

UK in US row over computers for Moscow

By DAVID TONGE and LOUISE KEHOE 389 words 27 August 1982 Financial Times FTFT Page 10 English

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BRITAIN and the US yesterday were at odds over whether the British company, Vickers, had broken US law by exporting computer equipment usable with spy satellites to the Soviet Union.

The British Ministry of Defence said that Vickers had had a valid export licence at the time of shipment in 1979. It also made clear that the US had been approached before the Dollars 70,000 worth of equipment, which can enhance satellite photographs, was shipped.

Apparently, Britain told CoCom, the secretive Paris-based committee of Western countries, of Vickers' plans. However, the US Commerce Department said yesterday that it believed the export had been illegal and warned that it might institute prosecutions.

The row blew up on Tuesday when US government agents seized the equipment in Pasadena, California, where it had been brought for repairs.

In 1979 Comtal, a subsidiary of the Minnesota Mining and Manufacturing company sold it to the Vickers subsidiary, Joyce-Loebl of Gateshead, for incorporation in some equipment also used for medical x-rays and general photography.

Earlier this year the Soviet Union sent the system back to Comtal, through Vickers, for repair and upgrading. Vickers yesterday described the US equipment as relatively old fashioned, but Mr Dick Cuspert, the Commerce Department official in charge of the case, said that was 'state-of-the-art equipment'.

A Commerce Department spokesman in Washington said: 'We believe it would further Soviet technical processes and will not now allow it to be exported to the Soviet Union.'

President Ronald Reagan has been leading a campaign to stop the transfer of sensitive technology to the Soviet Union. Western controls are coordinated through CoCom. In May, the Commerce Department refused Comtal an export licence for the equipment. It was seized after Joyce-Loebl requested that it be shipped to Massachusetts.

CoCom rules only apply on shipments to Warsaw Pact countries, Albania, China, Mongolia, North Korea and Vietnam. Mr Cuspert said: 'We had reason to believe that the equipment would be transshipped to the Soviets.'

Earlier this year Vickers announced that it had received orders from the Soviet Union for what it described as 'the world's smallest and most powerful TV image analysis system'. This can be used for medical screening and analysing satellite photographs.

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