Soviet Omi





CONFIDENTIAL

DEPARTMENT OF TRADE 1 VICTORIA STREET LONDON SWIH OET

TELEPHONE DIRECT LINE 01 215 5144 SWITCHBOARD 01 215 7877

4 March 1982

From the Minister for Trade

M A Arthur Esq Private Secretary to the Lord Privy Seal Foreign & Commonwealth Office Downing Street LONDON SW1

Prime Minister

To be aware, especially

AX

A. J. C. 4

Dear Michael,

MT

m 8)

UK/SOVIET JOINT COMMISSION

Discussions with allies about their regular contacts with the Soviet Union have not produced very clear-cut results. Some have suggested that their Joint Commissions and other similar meetings might be delayed as a result of the situation over Poland, but there have been few explicit commitments. Our experience after the invasion of Afghanistan was that few of these formal contacts were much affected; the UK put itself at a disadvantage by postponing a meeting of the UK/Soviet Joint Commission for a year. We would not want again to adopt a higher profile than others.

On the basis that normal trade by British firms with Soviet enterprises is continuing, except in the limited areas where there has been a definite decision to the contrary, my Department considers that we should in principle be prepared to carry on with the normal intergovernmental contacts which are necessary if our firms are to obtain business in the Soviet Union. Most immediate is the regular review of the UK/Soviet Economic and Industrial Co-operation Agreement, due to be held at official level in London during the week of 22 March. There is then the question of a similar review of the Science and Technology Programme for which a firm date still has to be fixed.

My Minister feels that colleagues should be aware of these reviews even though there should be no political problems over the necessary meetings. These will be held with the lowest level of public visibility consistent with securing the interests of British firms, in strictly businesslike manner, and with the minimum necessary official entertainment.

The UK/Soviet Joint Commission meeting scheduled for Moscow in the week of 17 May presents a greater problem because of

CONFIDENTIAL



the political dimension. My Minister is due to lead the British team (including high-level businessmen), and Mr Yuri Brezhnev a First Deputy Minister of Foreign Trade, has been nominated on the Soviet side. But, even more than in the case of the Programme Reviews (which are really preparatory events), the Joint Commission is important for our firms and even postponement of the May meeting would be disadvantageous for them. Mr Rees has concluded that the best course for the present is to delay a final decision on whether or not to go ahead as planned; he would consult colleagues about this early in April. In the meanwhile, we would not give the Soviets any firm impression one way or the other.

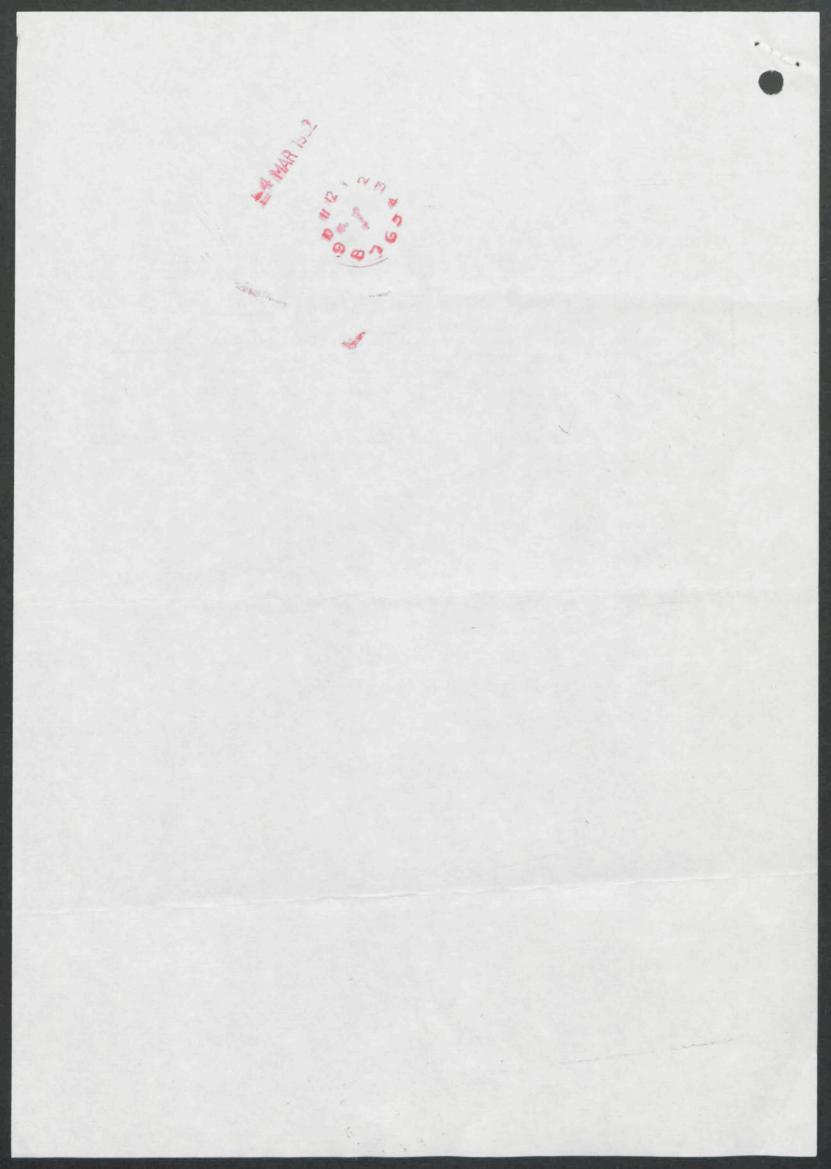
I am copying this to John Coles (No. 10), Jonathan Spencer (DOI), to the Private Secretaries of OD Members in other Departments and to David Wright (Cabinet Office).

