



The Foreign Secretary proposes that
the visit should go ahead.

A.S.C. $\frac{2}{9}$

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PCS/83/181

SECRETARY OF STATE FOR TRADE AND INDUSTRY

Visit of Deputy Prime Minister Kostandov

1. As I said in Cabinet on Thursday, I have been considering, in the light of the Korean airliner disaster, how we should deal with the impending visit in October of Soviet Deputy Prime Minister Kostandov.
2. As you know, our actions, both bilateral and multi-lateral, over the Korean airliner have been concentrated in the civil aviation fields. Our bilateral ban on all airline flights to and from the Soviet Union and Aeroflot flights over the UK is due to end on 28 September. Although normal working contacts at official level have been allowed to continue, contacts at Ministerial level have been decided on their merits. I thought it appropriate to see Gromyko in Madrid on 7 September and tell him exactly what we thought of both the Soviet action and their explanations. A bilateral visit for routine political consultations between Malcolm Rifkind and First Deputy Foreign Minister Kornienko, due on 15/16 September was, however, postponed.
3. Against that background I think we need now to take another look at the Kostandov visit. Formally, he has been invited by ICI (in association with Courtaulds). But as you know the Russians have been told that on 19 October calls have been arranged on yourself, if you are here, and Paul Channon if you are not. (I think we can assume that Kostandov will not choose to regard your possible absence as a significant variation

/unless



unless he is looking for a pretext to put off the visit in any case.) In addition, the Russians have been told that calls have been arranged on Peter Walker and myself, and finally that Paul Channon would host a dinner at Lancaster House which Peggy Fenner would also attend. Arrangements are well under way and the fact of the visit is quite widely known.

4. The basic purpose of the visit is of course commercial. Kostandov supervises the Soviet chemical industry among other things, and ICI have a major stake in the Soviet market. The visit will, however, also provide an opportunity for Ministerial contact with the Russians at a higher level in this country than has been the case since Gromyko's visit in 1976. On balance I am inclined to think that his visit should go ahead. If it does, I would propose to use his call on me to make clear our strong views on a number of factors affecting the current phase of East/West relations, including the airliner incident, and make it known publicly thereafter that I have.

5. I regard it as important that, at a time when the INF debate will be very active in the run up to deployment, we should use every available opportunity to get the Government's views across directly to senior Soviet Ministers, and that we should be seen to be doing so. Jim Callaghan will at that time be in Moscow (17-21 October) and will probably be seeing Gromyko, and possibly even Andropov.

6. If you and colleagues agree, I would be content to go ahead on this basis. If, on the other hand, it was felt preferable for Ministers not to take part in the visit, which would almost certainly lead to its cancellation, then we should tell both ICI and the Russians very soon, before their plans become even firmer than they already are.

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7. I am sending a copy of this minute to the Prime Minister, the Minister for Agriculture, Fisheries and Food, the Secretary of State for Defence and, for his information, Sir R Armstrong.

A handwritten signature in dark ink, appearing to be 'G.H.', written in a cursive style.

GEOFFREY HOWE

Foreign and Commonwealth Office
23 September 1983

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DEPARTMENT OF TRADE AND INDUSTRY
1-19 VICTORIA STREET
LONDON SW1H 0ET

TELEPHONE DIRECT LINE 01-215 5422
SWITCHBOARD 01-215 7877

Secretary of State for Trade and Industry

28 September 1983

The Rt Hon Sir Geoffrey Howe QC MP
Secretary of State for Foreign
and Commonwealth Affairs
Foreign and Commonwealth Office
Downing Street
London SW1

Dear Sir,

Thank you for your letter of 23 September about the proposed visit to the UK in October of the Soviet Deputy Prime Minister, Kostandov. Subject to the views of other colleagues, I agree that the visit, including Ministerial calls, should go ahead. As you know, I shall not be in the country at the time, but Paul Channon intends to use both his meeting, and the dinner which he is hosting (to which a number of senior British businessmen will be invited) to press the interests of British companies.

2 I agree with your assessment that, were Ministerial attention to be withdrawn, the Russians would almost certainly cancel the visit. This would undoubtedly have an adverse effect on our commercial relations and would be detrimental to the prospects of British companies seeking business in the Soviet market, which is worth some £400M a year to our exporters.

3 Copies of this letter go to the Prime Minister, the Minister for Agriculture, Fisheries and Food, the Secretaries of State for Defence and for Energy and to Sir Robert Armstrong.

