



*Middle East*

Foreign and Commonwealth Office

(2) London S.W.1

17 July 1981

*Dear Brian.*

*Prime Minister*

*17/7*

*ms*

Defence Sales: Iraq, the Middle East and Chile

As you will know, the Secretary of State for Defence had a meeting with the Foreign and Commonwealth Secretary on 14 July to discuss the issues raised by Mr Nott's minute to Lord Carrington on 9 July.

For the record, the outcome of their discussion was:

- a. agreement that current efforts to devise a satisfactory formulation on guarantees for Iraq should be pursued by FCO and MOD officials in consultation with the Treasury;
- b. more generally, agreement that a number of possible defence sales to the Middle East - in particular strike aircraft - raised important political considerations which deserved discussion by Ministerial colleagues at OD. An FCO paper has already been circulated;
- c. Lord Carrington expressed the view that we should not proceed with the possible sale of tanks to Chile.

I am sending copies of this letter to Michael Alexander (No. 10), Peter Jenkins (Chancellor of the Exchequer), Ian Ellison (Dept of Industry), John Rhodes (Dept of Trade) and David Wright (Cabinet Office).

*Yours ever.*

*F N Richards*

(F N Richards)  
Private Secretary

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