11, 2006

By Cop NARA, Date 3/20/09

COMMENTS: _____

DISPATCHED BY _____ DATE _____ BY HAND W/ATTCH

OPENED BY: NSMDC

CLOSED BY: NSMDC

DOC 1 OF 1

~~CONFIDENTIAL~~

~~CONFIDENTIAL~~
ACTION DATA SUMMARY REPORT

RECORD ID: 8909551

DOC ACTION OFFICER

CAO ASSIGNED ACTION REQUIRED

001

X 89112810 NOTED BY PRES

DECLASSIFIED
White House Guidelines
E.O. 12958, SEC 3.4 (B) September 11, 2006
By Cop NARA, Date 3/20/09

~~CONFIDENTIAL~~



FROM THE AMBASSADOR

Copy Being Staffed 9551 *1. RG 2 BS*
BRITISH EMBASSY
WASHINGTON, D. C. 20008
TELEPHONE: (202) 462-1340

The Honorable
Brent Scowcroft
Assistant to the President for
National Security Affairs
National Security Council
The White House
1600 Pennsylvania Avenue NW
Washington DC 20500

14 November 1989

Cal B
THE PRESIDENT HAS SEEN

Dear Brent,

/ I thought that you, and perhaps the President, might be interested to see the enclosed major extract of a speech which Mrs Thatcher gave in London last night, in which she discusses the West's response to the momentous developments in Eastern Europe and the Soviet Union.

The Prime Minister is of course much looking forward to talking to the President about these issues on 24 November. I know that you have already had a word with Charles Powell about this. But if you have any immediate reactions to the speech which you would like me to send to her in advance of the talks, please let me know.

Sincerely
Antony

Antony Acland

MAJOR EXTRACT FROM TEXT OF A SPEECH MADE BY THE PRIME MINISTER,
THE RIGHT HONOURABLE MARGARET THATCHER FRS MP, AT THE LORD
MAYOR'S BANQUET, GUILDHALL, ON MONDAY 13 NOVEMBER 1989

We are witnessing great events.

Fifty years ago the peace of Europe was shattered by the sound of armies on the march. Today the plains of central Europe resound once more, this time to the swirl of people on the move.

The message is clear. When people are free to choose, they choose freedom. They turn their backs on a system which has been discredited - not by western propaganda but by first-hand experience.

An American writer visiting the home of Communism in 1919 remarked:

"I have seen the future and it works."

Seventy years on we know that it doesn't.

Yes, these are exciting times and the city is right at the heart of them. Just eighteen months ago President Reagan spoke here in this Guildhall. Six months ago President Gorbachev did likewise.

The excitement comes because we are experiencing the culmination of a battle of ideas, a battle which has been fought out over more than a century. A contest between two fundamentally different political philosophies.

On the one side liberty, human rights, a rule of law, and a belief that the task of Government is to serve the nation.

On the other, a doctrine which holds that Government should have a central plan to cover every aspect of life, and that people should conform whatever their personal wishes. A doctrine that makes the state all powerful and the individual count for nothing.

There is no doubt where we stand, but our fundamental beliefs came to be questioned by some people, particularly during the great depression of the 1920s and 30s, when they began to wonder whether the alternative system, the system of Communism, would be the wave of the future.

Of course they should have known better. They should have recognised the inner contradictions in the Communist system which meant that it could only prevail by oppression and force.

Later, new technology began to strip away the lie upon which Communism depended. You cannot isolate people from new ideas when they can tune in to radio broadcasts which tell them what is really going on in the world outside. Nor can you keep people down indefinitely when television can bring them pictures of a better life elsewhere.

For more than twenty years after the last war, we were told how the Soviet Union would overtake the United States, how Communism would eventually bury capitalism, and how the worldwide victory of socialism was inevitable.

Some were mesmerised by this propaganda. The West felt itself on the defensive. The diplomatic talk was not of the spread of freedom, but of the containment of Communism. Even as recently as the 1970s we were encouraged to accept that Communism in Eastern Europe was there to stay and there was not much we could do about it.

Enormous credit is due to President Reagan, he gave confidence back to America and the whole of the Western world. He ended the psychology of defeat and retreat and went out to spread liberty and democracy.

