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FACT SHEET:

RESULTS OF
THE JOINT U.S. - USSR COMMERCIAL COMMISSION MEETINGS,
APRIL 12-14, 1988

U.S. Secretary of Commerce C. William Verity and Soviet Foreign Economic Relations First Deputy Minister Kachanov have concluded three days of meetings of the Joint U.S.-USSR Commercial Commission. This was the 10th meeting of the Commission, which was formed in 1972.

The Commission met this year at the specific instruction of President Reagan and General Secretary Gorbachev, who in their joint statement at the conclusion of the December 1987 Summit, directed Secretary Verity and his Soviet counterpart to convene the Commission to propose concrete measures to expand mutually beneficial trade and economic relations between the two countries.

The two major objectives of the U.S. delegation were: (1) to reiterate that fundamental improvements in the trade relationship depend upon further improvements elsewhere in the bilateral relationship -- particularly in human rights and emigration; and (2) to seek market access gains for U.S. companies in the Soviet Union . Both goals were achieved.

The U.S. delegation reaffirmed the support of the Administration for the expansion of mutually beneficial non-strategic trade and economic relations. Secretary Verity explained the U.S. willingness to make step-by-step progress in trade and economic relations within the guidelines of present U.S. policy, noting U.S. interest in pragmatic and concrete proposals to increase trade. The U.S. share of Western trade with the USSR is small. In 1986, for example, the U.S. share of OECD trade with the Soviet union was only 4.5 percent -- and the vast bulk of this was U.S. grain.

Secretary Verity also stressed that fundamental changes in U.S. trade policy toward the Soviet Union were related to the quality of the overall relationship between the two countries. He noted that major trade gains were possible depending on major improvements in other aspects of the bilateral relationship. He particularly pointed to the U.S. interest in human rights and emigration. He noted that present emigration levels are notably higher than in the last few years, but are still below the average for the 1970's.

MARKET ACCESS IMPROVEMENTS

The U.S. delegation's principal goals with respect to marketing were to obtain improved market access and greater transparency of marketing information in the Soviet Union. This is particularly important as trade decision-making authority in the USSR is decentralized to around 100 different Soviet ministries and enterprises.

The U.S. delegation sought specific, concrete steps which would improve the ability of U.S. companies to sell non-military, non-strategic goods and services in the USSR. A number of agreements were reached in the Joint Commercial Commission that will improve the prospects for bilateral trade and investment. In particular, the steps that the Soviets have agreed to take should improve the conditions for doing business in the USSR and should shorten the time that has been required to negotiate business.

In the area of market access and trade facilitation, agreements were reached on the following:

- A new U.S. marketing and advertising program will be set up through the U.S. Commercial Office in Moscow, which will publish a Commercial Newsletter and, in cooperation with the USSR Chamber of Commerce and Industry, will distribute it to thousands of Soviet trade organizations and officials. This newsletter will substantially improve the ability of U.S. companies to advertise their products and services to interested Soviet buyers.

- A program of cooperation will be initiated to boost business in selected non-strategic areas with high potential, with bilateral working groups being formed in medical equipment, construction equipment, oil and gas equipment, and equipment for the consumer goods industries.

- The Soviets agreed to take steps enabling Soviet business and trade personnel to have open access to the U.S. Commercial Office in Moscow. This will provide potential Soviet buyers with access to marketing information on thousands of U.S. companies and products.

- The U.S. will start a trade missions program in the USSR, and the Soviets agreed to provide appropriate assistance.

- The Soviets agreed to accelerate efforts to improve working conditions for U.S. firms with offices in the Soviet Union. They announced simplified Soviet visa procedures, including multiple entry visas, for foreign business visitors, including U.S. business visitors.

- The Soviets agreed to work on reducing business negotiating times and complications.

- The U.S. Department of Commerce will set up a "Joint Venture Information Center" to provide guidance to U.S. companies in order to facilitate compliance with U.S. technology transfer regulations in a joint venture.

- Both sides will establish a joint US-USSR legal seminar series on business law to help government and private lawyers better handle the practical legal aspects of bilateral business, including investment.

Finally, two special documents were issued by Secretary Verity and First Deputy Minister Kachanov at the conclusion of the Joint Commission meeting:

- A protocol noting that the terms of the 1972 U.S. - USSR Long-Term Economic Industrial and Technical Cooperation Agreement apply to joint ventures and other new forms of business organization now permitted by the USSR; and

- A "Joint Statement" listing the accomplishments of the Commission and stipulating the desire of both sides to increase bilateral trade and economic cooperation. This document will be publicized to Soviet enterprises and to the U.S. business community.

These steps, taken together, represent a forward step to improve the prospects for the expansion of trade between the United States and the Soviet Union. U.S. exports to the USSR last year were only $1.5 billion -- and only $600 million of this was in manufactured goods. Secretary Verity stated that he does not expect a dramatic increase in these numbers as a result of what was agreed in the JCC, but that the agreements will contribute to the trade relationship and lead to a gradual increase in two-way trade.

ADDITIONAL OFFICIAL MEETINGS

Secretary Verity, accompanied by Ambassador Matlock and other senior members of the U.S. delegation, had official meetings with General Secretary Gorbachev, Premier Ryzhkov, Foreign Economic Commission Chairman Kamentsev, First Deputy Minister for Foreign Economic Relations Kachanov, GOSAGROPROM Chairman Murakhovsky, and Central Committee Secretary Dobrynin.

