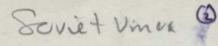
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Dear Som

MINISTRY OF DEFENCE MAIN BUILDING WHITEHALL LONDON SW1 Telephone 01 X9X0X 70X2X 218 2111/3

4th March 1983

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To note

A. J. C. &

M. Six A. Param

Dr. Serlling.

GAS TUREINES FOR THE SOVIET UNION

The Secretary of State for Defence has seen the paper on this subject which Mr Hatfield forwarded to you on 2 March.

My Secretary of State is quite content with this paper. There is no security objection to Rolls Royce supplying this equipment provided they adhere to technical parameters already laid down which will ensure that the technology of the engines is approximately 10 years old. He shares the Prime Minister's concern that a decision to go ahead at this stage, shortly before the studies commence on future Western policy towards the supply of oil and gas equipment to the Soviet Union, could draw an adverse reaction from the United States government who place considerable store on the programme of work agreed at the time the pipeline sanctions were lifted. He is most anxious to avoid a further dispute of this kind, which might affect our bilateral defence relationships, and he fully agrees that we should give Rolls Royce no firm indication of government backing until the post-pipeline study is completed.

I am copying this to the recipients of Mr Hatfield's minute.

(J E RIDLEY) (MISS)

A J Coles Esq

Goved thempy's MENISTRY OF DEFENCE