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the department for Enterprise

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Richard Gozney

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

Richard Gozney Esq
Private Secretary to
Rt Hon Sir Geoffrey Howe
The Secretary of State for Foreign and
Commonwealth Affairs
Downing Street
LONDON SW1

Department of
Trade and Industry

1-19 Victoria Street
London SW1H 0ET

Switchboard
01-215 7877

Telex 8811074/5 DTHQ G
Fax 01-222 2629

CDP
3/4

Direct line 215 5422
Our ref MM3AGC
Your ref
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Dear Richard

1104.

Thank you for your letter of 14 March about the factory visit to be included in Mr Gorbachev's programme.

As you know, since we last wrote we have suggested to the Soviets a number of other companies for possible inclusion in the programme. They have included United Biscuits of Harlesden (biscuits), Rank Hovis McDougall at Greenford (bakery), Beechams at Maidenhead (toiletries), Marconi Instruments at St Albans (scientific electronic instruments), John Crane at Slough (gas seals) and British Aerospace at Hatfield (the 146 aircraft) and reflect regular movements of the criteria for selection. The Soviet Embassy has visited all of them apart from Beechams, and in addition have visited Case Communications at Watford (the Soviet Ambassador's own suggestion). Their recommendations to Moscow over the Easter period contained a preference for Case, followed by British Aerospace and John Crane.

Case Communications were taken over by the Dowty Group last September as part of the latter's diversification away from mining and towards electronics. Case manufacture data communications systems, and have an annual turnover of £90m. They employ about 1,000 in modern buildings in the

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Watford Business Park. They have regular trade with the Soviet Union, including the supply of data transmission lines for the Siberian gas pipeline, and are currently assembling systems for the Soviet Ministry of Merchant Marine (Sovfracht). They are pursuing three sizeable communications projects in the Soviet iron and steel, medical and transport sectors, worth in total about £11m.

The company occupies a large impressive site and should make a very good initial impact. Mr Gorbachev will be able to see the fully-automatic production of printed circuit boards and then visit the production area where there is a continuously moving assembly line for the systems themselves and where he could talk to an ordinary British workforce. From the media viewpoint it should have all the elements which your letter of 14 March specified; a high-tech product; a blue-collar workforce; and movement. In addition to the assembly operations, which should contain enough for the media, the company provides an automatic computer network maintenance service with automatic dial-up clients' computer systems, and this produces interesting colour diagrams on VDUs which show the condition of a system at any given time.

My Secretary of State is satisfied that Case offers a good impression of British industry, and is content within the limitations of time and distance available to accept the Soviet choice. Mr Tony Thatcher, Chairman of the Dowty Group, will welcome Mr Gorbachev to the factory. Case's East European Manager is a fluent Russian speaker.

I am copying this letter to Charles Powell, Trevor Woolley and John Fairclough.

Yours sincerely

Ben Slocock

BEN SLOCOCK
Private Secretary

SOVIET UNION: VISITS of Goubaichev
PT3

build 4
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