President Bush is carrying on that great campaign, drawing on his own wide international experience. And the scenes we have recently witnessed on our television screens could never have come about without the boldness, the vision and the courage of President Gorbachev.

I am not one who - to quote an American author - believes that democracy and enterprise have finally won the battle of ideas, that we have therefore arrived, as he said, at the end of history and there is nothing left to fight for. That would be unutterably complacent, indeed foolish. There will always be threats to freedom - not only from frontal assaults but more insidiously by erosion from within.

What we have done - and by we, I mean Britain and the United States and the Western European countries - is to put freedom once more on the offensive, a peaceful offensive. We have shown that genuine democracy is best able to meet people's needs and aspirations.

And the power and attraction of our example is evident in the unprecedented ferment we are now witnessing in Eastern Europe.

When I spoke at Bruges a year or so ago - in a speech which caused just a little bit of a stir - I reminded people that the European Community is only one manifestation of Europe's identity: that Warsaw, Prague and Budapest are great European cities, just as European as London, Paris and Rome.

Even a year ago, we could scarcely have imagined the extent and the speed of the changes which have since swept the Soviet Union, Poland, Hungary and now East Germany.

We should honour those in the Communist countries who never let repression and dictatorship break their spirit or their unshakeable belief in liberty, and who are now seeing their hopes realised.

We must give them every possible encouragement and support. We are doing just that in all our contacts with the Soviet Union under Mr Gorbachev, and in the practical help - with food, training, trade - that we are giving to Poland and Hungary. We cannot, and must not, let their brave efforts fail.

In East Germany the objective must be to see genuine democracy, with free elections and more than one party. To attain that in an orderly way which preserves stability in Europe would itself be a huge achievement.

Moreover, as we have already seen in the Soviet Union, it is easier to make political changes than it is to carry out economic reform. Economic reform requires the acceptance of initiative and responsibility by people themselves - and that is very difficult in countries which have never known these qualities.

The way in which we in the West respond to these historic changes could be crucial in determining their success. We want to see democracy extend throughout the Soviet Union and Eastern Europe, and we want it to last.

Once the demand for reform starts, there is a tendency for it to run very fast. Indeed the very speed of change could put the goal of democracy in jeopardy. Strong emotions have been aroused on all sides by recent events. The need now is to take a measured view of the way ahead.

These developments put a special responsibility on those of us who are members of the European Community. While continuing to build up co-operation among the Twelve, we must not allow ourselves to become obsessed with the details of the Community's internal business as though nothing were happening elsewhere. We must not take a narrow, blinkered approach.

We have to remain open and outward-looking, ready to help, looking at these changes in Eastern Europe as part of the broad sweep of history, as part of the eternal battle between freedom and central control.

We must stretch out the hand of co-operation, and develop new forms of association with the emerging democracies of Eastern Europe - Poland, Hungary, East Germany - and we hope others will follow. After all, the European Community is a powerful example of how European states can work together in freedom, and it would be natural for the Eastern European countries to believe they will benefit from closer contact with it.

The Community should see what is happening as a great turning point in Europe's history, and its response must measure up to that.

We must also remember that times of great change are times of great uncertainty even danger. The Librarian of The United States Congress put it very well when he said:

"There is no more insecure time in the life of an Empire than when it is facing the devolution of its power, no more dangerous time in the life of a religion (Communism being after all a secular religion) than when it has lost its inner faith but retains its outer power." Very wise words.

Now is the time for us in the West to stay true to the policies and the principles that have brought us safely through the years of confrontation and cold war since 1945. I don't believe that the great changes now happening would have come about, had it not been for NATO and the strength and resolve it has shown.

And it must be through NATO that we continue to keep the peace by tried and tested means, while welcoming every step that allows us to do so safely at lower levels of forces and weapons.

Our thoughts are already beginning to turn to the future which lies beyond the millennium. But before that the decade ahead will test all our skill, our wisdom, our will and our nerve, if we are to steer these great events to a successful conclusion, if we are to achieve the full flowering of democracy that has been our greatest hope and our noblest endeavour.

