

PRIME MINISTER

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MEETING WITH THE SOVIET AMBASSADOR

You have a brief meeting with the Soviet Ambassador following the Young Scientists' Seminar tomorrow. He has recently returned from Moscow and claims to have instructions from President Gorbachev, although I do not think these are very precise. The three subjects he wants to talk about are:

- the political and economic situation in the Soviet Union. He says that he has some information to give you from Gorbachev about recent developments;
- economic assistance. He says that there is great interest on Gorbachev's part in following up the proposals you made in your Aspen speech. He may also raise the question of short-term financial help. You will want to stick to the line that we must await the outcome of the EC and IMF studies. But you will want to say that we are very ready to explore further, in the light of the IMF report, how we could give help to a particular sector of the Soviet economy on the lines you proposed at Aspen.
- Anglo/Soviet relations. He will probably mention the proposal for a Declaration (or even a Treaty) on Anglo/Soviet relations. You will find there is a separate note from the Foreign Secretary in your box about this. I suggest you adopt a cautious approach. You have nothing against it in principle: indeed, if President Gorbachev attaches great importance to it, you would of course be helpful. But at first glance, it is clear to you that the language of the Soviet draft would need very considerable amendment.

You might also hint at your willingness to meet President Gorbachev some time in the autumn if he is travelling in

Western Europe, for instance at the time of the CSCE Summit in Paris.

C.D.P

CHARLES POWELL

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