

CF papers



10 DOWNING STREET

From the Private Secretary

10 September 1985

Dear Matthew,

## CARBON-CARBON TECHNOLOGY: USSR

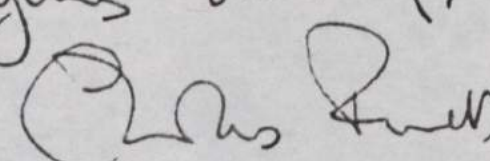
Thank you for your letter of 6 September recounting further developments over the export of carbon-carbon technology to the Soviet Union.

The Prime Minister has a number of supplementary questions on your account:-

- what is the name of the company?
- who is being sent to the Soviet Union?
- are we at liberty to give publicity to the information about the company's activities?

I should be grateful if you could let me have replies on these points.

I am sending a copy of this letter to Colin Budd and Stuart Eldon (Foreign and Commonwealth Office), Richard Mottram (Ministry of Defence), Rachel Lomax (HM Treasury), John Graham (Scottish Office) and Richard Hatfield (Cabinet Office).

Yours sincerely,  


(C. D. POWELL)

M. Cocks Esq.,  
 Department of Trade and Industry.





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From the Minister for Trade

Prime Minister  
CDP  
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**CONFIDENTIAL**

Charles Powell Esq  
Private Secretary to  
the Prime Minister  
10 Downing Street  
LONDON  
SW1

6 September 1985

Dear Charles

**CARBON-CARBON TECHNOLOGY: USSR**

The Prime Minister will recall that, in February this year, Ministers decided to change the export control law so as to prevent Consarc Engineering Limited, based near Glasgow, completing a contract to supply to the USSR a plant for manufacturing carbon-carbon which has applications in missile technology. Vital parts, without which the plant could not work as intended by the Russians, were prevented from leaving the country.

We have now heard that a company controlled by a Director of Consarc has contracted to supply the Russians with engineers and technical services, apparently with a view to making the incomplete plant perform as originally intended. It is not clear whether they will be able to succeed, but my Minister understands that the view of the experts in the Ministry of Defence has always been that the Russians would be able to make the plant work eventually and it seems that the provision of specialist engineering support will probably make this happen sooner rather than later.

However, our powers to control exports are confined to goods and knowhow in tangible form (documents, drawings etc). We have no powers to prevent individuals leaving the country or to prevent the completion of contracts for the supply of services to the USSR. Adding to the list of controlled goods by a quick Statutory Instrument, as was done in February, will not help.

Representatives of the company have asked to discuss their plans with DTI officials and a meeting has been arranged for 6 September. Officials will make it clear to the company that our earlier action to prevent the plant being completed was taken in the interest of national security, that it follows that efforts to make the plant work as originally intended are also

What is the company?  
Who is proposing to go to the U.S. to purchase this information?  
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contrary to the national interest, and that Ministers are considering the matter urgently. If the company backs off, well and good. But if not, it will be necessary to consider what other action ought to be taken. I understand that officials from the Departments concerned will meet early next week to consider the outcome of the meeting with the company, and will thereafter report to Ministers.

I am sending copies of this letter to Colin Budd and Stuart Eldon (FCO), Richard Mottram (MoD), Rachel Lomax (Treasury), John Graham (Scottish Office) and Richard Hatfield (Cabinet Office).

*Yours ever*

*Matthew*

MATTHEW COCKS  
Private Secretary to the  
Minister for Trade (Paul Channon)

Soviet Union: Credit Terms  
A3.

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London (FCO), London (FCO), London (FCO), London (FCO), London (FCO),  
London (FCO) and Richard (Foreign Office).



MATTHEW COOKS  
Private Secretary to the  
Minister for Trade (Paul Channon)