



PM/80/71

THE PRIME MINISTER

CONFIDENTIAL

Chile: Arms Sales

1. Following the lifting of the arms embargo on 22 July, we have received applications for clearance for the promotion and possible sale of defence equipment to Chile. These have included a firm enquiry from the Chileans for British tanks. You will want to know that on political grounds I have decided that I cannot agree to the issue of export licences for the sale of tanks to Chile.

2. When we lifted the embargo we gave public assurances that no licences would be issued for the supply of any items which in our view could be used for internal repression. It can be argued whether or not tanks fit in this category. But they are inevitably highly emotive items; and, in the Chilean context, it would not be possible to argue convincingly in Parliament that tanks could not be so used and that, in selling them, we would not be providing a repressive regime with the means of perpetuating its control.

3. I have reached this conclusion with some reluctance. I realise that the Chilean regime may take our decision not to pursue their interest in tanks, so soon after our lifting of the embargo, as something of a test case of our reliability as a future supplier. But the Chileans must understand our difficulties; unlike them, we cannot ignore the domestic political dimension.

4. When Parliament resumes, there will be renewed criticism of our handling of the arms question. This will be fuelled by the reaction to the maltreatment of Claire Frances Wilson, which has caused widespread unease about the way the Chileans run their affairs. The dubious plebiscite in Chile on 11 September, which confirmed Pinochet in power, probably well into the 1990s,

/has also

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 Lord Carrington has decided against the issue of export licences for the sale of tanks to Chile.  
 Carlisle Minister  
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has also focussed critical attention on Chile. We cannot expect that any sale of this nature would go unnoticed; and there have already been references in the press to a proposed sale of tanks. The Austrian Government's refusal to supply tanks has also been well publicised.

5. Our relations with Chile remain most sensitive domestically. Our case for restoring Ambassadors and renewing arms sales continues to receive close scrutiny. It is standing up: but I would not wish to weaken it by selling tanks.

6. I am sending copies of this minute to the Defence Secretary and to our other colleagues in OD, to the Secretary of State for Industry, the Chief Whip and the Secretary to the Cabinet.

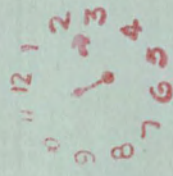
(CARRINGTON)

Foreign and Commonwealth Office

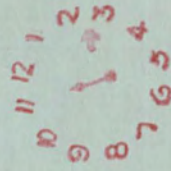
(Received 2.10.80)

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*Chile*



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Telephone 01-2207822 2111/3

MO 11/16

7th October 1980

*Dear Paul,*

*NBPN  
Paul - 7/4*

CHILE: ARMS SALES

*TPM*

The Defence Secretary has seen Lord Carrington's recent minute to the Prime Minister on this subject.

He has asked me to write to say that he accepts that we should not approve the sale of tanks to Chile at present for the reasons Lord Carrington advances. He has also asked me to say, however, that, as the Chileans are likely to see this as a test case following the lifting of the arms embargo, great care should be taken in communicating the decision to the Chilean authorities. He believes that there would be some advantage, in terms of presentation, if the decision were relayed to the Chileans through Defence Sales channels rather than through Vickers or FCO channels. There are a number of potential contracts of a less controversial nature, and an approach through these channels might act as an assurance to the Chileans of our preparedness to sell equipment which was less contentious.

I am copying this letter to Michael Alexander (No 10), to the Private Secretaries of other members of OD, to Pete Stredder (Industry), Murdo MacLean (Chief Whip's Office) and David Wright (Cabinet Office).

*Yours sincerely  
Justin Dawson*

(J D S DAWSON)  
Private Secretary

P Lever Esq  
Foreign and Commonwealth Office

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