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DOCUMENT NO. AND TYPE	SUBJECT/TITLE	DATE	RESTRICTION
1. cable	from Sec of State to USTR Geneva re: visit to Washington of Soviet Union Foreign Trade (3pp)	1/-/87	P-1
2. report	re: Soviet trade (3pp)	n.d.	P-1
3. briefing	for President from Al Keel re: meetings with Soviet Foreign Trade Minister Aristov (2pp)	12/4/86	P-1
4. biography report	re: Boris Aristov (1p)	n.d.	P-1
5. memo	from A. Platt to A. Keel re: Reagan's meeting with Aristov (1p)	12/2/86	P-1
6. memo	from Nicholas Platt to J. Poindexter re: Reagan meeting with Aristov, with attachments (5pp)	11/28/86	P-1

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I(N)5

U.S. AFFIRMS CURB ON SOVIET TRADE

Shultz's Deputy Says Easing of the Rules on Emigration Doesn't Go Far Enough

By CLYDE H. FARNSWORTH

Special to The New York Times

WASHINGTON, March 5 — A high State Department official said today that Soviet actions on human rights, while promising, did not yet go far enough for an easing of American restrictions on trade.

The official, Deputy Secretary of State John C. Whitehead, said the United States saw "mixed but more hopeful signals" on the issue of emigration from the Soviet Union.

The Trade Act of 1974 bars trade benefits, specifically Export-Import Bank credits and nondiscriminatory tariffs on imports, to any Communist country that restricts emigration.

The Soviet Union does not permit free emigration, although some minorities, notably Jews, have been allowed to leave in large numbers over the years on grounds of family reunification. The Jewish exodus reached a peak of more than 50,000 in 1979, and has since subsided to a trickle.

Slight Increase This Year

Only 914 Jews left last year, but Mr. Whitehead noted that there had been an increase this year. The Soviet Government has reported 500 emigration approvals in January alone.

"We cannot yet confirm this figure, but we do see indications of an upturn," Mr. Whitehead said, addressing a forum sponsored by the American Committee on U.S.-Soviet Relations, a private group. "We hope that any rise in emigration will be both significant and sustained."

He also spoke in conciliatory fashion about Soviet moves to join financial and trade organizations such as the General Agreement on Tariffs and Trade, the World Bank and the International Monetary Fund.

"We would like to see the Soviet Union become a member of all these international bodies," Mr. Whitehead said in responding to a question. In the past American officials have expressed outright opposition.

One of the business leaders at the forum, Donald M. Kendall, chief executive of Pepsico Inc., said he intended to begin a campaign for an end of the ban on Export-Import Bank credits to the Soviet Union.

Commenting on the internal Soviet changes, Mr. Whitehead said: "What we have seen so far are promising trends or the beginnings of what we hope will be trends. We don't know if they will continue. We don't know how significant they will be."

The forum was also addressed by Yevgeny Kutovoi, the economic counselor of the Soviet Embassy, who blamed the United States for deterioration of the trading environment and called on Americans to study the potential of the Soviet market.

"The Soviet people together have almost $300 billion in savings that people cannot spend at the moment because they would like to have better goods," he said.

He said the Soviet Union had much to offer in a trading relationship, including high-technology items.

"The industrial and technological potential of the U.S.S.R. continues to be underestimated in this country," he said.

Nations V (c) 5
Panzansky

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January 16, 1986

The Honorable Stephen I. Danzansky
Special Assistant to the President
and Senior Director for International
Economic Affairs
The White House
OEOB, Room 365
Washington, D.C. 20500

Dear Steve:

Please add my thanks to those of the Petroleum Equipment Suppliers Association for your support in the Administration's decision to terminate the foreign policy export control announced yesterday.

Sincerely,

Lionel

Lionel H. Olmer

Nations v. (c) 5
Danzansky

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TALKING POINTS

12/4/86

-- Welcome. I hope your meetings here can expand trade, to our mutual benefit.

-- This is a critical time for our relations. Gorbachev and I made much progress at Reykjavik, which could mark a turning point in arms control and U.S.-Soviet relations.

-- But momentum can be easily lost. Gorbachev speaks often of "responsibility." Please tell him I believe the only responsible course is to pursue our negotiations seriously.

-- Delaying tactics will gain neither side an advantage. It has not won you public support here, as your Embassy can tell you.

-- Obviously, both nations will defend their interests. This is why I made my decision on SALT. But we have many common interests, and our negotiators should exploit common ground. This would clear the way for further consideration by the leaders.

