



*A need. Please consult
Chief Whip on
this.*

CONFIDENTIAL

①

Prime Minister

Para para 4 overleaf?

PM/80/54

PRIME MINISTER

*net (minute from Mr Nott, supporting Lord
Cammie also attached)
& from Defence Secretary.
Chile: Arms Sales*

Amk - 17/4

1. On my minute of 14 April, you and the Defence Secretary agreed that, in principle, the embargo on the sale of arms to Chile should be lifted, but that the timing and presentation of the decision needed further consideration. I have continued to keep this matter under review and consider that the way is now clear to announce the lifting of the embargo.
2. The controversy occasioned by the announcement of the exchange of Ambassadors with Chile has now abated. But relations with Chile continue to be a matter of public and Parliamentary interest, albeit on a reduced scale with particular attention being given to the arms embargo. The Chile lobby has continued to press for the retention of the embargo; while our own supporters have of late been querying the reason for its continuation.
3. I think there is nothing further to be gained by delay. The Chilean Navy is showing increasing interest in arms purchases and has the finance available for re-equipment. We would not want to miss out on this potential business. There is also no point in tinkering with the edges of the embargo which would only put us in an untenable position in Parliament. Our announcement will raise a storm whenever we make it: but it will not now be entangled in the issue of Ambassadors; and we can answer any criticism. The reasons for lifting the embargo set out in my minute of 14 April remain valid. We shall of course make it clear that defence equipment will not be sold indiscriminately to Chile, but will be subject to the checks and licencing arrangements which apply to other such sales, including those to other South American countries. We can also point out that we are doing no more than to bring our policy into line with that of our major European partners and commercial competitors.

/4. I propose

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4. I propose therefore that the announcement should be made in Parliament before the summer recess, preferably in a Written Answer in the second half of next week. I would welcome your agreement to proceeding on these lines, and would appreciate a reply from recipients of this minute by the close on Monday 21 July.

5. I am copying this minute to members of OD, to the Secretary of State for Industry, the Attorney-General, the Lord Chancellor, the Chief Whip's Office, and the Secretary to the Cabinet.

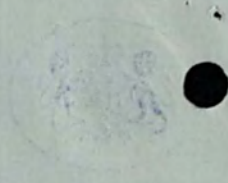
A handwritten signature in blue ink, appearing to be 'C' with a diagonal slash through it.

(CARRINGTON)

Foreign and Commonwealth Office

16 July 1980

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16 JUL 1980

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10 DOWNING STREET

(OD)
c. DTde
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HT
clue.

cc Chief Whip Office

From the Private Secretary

21 July 1980

Dear Rodric,

Chile: Arms Sales

The Prime Minister has seen the Foreign and Commonwealth Secretary's minute to her of 16 July about the announcement of the Government's decision to lift the embargo on arms sales to Chile. She has also seen the Defence Secretary's minute of 17 July and the Secretary of State for Trade's minute of 18 July on the same subject.

The Prime Minister has agreed that we should proceed on the basis proposed by the Foreign and Commonwealth Secretary. She assumes that the Chief Whip will be consulted about the precise timing of the announcement.

I am sending copies of this letter to the Private Secretaries to the members of OD, Ian Ellison (Department of Industry), Bill Beckett (Law Officers' Department), Robin Birch (Chancellor of the Duchy of Lancaster's Office) and David Wright (Cabinet Office).

Yours ever

Michael Alexander

R.M.J. Lyne, Esq.,
Foreign and Commonwealth Office.

CONFIDENTIAL

JMP



MO 11/16

PRIME MINISTERCHILE: ARMS SALES

I welcome the proposal in Peter Carrington's minute of 16th July that we should announce lifting of the arms embargo before the summer recess, and I endorse his proposals on timing and method. An early announcement will head off the growing pressure from our own supporters and enable us to respond to increasing interest in arms sales to Chile that is being shown by the Chileans and by British industry. There will no doubt be a fresh wave of criticism, but I am sure that this can be countered on the lines that Peter Carrington describes.