~~CONFIDENTIAL~~
NSC/S PROFILE

~~CONFIDENTIAL~~

RECORD ID: 8909178
RECEIVED: 15 NOV 89 09

TO: SCOWCROFT

FROM: DEAL

DOC DATE: 15 NOV 89
SOURCE REF:

KEYWORDS: POLAND

ECONOMIC ASSISTANCE

PERSONS:

SUBJECT: EVALUATION OF POLAND REFORM PROGRAM

ACTION: NOTED BY SCOWCROFT

DUE DATE: 18 NOV 89

STATUS: C

STAFF OFFICER: DEAL

LOGREF: 8909238

FILES: PA

NSCIF:

CODES:

D O C U M E N T D I S T R I B U T I O N

FOR ACTION

FOR CONCURRENCE

FOR INFO
DEAL

DECLASSIFIED
White House Guidelines
E.O. 12958, SEC 3.4 (B) September 11, 2006
By Cap NARA, Date 3/20/09

COMMENTS: _____

DISPATCHED BY _____ DATE _____ BY HAND W/ATTCH

OPENED BY: NSEF

CLOSED BY: NSRLG

DOC 1 OF 1

~~CONFIDENTIAL~~

~~CONFIDENTIAL~~

~~CONFIDENTIAL~~

NATIONAL SECURITY COUNCIL
WASHINGTON, D.C. 20506

9178

November 15, 1989

B

INFORMATION

MEMORANDUM FOR BRENT SCOWCROFT

FROM: TIMOTHY E. DEAL *de*

SUBJECT: Poland: Evaluation of the Reform Program

This follows up on a memorandum that I sent you earlier regarding interagency analysis of Poland's economic reform program.

At its October 3 meeting, the NSC agreed that a small group should undertake an evaluation of: (a) Poland's economic reform program; and (b) the likely effects of U.S. economic assistance in promoting economic growth and structural change in Poland. The study group responds to Dick Darman's suggestion that a "road map" was needed for the U.S. aid initiative.

On its own initiative, Treasury began the necessary analytical work in cooperation with the Council of Economic Advisers (CEA). A small interagency group chaired by Charles Dallara has met twice so far to critique work underway. In addition to Dallara and Treasury staff, the following have participated in the meetings: State, Bob Zoellick; CEA, John Taylor; OMB, Phil DuSault; Federal Reserve, Ted Truman; and NSC, Tim Deal. The group will meet again soon to review the third draft as well as a 2-3 page list of key questions for use by Michael Boskin and his economic/financial group during the visit of the Presidential mission to Poland.

You may find interesting some of the preliminary findings of the study:

- The Polish authorities have already adopted a number of reform measures (e.g., devaluation, reduction in wage indexation) this past year. But the government must be even bolder and announce a comprehensive reform package, rather than piecemeal measures.
- The overall economic situation is deteriorating, but postponing the overall adjustment process to gain time will only make adjustment more painful later.
- However, on price reform, a phased approach may be preferable to "shock therapy." In the first phase, the government would devalue further, end wage indexation, eliminate subsidies, and decontrol agricultural prices. A temporary price freeze would then precede the second phase under which all other prices are decontrolled

DECLASSIFIED
PER E.O. 13526
2009-1008-MR
SCS 8/8/13:4130115

~~CONFIDENTIAL~~

Declassify on: OADR

~~CONFIDENTIAL~~

over a three-year period. This approach draws on Israel's successful experience with a similar program in 1985.

- Poland's request for external financial assistance is large, but "reasonable" if accompanied by economic restructuring.
- The IMF and World Bank will have to play a larger role in overseeing changes to the Polish economy than they have played elsewhere. Teams from the two institutions will need to remain in Poland to help resolve difficulties that arise in the adjustment program during the first year or so.

The completed study will meet the NSC's request for an evaluation of the Polish reform program and also provide an independent analytical basis for judging the IMF program that finally emerges from negotiations with Poland. There is some skepticism among Administration economists about the Fund's ability to prescribe the right kind of medicine for an Eastern European country moving from a centrally planned to a market-oriented economy.