NON-STRATEGIC TRADE ONLY

Secretary Verity stressed both in the Commission and in his talks that the United States is interested only in non-strategic trade. The U.S. delegation did not discuss any changes in technology transfer controls. The matter did not even come up. Secretary Verity has emphasized that our technology transfer controls are for the purpose of ensuring Western security, and not for the purpose of restricting trade.

The United States does not view technology transfer controls as an obstacle to peaceful, non-strategic trade. The United States believes that there are ample areas for increasing trade which are not affected by national security export controls, including many areas in consumer goods industries, oil and gas equipment, medical equipment, and construction equipment.

RELATIONSHIP TO U.S. OVERALL GOALS

Secretary Verity and the U.S. delegation repeatedly stated that U.S. trade relations are a part of the overall bilateral relationship and that fundamental improvements in the conditions for trade cannot take place without parallel improvements in other parts of the relationship, especially in the human rights area. The U.S. interest in emigration was particularly stressed. The delegation took note of the increased emigration last year, and stated its hope that further gains would follow.

CONTRACTS AND JOINT VENTURES

A number of U.S. companies signed contracts with Soviet enterprises this week. Some of these were for joint ventures in the Soviet Union. Combustion Engineering signed the first U.S. joint venture last December, and this week Honeywell signed a joint venture. Additionally, a group of U.S. companies formed the "American Trade Consortium" under which they will seek commercially viable business opportunities in civilian areas.

In the December 1987 Summit statement, President Reagan and General Secretary Gorbachev agreed that commercially viable joint ventures could play a role in the further development of bilateral economic relations. The U.S. government supports American companies in their efforts to conclude commercially viable business in non-strategic areas. The U.S. Government, however, does not endorse, and has not endorsed any particular business venture -- including those signed this week. The position of the U.S. Government is that this is a matter for private companies to decide.

The U.S. Government's position is policy-neutral toward joint ventures in principle, stating that the choice of business organization is a commercial matter. The U.S. Government, of course, reviews all requests for export licenses for technical data, including those for joint ventures. Each license application is carefully reviewed to ensure that U.S. national security is not affected.

USTEC MEETINGS

The U.S.-USSR Trade and Economic Council has been meeting in Moscow this week, holding its 11th annual meeting. USTEC is an organization of U.S. companies and Soviet enterprises interested in bilateral trade. These meetings are totally separate from the government-to-government Joint Commission meetings. They are held concurrently so that the USTEC meetings may be addressed by the Secretary of Commerce and the Soviet Foreign Economic Relations Minister. Secretary Verity addressed the opening session of the USTEC meeting on Wednesday, April 13.

COMMERCIAL WHALING

While in Moscow, Secretary Verity took note of the fact that the Department of Commerce has received assurances from the Soviet Ambassador to the United States that the Soviet Union has ceased commercial whaling and intends to work through the International Whaling Commission (the "IWC") for whale research and conservation. The cessation of commercial whaling by major whaling nations has been a major objective of global environmental groups and the IWC.

Secretary Verity welcomed the Soviet decision and stated his hope that it sets a pattern for similar decisions on the part of other whaling nations to work within the IWC for the purposes of research and conservation. Secretary Verity expressed his confidence that, as a result, the United States and the Soviet Union will quickly be able to expand fisheries cooperation provided for in a new fishing agreement that was signed on February 21. Doing so will benefit both sides.

Final

Text as given

STATEMENT OF HONORABLE C. WILLIAM VERITY
U.S. SECRETARY OF COMMERCE

AT A PRESS BRIEFING
MOSCOW
APRIL 14, 1988

Ladies and Gentlemen: I have a brief statement to make, and will then take your questions.

First I would like to introduce the other senior members of the U.S. delegation who are up here with me. Under Secretary of State Wallis, Under Secretary of Commerce Freedenberg, Under Secretary of Commerce Evans, Presidential National Security Advisors Bob Dean and Steve Danzansky, and Acting Assistant Secretary of Commerce Jim Moore. Ambassador Matlock is not with us, as he is in Geneva for the signing of the documents connected with Soviet troop withdrawal from Afghanistan.

As you know, there have been two separate and distinct meetings going on here in Moscow -- my own official discussions with Soviet government and party leaders, and those of USTEC with their Soviet business counterparts. I have made clear in my discussions that there is no ambiguity in the Administration's policies. However, in light of some things said by U.S. business representatives, I would like to clarify three points.

First, our concerns about human rights in the Soviet Union, particularly emigration of Soviet citizens in accord with the principles of the Helsinki Final Declaration, will have a direct effect on our ability to take steps that will expand trade. We welcome steps the Soviet government has taken in the past year and urge further liberalization. However, we are a nation of immigrants and would not be true to our principles if we did not stand up for the most basic of human rights.

Second, the President and General Secretary Gorbachev have endorsed expansion of non-strategic trade. However, protecting American and Western security will continue to govern expansion of that trade. At the same time, export controls need not limit true trade expansion. I would note that this issue was not discussed with our Soviet hosts.

Third, the GATT organization is based on fundamental market economy principles and governs trade between market-oriented economies. GATT membership cannot be extended to nations whose economic systems are in the main unresponsive to market signals. Neither the United States nor most other GATT members support Soviet membership. If and when the Soviet economy functions in accord with basic market principles, the U.S. government will be in a position to reconsider the matter.

American businessmen may differ with these views, and they are of course free to express their viewpoints. But it is important in the context of this week's meetings that the Administration's views be duly understood.

