



URGENT

Embassy of the United States of America

Bern, Switzerland

19 November 1992

→ EFD, FU, ...
Lorenz: Filwi, ...
Selektorat Rep. ...
AE, ... PR, ...
BAW: ARI, ...
Turo Ercher

Von Hand überbracht, anlässlich anderer Besprechung,
Gen Nr. 2 US-Botschaft Bern, John Hall, am 20.11.92

Ercher
PAI, EJA

Dear Rene:

I am writing you concerning the future of the Polish Stabilization Fund. We all recognize the importance of Poland's economic reform program to the economic stability of the region and to the future of reform throughout the newly liberated East. It was with this in mind that together we formed the Polish Stabilization Fund in 1989. Now that the Fund has served its original purpose, we have an opportunity to multiply the effectiveness of our contributions by reapplying them toward a single, new effort in support of Polish reform. We must avoid fragmenting the Fund for bilateral purposes, and we must use the resources in a way that genuinely assists the Poles' transformation effort.

The Stabilization Fund is due to dissolve on January 2. It is essential to determine specific and productive future uses for the Fund before its mandate expires. I encourage you to join me in supporting an agreement made to this effect by the G-7 at the Munich Economic Summit. Having just received Prime Minister Suchocka's invitation to a Stabilization Fund Donors' Conference on November 25, I suggest we use this forum to bring the issue of future uses for the Fund to closure.

At the conference, we will propose using our \$200 million contribution to support Poland's request for assistance in the area of bank recapitalization/privatization. I urge you to do the same. Holding the Fund together for a single purpose will maximize the effectiveness of our individual contributions. The Polish plan received strong endorsements from the International Monetary Fund and The World Bank. Support from the Fund donors, combined with Polish budget commitments and a World Bank facility, will mobilize sufficient resources to revitalize and privatize the banking sector. Reform of this sector is key to the success of Poland's macro-economic reforms.



The Polish government has demonstrated its strong commitment to reform by taking some very difficult decisions in recent months. As a result, Poland is on the verge of securing a new agreement with the IMF. Nonetheless, the reform program is at a delicate stage and it is essential to give the Poles this needed boost to help keep reforms on track. I strongly urge you to seize this opportunity and send a representative to the Donors' Conference armed with a commitment to redirect your contribution to support the bank recapitalization/privatization plan. As time is short, our governments should begin to work together before the conference. We are ready to open discussions with your government at any time.

Sincerely,

/s/

George Bush