2. You have already agreed to a low key visit to Chile by an official from the Defence Sales Organisation to assess the prospects, but there remains the question of timing. I suggest that the visit should be arranged to coincide with the announcement. This would be a token of our interest and it would also help my Department in providing up to date advice and assistance to British companies. My officials are in touch with the FCO about provisional arrangements.

3. I am sending copies of this minute to the other members of OD, the Secretary of State for Industry, the Attorney General, the Chief Whip and Sir Robert Armstrong.

Ministry of Defence

17th July 1980



SECRET

CONFIDENTIAL

I welcome the proposal for a special committee to investigate the activities of the various groups and individuals who are active in the field of racial propaganda. It is essential that the Government should have a clear and accurate picture of the extent and nature of these activities, and that it should be able to take effective measures to counteract them. The committee should be given the widest possible powers of investigation, and should be able to report to the Government at regular intervals.

You have already agreed to my visit to the United States in the autumn, and I am sure that you will find it most profitable. I am sure that you will find it most profitable to discuss the various aspects of the racial propaganda problem with the officials of the various departments of the Government, and to discuss the various aspects of the racial propaganda problem with the officials of the various departments of the Government.

17 JUL 1950

Secretary of State

17th July 1950

SECRET

Chile

CONFIDENTIAL

NBPA

[Handwritten signature]

THE FOREIGN AND COMMONWEALTH SECRETARY

CHILE: ARMS SALES

Thank you for sending me ^{TPM} a copy of your minute to the Prime Minister of 16 July. From my point of view there is no objection to your proceeding as you propose.

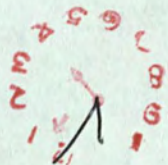
I am copying this minute to the recipients of yours.

MT

Attorney-General's Chambers
Law Officers' Department
Royal Courts of Justice
Strand
London WC2A 2LL

17 July, 1980

CONFIDENTIAL



L 1980

VG



Treasury Chambers, Parliament Street, SW1P 3AG

01-233 3000

21 July 1980

G. Walden, Esq.,
Private Secretary,
Foreign & Commonwealth Office

La. P...

Dear George.

CHILE: ARMS SALES

The Chancellor has seen the Foreign and Commonwealth Secretary's minute of 16 July to the Prime Minister. He has no objection in principle to the lifting of the embargo on arms sales to Chile and is content to accept the Foreign and Commonwealth Secretary's judgement that there is nothing to be gained by delay and that an announcement should now be made.

I am copying this to the Private Secretaries to the recipients of the Foreign and Commonwealth Secretary's minute.

Yours sincerely,

Richard Tolkien

R.I. TOLKIEN
Private Secretary

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22 JUL 1980

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Civil Service Department
Whitehall London SW1A 2AZ
01-273 4400

21 July 1980

R Lyne Esq
PS/Secretary of State for Foreign
and Commonwealth Affairs
King Charles Street
LONDON SW1A 2AH

fg - [unclear]

Dear Rodric,

CHILE: ARMS SALES

The Lord President has seen a copy of Lord Carrington's minute of 16 July to the Prime Minister, and is content with what Lord Carrington proposes.

Copies of this letter go to Private Secretaries to the recipients of Lord Carrington's minute.

Yours ever,

E G M Chaplin

E G M CHAPLIN
Private Secretary

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22 JUL 1980
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Caxton House Tothill Street London SW1H 9NA

Telephone Direct Line 01-213 6400

Switchboard 01-213 3000

Rt Hon Lord Carrington PC KCMG MC
Secretary of State
Foreign and Commonwealth Affairs
Whitehall
LONDON
SW1

Lg, [Signature]

21 July 1980

[Handwritten signature]

CHILE: ARMS SALES

I have seen a copy of your minute to the Prime Minister of 16 July proposing an end to the embargo on arms sales to Chile.

If this proposal were adopted there would no doubt be a great outcry from the TUC and individual unions. But from the employment point of view we should very much welcome any orders that might come to UK industry as a result of the lifting of the embargo, not least if these meant work for our specialized war ship-builders. I therefore support the proposal.

I am copying this to all those to whom you copied your minute.

[Handwritten signature]

22 JUL 1950

