FILE MEMACE



CC: DTI PC FCO.

10 DOWNING STREET

LONDON SW1A 2AA

From the Private Secretary

29 December 1988

Thank you for your letter of 25 November about Mr. Gorbachev's visit. Although the visit has now been postponed it was most helpful to our preparations to have your account of your meeting with the Soviet Embassy.

We are very much aware of the importance which the Soviets attach to the development of the agriculture sector and had intended discussing the contribution which British companies were making and could make. The Prime Minister herself had recommended the visit to Marks & Spencer which Mr. Katushev, the Soviet Minister for Foreign Economic Relations, made during his visit to London in October for the UK/USSR Joint Commission.

The proposal for a British-Soviet Trade Centre also featured highly in the points the Prime Minister and other Ministers were hoping to raise at each of their meetings with Mr. Gorbachev and his delegation. Department of Trade and Industry officials discussed the project earlier this month with officials from the Soviet Ministry of Foreign Economic Relations, who also met the Carroll Group during their visit to London.

Of the points in your letter, the proposal to improve the Moscow City telephone network is amongst the projects which we regularly discuss with the Soviet authorities. We were not previously aware, however, of the alleged problems with the supply of roof tiles and brick making machinery. We had arranged for representatives of that sector to be included amongst the businessmen whom Mr. Gorbachev might have met during his visit. If a list of complaints and alleged missed opportunities exists, I am sure that the Department of Trade and Industry would be interested to receive a copy.

I very much hope that the visit will be re-activated soon.

C. D. POWELL

Kenneth Warren, Esq., MP

dti the department for Enterprise R29/12

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

Charles Powell Esq
 Private Secretary to the
 Prime Minister
 10 Downing Street
 LONDON
 SWIA 2AA

Cf ps, (You have the fie) Department

Department of Trade and Industry

1-19 Victoria Street London SW1H 0ET

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Telex 8811074/5 DTHQ G Fax 01-222 2629

Direct line 215 5422
Our ref JW5AET
Your ref

23 December 1988

Dear Charles,

You wrote to Lyn Parker on 1 December with a copy of a letter from Kenneth Warren MP, who had written to you on 25 November about Mr Gorbachev's visit. Lyn was subsequently told by No 10 that Mr Warren had telephoned to say that no reply was needed in view of the postponement of the visit, but you later asked me for a draft reply after all.

I attach a draft which has been coordinated with the FCO. I trust that the apparent delay will not seem discourteous.

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

yours

Tan Bendelaw

IAN BENDELOW Assistant Private Secretary



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DRAFT LETTER FOR PRIVATE SECRETARY TO THE PRIME MINISTER Kenneth Warren Esq MP House of Commons London SWIA OAA Thank you for your letter of 25 November about Mr Gorbachev's visit. Although the visit has now been postponed it was most helpful to our preparations to have your account of your meeting with the Soviet Embassy. We are very much aware of the importance which the Soviets attach to the development of the agriculture sector and had intended discussing the contribution which British companies were making and could make. The Prime Minister herself had recommended the visit to Marks & Spencer which Mr Katushev, the Soviet Minister for Foreign Economic Relations, made during his visit to London in October for the UK/USSR Joint Commission. The proposal for a British-Soviet Trade Centre also featured highly in the points the Prime Minister and other Ministers were hoping to raise at each of their meetings with Mr Gorbachev and his delegation. Department of Trade and Industry officials discussed the project earlier this month with officials from the Soviet Ministry of Foreign Economic Relations, who also met the Carroll Group during their visit to London. Of the points in your letter, the proposal to improve the Moscow City telephone network is amongst the projects which we regularly discuss with the Soviet authorities. We were not previously aware, however, of the alleged problems with the supply of roof tiles and brick making machinery. We had arranged for JW5AEU

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Unix ill be re-activated boom.

FROM: KENNETH WARREN, M.P.



/CF Pros?
R12/12

HOUSE OF COMMONS LONDON SWIA 0AA

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CONFIDENTIAL

8 December 1988

Dear Charles

Some feed-back from the Soviets to points I made in yesterday's letter to you, plus further comments from them, (prior to cancellation of the visit).

