



From the Minister

 MINISTRY OF AGRICULTURE, FISHERIES AND FOOD
 WHITEHALL PLACE, LONDON SW1A 2HH

~~SECRET~~
 [Signature]
 Prime Minister

 The Rt Hon The Lord Carrington
 KCMG MC
 Foreign and Commonwealth Office
 Downing Street
 London SW1A 2AL

A.J.C. 8/3

8 March 1982

A.J.C. 9/3
h.a.

Dear Secretary of State

POLAND - MEASURES AGAINST THE SOVIET UNION

attached

I have seen a copy (which incidentally, did not arrive until after the deadline for comments had expired) of your letter of 8 March to the Secretary of State for Trade about the measures agreed, subject to UK and Danish reserves and Greek exemption, on restriction of Soviet Exports to the Community.

Considering that the UK reserve relates specifically to outline contracts, which is more the concern of the Secretary of State for Trade, and accepting - particularly in view of the relatively small impact this will have on UK trade by comparison with that of some other member states - that we cannot reopen the package, I would agree with the suggestion that we accept what is on the table. I am nevertheless writing to seek, if at all possible, some flexibility on the base year.

I understand that the large majority of member states was in favour of maintaining food items in the list which the Commission circulated originally, and that because of this our representative in COREPER went along with the inclusion of the products in question. This was of course in accordance with what we had agreed. I note however that in the final round of discussion the French were successful in getting canned crab excluded from the list.

This last minute deletion is particularly galling in view of representations I have received from a UK firm with virtually an exclusive interest in the import of canned Soviet salmon, which represents 60% of their turnover, into this country. Canned salmon from the USSR has in recent years constituted between 5/10 per cent of total UK canned salmon imports but with recent questions over the health status of the US product (the other major source of imports) the Soviet product would

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probably have featured more largely in the coming year. This particular firm may not only be damaged in existing trade by restrictions on this product but now see themselves excluded from the possibility of expansion.

The problem is compounded by the fact that the base year, 1980, selected for the determination of import statistics for the application of quota, is for the UK quite unrepresentative for this product. Shipments which would normally have arrived here in the autumn of 1980 were delayed until 1981 through bad weather on the eastern coast of the USSR, and further distortion had been caused by the unexpectedly early arrival on 29 December 1979 of a previous large shipment ordered for 1980 which is recorded in the statistics for the previous year. Consequently, the figure for total imports of the product appearing in the UK import statistics for 1980 is misleadingly deflated.

As I have said, I do not wish to reopen the package but I hope that full opportunity will be taken of any possibility of persuading the Commission that in fixing the canned salmon quota for the UK, appropriate adjustments would be made to take these exceptional factors into account.

I am copying this letter to the Prime Minister, the Chancellor of the Exchequer, the Secretaries of State for Industry and Trade and to Sir Robert Armstrong.

Yours sincerely

Robert Carr

for PETER WALKER
(Approved by the Minister
and signed in his
absence)