James Callaghan

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Es

10 DOWNING STREET

From the Private Secretary

24 September, 1983.

Visit of Deputy Prime Minister Kostandov

The Prime Minister has seen Sir Geoffrey Howe's minute of 23 September to the Secretary of State for Trade and Industry. She has noted his conclusion that the visit of Deputy Prime Minister Kostandov should go ahead in accordance with the arrangements described in the minute.

I am sending copies of this letter to Robert Lawson (Ministry of Agriculture, Fisheries and Food), Richard Mottram (Ministry of Defence), and Richard Hatfield (Cabinet Office).

A.J. DOLES

R.B. Bone, Esq.,
Foreign and Commonwealth Office.

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54



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JU677
 Secretary of State for Trade and Industry

13 October 1983

R B Bone Esq
 Private Secretary to the
 Secretary of State for Foreign & Commonwealth Affairs
 Foreign & Commonwealth Office
 London SW1A 2AH

N. F. Fowler
 Miss Steiner
 please take
 for his D 14/10
 I suggest that you have the
 press line available to quarantine
 done
 CS

Dear Roger,

A. J. C. 14/10

Thank you for your letter of 10 October about the visit to the UK of Soviet Deputy Prime Minister Kostandov. I am writing to confirm that we are content with the proposed press line for use in answer to questions that may arise in connection with the visit.

Copies of this letter go to the recipients of yours.

✓
 Yours sincerely,

Ruth Thompson

RUTH THOMPSON
 Private Secretary



Foreign and Commonwealth Office

London SW1A 2AH

10 October 1983

M. G.
10.
h.a.

Dear Ivan, *h.a.*

Visit of Deputy Prime Minister Kostandov

We have commented separately on a request from Sir B Hayes for views on ICI's proposed defensive press line on Kostandov's visit.

I enclose a note setting out the official line we consider should be taken in answering any questions that might arise from Ministerial participation in this visit.

I am sending copies of this letter to Michael Reidy (Department of Energy), Robert Lawson (MAFF), Richard Mottram (Defence) and to John Coles (No 10) and Richard Hatfield (Sir Robert Armstrong's Office) for information.

Yours ever

for (R B Bone)
Private Secretary

John Hayes

Dr J P Spencer
Department of Trade and Industry
1 Victoria Street
LONDON S W 1

PRESS LINE FOR USE IN ANSWER TO QUESTIONS ON THE VISIT OF
SOVIET DEPUTY PRIME MINISTER KOSTANDOV: 17-23 OCTOBER

Mr Kostandov's visit has been arranged at the invitation of ICI. During his visit, Mr Kostandov will also be seen by a number of Ministers, including those with direct responsibility for the economic sectors covered by Mr Kostandov.

[If asked about the call on Sir G Howe, the FCO Spokesman will say that the Foreign and Commonwealth Secretary intends to take the opportunity of Mr Kostandov's call to put over the Government's strong views on a number of factors affecting the current phase of East/West relations.]

[If asked about the Government's policy on Ministerial contacts with the Soviet Union following the Korean airliner incident]

It is not the Government's policy to interfere with private invitations to visitors from the Soviet Union. As far as Ministerial contacts are concerned, following the Korean airliner incident, the Government has decided each case on its merits. For example, the Foreign and Commonwealth Secretary saw Mr Gromyko in Madrid on 7 September and expressed strong condemnation of Soviet actions in shooting down the Korean airliner. A visit by the Soviet First Deputy Foreign Minister, Kornienko, planned for 14-17 September was, however, postponed. On this occasion it was decided that the balance of advantage lay in Ministers seeing Mr Kostandov.



Foreign and Commonwealth Office

London SW1A 2AH

28 September 1983

John Michael,

Visit of Deputy Prime Minister Kostandov

I am very sorry that through an oversight the Foreign and Commonwealth Secretary's minute of 23 September to the Secretary of State for Trade and Industry about Kostandov's visit was not copied to Mr Walker. I now enclose a copy together with a copy of John Coles' letter to me of 24 September.

I am copying this letter to Robert Lawson (MAFF), Richard Mottram (Defence), Richard Hatfield (Sir R Armstrong's Office) and John Coles (No 10).

John Coles
R B Bone

(R B Bone)
Private Secretary

Michael Reidy Esq
PS/Secretary of State for Energy

SOVIET UNION: KOSTANAY

Sept '83