Let me stress that we did not come to Moscow to make any trade breakthroughs. That wasn't our purpose. Our trade relations are part of the overall bilateral relationship and fundamental improvements can not occur without parallel improvements in other areas, especially in human rights. Demonstrating the U.S. interest in emigration, Acting Assistant Secretary Moore met with a group of "Refuseniks" during our visit.

In seeking to facilitate the ability of U.S. firms to sell in the Soviet Union, our main goal was to improve market access and market information -- sort of a "marketing glasnost". The U.S. and Soviet sides agreed on a number of steps in this regard, for example:

- The Soviet side will enable its business and trade officials to have open access to the U.S. Commercial Office in Moscow;

- The Soviet Chamber of Commerce and Industry will assist the U.S. Commercial Office in distributing a regular U.S. Commercial Newsletter to thousands of key Soviet business decision makers;

- Joint working groups have been established to explore marketing opportunities for equipment in the food processing, medical, construction, oil and gas, and consumer goods industries;

- A series of joint seminars on laws affecting business will begin in September of this year;

- The United States will initiate a program of trade missions with Soviet support.

Acting Minister Kachanov and I issued a joint statement on the results of the Commission and expressing the interest both sides have in expanding bilateral trade.

We also signed a protocol amending the Long Term Economic, Industrial and Technical Cooperation Agreement between the two countries. The Main purpose of this protocol was to recognize the new forms of business organization, such as joint ventures, now permitted in the USSR.

Taken together, these steps represent measures that will further improve the ability of U.S. firms to do nonstrategic business in the Soviet Union. I do not expect the increase in trade that results to be dramatic. As I said earlier, we came here to take another step in the step-by-step process, not to make breakthroughs.

Among the various responsibilities of the Secretary of Commerce is fisheries, and in concluding my statement I have a major announcement to make in this area.

We have been formally notified by the Soviets that the USSR has ceased commercial whaling and intends to work through the International Whaling Commission, the IWC, for whale research and conservation. This is a significant international achievement which removes a major obstacle to U.S.-Soviet cooperation in fisheries.

I welcome this decision and hope it sets a pattern for other whaling nations. I am confident that as a result we will quickly be able to expand fisheries cooperation in a way benefitting the fishing industries of both countries.

Before I take your questions, I would like to thank our Soviet hosts for their careful arrangements and their hospitality, including last night's dinner hosted by General Secretary Gorbachev. I would also like to express my appreciation to Ambassador Matlock and his staff for their wonderful support, despite being already overburdened.

May I have the first question?

JOINT STATEMENT
on the further development of
U.S.-U.S.S.R. commercial relations

U.S. Secretary of Commerce C. William Verity and U.S.S.R. First Deputy Minister of Foreign Economic Relations A. I. Kachanov, at the conclusion of the Tenth Session of the Joint U.S.-U.S.S.R. Commercial Commission held in Moscow April 12-14, 1988, at the instruction of President of the United States Ronald Reagan and General Secretary of the CPSU Central Committee M. S. Gorbachev to develop concrete proposals for the expansion of U.S.-Soviet trade, issued the following Joint Statement.

The Governments of the United States of America and the Union of Soviet Socialist Republics strongly support expansion of mutually beneficial commercial relations, within the legal framework existing in both countries, which they believe can contribute to the development of a more constructive relationship between the two countries.

They recognize that the prospects for a substantial expansion of trade relations are related to progress on other issues of mutual interest, including humanitarian affairs. They note that while significant accomplishments have been made in this respect, more remains to be done.

They recognize that improved business facilities and additional commercial information on business opportunities and contacts will be needed by their firms, enterprises, business and other organizations to conclude mutually beneficial contracts in the changing environment.

They agree that commercially viable joint ventures complying with the laws and regulations of both countries could play a role in the further development of commercial relations.

During the Tenth Session of the Joint Commercial Commission, the two sides took the following practical steps to facilitate the expansion of bilateral trade and commercial relations:

-- Concluded a Protocol to the Long Term Agreement Between the United States of America and the Union of Soviet Socialist Republics To Facilitate Economic, Industrial, and Technical Cooperation, of June 29, 1974, in which they agreed that the forms of cooperation covered by the terms of the Long-Term Agreement shall include commercially viable joint ventures and industrial cooperation based on mutually beneficial contracts betweem firms, enterprises, and other appropriate organizations of the two countries.

Under the Protocol the Joint US-USSR Commercial Commission will monitor the practical implementation of the Protocol and develop concrete proposals to achieve the cooperation foreseen therein, and the Working Group of Experts will exchange information that will assist the Commission in developing solutions to specific practical issues relating to its implementation and conduct preparatory work for meetings of the Commission.

-- Established Joint Commission working groups to identify opportunities and eliminate obstacles to the development of business in the fields of oil and gas equipment, construction equipment, medical equipment and supplies for the medical industry, and consumer industry.

-- Agreed to hold a series of legal seminars to improve understanding of the legal conditions affecting U.S.-Soviet commerce and investment.

-- Undertook to make information on business opportunities and contacts readily available so as to facilitate the prompt identification and contact of potential business partners.

-- Committed themselves to accelerate efforts to improve business facilities for company offices and representatives.

-- Encouraged representatives and experts of their respective firms, enterprises, and organizations to make use of the official commercial offices of the other side.

-- Agreed to expand a program of trade missions, rendering appropriate mutual assistance in their planning and execution.

Both sides affirm their intention to inform their respective firms, enterprises, and organizations of the contents and recommendations of the Joint Statement and to work toward their full implementation.

