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From the Minister for Trade

DEPARTMENT OF TRADE AND INDUSTRY

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Prime Minister
re (not very satisfactory)
answers to your questions.
A fuller report on the

11 September 1985

strategic risks is being
prepared.

CDP

11/9

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Dear Charles

CARBON CARBON TECHNOLOGY: USSR

Thank you for your letter of 10 September recording the Prime Minister's supplementary questions about the export of carbon carbon technology to the Soviet Union.

The name of the company concerned is BEPA Limited, of Motherwell. This is a small private company controlled by Mr Metcalfe, a US citizen who is a Director of Consarc Engineering Limited, which supplied the machinery to the USSR at an earlier stage. BEPA itself appears to have been formed for Mr Metcalfe's private business purposes and has not so far traded. It could not itself carry out the contract to supply engineering services to the Russians, but would have to employ others to do so, or sub-contract the work.

Mr Metcalfe himself is at present in the USSR, with two others, discussing a possible programme of work. He will let officials have details of this on his return in about ten days time. It is likely that no engineering services will be supplied at this stage.

Publicity is difficult.

However, I understand that officials from all the Departments concerned met under Cabinet Office Chairmanship today to consider the strategic risk resulting from these activities and possible ways of dealing with it. A report is likely to be made to Ministers very shortly.



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I am copying this letter to Colin Budd and Stuart Eldon (Foreign and Commonwealth Office), Richard Mottram (Ministry of Defence), Rachel Lomax (HM Treasury), John Graham (Scottish Office) and Richard Hatfield (Cabinet Office).

Yours sincerely

Matthew Cocks

MATTHEW COCKS
Private Secretary to the
Minister for Trade (Paul Channon)

Soviet Union: Credit Terms for Exports P13



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I am copying this letter to Colin Gault and Stuart Eilon (Foreign
Economic Affairs Office), Richard Mottam (Ministry of Defence),
James (H-1 Treasury), John Graham (Scottish Office) and Richard Hallett
(Cabinet Office).

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MATTHEW COOK
Private Secretary to the
Minister for Trade (Paul Channon)