



10 DOWNING STREET

THE PRIME MINISTER

13 November 1981

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My dear Bernard,

Thank you for your letter of 22 October in which you suggested that I should approach President Reagan about an emergency relief operation for Poland.

Consultation and co-ordination between Poland's major Western partners in dealing with the various requests the Polish government have put to them has been very close throughout this year, and for our part I am determined that it should remain so. I am in no doubt that the US Government are very well aware of the economic and other problems facing Poland and are in close contact with the Polish authorities about them. Western governments have been prepared, at the request of the Polish Government, to give Poland substantial economic assistance. In case you have not seen it, I enclose a copy of a recent statement by Lord Trefgarne in the House of Lords giving some details.

I agree that the way forward in Poland must lie in agreement and constructive co-operation between Government and Solidarity. Workers' self management, devolution of economic decision-making and a greater reliance on market forces are all major elements of the Government's proposals for economic reform and should therefore provide some basis for substantive dialogue. No amount of external aid will solve the economic problems which Poland faces, nor the social and political problems which are at the root of them. The only people who can really resolve their problems are the Poles themselves, by agreeing on the solutions and then putting them into effect. And you do not need me to emphasize how essential it is that the Poles should be left to do this without outside interference. Much now

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depends on the willingness of both sides to work for the national good. It is encouraging that representatives of Solidarity, the Church and the Government have now apparently begun to have discussions on the problems that confront them.

I can assure you that we and our partners are well aware of the potential dangers of the situation in Poland and of the gravity of Poland's economic plight. Western Governments are at this very moment engaged in discussions with the Polish authorities on the prospects for further economic assistance in 1982. Since I wrote to you on 20 August, the European Community has approved a further tranche of food supplies to the Poles, mostly wheat, butter and meat, which should help alleviate the difficulties over food.

Food supplies are not of course the only answer and we share your concern that Poland should also be supplied with the necessary industrial and agricultural products to boost production and assist long-term recovery. In this context we were grateful for your offer to provide a list of Polish requirements compiled by Professor Saunders. We are, however, in close contact with the Poles on their requirements, most recently at the Joint Trade Commission Meeting in London in October, and have discussed fully the best use for UK export credits to Poland (£65 million) in 1981.

I was interested to see your suggestion that, apart from financial and material help, we should also be prepared to offer the Poles assistance with technical training and trade union organisation and entrepreneurial skills. I know that this is something which the British Trades Union Delegation to the Solidarity Congress have discussed with the Poles and I understand that a TUC representative is currently in Poland exploring the possibilities for further co-operation.

Yours sincerely
Raymond

Sir Bernard Braine, DL MP