

Prime Minister

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Ref A0375

Accept Lord Carrington's proposal?

PRIME MINISTER

No - I am very unhappy about it. Who is going to stop arms to the Palestine front should they continue hostilities - that will be the decision of many people. I should leave the proposed B.T. notice out. Alternatively

THE MANDATORY ARMS EMBARGO AGAINST SOUTH AFRICA (OD(79) 23)

The Foreign and Commonwealth Secretary proposes that a notice be published in 'Trade and Industry' drawing the attention of United Kingdom companies to operative paragraph 3 (which related to contractual relationships and licences for arms manufacture) of the Security Council Resolution of November 1977 which established the mandatory arms embargo. We should then report our action, together with the extensions of legislation to enforce the arms embargo in the Channel Islands, Isle of Man and Dependant Territories, to the Secretary-General of the United Nations.

2. The United Nations Secretariat have accepted our initial reply of April 1978 as substantive and final. This included the statement that 'A review, pursuant to operative paragraph 3 of that resolution, is being undertaken of existing contractual arrangements with and licences granted to South Africa which fall within the scope of that paragraph'. They do not therefore expect us to reply to the Secretary General's further letter of 18 May 1978 which specifically directed the attention of states to paragraph 3. But Lord Carrington is concerned that any controversy over the Plessey radar contracts might reveal our inaction over operative paragraph 3 at a time when in the Rhodesian context we wish to minimise friction with black Africa. These contracts were specifically attacked during the meeting of the United Nations Arms Embargo Committee on 3 October, but the question of our general compliance with operative paragraph 3 of Resolution 418 was not raised.

3. We are aware of some licences and contractual arrangements concluded by United Kingdom firms prior to November 1977 and perhaps still in force. But operative paragraph 3 does not specifically require us to terminate them and the notice in 'Trade and Industry' would merely draw the attention of companies to paragraph 3 and ask them to review such arrangements with a view to terminating them. The Department of Trade do not see this as constituting any threat to our trade.



4. My own feeling is that there are some political risks in this course, though no doubt Lord Carrington has taken them into account. The timing might be unhelpful as regards our relations with South Africa over the continuing Namibia negotiations. It could also risk drawing unnecessary attention to our inaction so far and to the minimal nature of the action now taken after an interval of two years. If, in the context of the Rhodesian Conference, we wish to take urgent precautionary action it might be preferable for the Department of Trade or Department of Industry quietly to draw operative paragraph 3 to the attention of the firms listed in Annex B, even though this might not include all the firms which have such arrangements with South Africa, and to take no further action in response to the letter of 18 May.

5. If you share my doubts you could query the action proposed, on the above lines. But the Defence Secretary and Secretary of State for Industry have accepted Lord Carrington's proposals and the Chancellor of the Exchequer does not intend to comment. Subject therefore to any further views from other OD colleagues (Mr Nott is out of the country) you may prefer to accept Lord Carrington's recommendation without comment.

*Mr.  
PP*

JOHN HUNT

5 October 1979