



MINISTRY OF DEFENCE
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7th February 1985

Dear Maureen

TRANSFER OF CARBON-CARBON TECHNOLOGY TO THE SOVIET UNION

My Secretary of State has seen Mr Tebbit's letter of earlier today, on the transfer of carbon-carbon technology to the Soviet Union. He has not, however, yet had an opportunity to discuss the issues raised with officials here.

During the course of this week officials have refined their assessment of the strategic importance of the equipment which Consarc(UK) Ltd propose to export. They remain of the view that shipment should be prevented, and have received indications that it could take place during the course of next week. We have also continued to receive representations from the Pentagon, whose assessment is, of course, similar to our own.

The solution which your Secretary of State has suggested is now being studied by officials here, although many of the issues raised are, of course, more for the FCO than ourselves. Their initial reaction is that it might not achieve the desired result. We are not aware of any pressure which the US Government could employ, to persuade the American parent to buy out the contract. Moreover, it would be very difficult to do so within the necessary timescale.

I understand that it is now the intention to discuss the way forward at a meeting at No 10, to be held at 0945 tomorrow morning.

I am copying this to David Barclay (No 10), Peter Ricketts (Foreign and Commonwealth Office), Philip Wynn Owen (HM Treasury), Eddie Gowans (Scottish Office) and Richard Hatfield (Sir Robert Armstrong's Office).

Yours ever
 Aina Lowe

(S H LOWE)
 Private Secretary



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