

cf to file



file MRM

cc DTI

FCO

10 DOWNING STREET  
LONDON SW1A 2AA

THE PRIME MINISTER

28 December 1988

Dear George,

Thank you for your letter of 6 December about Mr. Gorbachev's visit.

It is useful to have the points which the East European Trade Council has raised, though of course Mr. Gorbachev's visit has now been postponed. I know that the Department of Trade and Industry are well aware of the Council's concerns on these issues and will take them fully into account in their preparations for the visit of Mr. Kamentsev, the Chairman of the State Foreign Economic Commission, if he visits the UK next February as planned.

Warm regards,

Yours ever

Jellicoe

The Rt. Hon. Earl Jellicoe, KBE, DSO, MC

DTI

dti

the department for Enterprise

223/12

The Rt. Hon. Lord Young of Graffham  
Secretary of State for Trade and Industry

C D Powell Esq  
Private Secretary  
to the Prime Minister  
10 Downing Street  
LONDON  
SW1A 2AA

Department of  
Trade and Industry

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Your ref  
Date 21 December 1988

*Dear Charles*

You sent me on 7 December a copy of a letter to the Prime Minister from Lord Jellicoe, in his capacity as Chairman of the EETC, about Mr Gorbachev's visit. He had also written as Chairman of the Davy Corporation; the Prime Minister replied on 12 December.

I attach a draft reply which makes reference to the possible visit of Mr Kamentsev, who was to have accompanied Mr Gorbachev and who is currently planning to visit the UK from 6 February at Lord Young's invitation.

I am sending a copy of this letter to Lyn Parker (FCO).

*Yours*

*Jeremy Godfrey*

JEREMY GODFREY  
Private Secretary

DRAFT REPLY FOR THE PRIME MINISTER'S SIGNATURE TO:

The Rt Hon Earl Jellicoe KBE DSO MC  
Chairman  
East European Trade Council  
Suite 10  
Westminster Palace Gardens  
Artillery Row  
LONDON  
SW1P 1RL

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It is useful to have the points which the East European Trade Council has raised, though of course Mr Gorbachev's visit has now been postponed. I know that the Department of Trade and Industry are well aware of the Council's concerns on these issues and will take them fully into account in their preparations for the visit of Mr Kamentsev, the Chairman of the State Foreign Economic Commission, if he visits the UK next February as planned.

CR

Soviet Union: Visits  
of Gorbachev  
Pt 2



Foreign and Commonwealth Office

London SW1A 2AH

7 December 1988

Dear Charles,

Letter from Lord Jellicoe

/ Thank you for your letter of 6 December. I attach a draft reply to Lord Jellicoe which has been cleared with the Department of Trade. They will ensure that Lord Young is briefed to raise the Davy Corporation's interests.

I am copying this letter to the Department of Trade.

Yours ever,

L Parker

(L Parker)  
Private Secretary

C D Powell Esq  
PS/No 10 Downing Street

DRAFT: minute/letter/teleletter/despatch/note

TYPE: Draft/Final 1+

FROM:

Reference

The Prime Minister

DEPARTMENT:

TEL. NO:

SECURITY CLASSIFICATION

TO:

Your Reference

Top Secret

The Rt Hon Earl Jellicoe KBE DSO MC  
Chairman  
Davy Corporation  
15 Portland Place  
London W1A 4DD

Secret

Confidential

Restricted

Unclassified

Copies to:

PRIVACY MARKING

SUBJECT:

.....In Confidence

Thank you for your letter of 5 December about  
Mr Gorbachev's visit.

CAVEAT.....

*be h... will have to... be harmed since you note... Nonetheless I... you make very much in mind.*

~~I have it in mind to raise a number of important commercial projects in which British companies have sizeable interests. I shall be happy to include your Mogilev polyester fibre plant. David Young will be having more detailed discussions with Deputy Prime Minister Kamentsev and I have asked him to look after your wider interests in those discussions.~~

You will no doubt be raising these issues yourself at the meeting which I understand is planned for 13 December between Mr Kamentsev and a group of senior businessmen, and at the Mansion House reception where you should have an opportunity of a few words with Mr Gorbachev himself.

Enclosures—flag(s).....