Concurrences by: Robert Blackwill and Adrian Basora. *AMB*

~~CONFIDENTIAL~~

NATIONAL SECURITY COUNCIL
WASHINGTON, D.C. 20506

November 10, 1989

Natl Sec Advisor 11/10/89
has seen 1707

CHRON FILE

9085

4

ACTION

MEMORANDUM FOR BRENT SCOWCROFT

THROUGH: ROBERT BLACKWILL *RB*

FROM: ADRIAN BASORA *AMB*

SUBJECT: Press Release for Coordinator of U.S. Assistance to Poland and Hungary
Larry would like this announced as soon as possible and his staff has cleared the statement. We could associate this announcement with the Poland Mission but that would delay it two weeks. I suggest you ask Larry about his preferences.
RB Black

Now that Treasury has named Under Secretary David Mulford as its Deputy Coordinator, it is appropriate to announce the naming of the Coordinator and the two Deputy Coordinators.

Attached is a brief statement for release by the White House Press Office upon your approval.

Concurrence by: Tim Deal *AMB for TD*

RECOMMENDATION

That you authorize Philip Hughes to sign the memo to Jim Cicconi at Tab I.

Approve _____

Disapprove _____

Attachments

Tab I Memorandum to Cicconi

Tab A Proposed Press Release

Statement was made per Adrian Basora - check with him re subject.
2009

~~CONFIDENTIAL~~

Declassify on: OADR

DECLASSIFIED
PER E.O. 13526

2009-1009-MA
1/6/2014 MM

~~CONFIDENTIAL~~

9085

NATIONAL SECURITY COUNCIL
WASHINGTON, D.C. 20506

MEMORANDUM FOR JAMES W. CICCONI

FROM: G. PHILIP HUGHES

SUBJECT: Press Release for Coordinator of U.S. Assistance
to Poland and Hungary

Attached at Tab A is a proposed press release announcing the
naming of the Coordinator and the two Deputy Coordinators.

Attachment
Tab A Proposed press release

cc: Marlin Fitzwater
Roman Popadiuk

DECLASSIFIED
White House Guidelines
E.O. 13526, SEC 3.4 (b), September 11, 2006
By CAF NARA, Date 5/3/12

~~CONFIDENTIAL~~

Declassify on: OADR

THE WHITE HOUSE

Office the Press Secretary

For Immediate Release

STATEMENT BY THE PRESS SECRETARY

President Bush has named Deputy Secretary of State Lawrence S. Eagleburger as Coordinator of U.S. Assistance to Poland and Hungary. Secretary Eagleburger will coordinate all activities within the U.S. government regarding assistance to Poland and Hungary, as well as consult with our allies and with the international organizations that are also providing assistance. Michael Boskin, the Chairman of the Council of Economic Advisers, and Under Secretary of the Treasury David C. Mulford, have been named as Deputy Coordinators. Kenneth I. Juster, who is the Senior Adviser to the Deputy Secretary of State, will serve as Executive Secretary to the U.S. Coordinator.

National Security Council
The White House



PROOFED BY: _____

LOG # 9085

URGENT NOT PROOFED: _____

SYSTEM PRS NSC INT

BYPASSED WW DESK: _____

DOCLOG Chavo

A 9: 08
89 NOV 11

Dep Exec

Philip Hughes

Bob Gates

Brent Scowcroft

Philip Hughes

Situation Room

West Wing Desk

NSC Secretariat

SEQUENCE TO

HAS SEEN

DISPOSITION

1

2

3

4

5

APB

APNSA Has Seen

DBE

N/DBE

A = Action I = Information D = Dispatch R = Retain N = No further Action

cc: VP

Sununu

Other _____

Should be seen by: _____
(Date/Time)

COMMENTS

Epic Sec Office has diskette

~~CONFIDENTIAL~~
NSC/S PROFILE

RECORD ID: 8909097
RECEIVED: 13 NOV 89 08

TO: PRESIDENT

CHRON FILE

FROM: SCOWCROFT

DOC DATE: 13 NOV 89
SOURCE REF:

KEYWORDS: POLAND

PERSONS: WALESA, LECH

SUBJECT: PRES DINNER W/ WALESA

ACTION: NOTED BY PRES

DUE DATE: 17 NOV 89

STATUS: C

STAFF OFFICER: RICE

LOGREF:

FILES: WH

NSCIF:

CODES:

DOCUMENT DISTRIBUTION

FOR ACTION

FOR CONCURRENCE

FOR INFO
BLACKWILL
RICE

DECLASSIFIED

White House Guidelines

E.O. 12958, SEC 3.4 (B) September 11, 2006

By Cap NARA, Date 3/20/09

COMMENTS: _____

DISPATCHED BY ED DATE _____ BY HAND W/ATTCH

OPENED BY: NSJRP

CLOSED BY: NSJRP

DOC 2 OF 2

~~CONFIDENTIAL~~

~~CONFIDENTIAL~~

~~CONFIDENTIAL~~

9097

CHRON FILE

THE WHITE HOUSE
WASHINGTON

November 13, 1989

DECLASSIFIED
PER E.O. 13526

2009-1009-MR
1/6/2014 MM

DINNER WITH LECH WALESA

DATE: November 14, 1989

LOCATION: Residence

TIME: 7:15 p.m. - 8:15 p.m.

FROM: BRENT SCOWCROFT 

I. PURPOSE

Your private dinner with Walesa will give you an opportunity for a candid discussion with him about the political and economic situation in Poland and how he views his role.

II. BACKGROUND

As you know, a great deal has changed since your private lunch with Walesa and his wife in Gdansk last July. Walesa's visit comes at a time when his position in Poland's political scene is undergoing redefinition. He has no formal role in the government but he is still the dominant figure in the country's political life. He regards the formation of a Solidarity-led government as a personal triumph.

The inherent conflict between workers' interests and the need for economic austerity is embodied in Walesa. His need to play, simultaneously, the roles of international spokesman for the Polish government and union leader has created tensions in his relationship with Mazowiecki.

Nonetheless, Walesa will press you on further assistance, concentrating on Poland's short-term needs. The Mazowiecki government is asking for \$500 million to meet a cash short-fall in fiscal year 1989. You may want to reiterate that any assistance from the West is conditioned on Poland's ability to construct and implement a comprehensive economic plan. When Poland and the IMF sign a letter of intent on a stand-by agreement, the United States may be able to provide a short-term bridge loan to help with imports.

It is especially important to tell Walesa that the U.S. and our allies were impressed with the plan presented by Finance Minister Balcerowicz. Balcerowicz's strong anti-inflationary, pro-capitalist stance has been criticized by Walesa as being anti-worker. He needs to know that the West

cc: Vice President
Chief of Staff

~~CONFIDENTIAL~~

Declassify on: OADR

~~CONFIDENTIAL~~

~~CONFIDENTIAL~~

~~CONFIDENTIAL~~
2

can only help Poland if a plan similar to the one outlined by Balcerowicz is adopted.

Walesa may also voice Polish concerns about recent events in Germany. The Mazowiecki government welcomes reform in the GDR, but the spectre of German reunification and uncertainty about Germany's acceptance of the inviolability of the World War II Polish-German border have served to temper Poland's enthusiasm. Moreover, Polish leaders worry that the FRG may now turn its economic assistance toward a reformist GDR rather than toward Poland.

III. PARTICIPANTS

Participants List is at Tab B.

IV. PRESS PLAN

White House photographer

V. SEQUENCE

Dinner

Attachments

Tab A Points to be Made
Tab B Participants List

~~CONFIDENTIAL~~

~~CONFIDENTIAL~~

~~CONFIDENTIAL~~

~~CONFIDENTIAL~~

- POINTS TO BE MADE FOR DINNER WITH
LECH WALESIA

- The events in Poland since our lunch together in July are remarkable. I am impressed with the role that you have played in helping the Polish people to build democracy.
- You must also feel great satisfaction that the process in Poland has so clearly set an example that is now spreading like wild-fire throughout Eastern Europe.
- I would be interested in your assessment of the developments of the past few months.
- The Polish people do not stand alone in their struggle for freedom.
- I am personally committed to assisting the Polish people. The United States understands the contribution that the peaceful struggle of the Polish people has made to the cause of stability in Europe and the world.
- There is strong bipartisan support in the United States to help Poland.
- Let me assure you that we will do all we can to expedite our assistance to see that it arrives in time to help Poland through the winter.
- I have said that the United States is ready to respond to the government's request for a stabilization fund with a \$200 million contribution.