April 14, 1988

PROTOCOL

to the Long-Term Agreement
between the
United States of America and
the Union of Soviet Socialist Republics
To Facilitate Economic, Industrial and Technical Cooperation
of June 29, 1974

The Government of the United States of America and the Government of the Union of Soviet Socialist Republics, taking note of the new forms of cooperation which have become possible since the Long-Term Agreement between the United States of America and the Union of Soviet Socialist Republics To Facilitate Economic, Industrial and Technical Cooperation was concluded on June 29, 1974, and guided by the Joint Summit Statement issued at the conclusion of the Washington summit meeting on December 10, 1987, have agreed that:

(1) In addition to the forms of cooperation specified in Article II of the Agreement, cooperation covered by the terms of the Long-Term Agreement shall include commercially viable joint ventures and industrial cooperation based on mutually beneficial contracts between firms, enterprises, and other appropriate organizations of the two countries in keeping with established practices and applicable laws and regulations in the respective countries.

(2) The Joint US-USSR Commercial Commission will monitor the practical implementation of this Protocol and the Long-Term Agreement and develop concrete proposals to achieve the cooperation foreseen therein. The Working Group of Experts will exchange information that will assist the Commission in developing solutions to specific practical issues relating to the implementation of this Protocol and the Long-Term Agreement and will conduct preparatory work for meetings of the Commission.

This Protocol is an integral part of the Long-Term Agreement and enters into force on the date of its signature.

Done at Moscow on April 14, 1988, in duplicate, in the English and Russian languages, both texts being equally authentic.

FOR THE GOVERNMENT OF THE UNITED STATES OF AMERICA:	FOR THE GOVERNMENT OF THE UNION OF SOVIET SOCIALIST REPUBLICS:
C William Verity	
C. William Verity Secretary of Commerce	Alexander I. Kachanov First Deputy Minister of Foreign Economic Relations

AGREED REPORT
OF THE TENTH SESSION OF THE
JOINT U.S. - U.S.S.R. COMMERCIAL COMMISSION

The Tenth Session of the Joint U.S. - U.S.S.R. Commercial Commission, established by a joint communique in May, 1972, was held in Moscow on April 12-14, 1988. A. I. Kachanov, First Deputy Minister of Foreign Economic Relations of the U.S.S.R., headed the Soviet delegation and presided over the session. The U.S. delegation was headed by Secretary of Commerce C. William Verity.

During the work of the Commission, Secretary Verity was received by General Secretary of the Central Committee of the CPSU M. S. Gorbachev. Secretary Verity also met with Chairman of the Council of Ministers of the U.S.S.R. N. I. Ryzhkov, Central Committee Secretary A. F. Dobrynin, First Deputy Chairman of the Council of Ministers of the U.S.S.R. V. S. Murakhovskiy, and Deputy Chairman of the Council of Ministers of the U.S.S.R. V. M. Kamentsev. Prospects for the development of American-Soviet trade and economic relations were discussed in a constructive spirit throughout the meetings.

Lists of the U.S. and Soviet delegations to the Commission are attached to this Agreed Report.

The Commission adopted and discussed the following agenda:

1. Status of Bilateral Trade and Economic Relations
2. Report of the Working Group of Experts
3. Expansion of Trade and Economic Relations, including market access and new forms of economic cooperation.
4. Trade Promotion and Business Facilitation
5. Concluding remarks and signing of official documents.

STATUS OF BILATERAL TRADE AND ECONOMIC RELATIONS

In opening the session, the co-chairmen noted that President of the United States Ronald Reagan and General Secretary of the Central Committee of the CPSU of the U.S.S.R. M. S. Gorbachev had, during the Washington Summit, instructed them to convene this session of the Joint Commercial Commission in order to develop concrete proposals for the expansion of mutually beneficial trade and economic relations. Each Co-Chairman expressed his side's desire to carry out this mandate.

In their opening statements, the co-chairmen reaffirmed the strong support of their respective governments for the expansion of mutually beneficial commercial relations. Examining the state of trade between the two countries, the Commission observed that trade levels are extremely small in comparison to the size of the two economies and are below their potential. They also noted the limited structure of present trade.

The two sides agreed that an increase in mutually beneficial trade was in the interest of both sides and agreed that additional steps should be taken to encourage trade where that was possible. They noted that opportunities exist for expansion of trade in raw materials, chemicals, agriculture, and other commodities, as well as in civilian industrial goods and services.

Reviewing the status of bilateral economic relations since the 1986, they mentioned that a textile agreement has been concluded, that negotiations on maritime relations and on agricultural trade are being conducted, that government and business interest in finding ways in which mutually beneficial trade can be developed are increasing, and that there is business interest in the use of joint ventures and other new forms of cooperation.

At the same time it was observed that major obstacles to bilateral trade remain, and that the positions of both sides relating to possible steps to be taken to eliminate these obstacles still differ considerably.

The two sides had a frank exchange of views on humanitarian affairs.

The U.S. side stated its belief that a fundamental change in trade relations could not take place without parallel improvements in these and other parts of the bilateral relationship. The U.S. side stated that without significant change in other parts of bilateral relations trade growth would have to take place within present conditions.

The Soviet side declared that it sought to develop cooperation with the United States on principles of equality and mutual interest, and that it is opposed to tying trade to aspects of bilateral relations which in its view have no bearing on trade. The Soviet side stated further that progress in trade can contribute to improvement in other parts of the overall bilateral relationship.

Both sides agreed that mutually beneficial trade is an aspect of the bilateral relationship which can contribute to building trust and better working relations between the two countries. They expressed their mutual desire to continue to find ways to further develop trade and economic relations within the context of the present policies of both sides, and to search for fields of mutual interest.

