

PRIME MINISTER'S  
PERSONAL MESSAGE  
SERIAL NO. T59/88

*Original on economic policy - IMF Pt 3*  
Message  
from

Herr Helmut Kohl, Federal Chancellor of the  
Federal Republic of Germany  
to  
Her Excellency The Rt. Hon. Margaret Thatcher, MP  
Prime Minister of the United Kingdom of Great Britain  
and Northern Ireland

Courtesy Translation

29/4

②  
Ria Minister  
CAD  
We really  
are ahead of  
him in the  
message we gave  
some weeks ago

Dear Margaret,

On the 19th of this month I had a comprehensive discussion with Yugoslav Prime Minister Mikulic which was followed by contacts with Minister Makic. My impression is that the Yugoslav leadership, by implementing the reforms envisaged in the 1988 economic programme, now has a chance to avert a serious crisis with unforeseeable consequences. In my view Yugoslavia deserves support on grounds of foreign and economic policy. It is in the West's interest that Yugoslavia be enabled to return to the path of stability. There is a direct relationship between economic and political stability.

It is urgently necessary that the recovery programme negotiated between the International Monetary Fund and Yugoslavia be financed and implemented. In the opinion of the Yugoslav Government and the International Monetary Fund, however, the financing of the programme is not yet assured. I have therefore asked Dr. Lubbers, Prime Minister of The Netherlands, whose country leads the IMF voting group, to which Yugoslavia, too, belongs, to make a special effort to secure the programme's financial base. I have also informed him that the Federal Government will seek in the Club of Paris to achieve a generous

rescheduling arrangement including interest, and that it is prepared to assume a share of the preliminary financing of that interest.

Considering the political significance of this matter, joint action is in my view necessary, which is why I am approaching you and the Heads of State and Government of several other Western countries today. I do feel that comparable contributions from Western countries will facilitate a solution to Yugoslavia's current problems and would appreciate it if you, too, could likewise participate in the financing of the recovery programme worked out with the IMF.

Yours sincerely,  
(sgd) Helmut Kohl  
Chancellor of the  
Federal Republic of Germany