



Soviet Union

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Ref. A01554

PRIME MINISTER

Afghanistan: Controls on the Transfer of Technology to the
Soviet Union
(OD(80) 16)

BACKGROUND

This paper is being taken as Item 2 following discussion of the Secretary of State for Defence's paper on arms exports to China. The juxtaposition highlights the fact that our current policies are widening both ways the differential between our treatment of the Soviet Union and our treatment of China.

2. The Lord Privy Seal begins by referring to Ministerial agreement on 17th January. The Cabinet that day took note of your statement that an ad hoc meeting of Ministers, which you chaired on 16th January had decided that we should study with our partners the possibility of tightening the COCOM rules on strategic exports to the Soviet Union and of extending their scope to include more potential exports of technology. OD on 22nd January took the view that significant joint steps were unlikely in this area and that unilateral British action could not be contemplated. The Government's statement to Parliament on Afghanistan on 24th January said: "on technology, we are studying with our partners the COCOM rules for controlling the transfer of sensitive technology to the Soviet Union".

3. The paper by officials, which the Lord Privy Seal circulated, seeks general endorsement for the line we have been taking with our partners. This is broadly that we are prepared to make certain economic sacrifices in terms of exports to the Soviet Union, provided our partners do no less. Most of your colleagues are likely to support that line, because of the importance for the future of bringing home to the Russians that the invasion of Afghanistan involves serious penalties for them in areas where it hurts.

4. Imports of Western technology are certainly one such area. But from that point of view the emerging Western position is weakened by the consensus in favour of not similarly penalising the East Europeans. There are good general

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reasons for that consensus. But it does mean that the Russians will be able to obtain indirectly much of what the West now refuses to let them have directly.

5. Mr. Parkinson, on behalf of the Secretary of State for Trade, is likely to question the paper on the more general grounds that a country in Britain's position should not damage its exports prospects for political purposes. This point has been made before by Mr. Nott, both in the Afghan context and (more forcefully) in the Iranian context. In the two months since the invasion of Afghanistan there has been a good deal of Ministerial argument about the relative weight to be given to our economic interests and our foreign policy aims. Systematic agreement is unlikely to be reached one way or the other. But the dilemma is less sharp in the present case where no one suggests we should do more than our partners; and where the speed of the Western convoy is likely to be kept fairly slow by those who have most at stake, e.g. the Germans and Italians.

6. The Secretary of State for Energy, who is being invited for this item, will make a strong plea for exempting exports of technology to the Soviet energy industry; partly because we have a comparatively large stake in this area, and partly because the development of global energy resources is more important than damaging the Soviet economy. His colleagues are unlikely to dissent.

7. The Foreign and Commonwealth Office are submitting to you separately a draft reply to President Carter's message of 10th February (Annex A to the paper). This can go off without waiting for the OD meeting.

HANDLING

8. You may like to ask Lord Carrington or Sir Ian Gilmour to introduce the paper (it is Sir Ian Gilmour's paper only because Lord Carrington was abroad at the time). Thereafter Mr. Parkinson and Mr. Howell will certainly wish to comment, for reasons given above. The Chancellor of the Exchequer and the Secretary of State for Defence should also be asked for any views.

9. A point to press Mr. Parkinson on is whether there are particular areas (apart from energy-related exports) where Britain may have significantly more to lose than her partners.



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10. Discussion could then be centred on the following questions [conclusions suggested in brackets].

- (a) Speed of the convoy. Should Britain urge her partners to go slower than they are otherwise minded? Or faster? Or neither? [Neither]
- (b) The United States. Are the Americans likely to press harder on tightening than on widening? [Yes]
- (c) Eastern Europe. Is the emergence of a differential in favour of Eastern Europe acceptable? [Yes]
- (d) China. Are we satisfied with the likely cumulative result of being stricter with the Russians at the same time as we are being less strict with the Chinese? [Yes]

CONCLUSION

- 11. Subject to the discussion, you may wish to guide the Committee to conclude
 - (i) that the answers to the questions in paragraph 10 above are as indicated;
 - (ii) that officials may continue to negotiate as proposed in the paper, subject
 - (a) to careful monitoring by DOT officials to ensure that we do not agree to measures likely to bear significantly more severely on Britain than on others;
 - (b) to our pressing for the exemption, so far as possible, of exports to the Soviet energy industry.

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(Robert Armstrong)

28th February, 1980

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