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**Folder Title:** EPC (Economic Policy Council) Meeting  
05/04/1988 re: Trade Assistance for Philippines, US-USSR  
Commercial Mission Pending Trade Disputes

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# WITHDRAWAL SHEET

## Ronald Reagan Library

**Collection Name** CRIBB, T. KENNETH: FILES - DOMESTIC AFFAIRS

**Withdrawer**

DLB 2/23/2015

**File Folder** EPC (ECONOMIC POLICY COUNCIL) MEETING ,  
05/04/1988 43: TRADE ASSISTANCE FOR PHILIPPINES,  
US-USSR COMMERCIAL MISSION & PENDING TRADE  
DISPUTES

**FOIA**  
S2347

**Box Number** 3-F

SYSTEMATIC

31

ID	Doc Type	Document Description	No of Pages	Doc Date	Restrictions
166396	LIST	EPC MEETING ATTENDEES, P. 2, PARTIAL	1	5/4/1988	B3
166397	MEMO	DUPLICATE OF #132070; TRADE POLICY REVIEW GROUP TO THE EPC, RE: TRADE ASSISTANCE MEASURES FOR THE PHILIPPINES	7	ND	B1
166398	PAPER	DUPLICATE OF #132072; A REPORT TO EPC: VISIT OF SECRETARY OF COMMERCE C. WILLIAM VERITY TO MOSCOW, USSR APRIL 11-14, 1998	7	4/28/1988	B1

The above documents were not referred for declassification review at time of processing

Freedom of Information Act - [5 U.S.C. 552(b)]

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THE WHITE HOUSE  
WASHINGTON

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OF CLASSIFIED ENCLOSURE(S)  
03 2/3/15

### CABINET AFFAIRS STAFFING MEMORANDUM

Date: May 2, 1988 Number: 490,741 Due By: -----

Subject: Economic Policy Council Meeting -- Wednesday, May 4, 1988 --  
4:00 p.m. -- Roosevelt Room

	Action	FYI		Action	FYI
<b>ALL CABINET MEMBERS</b>	<input type="checkbox"/>	<input type="checkbox"/>	<b>CEQ</b>	<input type="checkbox"/>	<input type="checkbox"/>
Vice President	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<b>OSTP</b>	<input type="checkbox"/>	<input type="checkbox"/>
State	<input checked="" type="checkbox"/>	<input type="checkbox"/>	_____	<input type="checkbox"/>	<input type="checkbox"/>
Treasury	<input checked="" type="checkbox"/>	<input type="checkbox"/>	_____	<input type="checkbox"/>	<input type="checkbox"/>
Defense	<input checked="" type="checkbox"/>	<input type="checkbox"/>	_____	<input type="checkbox"/>	<input type="checkbox"/>
Justice	<input checked="" type="checkbox"/>	<input type="checkbox"/>	_____	<input type="checkbox"/>	<input type="checkbox"/>
Interior	<input type="checkbox"/>	<input type="checkbox"/>	_____	<input type="checkbox"/>	<input type="checkbox"/>
Agriculture	<input checked="" type="checkbox"/>	<input type="checkbox"/>	-----	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Commerce	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<b>Powell</b>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Labor	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<b>Cribb</b>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
HHS	<input type="checkbox"/>	<input type="checkbox"/>	<b>Bauer</b>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
HUD	<input type="checkbox"/>	<input type="checkbox"/>	<b>Dawson (For WH Staffing)</b>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Transportation	<input checked="" type="checkbox"/>	<input type="checkbox"/>	_____	<input type="checkbox"/>	<input type="checkbox"/>
Energy	<input checked="" type="checkbox"/>	<input type="checkbox"/>	_____	<input type="checkbox"/>	<input type="checkbox"/>
Education	<input type="checkbox"/>	<input type="checkbox"/>	_____	<input type="checkbox"/>	<input type="checkbox"/>
Chief of Staff	<input checked="" type="checkbox"/>	<input type="checkbox"/>	_____	<input type="checkbox"/>	<input type="checkbox"/>
OMB	<input checked="" type="checkbox"/>	<input type="checkbox"/>	_____	<input type="checkbox"/>	<input type="checkbox"/>
UN	<input type="checkbox"/>	<input type="checkbox"/>	_____	<input type="checkbox"/>	<input type="checkbox"/>
USTR	<input checked="" type="checkbox"/>	<input type="checkbox"/>	_____	<input type="checkbox"/>	<input type="checkbox"/>
CEA	<input checked="" type="checkbox"/>	<input type="checkbox"/>	-----	<input type="checkbox"/>	<input type="checkbox"/>
CIA	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<b>Executive Secretary for:</b>		
EPA	<input type="checkbox"/>	<input type="checkbox"/>	<b>DPC</b>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
GSA	<input type="checkbox"/>	<input type="checkbox"/>	<b>EPC</b>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
NASA	<input type="checkbox"/>	<input type="checkbox"/>	_____	<input type="checkbox"/>	<input type="checkbox"/>
OPM	<input type="checkbox"/>	<input type="checkbox"/>	_____	<input type="checkbox"/>	<input type="checkbox"/>
SBA	<input type="checkbox"/>	<input type="checkbox"/>	_____	<input type="checkbox"/>	<input type="checkbox"/>
VA	<input type="checkbox"/>	<input type="checkbox"/>	_____	<input type="checkbox"/>	<input type="checkbox"/>

**REMARKS:** The Economic Policy Council will meet on Wednesday, May 4, 1988, at 4:00 p.m. in the Roosevelt Room. The agenda and background materials are attached for your review.

