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*From the Private Secretary*

24 January 1990

**EASTERN EUROPE**

Rupert Murdoch came in to see the Prime Minister this afternoon to tell her about his recent visits to a number of East European countries, notably Romania, Hungary, Czechoslovakia and Poland. In all of them he had found a burning desire for a greater British presence and a feeling that, while the French and Germans had come swarming back in over the last few months, Britain had, relatively speaking, been absent. He thought this was a pity and hoped that we could rectify it by a programme of high level visits to East European countries in the reasonably near future. The Prime Minister explained what we were doing, both in terms of visits and assistance: in many cases we had been the pioneers. Mr Murdoch said that the reality was that the French and Germans were often claiming credit for Community aid, and people in the East European countries simply did not believe that Britain was playing the role they wanted and expected.

Mr Murdoch went on to say that he did not think that money was the solution to the problems faced by these countries. Above all, they needed training and advice. There were various ways in which this could be provided: by sending experts to help them both in public administration and in the private sector: by organising training in this country: and by bringing people over here for a period of weeks simply to gain experience of how we do things in Britain, whether in national or local politics, journalism, or some other field. The Prime Minister explained that this was the purpose of the Know-How Fund which we had established and now extended to Eastern Europe as a whole. She would enquire to what extent we were already providing these sorts of programme.

The Prime Minister would be grateful for some information and advice on this. How far is the Know How Fund already in operation and being drawn upon for training? What is the scale and the nature of activity planned over, say, the next six months? Since we reputedly have the best Civil Service in the world, might we not offer to send civil servants on attachment to a number of East European countries? Can we do more to get groups of people from Eastern Europe over here through the COI, to familiarise themselves with the way we do things? Ought we to put one person - a Minister or senior official - in full-time charge of all our programmes of help for Eastern Europe, so that they really get moving? It would be helpful to have a note on these points as soon as possible.

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I am sending a copy of this letter to John Gieve (Treasury), Neil Thornton (Department of Trade and Industry) and Sonia Phippard (Cabinet Office).

CHARLES POWELL

J S Wall Esq  
Foreign and Commonwealth Office

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