*er*

SOVIET UNION: Vasily Mr. Zorbaev  
PT 2



Lord Jellicoe

21/12



Mr Pm

10 DOWNING STREET

LONDON SW1A 2AA

From the Private Secretary

7 December 1988  
ahf

I attach a copy of a letter the Prime Minister has received from Lord Jellicoe.

I should be grateful for a draft reply for the Prime Minister to send to Lord Jellicoe to reach me by Wednesday 21 December. Could you please co-ordinate your draft with Lyn Parker (Foreign and Commonwealth Office), to whom I am copying this letter.

C. D. Powell

Jeremy Godfrey, Esq.,  
Department of Trade and Industry.

Pm



R 7112

**EETC**

**East European Trade Council**

Suite 10, Westminster Palace Gardens, Artillery Row, London SW1P 1RL

Telephone: 01-222 7622

Telex: 291018 EETC G

Chairman: The Rt. Hon. Earl Jellicoe, K.B.E., D.S.O., M.C.

Director: J.A. McNeish

6th December 1988

The Rt. Hon Margaret Thatcher MP  
10 Downing Street,  
London SW1

*Dear Margaret.*

I was asked at a recent meeting of the East European Trade Council (EETC), of which I am Chairman, to bring to your personal attention, prior to Mr Gorbachev's visit to the UK, some general matters bearing on our trade relationship with the Soviet Union.

I accordingly attach a short note about a number of current issues which the EETC believe to be relevant to Mr Gorbachev's visit. As you will see, this note does not cover any of the specific contracts which British companies are at present pursuing in the Soviet Union since we understand that a full brief on these and other matters will have been provided by the Department of Trade and Industry.

I am sending a copy of this letter to Geoffrey Howe, David Young and Alan Clark.

*Yours ever  
George*

JELlicoe

Encl.

East European Trade Council

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## NOTE FROM THE EAST EUROPEAN TRADE COUNCIL

Points which might be raised at the time  
of Mr Gorbachev's visit to the UK

### 1. British Soviet Month

This important event, which is a trade exhibition for businessmen to contact their Soviet customers and potential customers, will be held in Sovincentr in Moscow during April 1989, under the auspices of the British-Soviet Chamber of Commerce. A number of high-level visitors from HMG, BOTB and the business sector will be visiting it.

This is a further tangible expression of British companies' interest in and commitment to the Soviet market. At present some 250 companies have booked exhibition space, including not only major multinationals but also a large number of medium sized and small firms.

### 2. Management Training

This is a significant new opportunity for UK Ltd. We have much to offer Soviet managers by way of British management techniques and marketing skills. We have also much potentially to gain by getting acquainted, on the job as it were, with the new generation of Soviet managers. The FCO is leading on this initiative, and a preliminary course of Soviet managers is at present being interviewed and will be starting its training in the United Kingdom early in 1989. The Council is seeking British companies who are prepared to offer short secondments of two to three weeks for Soviet managers at the end of their course. It is important that we should not leave the running - and the credit - on this new Front to our West German, French and Italian competitors.

/continued... ..

3. Consortia

The consortium approach whereby a package including for example a contractor, an equipment supplier and financial institution is put together to bid for a Soviet contract could be of growing importance. At the recent UK/USSR Joint Commission a working group, under Mr French of ICI, was set up to facilitate this potentially lucrative avenue into the Soviet market. United States Companies are already in negotiation with the Soviet authorities about this novel means of doing business. It apparently has great attraction for the USSR.

4. Soviet and East European Studies

Following active lobbying by the EETC, the Department of Education & Science has set up an enquiry into the present rather parlous state, and the future of Soviet and East European Studies in British universities and polytechnics. The enquiry is to be chaired by Dr Norman Wooding, the Council's Deputy Chairman, and is expected to complete its work by early March.

5. Visas

The difficulties and delays experienced by Soviet business visitors in obtaining visas to visit the United Kingdom place us at a commercial disadvantage vis a vis our Trade competitors. It acts, for example, as a disincentive to working level Soviet officials to come to this country. We accept that safeguards must remain in place and recognise that the Departments concerned are examining how our processes can be speeded up. Nevertheless, our Trade Competitors seem to order these matters much more speedily than we are able to.

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