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SUBJECT CC MASTER



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c/c

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From the Private Secretary

19 June 1990

Dear Stephen,

FINANCIAL ASSISTANCE FOR THE SOVIET UNION

The Prime Minister and the Foreign Secretary had a word this evening about the German proposals to be discussed at the European Council in Dublin and the Economic Summit in Houston, for financial assistance to the Soviet Union. The Prime Minister also gave the Foreign Secretary an account of her discussion on the subject with Monsieur Attali, about which I am writing to you separately. The Foreign Secretary said that he thought that our response, both in Dublin and in Houston should have three main elements:

- some positive noises in support of reform in Soviet Union;
- an offer of Know How assistance; and
- a study of Soviet needs, as a way of deferring an immediate decision. We would need to think how this could best be conducted.

The Prime Minister agreed generally with this approach. She had promised Monsieur Attali that he should be involved in any study, but there were arguments for involving also the World Bank and perhaps OECD.

Yours sincerely,

(C. D. POWELL)

Stephen Wall, Esq.,
Foreign and Commonwealth Office.

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