REPORT OF THE WORKING GROUP OF EXPERTS

The Commission observed that the Working Group of Experts had had its sixth meeting in Moscow on October 19, 1987, co-chaired by Deputy Minister of Foreign Trade V. L. Malkevich and Assistant Secretary of Commerce Louis F. Laun. They noted that this meeting had resulted in a useful exchange of information on economies and foreign trade of the two countries. Information provided by the Soviet side regarding the reorganization of the Soviet system of foreign economic relations was also discussed at that meeting of the Working Group.

First Deputy Chief of Section of the U.S.S.R. State Foreign Economic Commission Y. A. Znamenskiy presented the report of the Seventh Session of the Working Group of Experts, which he and Assistant Secretary of Commerce Louis F. Laun co-chaired in Washington, February 18 and 19, 1988.

The Commission approved the report and expressed appreciation for the useful work that the Working Group of Experts had performed in preparing for the Tenth Session of the Joint Commercial Commission. The Commission agreed that such preparatory work, in addition to its mandated functions, should be part of the Working Group's regular work in the future.

The date and place of the Eighth meeting of the Working Group of Experts will be determined by the Commission Co-chairmen.

EXPANSION OF TRADE AND ECONOMIC RELATIONS, INCLUDING MARKET ACCESS AND NEW FORMS OF ECONOMIC COOPERATION

The two sides noted that the steps agreed upon at the Eighth and Ninth Sessions of the Joint Commercial Commission had improved conditions for the development of bilateral trade and encouraged the firms, enterprises, and organizations of the two countries to consider each other as potential business partners. They agreed to take further measures, as possible at the current stage of development in bilateral relations, to support the further expansion of peaceful, mutually beneficial, bilateral trade and commercial cooperation.

The Commission discussed questions relating to the restructuring of the management of the foreign economic relations system of the U.S.S.R., concentrating its attention on the way this restructuring could affect the commercial activity of U.S. companies in the Soviet Union and Soviet organizations in the United States. The Soviet side presented information on the functions of Soviet ministries, institutions, and enterprises involved in foreign economic activity. It stated that the improvement of economic mechanisms in the U.S.S.R. opens up additional opportunities for the development of mutually beneficial commerce. The U.S. side took this information into consideration with interest.

The Soviet side stated it believed that there was a lack of progress in improving conditions for the export of many Soviet goods to the United States. It referred to the continuing embargo on U.S. imports of seven types of furskins, the embargo on gold coin imports, what it considers prohibitive antidumping duties on imports of Soviet urea into the United States, and concern about proposals in Congress which would worsen conditions for imports of Soviet commodities into the United States. The Soviet side also drew attention to what it considers as unjustified, from an economic and security point of view, U.S. restrictions on exports of satellites to the U.S.S.R. for launching on Soviet rocket vehicles, as well as to the Soviet desire for the expedient resolution of problems of access to crosstrade by the Soviet maritime vessels.

The U.S. side noted the Soviet concerns and expressed willingness to continue looking for solutions where possible. The U.S. delegation reviewed the status of pending U.S. trade legislation, noting strong Administration efforts to repeal the embargo on furskins and ensure a non-protectionist trade bill. The U.S. side stated that its antidumping procedures are applied in a transparent and non-discriminatory manner. It also reiterated that U.S. national security policy barred the use of Soviet launching services for Western made satellites.

The Commission noted the larger number of Soviet organizations involved in foreign trade, changed organizational responsibilities, and new opportunities created by the Soviet economic restructuring. The two sides agreed that steps helping potential business partners to be identified and brought together quickly could give a significant boost to trade expansion efforts. The Soviet side agreed to provide and periodically update lists of Soviet organizations and officials with trade authority.

The Soviet side stated that it will ensure timely availability of information on bureaus and officials in the various organizations responsible for trade and technical evaluation needed for identifying and contacting potential business partners. The Soviet side agreed with the U.S. side's proposal to have its Commercial Office publish and together with the U.S.S.R. Chamber of Commerce and Industry distribute to the corresponding Soviet organizations and officials a U.S. Commercial Newsletter.

The two sides concurred that further diversification in the structure of trade, including increased trade and commercial cooperation in manufactures consistent with the laws and policies of each country, is desirable.

To aid the expansion of mutually beneficial commerce, the Commission decided to create sectoral working groups in civilian industry sectors where both sides agree that the potential for trade and economic cooperation is high. These working groups would help identify commercial opportunities, facilitate contacts between potential business partners, and eliminate obstacles to the conclusion of mutually beneficial business where that is possible.

It was agreed that Working Groups in the following sectors would be created and meet before the end of the year:

- Oil and gas equipment
- Construction equipment
- Medical equipment and supplies for the medical industry
- Consumer industry (e.g., for the manufacture of textiles, knitware and apparel, leather and fur goods, and footwear).

The two sides noted that during Secretary Verity's meetings with Soviet officials, it also was decided that a working group on food-processing will be created within the framework of the Joint American-Soviet Commission on Agriculture. The Soviet side of the working group will be chaired by a deputy chairman of Gosagroprom of the U.S.S.R. and also will include representatives of the Ministry of Foreign Economic Relations of the U.S.S.R.

Believing that tourism and tourism services represent significant potential for expanding mutually beneficial business, the U.S. side encouraged the establishment of a tourism working group for the purpose of facilitating resolution of tourism-related commercial issues, identifying new possibilities for cooperation between U.S. travel suppliers and Soviet organizations in the area of tourism, and possibilities for cooperation, including joint ventures, in the hotel industry.

