

c PC
16DFCS/85/28

CDD JZ

Secretary of State for Trade and IndustryTransfer of Carbon-Carbon Technology to USSR

- with copy? —
1. I have read with concern Michael Heseltine's letter of 1 February about the export of Carbon-Carbon technology to the Soviet Union. In view of his Department's assessment that there is a real prospect that the Russians would apply the technology to development of strategic missiles, I see no alternative to supporting his proposal that measures should be taken without delay to prevent completion of the CONSARC shipment. The matter is of course urgent, since the shipment could take place in the next week.
 2. I quite understand that there will be practical difficulties in your dealings with the firm if the export is frustrated. We shall also have to address urgently the problems in handling the Russians. We must assume that they badly want this equipment, and will be correspondingly angry if they do not get it. There is a real risk that they will try to extract^a/political and economic price. I understand that your officials are looking at ways of getting round the problem, for example by working through the Americans and the American parent company. If however our hand is forced before that can be fixed up, we shall need to think very carefully how best to manage the Russians so as to minimise any damage.
 3. Although it is perhaps of secondary importance, I agree with Michael Heseltine that the Americans would be very seriously concerned if we do not take the necessary preventative action swiftly. I would certainly expect the matter to be raised with the Prime Minister during her visit.

.../4.

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4. I am copying this to the Prime Minister, Michael Heseltine
Nigel Lawson and George Younger, and to Sir Robert Armstrong.

A handwritten signature in dark ink, appearing to be 'G. Howe', written in a cursive style.

GEOFFREY HOWE

Foreign and Commonwealth Office

6 February 1985*

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