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Treasury Chambers, Parliament Street, SW1P 3AG

Charles Powell Esq  
Private Secretary to  
the Prime Minister  
No 10 Downing Street  
London SW1

29 March 1985

Dear Charles,

TRANSFER OF CARBON-CARBON TECHNOLOGY TO THE USSR

Rachel Lomax has passed Stephen Nicklen's letter of 25 March to me because the Minister of State has responsibility for Customs and Excise matters at the Treasury.

Customs advise me that the parts of the letter relevant to them were agreed by them and that they are happy to have their powers re-examined in ODO (Strategic Exports). However, they consider that it is worth putting on record at this stage what "radical action" to overcome the problems outlined in paragraph 7 of Stephen Nicklen's letter would entail and why it is their view that this would prove both undesirable and impracticable.

Avoidance of these problems in future would need action in three areas:-

- (i) Customs powers. Customs would need powers to detain any goods intended for export for which export licences were not currently required but which might become licensable at some time in the future. Primary legislation would be required. The potential scope of such a power would need to be very broad and seemingly arbitrary. It would undoubtedly give rise to serious controversy.
- (ii) Customs procedures. Customs would need to ensure that full details of all export consignments were submitted to them in good time before shipment. At present, a high proportion of exports are dealt with under simplified arrangements whereby, in order to speed exports, most details are provided post-shipment. It should perhaps be mentioned however that this simplified procedure is



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imposing a substantial burden on the Customs due to the poor standards of compliance by the trade. The Customs may be recommending its withdrawal in due course but previous attempts to insist on the submission of full details pre-shipment have been strongly resisted by the exporting community as placing unnecessary barriers and delays on exports.

(iii) **Customs manpower.** Control of exports is at present minimal and any tightening up of control to be effective would involve a massive increase in the workload. To guarantee that no single consignment slipped through the export control net would require a very substantial increase in Customs staff, almost certainly well into three figures.

I am copying this letter to Rachel Lomax (Treasury), Len Appleyard (FCO), Richard Mottram (MoD), Stephen Nicklen (DoTI) and Richard Hatfield (Cabinet Office).

*Yours sincerely*  
*Mike Norgrove*

**MIKE NORGROVE**  
Private Secretary

Soviet union Pt 3  
Export terms

29 MAR 1985



COOPERATION