

Alan

OK or GR to keep?



c. lto	CO	WFO
wco	CDL	MOD
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Kay
4/7

10 DOWNING STREET

THE PRIME MINISTER

1 July 1983

Key Alan Noked Kay
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Mr J. Plastow,

Thank you for your letter of 26 April concerning the proposal to supply Rolls Royce diesel engines to Iran to be fitted to their Chieftain Main Battle Tanks. I am sorry for the delay in replying but, as you will appreciate, it has been necessary to consider most carefully all aspects of this difficult matter.

As you know the Government has adopted a position of neutrality in the conflict between Iraq and Iran. Any proposal to supply defence equipment which would make a major contribution to the military capability of either country during the hostilities has to be considered in the light of our overall policy in this respect. We also have to take account of the impact which the sale of any equipment making a direct and substantial contribution to the Iranian war effort might have on our commercial and defence business in the Arab world.

/I have considered

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I have considered these issues in conjunction with the Ministers chiefly concerned and we are agreed that it would not be appropriate to grant export licences for the supply of these tank engines to Iran whilst hostilities continue or to authorise the supply of conversion kits for civil diesel engines. I know this decision will be unwelcome to you but I firmly believe it to be in the overall national interest.

Yours sincerely
Raymond Delisle

D. A. S. Plastow, Esq.