The Soviet side stated that the existing organizational forms in tourism correspond to the present character of tourist ties and provide possibilities for their development and improvement. Given the American side's interest in this matter, however, the Soviet side agreed to continue to examine the question of creating a tourism working group.

The Commission discussed the course of negotiations between U.S. firms and Soviet organizations on a number of commercial projects, and drew attention to the need to speed up the process of negotiation and conclusion of contracts. The Commission noted that the two leaders at the Washington Summit had agreed that commercially viable joint ventures complying with the laws and regulations of both countries could play a role in the further development of commercial relations. It drew attention to the fact that the first such joint ventures between American firms and Soviet organizations have been concluded.

The two sides agreed that commercially viable joint ventures and other forms of business organization be encompassed by the terms and conditions of the Long-Term Agreement Between the United States of America and the Union of Soviet Socialist Republics to Facilitate Economic, Industrial and Technical Cooperation of June 29, 1974. They agreed to sign a Protocol amending the Long Term Agreement to this effect. They also agreed that the scope of the Joint Commercial Commission will encompass new forms of economic cooperation now possible.

The Soviet side proposed that the two sides work out a joint document on the principles and guidelines of bilateral relations in the trade and economic field. The U.S. side said it would examine this proposal closely.

The parties agreed that companies and enterprises should be encouraged to utilize those forms of business organization which best suit the economic interests of the specific organizations as seen by the individuals actually endeavoring to conduct business.

The Commission noted the important role played by the U.S.-U.S.S.R. Trade and Economic Council in the development of bilateral commerce. Both sides expressed their intention to continue to work closely with this organization and support its efforts to develop business relations between American companies and Soviet organizations.

In the course of discussion of the problems of market access, the Soviet side stated its intention to seek to join the GATT as a Contracting Party on agreed conditions proceeding from economic considerations and taking into account the reforms in the management of the U.S.S.R.'s foreign economic relations.

The U.S. side stated that it remains opposed to membership of the U.S.S.R. in the GATT, and continues to believe that the Soviet economic system remains at this point incompatible with participation in this free-market international economic institution.

TRADE PROMOTION AND BUSINESS FACILITATION

Both sides stated they attach considerable significance to the work of firms and organizations participating in bilateral commerce, and discussed the practical problems these organizations encounter.

Both sides agreed to conduct a series of joint legal seminars to study the legal conditions affecting bilateral commercial cooperation, including legal questions related to investment. The first such seminar is envisioned to be conducted in the U.S.S.R. in September 1988.

Noting the importance of good business facilities for the expansion of bilateral trade and cooperation, the Commission discussed possibilities for improving operating conditions for the firms of each side, including small and medium-sized firms. Both sides agreed to resume periodic consultations concerning these matters.

The Soviet side presented information on measures it has taken lately to simplify the procedures for issuing entry visas into the U.S.S.R., including multiple visas, for the representatives of business, to simplify procedures for traveling in the territory of the U.S.S.R. for functionaries of foreign missions, the U.S. included, and to open up for visits to previously closed areas. The Soviet side stated that during 1987-88 three American companies had asked for their respective quotas of representatives in Moscow to be increased, and these requests were granted.

The Soviet side expressed hope that the U.S. side would undertake adequate measures with respect to Soviet trade representatives in the United States. In this connection, they stated they had lately had difficulties in the work of Amtorg Trading Corporation and raised the question of increasing the quota of Soviet commercial representatives in the United States by one person in order to send to New York a representative of Vnesheconombank of the U.S.S.R. with the aim of developing cooperation with American banks.

The Commission reviewed plans of each side to expand its program of trade promotion events. The Soviet side presented information about its Exhibition of Soviet Export Goods which will be held in New York City in December, 1988. The U.S. side agreed to provide appropriate support in facilitating the organization of this exhibition.

The U.S. side's intention to expand its trade promotion program in the U.S.S.R. through a program of specialized trade missions, in addition to expositions at Soviet international trade fairs, was welcomed by the Soviet side. The two sides also agreed to cooperate on a program of seminars at the U.S. Commercial Office.

The U.S. side noted that the U.S. Department of Commerce maintains a well-equipped commercial library of information on U.S. companies, products, and services in its Commercial Office located at Ul. Chaykovskogo 15 in Moscow. The U.S. side said that it welcomes visits from Soviet trade and technical personnel interested in commercial contacts with U.S. companies.

The Soviet side welcomed this invitation and stated that with reference to the request of the U.S. side a decision has been taken recently to simplify the procedure for visits to the U.S. Commercial Office in Moscow by representatives of Soviet organizations.

CONCLUDING REMARKS

Summing up the results of the present session of the Commission, the parties observed that the expansion of mutually beneficial trade and economic cooperation on a stable basis could contribute to the development of more constructive overall relations between the two countries. They also noted that the expansion of trade was affected in turn by developments in the broader relationship.

Both sides agreed to issue the Joint Statement attached to this Agreed Report summarizing the accomplishments of the Commission and encouraging firms and enterprises to seek an expansion of mutually beneficial commerce. The Heads of the two delegations stated they would inform the business circles of their countries about the results of the Commission and the measures to expand commerce.

The Commission decided to hold its eleventh session in Washington in 1989. The timing and agenda will be agreed upon by the Chairmen of the U.S. and U.S.S.R. sections of the Commission in accordance with the Terms of Reference and Rules of Procedures.

