

*Did not mention Ryzhkov. Did not request payment for Soviet - balance forward. dti in discussion with some for - control to what to categorise - over*

**dti**  
the department for Enterprise

**Prime Minister**

*1*

The Rt. Hon. Nicholas Ridley MP  
Secretary of State for Trade and Industry

Department of Trade and Industry

1-19 Victoria Street  
London SW1H 0ET

Enquiries  
071-215 5000

Telex 8811074/5 DTHQ G  
Fax 071-222 2629

Charles Powell Esq  
Private Secretary  
10 Downing Street  
LONDON  
SW1A 2AA

*We are not clear whether you raised the question of delays in payments to British companies. You did not do so with Gahader. Did you mention it to Ryzhkov? The Embassy; see Charles, Richard does not mention it: and Andrew & I have no recollection. But*

Direct line  
Our ref  
Your ref  
Date

071-215 5622  
PE5AON  
15 June 1990

**SOVIET PAYMENTS DELAY**

*Richard Pollock thinks you may have alluded to it briefly.*

We spoke earlier this week about this issue and about the absence from the record of the formal part of the Prime Minister's meeting with Mr Ryzhkov of any mention of it. The financial press have however picked up that many British companies have received payments this week, amounting in aggregate to something like \$50m. It seems to us very likely that this welcome improvement is the direct outcome of the Prime Minister's having raised the matter with Mr Ryzhkov but we cannot say this because there is no mention of it in the Prime Minister's statement to Parliament. Could it be that the Prime Minister deemed it more tactful to mention this complaint outside the formal meeting and hence outside your (or others') hearing? Would you be prepared to ask her interpreter, Professor Pollock (home telephone 061-973 2349), who would not feel free to talk to us?

*Do you have any recollection?*

*CBO 15/70*

An extra reason to think that the Prime Minister may fail to get the credit she deserves is that the companies we know to have been paid this week are clearly British (e.g. Courtaulds got £4.5m) whereas the commodity brokers in the City (e.g. V.Befg), who in aggregate are owed more than £50m, have not received anything for the cocoa that is shipped at their expense direct from Ghana. The news is not all good, however: a company in Cornwall (B & J Shoes, 62 employees, owed about £1/2m) is very close to bankruptcy for lack of payment. If it goes under (Matthew Taylor, the local MP, is already involved) it will be all the more important to be able to say, if we can, that the Prime Minister raised the issue.



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**dti**

the department for Enterprise

I am copying this letter to Richard Gozney (FCO).

*Yours ever*

*Ben.*

BEN SLOCOCK  
Private Secretary

CONSERVATION



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*File  
to  
C: Soviet*

10 DOWNING STREET  
LONDON SW1A 2AA

*From the Private Secretary*

19 June 1990

SOVIET PAYMENTS DELAY

Thank you for your letter of 15 June asking whether the Prime Minister raised with Mr. Ryzhkov the question of delays in payments to British firms. I have consulted both the Prime Minister and the interpreter. The Prime Minister has confirmed that she did not mention the matter to Mr. Ryzhkov, nor did she make any formal request for payments to be resumed. She thinks she might have touched lightly on the problem when discussing the difficulties of going from a centrally-controlled economy to a market economy. But she could not claim that this constituted representations.

I am sending a copy of this letter to Richard Gozney (Foreign and Commonwealth Office).

C.D. POWELL

Ben Slocock, Esq.,  
Department of Trade and Industry.

*B*

dti

the department for Enterprise

*CEP*

The Rt. Hon. Nicholas Ridley MP  
Secretary of State for Trade and Industry

*Ben Slocock* ②

Charles Powell Esq  
Private Secretary  
10 Downing Street  
LONDON  
SW1A 2AA

*CP*  
*26/6*

Department of  
Trade and Industry

1-19 Victoria Street  
London SW1H 0ET

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Fax 071-222 2629

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PE5AOT

22 June 1990

*Dear Charles*

**SOVIET PAYMENT DELAYS**

Thank you for your letter of 19 June, which is a helpful clarification.

*Map*  
*[Handwritten notes and a pink box around the word 'Map']*

Although the problem remains serious, I am glad to report that, following the Prime Minister's visit, some British companies have received payment from their Soviet customers. The most encouraging news concerns B&J Shoes, the small Cornish company who were in imminent danger of bankruptcy, who received £400,000 earlier this week.

I am copying this letter to Richard Gozney (FCO).

*Yours ever*  
*Ben*

*[Handwritten signature]*

BEN SLOCOCK  
Private Secretary



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Soviet Union: PM's visit to Soviet Union -  
Policy Pt 4.

