



PRIME MINISTER

SOUTH AFRICA : PROPOSED EXTENSION OF UN ARMS EMBARGO

I had intended to comment on the Secretary of State for Trade's minute to you of 19 September at the OD meeting which was scheduled for 29 September. I have now seen his further minute to you of 25 September and would like to record my general support for the points he has made.

2. I will not rehearse details about the industrial interests which are at stake, since these are covered in the papers by officials. I would, however, add that, in addition to the particular proposals for extension to the arms embargo to which he refers, I have some concern about proposal 3, calling for the termination of industrial licences to manufacture arms and related material, and proposal 5 prohibiting investment in the manufacture of arms and related material. I recognise that we have already taken action following the arms embargo to prevent industrial licences being granted in this area. But the language used in our Order is very carefully circumscribed and my concern is that, in the light of the extension of the definition of "related material" which is proposed in proposition 7, we may well find that we are faced with calls for control over licences for a much wider range of products.

3. I know that our request FCO officials have pressed

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Prime Minister.

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Sir Keith Joseph is working in support of Mr Nott whose minute to you you saw over the week-end.

You have already agreed to take no further action to resolve the difference of view between Ministers until we see how matters develop in New York; and Sir Keith is not pressing for a decision now (see x/ below). You need therefore only take note of his minute at this stage.

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30.12.



the Americans on this point and I look forward to seeing the response. The same question arises in relation to proposal 5 where, if we are not careful, we could find ourselves undertaking control over investment - which is objectionable in principle - in a wider area than arms manufacture, where in my view it would be just tolerable in the last resort.

4. I very much agree with the emphasis which John Nott has placed on proposal 6, since this could have far reaching consequences in relation to trade in such things as civilian aircraft and equipment, computers and vehicles. I recognise all the difficulties about contemplating the use of the veto in isolation and I would not wish to reach any conclusion on this at this stage. I naturally very much hope that we will get changes to proposal 6 and the others which will be satisfactory to us. But I agree with him that we should keep open the option of possibly using the veto on our own if we cannot achieve this.

5. I will not go into detail about particular language which is being considered between officials but I would just mention a particular problem about four wheel drive vehicles. As it stands proposal 6 would place a ban on supplies of such vehicles destined for the military or police forces. It is true that we do not supply these vehicles in made up form but we do export about 2,000 Land Rover kits to South Africa,



some of which undoubtedly finish up with the military and police. I am very hesitant about the suggestion by FCO officials that we can accept the language in 6, drawing on the distinction between "vehicles" and "kits". We export over 11,000 Land Rovers to the rest of Africa, many in kit form, and are very vulnerable to retaliation. I hope therefore that our representatives will be able to secure the removal of this sentence or, if that is not possible, make sure that the reference to four wheel drive vehicles is so qualified that it allows the trade in kits to continue.

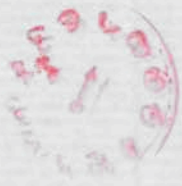
6. I am copying this minute to Members of OD Committee, David Howell and Sir Robert Armstrong.

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K J

30 September 1980

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SW1E 6RB



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L. Chancellor
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Trade

10 DOWNING STREET

From the Principal Private Secretary

1 October, 1980

South Africa: Proposed Extension of

UN Arms Embargo

The Prime Minister has seen and taken note of your Secretary of State's minute of 30 September about the possible extension of the UN arms embargo against South Africa.

As I recorded in my letter of 29 September to Stuart Hampson, the Prime Minister does not intend to take this issue any further at present but would prefer to wait and see how matters develop in New York.

I am sending copies of this letter to the Private Secretaries to members of OD and to Julian West (Department of Energy) and David Wright (Cabinet Office).

IC. VETA. WHITMORE

Ian K C Ellison, Esq
Department of Industry

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