~~CONFIDENTIAL~~

Declassify on: OADR

~~CONFIDENTIAL~~

DECLASSIFIED
PER E.O. 13526

2009-1009-MR
1/6/2014 MM

~~CONFIDENTIAL~~

2

- The German government has agreed to match our contribution and I am sure that other allies will respond positively as well.

THE GERMAN ISSUE ((If asked))

- What we have seen in Berlin over the past week is thrilling. We want to see a peaceful process of democratic change in the GDR. This would also contribute to Poland's path of national renewal.
- It is also true, as Chancellor Kohl and I have discussed, that Poland's success is crucial to a positive evolution in the GDR. Bonn's commitment to Poland's future is secure. You know ours is.
- We believe in the right of national self-determination for all. It is too early to know whether this process among Germans might lead to some form of reunification or to some looser association. We do not fear this process, but neither are we pushing it.
- We are committed, as is Bonn, to the inviolability of existing European borders. The Helsinki Final Act and Poland's 1972 treaty with the FRG are clear on that point.

POLAND'S SHORT-TERM ECONOMIC NEEDS

- (If Walesa raises the issue of a \$500 million loan to finance urgent imports before the end of the year)
- I have asked my Treasury Secretary Nick Brady to work directly with the Polish Finance Ministry to try to arrange

~~CONFIDENTIAL~~

~~CONFIDENTIAL~~

~~CONFIDENTIAL~~

3

the type of bridge financing the Mazowiecki government has asked for.

- This type of short-term financing is possible for us only in the context of an IMF agreement, since it is a short-term loan to be repaid when the IMF or the World Bank begin lending to Poland.
- For this, and to ensure full funding of the \$1 billion stabilization fund, it is important that the agreement with the IMF be completed as soon as possible.

~~CONFIDENTIAL~~

~~CONFIDENTIAL~~

PARTICIPANTS

U.S.

The President .

Mrs. Bush

Brent Scowcroft, Assistant to the President for National Security
Affairs

Poland

Lech Walesa

Interpreter

~~CONFIDENTIAL~~POINTS TO BE MADE FOR DINNER WITHLECH WALESA

- THE EVENTS IN POLAND SINCE OUR LUNCH TOGETHER IN JULY ARE REMARKABLE. I AM IMPRESSED WITH THE ROLE THAT YOU HAVE PLAYED IN HELPING THE POLISH PEOPLE TO BUILD DEMOCRACY.
- YOU MUST ALSO FEEL GREAT SATISFACTION THAT THE PROCESS IN POLAND HAS SO CLEARLY SET AN EXAMPLE THAT IS NOW SPREADING LIKE WILD-FIRE THROUGHOUT EASTERN EUROPE.
- I WOULD BE INTERESTED IN YOUR ASSESSMENT OF THE DEVELOPMENTS OF THE PAST FEW MONTHS.

~~CONFIDENTIAL~~

Declassify on: OADR

~~CONFIDENTIAL~~

- THE POLISH PEOPLE DO NOT STAND ALONE IN THEIR STRUGGLE FOR FREEDOM.
- I AM PERSONALLY COMMITTED TO ASSISTING THE POLISH PEOPLE. THE UNITED STATES UNDERSTANDS THE CONTRIBUTION THAT THE PEACEFUL STRUGGLE OF THE POLISH PEOPLE HAS MADE TO THE CAUSE OF STABILITY IN EUROPE AND THE WORLD.
- THERE IS STRONG BIPARTISAN SUPPORT IN THE UNITED STATES TO HELP POLAND.
- LET ME ASSURE YOU THAT WE WILL DO ALL WE CAN TO EXPEDITE OUR ASSISTANCE TO SEE THAT IT ARRIVES IN TIME TO HELP POLAND THROUGH THE WINTER.

