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TO IMMEDIATE UKMIS NEW YORK  
TELNO MISC 275  
OF 280709Z SEPTEMBER 89  
INFO IMMEDIATE WASHINGTON, FCO

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UKMIS NEW YORK FOR SECRETARY OF STATE'S PARTY.

US/SOVIET SUMMIT.

1. THE US CHARGE REPEATED TO ME YESTERDAY THE FORMULA THAT NEXT YEAR'S SUMMIT BETWEEN THE PRESIDENT AND GORBACHEV IS TO TAKE PLACE IN 'LATE SPRING OR EARLY SUMMER'.

2. I SAID THAT I VERY MUCH HOPED THAT THIS DID NOT MEAN JUNE. THE PRIME MINISTER WAS PLANNING TO BE IN THE SOVIET UNION AT THE END OF THE FIRST WEEK IN JUNE, AND HOPING TO MEET GORBACHEV THEN. THE LATTER WAS AWARE OF THESE PLANS. BUT THEY HAD NOT YET BEEN FINALISED. I HOPED THAT THE PLANNING FOR THE SUMMIT DATES COULD TAKE ACCOUNT OF THIS.

3. JOYCE SAID HE WOULD SO REPORT TO WASHINGTON. PLANNING FOR THE SUMMIT HAD NOT YET BEGUN.

4. THE SECRETARY OF STATE MIGHT CARE TO MAKE THIS POINT WHEN HE SEES SHEVARDNADZE ON 29 SEPTEMBER.

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TO DESKBY 270730Z FCO  
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OF 261840Z SEPTEMBER 89  
INFO DESKBY 262000Z WASHINGTON, UKDEL IMF/IBRD WASHINGTON  
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UKMIS NEW YORK FOR SECRETARY OF STATES PARTY

WESTERN ASSISTANCE TO POLAND AND HUNGARY: G24 COORDINATING GROUP,  
26 SEPTEMBER: SUMMARY

1. THE SECOND IN THE SERIES OF MEETINGS OF SENIOR OFFICIALS FROM THE G24 WAS CHAIRED TODAY IN BRUSSELS BY THE COMMISSION, WHO TOOK THE HIGH GROUND BY LAUNCHING A NEW ACTION PLAN FOR THE COMMUNITY (MY TELNO 2803 - NOT TO ALL) INTENDED TO STIMULATE FURTHER CONTRIBUTIONS FROM OTHERS. NEW PLEDGES OF ASSISTANCE WERE ANNOUNCED BY SWEDEN, DENMARK, NORWAY AND FINLAND (ALL WITH A HEAVY ENVIRONMENT FLAVOUR). POSITIVE NOISES EMERGED FROM JAPAN AND AUSTRALIA, BUT NO CONCRETE CONTRIBUTIONS WERE FORTHCOMING. THERE WAS PRESSURE, PARTICULARLY FROM THE COMMISSION, ON THOSE WHO HAD NOT YET PROMISED SPECIFIC NEW AID. THE US KEPT A LOWISH PROFILE, BUT REVEALED THAT PRESIDENT BUSH WAS CONSIDERING THE US RESPONSE TO THE POLISH FINANCE MINISTER'S REQUEST FOR A US DOLLARS 1 BILLION STABILISATION LOAN.

2. THE MEMBER STATES RESPONDED POSITIVELY TO THE COMMISSION ACTION PLAN, ALTHOUGH THE UK AND THE NETHERLANDS INDICATED THAT FURTHER DISCUSSION WOULD BE NEEDED OF SOME ITEMS PARTICULARLY EIB ASSISTANCE AND EXTENSION OF GSP, AND OF THE BUDGETARY ASPECTS. THERE WAS A GENERAL EXPECTATION WITHIN THE COMMUNITY THAT DECISIONS ON THE PLAN WOULD BE TAKEN AT THE 3 OCTOBER FAC, FOLLOWING FURTHER DISCUSSION IN COREPER TOMORROW.

3. THE PARLOUS STATE OF THE POLISH ECONOMY (AND TO A LESSER

EXTENT THAT OF HUNGARY) WAS HIGHLIGHTED, WITH REPORTS ON RECENT DISCUSSIONS IN WASHINGTON AND CONTRIBUTIONS FROM THE IMF AND THE WORLD BANK. THERE WAS GENERAL RECOGNITION OF THE PROBLEMS INHERENT IN TRYING TO SQUARE THE POLITICAL AND ECONOMIC CIRCLES WHICH WOULD AVOID POPULAR UNREST WHILE PRODUCING A RADICAL RESTRUCTURING OF THESE ECONOMIES. THERE WAS ALSO CONSENSUS ON THE KEY ROLE TO BE PLAYED BY AN IMF PROGRAMME, AND A BROAD WELCOME FOR THE ROLE ALREADY PLAYED BY THE IFIS AND OTHER MULTI-NATIONAL ORGANISATIONS.

4. THE MEETING CONCLUDED WITH AN AGREED PRESS STATEMENT (SEE MY THIRD IFT), WHICH MENTIONED INTER ALIA ANOTHER CO-ORDINATING GROUP MEETING BEFORE MID-NOVEMBER, AND THE POSSIBILITY OF A LATER MEETING AT MINISTERIAL LEVEL. MEANWHILE, THE WORKING GROUPS WOULD CONTINUE TO MEET.

5. MY 2 IFTS REPORT THE MAIN POINTS MADE DURING THE MEETING, AND THE DISCUSSION OF THE POLISH AND HUNGARIAN ECONOMIC SITUATIONS.

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