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1st February 1985

John Brown

Home Minister

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TRANSFER OF CARBON-CARBON TECHNOLOGY TO USSR

I am writing to seek your urgent advice in connection with a problem which our officials have been jointly examining.

A contract has been concluded by Consarc Engineering Ltd, a British subsidiary of a US concern, to export certain machinery to the Soviet Union. Although ostensibly for civil use, this machinery could be employed in manufacturing critical carbon-carbon components for missiles. The Pentagon, who drew this to our attention, maintain that there is a real prospect that the Russians do indeed intend to apply the technology in this way. Experts here are in agreement, and believe that the denial of this equipment would set the Russians back by up to 5 years. The Americans have urged, at a high level, that we take all means at our disposal to prevent its export.

The equipment is not subject to embargo under existing British and COCOM rules (although steps are now being taken to correct this) and your Department therefore raised no objection when consulted by the company last year. The order has been carried out at the company's Bellshill works and most of the equipment has been shipped out to the Soviet Union. But, fortuitously, key elements, without which the

The Rt Hon Norman Tebbit MP



Russians would be unable to perfect the necessary techniques, have not yet left the country, although they are expected to do so at any moment. In view of the strategic assessment of the consequences of the Russians acquiring this technology, I believe that determined efforts should be made to prevent shipment of the outstanding items.

I do not underestimate the practical and financial difficulties, but I hope that a way around them can be found. I am not only concerned here with the strategic case for preventing the Russians from making headway in this crucial field, although I find this convincing. It is also necessary to demonstrate to the Americans the importance we attach to taking effective action, to control the transfer of key technology and thereby contribute to our mutual defence. I anticipate that the matter could well be raised with either the Prime Minister or me during our visit to Washington later in the month.

I should therefore welcome your early views, as well as those of Geoffrey Howe, and Nigel Lawson in view of his responsibility for HM Customs and Excise who, I would hope, will be able to delay shipment if the material should be presented while we are considering the way ahead.

I am copying this letter to the Prime Minister, Geoffrey Howe, Nigel Lawson and George Younger and to Sir Robert Armstrong.

Michael Heseltine

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