



10 DOWNING STREET

Prime Minister

Carbon - Carbon Equipment

A consignment from
Contarc was intercepted
on the quayside in
Hull this afternoon. It
is not yet certain that
it is the equipment in
question but is thought
likely to be.
If so, we were
just in time.
C.D.P.

ms

SECRET AND PERSONAL

B.06949

SIR ROBERT ARMSTRONG

c Mr Powell, No 10

Consarc (UK): Export of Carbon-Carbon Technology to the Soviet Union

Following the Prime Minister's meeting this morning to discuss this problem, at which it was agreed that the DTI should issue today an order prohibiting the export of the equipment concerned, I told you that the Prime Minister had also directed that the Security Service should be asked to do everything possible to prevent the evasion of the export ban by Consarc (UK). She had asked that you should be informed of this so that the necessary action could be put in hand.

2. As you were engaged in another meeting, you asked me to take the necessary action on your behalf. I therefore telephoned Sir John Jones on a secure line at 11 a.m., explained the background to him, gave him the address of Consarc (UK)'s factory (in Strathclyde) and informed him of the Prime Minister's wish that everything possible should be done to prevent the illegal export of the controversial equipment. Sir John took careful note and said that he would at once make such arrangements as he could. In particular, he would take steps to reduce any possibility of the Soviet Embassy in London being used as a conduit for the delivery of the equipment to the Soviet Union. He stressed, however, that, particularly if the equipment was small and portable, he could not be very sanguine about the Security Service's chances of detection or interception. (I have since established that there appears to be considerable doubt as to the size and portability of the remaining items concerned: the consensus seems to be that we are talking of crates rather than suitcases.)

3. I gave Sir John the names of the officials directly concerned in the MoD, FCO and DTI; he said that his people would take it from there.

B G Cartledge

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8 February 1985

SECRET AND PERSONAL