

FILE  
SLIT



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version

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*From the Private Secretary*

14 June 1990

*Dear Nigel,*

HOUSTON SUMMIT

You sent the Prime Minister a note on 8 June about the forthcoming meeting of Sherpas. You asked for guidance on a number of points.

The Prime Minister is content with a free-standing declaration on democracy and freedom and with the ideas listed in paragraph 3 of your note.

The message which she would like the Summit to put out on the Soviet Union is one of encouragement, indeed praise for the very considerable changes which have already taken place, and support for policies of greater democracy and a market economy. She has commented that we shall need to beware of proposals from the Germans, and perhaps Americans, for a commitment to provide substantial credits for the Soviet Union. She does not herself believe that large chunks of credit will help: they will be dissipated on consumer goods and only debts will remain. We shall need to work out a position on this before the Economic Summit (indeed before the European Council). Meanwhile, you will want to temper the language of any statement to our willingness and ability in practice to provide any financial help.

If the French press their idea for a confidential study (if there is such a thing) of the international monetary system, the Prime Minister will be content for you to go along on the basis you propose.

I am copying this letter to Stephen Wall (Foreign and Commonwealth Office), John Gieve (H M Treasury) and Sonia Phippard (Cabinet Office).

C. D. POWELL

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