

*cc/c*

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Charles Powell Esq  
Private Secretary  
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*Dear Mr Powell*

I understand that the Prime Minister is to visit Poland next month.

Officials here have become aware of growing interest in Poland and in other Eastern block countries in the value of small enterprises, whether in the public sector or private. A Polish journalist recently visited this Department in preparation for an article on UK small firms policies to be published in an official journal at the time of the Prime Minister's visit. Polish officials also attended for the first time the International Small Business Congress in Helsinki in August along with others from the Soviet Union, Hungary and Bulgaria. Polish officials were talking of the possibility of holding this conference in Warsaw in four years' time.

It seemed to us that the Prime Minister might wish to refer, if there is an appropriate occasion for her to do so during her visit, to the benefits of a strong small firms sector. She would be able to describe small firms' contribution to employment and wealth creation and the ability of small firms to grow from a small capital base (I gather that shortage of capital is a particular concern in the Polish economy).

If the Prime Minister thought that this might be worthwhile, we would be happy to prepare a text. I am sending a copy of this letter to Stephen Wall in the Foreign Secretary's office.

*Yours sincerely  
Liz Smith*

LIZ SMITH  
Private Secretary

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Charles Powell  
Foreign Secretary  
10 Downing Street  
London  
EN1

It is reported that the Prime Minister is to visit Poland next month.

Officials here have expressed some of growing interest in Poland and in other eastern bloc countries in the value of small enterprises, whether in the public sector or private. A Polish journalist recently visited this Department in preparation for an article on U.S. small firms policies to be published in an official journal at the time of the Prime Minister's visit. Polish officials also attended for the first time the International Small Business Congress in London to discuss along with others from the Soviet Union, Hungary and Bulgaria. Polish officials were talking of the possibility of holding this conference in Warsaw in 1977.

It would be as that the Prime Minister might also to refer if there is an appropriate occasion for him to so during his visit to the benefits of a strong small firms sector. He would be able to describe small firms' contribution to employment and wealth creation and the ability of small firms to grow from a small capital base (I gather that shortage of capital is a particular concern in the Polish economy).

It is the Prime Minister's thought that this might be worthwhile. I would be happy to prepare a text. I am sending a copy of this letter to Spence Hall in the Foreign Secretary's office.

LIZ SMITH  
Foreign Secretary