**RETURN TO:**

Nancy J. Risque  
Cabinet Secretary  
456-2823  
(Ground Floor, West Wing)


Associate Director  
Office of Cabinet Affairs  
456-2800  
(Room 235, OEOB)

THE WHITE HOUSE

WASHINGTON

May 2, 1988

MEMORANDUM FOR THE ECONOMIC POLICY COUNCIL

FROM: WILLIAM J. MARONI   
SUBJECT: Agenda and Papers for the May 4 EPC Meeting

The agenda and papers for the May 4 meeting of the Economic Policy Council are attached. The Council is scheduled to meet at 4:00 p.m. in the Roosevelt Room.

The first agenda item will be a discussion of a report and recommendations on proposed trade measures for the Philippines. The proposals were developed by the Trade Policy Review Group as part of a comprehensive plan designed to strengthen economic stability and promote growth in the Philippines. The TPRG reviewed a number of possible approaches and has submitted to the Council for its consideration a short term proposal and a longer term proposal. A classified paper describing the issue and recommendations is attached.

The second agenda item will be a report by Commerce Secretary C. William Verity on his recent meetings with Soviet officials and the results of the tenth session of the joint U.S.-U.S.S.R. commercial mission. A classified report to the Council, prepared by the Commerce Department, is attached.

Ambassador Clayton Yeutter will brief the Council on the status of pending trade disputes. The TPRG is currently discussing options for resolving some of these cases, while others are still in negotiation.

Secret and Confidential Attachments

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dlb 2/3/15

THE WHITE HOUSE

WASHINGTON

ECONOMIC POLICY COUNCIL

Wednesday, May 4, 1988

4:00 p.m.

Roosevelt Room

AGENDA

- |  |    |                    |
|--|----|--------------------|
| 1. Trade Assistance Proposals<br>for the Philippines | -- | Ambassador Yeutter |
| 2. Report on U.S.-U.S.S.R.<br>Commercial Mission     | -- | Secretary Verity   |
| 3. Report on Pending Trade<br>Disputes               | -- | Ambassador Yeutter |

May 4, 1988

PARTICIPANTS

Secretary Baker, Chairman Pro Tempore

Secretary Carlucci  
Secretary Verity  
Director Miller  
Ambassador Yeutter  
Chairman Sprinkel  
Deputy Secretary Whitehead  
(Representing Secretary Shultz)  
Deputy Secretary Myers  
(Representing Secretary Lyng)  
Deputy Secretary Whitfield  
(Representing Secretary McLaughlin)  
Deputy Secretary Dawson  
(Representing Secretary Burnley)

Nancy J. Risque, Assistant to the President and Cabinet Secretary  
T. Kenneth Cribb, Jr., Assistant to the President for Domestic  
Affairs

Gary L. Bauer, Assistant to the President for Policy Development  
William Maroni, Executive Secretary

For Presentation

Franklin Vargo, Deputy Assistant Secretary for Europe, Department  
of Commerce

Additional Attendees

Phillip D. Brady, Deputy Counsel to the President  
Andrew H. Card, Deputy Assistant to the President and Director of  
the Office of Intergovernmental Affairs  
Dan L. Crippen, Deputy Assistant to the President  
John D. Negroponte, Deputy Assistant to the President for  
National Security Affairs  
Rebecca G. Range, Deputy Assistant to the President and Director  
of the Office of Public Liaison  
John C. Tuck, Deputy Assistant to the President and Executive  
Assistant to the Chief of Staff  
Pamela J. Turner, Deputy Assistant to the President for  
Legislative Affairs  
Marion C. Blakey, Special Assistant to the President and Director  
of Public Affairs  
B. Jay Cooper, Special Assistant to the President and Deputy  
Press Secretary  
Stephen I. Danzansky, Special Assistant to the President and  
Senior Director for International Economic Affairs  
Charles Greenleaf, Deputy Chief of Staff to the Vice President

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EPC (ECONOMIC POLICY COUNCIL) MEETING , 05/04/1988  
43: TRADE ASSISTANCE FOR PHILIPPINES, US-USSR  
COMMERCIAL MISSION & PENDING TRADE DISPUTES

*FOIA*

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M. Peter McPherson, Deputy Secretary, Department of the Treasury  
David Mulford, Assistant Secretary for International Affairs,  
Department of the Treasury  
William Bradford Reynolds, Counselor to the Attorney General and  
Assistant Attorney General for Civil Rights, Department of  
Justice



03



ECONOMIC POLICY COUNCIL

May 4, 1988

4:00 p.m.

Roosevelt Room

AGENDA

1. Trade Assistance Proposals for the Philippines  
(Ambassador Yeutter)
2. Report on U.S.-U.S.S.R. Commercial Mission  
(Secretary Verity)
3. Report on Pending Trade Disputes  
(Ambassador Yeutter)

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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 between 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



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 cross-trade 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:

- o Oil and gas equipment
- o Construction equipment
- o Medical equipment and supplies for the medical industry
- o 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*

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

*Alexander I. Kachanov*

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Head of the U.S.S.R.  
Delegation to the  
Tenth Session of the  
Joint U.S.-U.S.S.R.  
Commercial Commission

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:

  
C. William Verity  
Secretary of Commerce

FOR THE GOVERNMENT OF THE  
UNION OF SOVIET  
SOCIALIST REPUBLICS:

  
Alexander I. Kachanov  
First Deputy Minister  
of Foreign Economic  
Relations