



Prime Minister

(2)

Paul

Foreign and Commonwealth Office  
London SW1

18 April 1980

Francis

DEFENCE SALES TO CHINA AND COCOM

At OD on 29 February we agreed that we should continue with our present policy of allowing industry to sell defence equipment to China while accepting the need for careful political monitoring.

Paragraph 9 of the memorandum which Peter Carrington submitted for that meeting mentioned that the Americans were now themselves contemplating sales of defence-related material to China; that our partners were more relaxed about such sales; but that we had not yet been able to reach agreement on procedures for handling defence sales within the COCOM framework.

The Americans have put forward a formal proposal to treat China more favourably than the Warsaw Pact countries in considering exports of items on the COCOM lists. Their proposal covers defence equipment (including weapons) as well as high technology civil equipment. In notifying us of this proposal, the Americans implied that they would be prepared to agree to the defence sales we have in mind.

The proposal goes some way towards meeting our requirements. But COCOM works on the basis of unanimity; some of our partners do not themselves sell defence equipment to China and have reservations about others doing so. If we were to agree to the proposal as it /stands,

The Rt Hon Francis Pym MP  
Secretary of State for Defence  
Main Building, Whitehall

stands, there is a risk that other countries might veto sales by the UK which the Americans are prepared to approve. We would then have to choose between either giving up a useful contract and giving much offence to the Chinese, or overriding the veto and damaging both our relations with our COCOM partners and COCOM itself.

It will not be easy to make progress in this area. We are committed to sales of defence equipment to China. But we must take due account of the view of our allies; and we must ensure that COCOM remains an effective organisation for controlling strategic sales to the Soviet Union. Broadly, we are faced with three options:

- (a) to seek to adapt the American proposal in a way which meets our criteria;
- (b) to introduce an alternative proposal;
- (c) to continue as at present, notifying our partners of sales without consulting.

The Americans have framed their proposal to suit their own interests, and it will be difficult to get the agreement of our partners to arrangements which would accommodate the kind of sales we want to make. However, the Americans seem to have tried to take account of our interests and their proposal looks like having considerable appeal to other members of COCOM. It would therefore be tactically unwise to reject it. This points towards pursuing option (a) in the first instance. But before reaching conclusions we need to explore with our other main partners (and subsequently with the Americans) the scope for adapting the American proposal. Officials should report back to us in the light of their findings.

If we do not press forward fairly quickly, there is a risk that a consensus may emerge in favour of the American proposal in its present form. In the absence of any comments from my colleagues by close of play on 23 April, I propose to instruct my officials to go ahead.

/I am

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I am sending copies of this letter to the Prime Minister, other members of OD, and to Tom Trenchard and Cecil Parkinson who were also present at our earlier meeting.

*yes ✓*

*lan*

CONFIDENTIAL

12 APR 1960



CONFIDENTIAL

PM  
China



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From the  
Minister of State  
Lord Trenchard

Sir Ian Gilmour MP  
Lord Privy Seal  
Foreign & Commonwealth Office  
London SW1

*Handwritten initials*

23 April 1980

*Handwritten initials*

*Dear Ian*

DEFENCE SALES TO CHINA AND COCOM

Thank you for sending me a copy of your letter of 18 April to Francis Pym.

I agree that in the circumstances it is right to pursue your option (a), ie to sound out our partners about their views on the scope for adapting the American proposals. We should attempt to seek modifications which align them as closely as possible to our present position, given the importance of our defence industries and the prospects for business in China.

I am sending copies of this letter to the Prime Minister, other members of OD and Cecil Parkinson.

*Handwritten signature*

LORD TRENCHARD

CONFIDENTIAL

24 APR 1960





MINISTRY OF DEFENCE WHITEHALL LONDON SW1A 2HB

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MO 26/9/10

23rd April 1980

*Dear Sir,*

*L.  
Pym*

DEFENCE SALES TO CHINA AND COCOM

Thank you for your letter of 18th April.

I recognise that the formal American position, which they have now adopted in COCOM, presents us with a dilemma. As you suggest, the terms of the American proposal go some way to match our interests. However, we have to recognise that this has been devised to meet the more limited American approach to the sale of equipment to China and, despite the view which the Americans themselves might be prepared to take on the sale of British weapons, other COCOM partners may well take a more restrictive attitude. The possibility of them exercising a veto on our defence sales to China is something which we could hardly contemplate at this stage in the development of our relations with the Chinese.

I see the tactical advantage of not rejecting the American proposal at present, but at the same time I believe it is important that we should get on record, as quickly as possible, at least with our other COCOM partners, the difficulties which we see in accepting it. I should be grateful if your officials would continue to keep in close touch with mine in developing a considered view on the American proposal and in consulting our COCOM partners.

I am sending copies of this letter to the Prime Minister other members of OD and to Tom Trenchard and Cecil Parkinson.

*James  
Pym*

Francis Pym

24 APR 1960





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JS



10 DOWNING STREET

*From the Private Secretary*

23 April 1980

DEFENCE SALES TO CHINA AND COCOM

The Prime Minister has seen and taken note of the Lord Privy Seal's minute of 18 April to the Defence Secretary on this subject.

MIA

Michael Richardson, Esq.,  
Lord Privy Seal's Office.

cc.