



CONFIDENTIAL

PM/80/27

PRIME MINISTER

Chile: Arms Sales

1. You agreed to a proposal from the Defence Secretary that a review should be put in hand of the embargo on arms sales to Chile.
2. The embargo was introduced in April 1974, shortly after the General Election, at a time of considerable international concern about human rights abuses in Chile following the military coup. It allowed for the continued supply of spares and equipment relating to contracts then existing, but it effectively excluded us from a market previously of some importance for British arms exports. Other countries did not follow us with a formal embargo: in recent years the French, Germans, Israelis and others have profited from this. The US Government introduced in 1976 (and has since reaffirmed) restrictions on new arms sales but continued to sell large quantities of equipment "in the pipeline", worth over \$100 million.
3. The general international constraints on arms supply do not apply to Chile. Although Chile is in dispute with its neighbours on border matters, especially with Argentina over the Beagle Channel, Chile cannot be regarded as being in a sensitive region comparable to the Middle East or to the Indian sub-continent. There is no UN embargo on arms sales, as for South Africa. Chile does not threaten any of our dependent territories; nor is it of particular strategic interest to us. Chile's human rights record remains bad but is no worse than many other countries: it is always open to us to control, through our normal licensing procedures, the sale of any items which might be used for internal repression.
4. I therefore consider it right in principle that the embargo should be lifted. But the timing and presentation of such a decision need to be carefully considered. Relations with Chile
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remain highly controversial. The appointment of Ambassadors has provoked considerable and continuing criticism and arms sales are likely to be even more emotive. An announcement of a lifting of the arms embargo will inevitably raise a further storm. I believe that we should let the dust raised by the exchange of Ambassadors settle before we take this next step, despite the further loss of arms sales that it may entail. I propose therefore to keep the matter under close review and to consult again when the timing seems more suitable.

5. I would be glad of your agreement to our proceeding on these lines. I am copying this minute to the Defence Secretary, to our other colleagues in OD, to the Secretary of State for Industry, the Attorney General, the Lord Chancellor and the Chief Whip's office.

A handwritten signature in blue ink, consisting of a stylized 'C' with a horizontal line underneath.

(CARRINGTON)

Foreign and Commonwealth Office

14 April 1980

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