Done at Moscow, April 14, 1988, in two copies, each in the English and Russian languages, both texts being equally authentic.

C. William Verity	Alexander I. Kachanov
Head of the U.S.	Head of the U.S.S.R.
Delegation to the	Delegation to the
Tenth Session of the	Tenth Session of the
Joint U.S.-U.S.S.R.	Joint U.S.-U.S.S.R.
Commercial Commission	Commercial Commission

U.S. Delegation
TO THE TENTH SESSION OF THE
JOINT U.S.-U.S.S.R. COMMERCIAL COMMISSION

Jack Matlock	United States Ambassador to the Soviet Union
C. William Verity	Secretary of Commerce, Head of Delegation and Co-chairman
W. Allen Wallis	Under Secretary of State for Economic Affairs
William Evans	Under Secretary of Commerce for Oceans and Atmosphere
Paul Freedenberg	Under Secretary of Commerce for Export Administration
Gerald J. McKiernan	Chief of Staff to the Secretary of Commerce
Edwin L. Dale, Jr.	Counselor to the Secretary of Commerce
James Murphy	Assistant U.S. Trade Representative for Europe
Stephen Danzansky	Special Assistant to the President and Senior Director for International Economic Affairs, National Security Council
Robert Dean	Special Assistant to the President and Senior Director for International Programs and Technology Affairs National Security Council
James P. Moore, Jr.	Acting Assistant Secretary of Commerce for International Economic Policy
Franklin J. Vargo	Deputy Assistant Secretary of Commerce for Europe and Executive Secretary of the JCC
Ann Veneman	Associate Administrator of the Foreign Agricultural Service, Department of Agriculture
Jerry Newman	Director, Office of East-West Economic Policy, Department of Treasury
Susanne S. Lotarski	Director, Office of Eastern European and Soviet Affairs, Department of of Commerce

William Huth	Agricultural Counselor, U.S. Embassy - Moscow
Michael Mears	Commercial Counselor, U.S. Embassy - Moscow
Robert Clarke	Deputy Director, Office of Soviet Affairs, Department of State
Charles Ries	Special Assistant to the Under Secretary of State for Economic Affairs
Patrick J. Nichols	Deputy Director, Office of East-West Trade Department of State
Richard Jones	Director, Developed Country Trade Division, Department of State
John F. Brougher	Director, USSR Division, Department of Commerce
Mary Ann Peters	Acting Economic Counselor, U.S. Embassy - Moscow
Jean O'Brien	Senior Policy Analyst, U.S. Trade and Tourism Administration, Department of Commerce
Stephen Kaplan	Political Officer, Department of State
Dimitry Zarechnak	Interpreter, Department of State

Experts

John Cushman	Economic Officer, Department of State

Observers

Richard Gilbert	Press Attache, U.S. Embassy - Moscow
Ross Wilson	Economic Officer, U.S. Embassy - Moscow
Howard Clark	Economic Officer, U.S. Embassy - Moscow
Allan Mustard	Agricultural Officer, U.S. Embassy - Moscow
Chris Genis	Economic Officer, U.S. Embassy - Moscow
Marie Strickler	Secretary, Department of Commerce
Maria Aronson	International Trade Specialist Department of Commerce

U.S.S.R. DELEGATION
TO THE TENTH SESSION OF THE
JOINT U.S.-U.S.S.R. COMMERCIAL COMMISSION

A.I. Kachanov	First Deputy Minister of Foreign Economic Relations, Head of Delegation and Co-chairman
V.L. Malkevich	Chairman of the Board of the USSR Chamber of Commerce and Industry
Yu.P. Khomenko	Deputy Chairman of USSR Gosplan
L.I. Filimonov	First Deputy Minister of Oil Industry
Yu.S. Moskovskiy	Chairman of the Board of the Bank for Foreign Economic Affairs
Yu.N. Chumakov	Ministry of Foreign Economic Relations
V.V. Sukharev	Deputy Minister of Construction and Road Machine-Building
V.A. Reznichenko	Deputy Minister of Chemical Machine-Building
I.A. Konovalov	Deputy Chairman of USSR Goskomintourist
I.P. Kanaev	Deputy Chairman of USSR Chamber of Commerce and Industry Presidium
Yu.A. Znamenskiy	First Deputy Chief of Department, State Foreign Economic Commission, USSR Council of Ministers
V.S. Grinev	Deputy Chief of Deprtment, State Foreign Economic Commission, USSR Council of Minister
O.V. Kozhevnikov	Trade Representative of the USSR, in the USA
V.M. Serov	Ministry of Foreign Economic Relations
N.V. Zinovyev	Ministry of Foreign Economic Relations
R.G. Tomberg	Ministry of Foreign Economic Relations
M.M. Nesterov	Ministry of Foreign Economic Relations
V.A. Nikolaev	Ministry of Foreign Economic Relations

N.N. Borisov	Chief of Department for Scientific and Technical Cooperation with Capitalist and Developing Countries, USSR State Committee for Science and Technology
V.K. Zilanov	Chief of Department for Foreign Relations and General Deliveries, Ministry of Fisheries
V.I. Kuznetsov	Deputy Chief of USA and Canada Department, Ministry of Foreign Affairs
I.F. Kozlovskiy	Deputy Chief of the Main Currency and Economic Department, Ministry of Finance
V.M. Chibirev	Ministry of Foreign Economic Relations
L.A. Overchuk	First Deputy Chief of Foreign Relations Department, USSR Gosagroprom
V.N. Tokarev	First Deputy Chief of Foreign Relations Department, Ministry of Medical Industry
V.S. Borisov	Deputy Chief of Foreign Relations Department, Ministry of Merchant Marine
O.E. Tischenko	Commercial Consul, USSR Consulate General in San Francisco
E.A. Balaban	Ministry of Foreign Economic Relations
A.A. Plavinskiy	Ministry of Foreign Economic Relations