- 1. The British Aerospace interest will be passed to the Soviet Premier who will instruct the Minister to promote the mutual interest.
- 2. "Mrs Thatcher has made possible what we can now do. We are very grateful to her. We want her to know how much we respect her."
- 3. "The problem of the military burden (financial) is we cannot afford so much any longer".
- 4. Soviets were very upset that Reagan and Bush appeared to know nothing of Mr Gorbachev's statement to the UN before they all met for lunch.
- 5. Mr Yakoblev "you can assume he is now No.2 or No.3 (in the hierarchy)".

I have some fascinating information about his 'fall from grace' in 1970 and his rehabilitation via Andropov which I will tell you when we meet.

Please accept my apologies for being unable to sign this letter personally.

Yours sincerely

Panela Ball

PPKenneth Warren

Charles Powell Esq Private Secretary to the Prime Minister 10 Downing Street London SW1

CONFIDENTIAL



10 DOWNING STREET LONDON SWIA 2AA

From the Private Secretary

8 December 1988

Thank you for your further letter of 7 December, which reached me after the news of the postponement of Mr. Gorbachev's visit. I will let you know as soon as we have a new date. Meanwhile, many thanks for all your help.

(C. D. POWELL)

Kenneth Warren, Esq., M.P.

CONFIDENTIAL



HOUSE OF COMMONS LONDON SWIA OAA

7 December 1988

CONFIDENTIAL

Charles Powell Esq Private Secretary to The Prime Minister 10 Downing Street London SW1.

Deer Clarks, Fran meetig my Soviet contact today -

Latest information for the 'agenda' is as follows:

- 1. On disarmament, please refer to my letter to the Prime Minister prior to the Brize Norton meeting, reference dates they then had in mind for reduction of weapons of all kinds. (My secretary will confirm the date of the letter tomorrow as I am out of my office). I understand that they stand generally by that information.
- 2. British Aerospace wish to follow up the initiative from the Russian Minister Systov to discuss, in the USSR, mutual interest in the development of civil aircraft. The Russians are aware of this and would value the endorsement of this from us.
- 3. All the rest consists of items from the UK/USSR Joint Commission October 1988 priority projects, ventures under discussion, projects in which UK companies have an interest, including coal, gas and oil (GEC have a special interest in opportunities for sub-sea wellhead completions).

Gamainel.

8/12

FROM: KENNETH WARREN, M.P.



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HOUSE OF COMMONS LONDON SWIA 0AA

5 December 1988

COO

Dear Charles

Thank you for your letter of the 1 December.

Nothing else to report as I am still awaiting the further lists promised by the Soviets. That is, other than a tit-bit, they are aiming to be out of Afghanistan by the end of February.

No acknowledgement required.

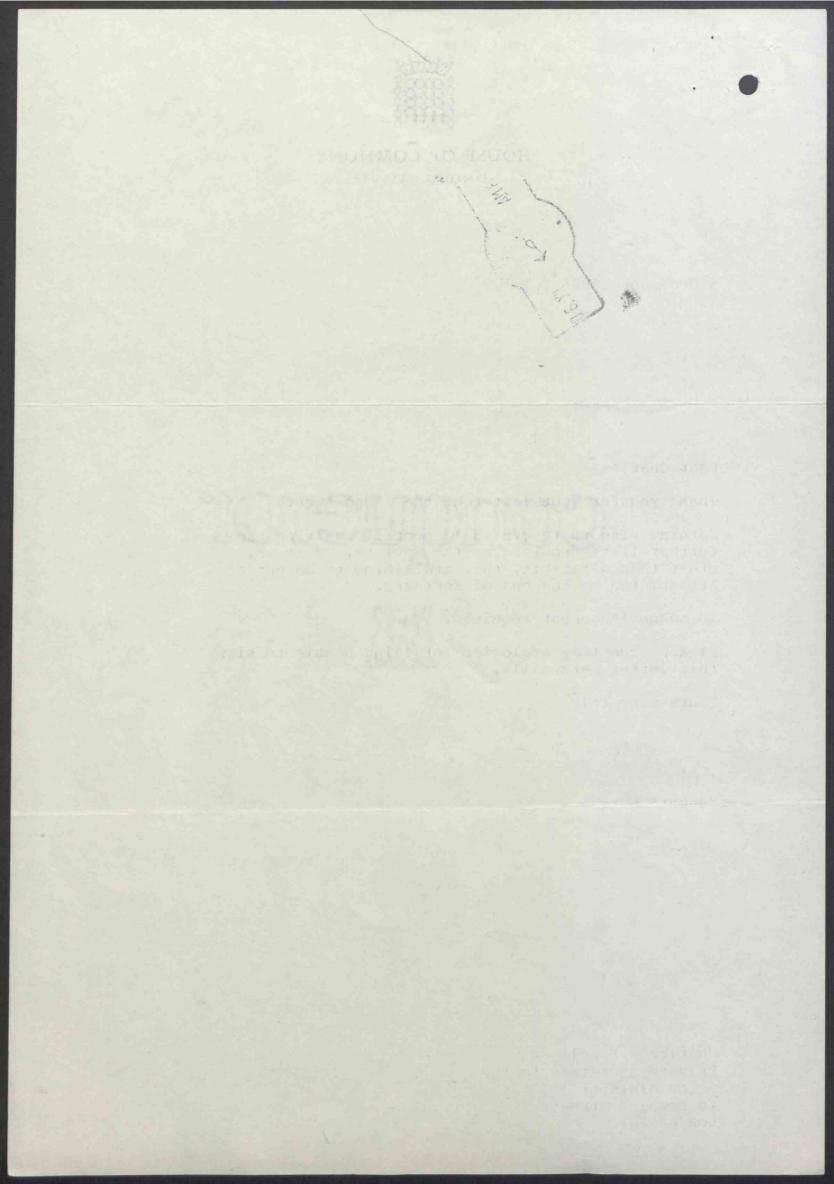
Please accept my apologies for being unable to sign this letter personally.

