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Foreign and Commonwealth Office

London SW1A 2AH

25 February, 1983

Prime Minister

A.F.C. ²⁵/₂

cc. to A. Parsons.

Dear Richard,

Tank Engines for Iran

As you will know, Rolls Royce Motors have received an offer from Iran to purchase 300 tank engines. They are pressing Ministers to agree to the necessary export licences. This will clearly be a difficult decision in view of the employment and other problems created if Ministers refuse, and of the consequences for our public and commercial position in the Arab world (particularly Iraq) if they agree. Mr Pym believes that Ministers will wish to consider it on the basis of detailed interdepartmental advice soon. To this end the views of our overseas posts concerned are being obtained, officials are meeting interdepartmentally and Mr Hurd (in the absence of Mr Pattie) is inviting Mr Plastow, the Managing Director of Vickers/Rolls Royce to call as soon as possible so that the implications of Rolls Royce's intentions can be further clarified.

I am copying this to John Coles (No 10), Jonathan Spencer (DOI) and John Rhodes (DOT).

Yours ever

J. E. Holmes

(J E Holmes)
Private Secretary

Richard Mottram Esq
Private Secretary
Ministry of Defence

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