Experts of the Delegation

D.A. Beskurnikov	Senior Specialist, State Foreign Economic Commission, Council of Ministers
V.A. Akulin	Councillor of USA and Canada Department Ministry of Foreign Affairs
A.A. Zelenov	Ministry of Foreign Economic Relations
G.L. Perlov	Ministry of Foreign Economic Relations
Yu.N. Shemelin	Ministry of Foreign Economic Relations
Yu.A. Malyshev	Chief Engineer of V/O, Soyuzglavstroydormash-zagranpostavka
A.N. Vylegzhanin	Chief Lawyer of USSR-US Commission for Fishing Claims
A.E. Godakov	Ministry of Foreign Economic Relations
V.S. Mazuka	Ministry of Foreign Economic Relations
E.S. Kiryukhin	Ministry of Foreign Economic Relations
A.O. Mamonov	Ministry of Foreign Economic Relations
Yu.A. Andreev	Interpreter

BB 10th session
Danzansky

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TENTH SESSION
JOINT U.S.-U.S.S.R. COMMERCIAL COMMISSION
April 1988
Moscow, U.S.S.R.

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SCHEDULE

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SCHEDULE FOR THE TENTH SESSION OF THE JOINT U.S.-U.S.S.R. COMMERCIAL COMMISSION

Moscow, U.S.S.R.
April 12-14, 1988

<u>Sunday, April 10</u>

4:45 p.m.	Depart Washington National on Pan Am 584 (*)
5:55 p.m.	Arrive JFK New York. Check in at Pan Am counter
8:30 p.m.	Depart JFK New York on USTEC Pan Am charter

<u>Monday, April 11</u>

1:30 p.m.	Flight arrives Sheremetevo Airport
	Met by Embassy officials. Short arrival ceremony with Soviet/Western press.
3:00 - 4:00 p.m.	Briefing of U.S. Delegation at Embassy Control Room
	Delegation members proceed to Mezhdunarodnaya (Mezh) Hotel for room assignments and keys
7:30 p.m.	Depart Mezh Hotel for Cooperative Restaurant accompanied by Embassy officials
10:00 p.m.	Return to Mezh Hotel

<u>Tuesday, April 12</u>

10:00 - 12:15 p.m.	Secretary Verity and Acting Minister of Foreign Economic Relations Kachanov cochair JCC Plenary Session in Room 1603, International Trade Center at Mezh Complex

* Some Delegation members are making separate arrangements.

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Tuesday, April 12 (cont.)

12:30 - 2:00 p.m.	Acting Minister Kachanov hosts lunch for Secretary Verity and U.S. and Soviet JCC delegations
2:30 - 5:00 p.m.	JCC reconvenes in Working Session, co-chaired by Acting Assistant Secretary Moore and Yu.N. Chumakov, Deputy Minister of Foreign Economic Relations
5:30 - 6:30 p.m.	Reception hosted by USSR Chamber of Commerce and Industry Chairman Malkevich for USTEC and JCC delegation members in the Congress Hall, Mezh Hotel
7:00 - 10:00 p.m.	U.S. delegation attends ballet performance hosted by Soviets
10:00 p.m.	U.S. delegation returns to Mezh Hotel

Wednesday, April 13

9:30 - 12:45 p.m.	USTEC Plenary Opening at International Trade Center, Congress Hall, Mezh Complex
1:00 - 2:00 p.m.	Working lunch hosted by USTEC
2:00 - 3:15 p.m.	Additional Working Session of JCC (if needed)
3:30 - 5:00 p.m.	Special tour of Kremlin
6:15 p.m.	Depart Mezh Hotel for Kremlin Dinner
7:00 - 9:00 p.m.	Soviet dinner for U.S. and Soviet JCC delegation and USTEC members at Kremlin
9:00 p.m.	Dinner concludes; return to hotel

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Thursday, April 14

Morning	Baggage Call (Guests staying at Mezh Hotel should check out of their rooms and take baggage to baggage check in lobby prior to noon)
9:30 - 10:15 a.m.	Closing JCC Plenary Session in Room 1603, International Trade Center, Mezh complex
10:15 - 10:30 a.m.	Signing Ceremony for JCC Agreed Report
10:45 - 11:45 a.m.	Press Conference
12:00 - 1:30 p.m.	Secretary Verity hosts luncheon for U.S. and Soviet JCC delegations
2:00 - 4:00 p.m.	Moscow sightseeing program for members of delegation
6:30 - 8:00 p.m.	U.S. delegation attends reception hosted by Ambassador Matlock for JCC Delegations and USTEC members at Spaso House
8:00 p.m.	Bus leaves Spaso House for Airport
9:00 p.m.	Pan Am Charter leaves Moscow Sheremetevo Airport for New York
10:30 p.m.	Arrive New York JFK
	Clear customs and board van for JFK Hilton
	Arrive at JFK Hilton. Proceed to rooms

Friday, April 15

10:15 a.m.	Depart JFK New York on Pan Am 789
11:30 a.m.	Arrive Washington National

SCOPE AND OBJECTIVES

2

Briefing Book: Tenth Session... Danzansky

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