Yours over,

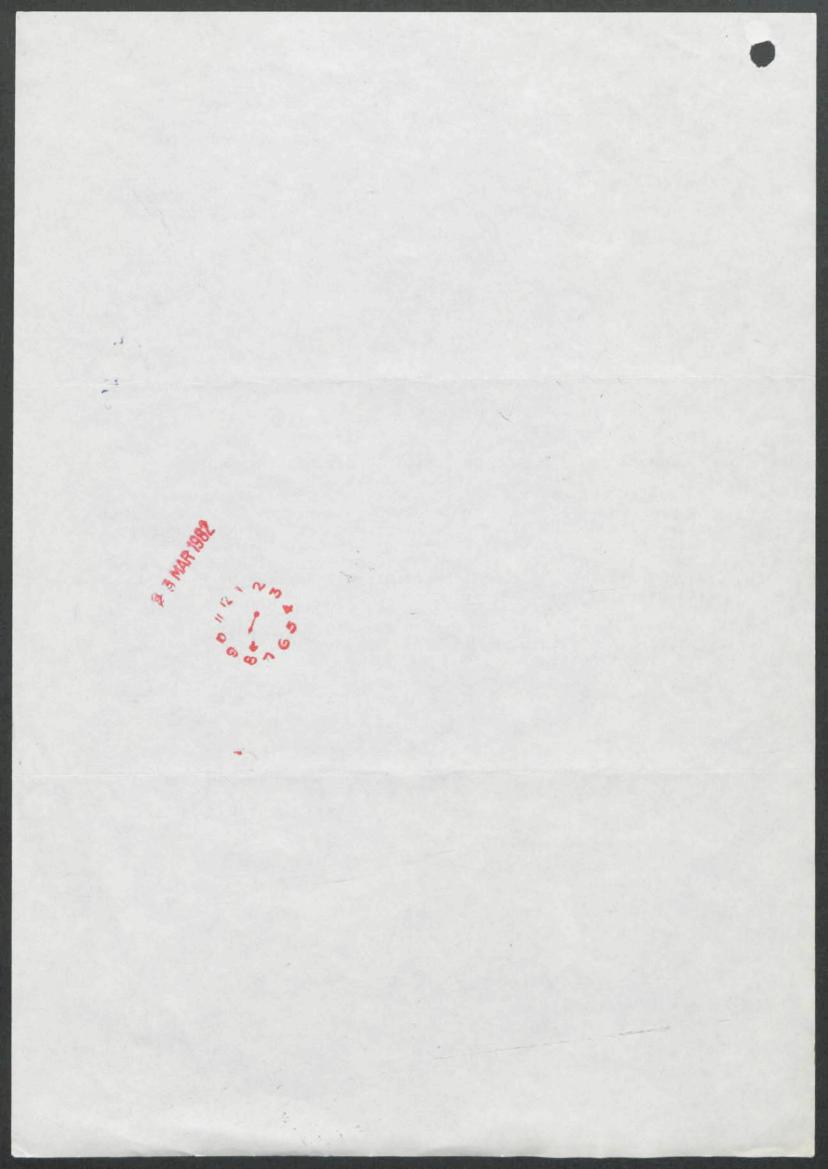
nick Mchines

NICHOLAS MCINNES Private Secretary to the Minister for Trade

CONTINENTIAL



CONFIDENTIAL Soviet Union Foreign and Commonwealth Office London SW1A 2AH 22 March 1982 Dear Nicholas. UK/SOVIET JOINT COMMISSION Thank you for your letter of 16 March to Simon Fuller. We accept that at The Fconomic and Industrial Review later this week you will not wish to convey a definite impression that Mr Rees will not be taking part in the Joint Commission. But equally FCO Ministers think it important that nothing be said which might prejudice the collective Ministerial decision on UK Chairmanship which you will be seeking in April. We hope DOT officials will bear this in mind. I am copying this to John Coles (No 10), Jonathan Spencer (DOI), to the Private Secretaries of other OD members and to David Wright (Cabinet Office). Yours sincerely. A K C Wood PS/Lord Privy Seal Nicholas McInnes Esq PS/Minister for Trade Department of Trade 1 Victoria Street LONDON SW1 CONFIDENTIAL



CONFIDENTIAL



From the Minister for Trade

DEPARTMENT OF TRADE 1 VICTORIA STREET LONDON SWIH OET

TELEPHONE DIRECT LINE 01 215 SWITCHBOARD 01 215 7877

S W J Fuller Esq Private Secretary to the Lord Privy Seal Foreign & Commonwealth Office London SW1A 2AH

16 March 1982

N.B.P. N.

Deur Follow,

UK/SOVIET JOINT COMMISSION

