



NBPM China
MKP 4/8

Secretary of State for Defence

COCOM: DEFENCE SALES TO CHINA

Thank you for your minute of 17 July to Peter Carrington, who is as you know in South America.

Our Embassy in Washington have now put our formula on sales to China to the Americans. The Americans' preliminary reaction was not unhelpful; and they have promised to give us their considered response as soon as possible. We then intend to put our formula to our other COCOM partners for their consideration before COCOM reconvenes in September.

If it is accepted by our COCOM partners, it will be explicitly agreed that in general defence sales to China will be approved. But as Peter Carrington said in his minute of 8 July, and you note in your minute of 17 July, we have to accept that a veto might be exercised in exceptional cases. I understand your presumption that we should expect to resist such a veto. But I think it is too early for us to adopt a hard and fast position on this; only when (and if) a veto is exercised could we decide whether to acquiesce in it or not, in the light of all the circumstances of the case.

In the meantime we shall continue as you say to use our bilateral notification procedure.

I am copying this minute to the Prime Minister and other members of OD, the Secretary of State for Industry, and Sir Robert Armstrong.

/H7.

1 August 1980

4 AUG 1980

