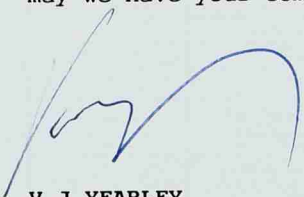


MR POWELL

You will recall that we have had a bid from Alexander Liutyi, Pravda's London correspondent, for a response from the PM to a series of questions on UK/Soviet relations.

I attach the original letter, plus first draft answers from FCO; may we have your comments please.



V J YEARLEY  
Press Office

*WJY*

Alexander G. Liutyi  
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Dear Sir,

First and foremost I would like to thank you for the two wonderful opportunities to visit Downing Street, 10 and cover meetings of the Prime Minister with the Soviet schoolchildren.

My present request is as follows.

Mrs Thatcher's speech in Aspen, Colorado, was warmly received in the Soviet Union and aroused a lot of interest among Soviet readers including myself. It is only natural therefore that I as a Pravda correspondent in London am anxious to receive a bit wider explanation and elaboration on some of the major points of the speech.

I would like to write a letter to the Prime Minister - or do it through you - and put just a few questions. I would greatly appreciate if they could be answered in written or oral form - whatever suits the Prime Minister.

The questions centre on her vision of Europe as a community comprising in future not only western european but also eastern european countries.

For example:

- Does this formula envisage accepting at some point in future the Soviet Union into the European Community. And if so on what conditions.

- It is extremely interesting to know a bit more on the Prime Ministers's concept of helping the Soviet economy: why she is reluctant to give direct financial aid; whether she is ready to apply the know-how fund of expert consultations to the Soviet Union; how specifically she sees the problem of identifying a certain sector of the Soviet economy and putting it on the market basis; is there any movement yet on this subject and on the subject of inviting the Soviet Union to the next economic summit.

- It is also important and instructive to have some elaboration on the new european Magna Carta and on the necessity of moving away from inward-looking blocs.

I am very well aware how busy the Prime Minister is. Still I would appreciate very much your help in arranging these answers.

Yours sincerely

Alexander Liutyi, Pravda correspondent  
in the UK

22/08/90

**QUESTION 1: EC MEMBERSHIP FOR USSR?**

The British Government attach great importance to strengthening cooperation with the Soviet Union. This also applies to relations between the European Community and the Soviet Union. We welcomed the signature last December of the EC-USSR Agreement on trade and commercial and economic cooperation and are urging the Commission to make maximum use of the major opportunities opened up by it.

As for the countries of Eastern Europe, it is clear to me that the EC should stand by the commitment in the Treaty of Rome and remain open to their eventual accession to the EC. But much will depend on how quickly individual countries are able to complete their political evolution and introduce the reforms needed to enable their economies to sustain the burdens of membership. In most cases, this is some way off; but we shall certainly be supportive when the time comes, if they choose to apply.

The case of the Soviet Union is different. The sheer size of the Soviet Union would rule out membership of the EC as it is presently defined. But there are other ways in which the Soviet Union can draw closer to the EC as it implements thorough-going political and economic reform: the EC Trade and Cooperation Agreement is only the first step. This should, in time, be expanded to create an equal partnership between the Soviet Union and the EC.

QUESTION 2: HELP FOR THE SOVIET ECONOMY

As I made clear at Aspen I am in no doubt about the importance of the Soviet Union moving ahead successfully with economic reform. We would like to see the Soviet Union develop into a stable and prosperous economy which takes its place in the international economic community. I know that the leaders of other Western nations agree with us: that is reflected in the decisions, taken by the European Council at Dublin and at the Economic Summit in Houston, to study the problems facing the Soviet economy, and to consider ways in which the West can best help the reform process.

I do not believe that the answer is major financial aid. As the Soviet leadership are well aware, the Soviet Union's economic difficulties do not stem from any shortage of resources, but from inefficiencies in management, in distribution, and in the allocation of resources. That is why I believe we can best offer know-how, expertise, and experience. I look forward to the results of the two studies which are under way.

QAAAAU

### QUESTION 3: EUROPEAN MAGNA CARTA

This autumn's East-West Summit in Paris offers us a unique opportunity to mould the future of Europe. I want this meeting to agree a historic document which would guarantee those freedoms which we now all consider as central to the true enjoyment of liberty. We should underline the basic rights of the individual citizen - his right to voice his own opinions, to worship freely, to maintain his own sense of national identity, and to buy, sell and produce without undue interference.

We should see these individual rights within constitutional systems which guarantee genuinely free and fair elections and a legal system independent of political pressures. I want the Summit declaration to underscore these principles.

I agree that we must look to a future Europe free from the tensions and conflicts which have bedevilled relations in the past. I see the CSCE process as making an increasingly important contribution to achieving this goal: CSCE is the only forum which brings together the Soviet Union and the North American democracies, as well as all the countries of Europe, on an equal footing. It offers unparalleled scope for constructive discussion of the sort of Europe we wish to see. This is why I have suggested that the Paris Summit should mark the beginning of a new era in which political consultations among all 35 CSCE nations will be the norm, not the exception.