Yours sincerely

Tamela Ball

ee Kenneth Warren

Charles D Powell Esq Private Secretary to the Prime Minister 10 Downing Street London SW1



Wenneth WARREN MP 8/12

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10 DOWNING STREET
LONDON SWIA 2AA

From the Private Secretary

1 December 1988

I enclose a letter from Kenneth Warren MP about Mr. Gorbachev's visit. I should be grateful for an early draft reply.

I am copying this letter and enclosure to Neil Thornton (Department of Trade and Industry).

C D POWELL

Lyn Parker, Esq., Foreign and Commonwealth Office







10 DOWNING STREET LONDON SWIA 2AA

From the Private Secretary

1 December 1988

Thank you for your very helpful letter of 25 November which I have just received. I will certainly follow up the various points and am most grateful to you for bringing them to my attention.

C D POWELL

Kenneth Warren, Esq., M.P.

FROM: KENNETH WARREN, M.P.



HOUSE OF COMMONS

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CONFIDENTIAL

25 November 1988

My deer Charles.

I was talking on the telephone to Mr Dominic Morris, asking for guidance as to whom to direct bits of information which the Russians are giving me relating to the forthcoming meeting between the Prime Minister and President Gorbachev. I understand you are the man, as before.

Mr Mikhael Polyakov, First Secretary at the Soviet Embassy, tells me that their principal trade interests are in the development of agriculture and that they are building up a list of machinery which they believe could be supplied from British sources. Their particular interest is in the whole chain from production through processing, packaging, distribution and retailing. For instance, during our conversation it became clear that their admiration for Sainsbury's and Marks & Spencer is significant - probably because Mrs Gorbachev shopped at the latter during her last visit. However, I am making enquiries of those two companies whether or not they would be interested, quite apart from this visit, in making known their expertise to Soviet Agencies.

There appears to be a chance that President Gorbachev will table a list of complaints about British companies failing to respond to business opportunities. Two such items were mentioned to me; roof tiles and brick making machinery, where they want turn-key factories set up. I have asked for a full list and of course will let you have it.

Two other items of interest arose in our discussion. The first of these was the opportunity for equipping the Moscow telephone systems with up-to-date exchanges and secondly, the problem of the lack of progress on the British-Soviet Trade Centre project in Moscow. British Telecom is giving me information about the first and the second which is being promoted by the Carroll Group in the UK is stalled, I was told by Mr Polyakov, because of the continued wrangling over the two new Embassy sites in London and in Moscow.

I will continue to keep you informed. No reply is necessary other than acknowledgement of receipt of this letter.

Your vicens,

Charles Powell Esq Private Secretary to the Prime Minister 10 Downing Street London SW1