-- We fully support the expansion of peaceful trade. Opportunities clearly exist under present conditions to expand trade in both directions. Steady steps can exploit those opportunities.

-- Let me note two problems: First, non-compliance with agreements already reached to expand trade. Failure to live up to the grain agreement will affect our readiness for agreements in other trade areas.

-- Second, trade is inseparable from our overall relationship. However, real progress in human rights, especially emigration, is essential for public and Congressional support of significant new trade initiatives.

List of Participants

U.S.

The President

The Vice President

Secretary Shultz

Secretary Baldrige

Donald T. Regan

Ambassador Arthur Hartman

Under Secretary of Commerce Bruce Smart

Alton G. Keel

Jack Matlock

Alexander Platt, NSC (notetaker)

USSR

Foreign Trade Minister Aristov

Deputy Foreign Trade Minister Malkevich

Ambassador Dubinin

Nations.. SU .. Trade Danzansky

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THE PRESIDENT'S MEETING WITH
SOVIET FOREIGN TRADE MINISTER ARISTOV

TALKING POINTS

-- General Secretary Gorbachev and I made a great deal of progress at Reykjavik. That meeting should mark the beginning of a new era in arms control and U.S.-Soviet relations.

-- But a lot of work must be done to turn Reykjavik into reality. I had hoped for rapid follow-up on the substance.

-- Instead, we seem to be mired down into contention about details. Recriminations or debates about who said what, won't get us where General Secretary Gorbachev and I want to go.

-- The breakthroughs at Reykjavik were dramatic. The issues were serious. Maybe both sides needed time to digest what occurred.

-- We need now to maintain momentum across the board. U.S. and Soviet middle-level people can work through the issues and, possibly, clear the way for consideration by the General Secretary and me.

-- Trade should play an important part in our relations.

-- We fully support the development and expansion of non-strategic trade: it is not our policy to wage economic warfare or discourage non-strategic trade.

-- We believe opportunities exist under present conditions for expanding trade in both directions and we are prepared to take steady steps to take advantage of those opportunities.

-- However, we are concerned about lack of compliance with agreements we have already reached to expand trade.

-- The Soviet Union voluntarily undertook commitments under the Long Term Grains Agreement to purchase U.S. grain. For two years now, it has not lived up to those commitments. This cannot but affect our readiness to reach agreement in other areas of trade.

-- Also, trade cannot be isolated from other aspects of our overall relationship: without significant sustained progress in human rights, it will be difficult to maintain public and Congressional support for new trade initiatives.

-- For example, while the United States remains firmly committed to Jackson-Vanik, a substantial and permament change in Soviet human rights performance would open the way for exploration of granting MFN to the Soviet Union.

UNITED STATES DEPARTMENT OF
COMMERCE NEWS
WASHINGTON, D.C. 20230

OFFICE OF THE SECRETARY

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FOR IMMEDIATE RELEASE

COMMERCE SECRETARY HOSTS JOINT U.S.-U.S.S.R. COMMERCIAL COMMISSION SESSION

Trade between the United States and the Soviet Union will be the topic of the ninth session of the Joint U.S.-U.S.S.R. Commercial Commission Dec. 4-5, in Washington. Commerce Secretary Malcolm Baldrige will host and co-chair the meeting with Soviet Foreign Trade Minister Boris Aristov who heads the Soviet delegation.

"The meetings will not result in any fundamental shift in trade policy toward the U.S.S.R.," Baldrige said. "But I think they will contribute to the step-by-step progress in trade we started last year." He said only peaceful, non-strategic trade would be on the agenda.

Baldrige traveled to Moscow in May 1985 to co-chair the eighth session of the commission, a high-level forum established in 1972 to discuss trade between the two countries. The 1985 meeting, the first since 1978, was a direct result of the administration's effort to build a more constructive working relationship with the U.S.S.R.

Baldrige said both sides agreed at last year's meeting to expand non-strategic trade. "The Soviets agreed to open their market to U.S. firms and to evaluate American company proposals solely on economic merits," he said. "As a result, U.S. sales of machinery and equipment to the U.S.S.R. are up more than 50 percent this year."

Last year U.S. exports to the U.S.S.R. were valued at $2.4 billion. Imports were $440 million, and the U.S. trade surplus was $2 billion. More than 75 percent of United States exports to the Soviet Union are agricultural products, and the Soviet Union is the second largest export market for U.S. grain.

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11/12/86