Thank you for your letter of 9 March. Mr Rees has asked me to say that he is most grateful for the constructive support of FCO Ministers over the trade links with the Soviet Union which we are concerned to maintain. The Moscow Embassy has now been instructed to confirm arrangements for the Economic and Industrial Programme Review with the Soviet side.

Your suggestion that a senior official should lead our team for the next Joint Commission meeting needs to be kept in mind. However, Mr Rees feels that at least for the present we should proceed on the basis that, since there has been no collective Ministerial decision to the contrary, arrangements for the Joint Commission should proceed as originally envisaged. As agreed, this will be subject to Ministerial review nearer the time and in the meanwhile we will not be increasing our degree of commitment over the event. For the present we would not want to give the Russians any very definite impression that Mr Rees might not be taking part in the event. In our view, which we believe reflects the Ministerial discussion at the beginning of the year, business with the Soviet Union in the trade field continues to be as usual except in relation to those specific signals which have been agreed.

I am copying this to recipients of the previous correspondence.

Yours sincerely,

nichais Mchines

NICHOLAS McINNES
Private Secretary to the
Minister for Trade (PETER REES)

CONFIDENTIAL

15 March 1982

N McInnes Esq
Private Secretary to the
Minister for Trade
1 Victoria Street
LONDON
SW1H OET