~~CONFIDENTIAL~~DECLASSIFIED
PER E.O. 135262009-1009-MR
1/6/2014 MM~~CONFIDENTIAL~~

- I HAVE SAID THAT THE UNITED STATES IS READY TO RESPOND TO THE GOVERNMENT'S REQUEST FOR A STABILIZATION FUND WITH A \$200 MILLION CONTRIBUTION.
 - THE GERMAN GOVERNMENT HAS AGREED TO MATCH OUR CONTRIBUTION AND I AM SURE THAT OTHER ALLIES WILL RESPOND POSITIVELY AS WELL.
- THE GERMAN ISSUE ((IF ASKED))
- WHAT WE HAVE SEEN IN BERLIN OVER THE PAST WEEK IS THRILLING. WE WANT TO SEE A PEACEFUL PROCESS OF DEMOCRATIC CHANGE IN THE GDR. THIS WOULD ALSO CONTRIBUTE TO POLAND'S PATH OF NATIONAL RENEWAL.

~~CONFIDENTIAL~~

~~CONFIDENTIAL~~

THE HELSINKI FINAL ACT AND POLAND'S 1972
TREATY WITH THE FRG ARE CLEAR ON THAT POINT.
POLAND'S SHORT-TERM ECONOMIC NEEDS

(IF WALES RAISES THE ISSUE OF A \$500 MILLION
LOAN TO FINANCE URGENT IMPORTS BEFORE THE END
OF THE YEAR)

-- I HAVE ASKED MY TREASURY SECRETARY NICK BRADY
TO WORK DIRECTLY WITH THE POLISH FINANCE
MINISTRY TO TRY TO ARRANGE THE TYPE OF BRIDGE
FINANCING THE MAZOWIECKI GOVERNMENT HAS ASKED
FOR.

-- THIS TYPE OF SHORT-TERM FINANCING IS POSSIBLE
FOR US ONLY IN THE CONTEXT OF AN IMF
AGREEMENT, SINCE IT IS A SHORT-TERM LOAN TO BE

~~CONFIDENTIAL~~~~CONFIDENTIAL~~

-- IT IS ALSO TRUE, AS CHANCELLOR KOHL AND I HAVE
DISCUSSED, THAT POLAND'S SUCCESS IS CRUCIAL TO
A POSITIVE EVOLUTION IN THE GDR. BONN'S
COMMITMENT TO POLAND'S FUTURE IS SECURE. YOU
KNOW OURS IS.

-- WE BELIEVE IN THE RIGHT OF NATIONAL SELF-
DETERMINATION FOR ALL. IT IS TOO EARLY TO
KNOW WHETHER THIS PROCESS AMONG GERMANS MIGHT
LEAD TO SOME FORM OF REUNIFICATION OR TO SOME
LOOSER ASSOCIATION. WE DO NOT FEAR THIS
PROCESS, BUT NEITHER ARE WE PUSHING IT.
-- WE ARE COMMITTED, AS IS BONN, TO THE
INVIOABILITY OF EXISTING EUROPEAN BORDERS.

~~CONFIDENTIAL~~~~CONFIDENTIAL~~

REPAID WHEN THE IMF OR THE WORLD BANK BEGIN
LENDING TO POLAND.

-- FOR THIS, AND TO ENSURE FULL FUNDING OF THE \$1
BILLION STABILIZATION FUND, IT IS IMPORTANT
THAT THE AGREEMENT WITH THE IMF BE COMPLETED
AS SOON AS POSSIBLE.

~~CONFIDENTIAL~~

~~CONFIDENTIAL~~

~~CONFIDENTIAL~~

9097

NATIONAL SECURITY COUNCIL
WASHINGTON, D.C. 20508

November 13, 1989

ACTION

MEMORANDUM FOR BRENT SCOWCROFT

THROUGH: ROBERT BLACKWILL *MB*

FROM: CONDOLEEZZA RICE *CR*

SUBJECT: President's Dinner with Lech Walesa

The President will have a private dinner with Lech Walesa on Tuesday, November 14, 1989.

Your memorandum to the President provides background on the many changes that have taken place in Eastern Europe and suggested topics that Walesa might raise.

RECOMMENDATION

That you sign the memorandum to the President.

Attachments

Tab I Memorandum to President
Tab A Points to be Made
Tab B Participants List

DECLASSIFIED
White House Guidelines
E.O. 13526, SEC 3.4 (b), September 11, 2006
By *CRP* NARA, Date *3/3/12*

~~CONFIDENTIAL~~

Declassify on: OADR

~~CONFIDENTIAL~~