N. B. P. N.
A. J. C. 3

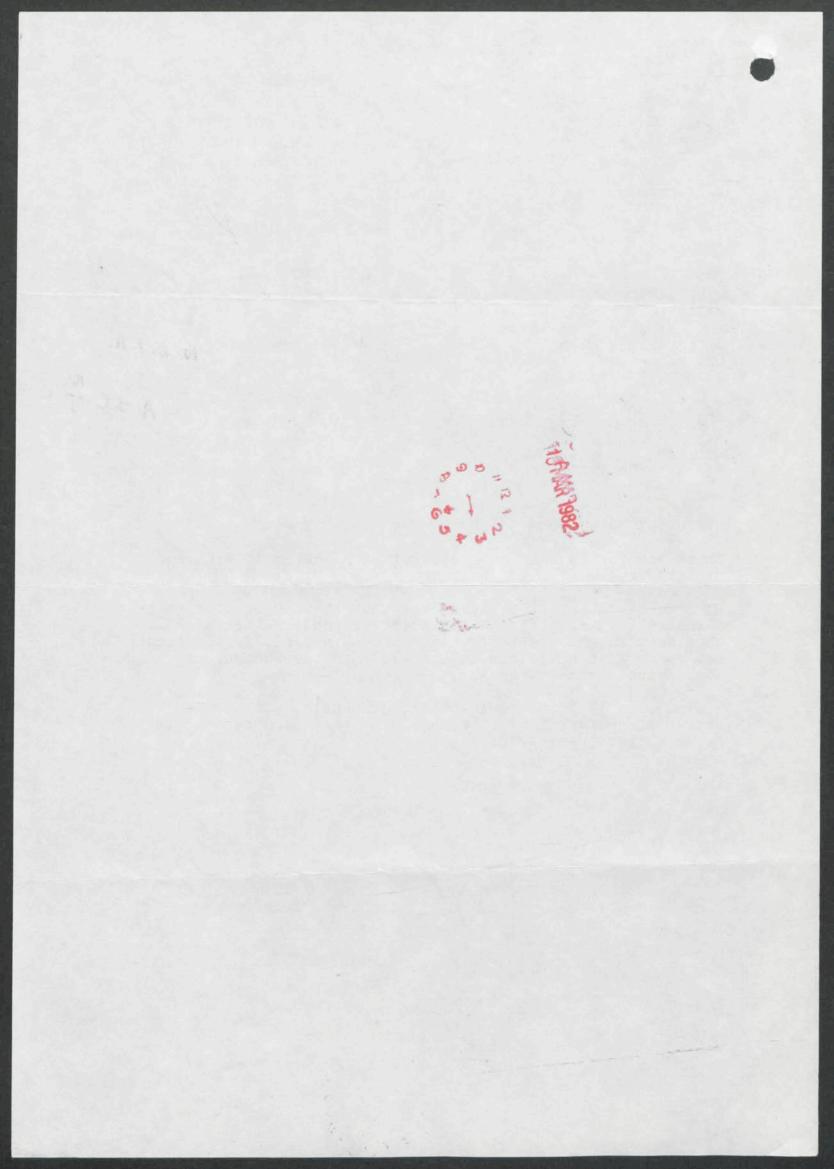
Dear Nik

UK/SOVIET JOINT COMMISSION

Thank you for sending me a copy of your letter of 4 March to Michael Arthur.

- 2 My Secretary of State agrees that it is desirable to maintain low key official contacts for the time being and to consider, in the light of the sitution in early April, whether or not it is also desirable to proceed with the meeting of the Joint Commission proposed for May.
- 3 Copies go to Michael Arthur, John Coles (No 10), to the Private Secretaries of OD Members in other Departments, and to David Wright (Cabinet Office).

RICHARD RILEY Private Secretary





Foreign and Commonwealth Office

London SW1A 2AH

9 March 1982

N. B. P. A.

AR 3:

Iran Mchines,

UK/SOVIET JOINT COMMISSION

Thank you for your letter of A March.

As you say, discussions with our allies and partners have not produced a clear picture and we think it is probably fair to assume that in the end most of them will go ahead with their Joint Commissions. In these circumstances, FCO Ministers (I should add that the Lord Privy Seal himself is abroad at the moment) see no reason to object to your going ahead with the regular review of the UK/Soviet Economic and Industrial Co-operation Agreement, due to be held during the week of 22 March, nor with the similar review of the Science and Technology Programme. Equally, while we note your Minister's view that a final decision on whether to go ahead with the Joint Commission itself should be delayed until early in April, FCO Ministers do not anticipate any objection to the principle of the Commission going ahead on schedule. A formal answer on this point will, of course, be given when Mr Rees consults his colleagues early in April.

However, we think it important, if the Joint Commission does go ahead, that there should be some signal to the Soviet side that we are not thereby returning to business as usual in Anglo-Soviet relations. In our view, such a signal could best be conveyed by sending a senior official rather than a Minister as leader of the British side. This would have the additional advantage that the absence of a Minister would reduce the risk that by going ahead with the Joint Commission we might exacerbate our difficulties with the Americans over East/West economic issues. A number of our partners in any case have joint commissions led by a senior official or business man.

Because of the different structure on the Soviet side, we would not anticipate that such a change by us would lead to any major change in the composition of their delegation, although they might conceivably substitute another Deputy Minister for Mr Yuri Brezhnev. We believe that their main concern will be that both the March review and the Joint Commission itself should go ahead on time.

Nicholas McInnes Esq PS/Minister for Trade Department of Trade 1 Victoria Street London SW1



Pending a decision on this matter, we suggest that at the Review Meeting, the British side should confirm orally that Mr Rees remains the British co-chairman of the Joint Commission, but indicate that because of other commitments he may not be able to manage a meeting in May.

I am copying this letter to the recipients of yours.

Yours sniens Linns Fells

S W J Fuller PS/Lord Privy Seal

