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Case Number: S199900030

Chile Project (#S199900030)
U.S. Department of State
Release _____ Excise Deny _____
Declassify: In Part In Full _____
Exemption(s) B1

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EXCISE

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ACTION EUR-00

INFO LOG-00 ADS-00 INR-10 SS-00 CIAE-00 DODE-00 H-01
MSC-01 NEA-06 NSCE-00 ARA-00 NSAE-00 HA-09 L-03
TRSE-00 PM-10 PA-01 OMB-01 INRE-00 ACDA-12 USIE-00
SP-02 SNP-01 C-01 PRS-01 DS-01 P-02 T-01
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P 071647Z SEP 88
FM AMEMBASSY LONDON
TO SECSTATE WASHDC PRIORITY 9350
INFO AMEMBASSY SANTIAGO PRIORITY
AMEMBASSY TEL AVIV

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E.O. 12356: DECL: OADR
TAGS: PREL, PGOV, MASS, CI, UK
SUBJECT: UK/CHILE -- FCO IRRITATED BY WASHINGTON-SOURCED
PRESS ARTICLES ON BRITISH ARMS SALES TO CHILE

1. (C) FCO SOUTH AMERICA DEPARTMENT
CALLED US SEPTEMBER 6 TO EXPRESS
THE FCO'S ANNOYANCE WITH ARTICLES IN THE SEPTEMBER 4
"OBSERVER" AND THE SEPTEMBER 5 "GUARDIAN" ON SUPPOSED
RECENT WARNINGS BY WASHINGTON TO LONDON OVER UK ARMS
SALES TO CHILE. THE "OBSERVER'S" HUGH O'SHAUGHNESSY,
WHO TOLD THE FCO HIS SOURCE WAS ARA DAS GELBARD, WRITES
THAT WASHINGTON HAS TOLD FOREIGN SECRETARY HOWE THAT
BRITAIN SHOULD CUT BACK ITS MILITARY SUPPORT FOR
PINOCHET, PARTICULARLY IN THE RUN-UP TO THE OCTOBER 5
PLEBISCITE. O'SHAUGHNESSY SAYS WASHINGTON BELIEVES THAT
BRITISH ARMS SALES TO CHILE BOTH THREATEN THE BALANCE
BETWEEN ARGENTINA AND CHILE AND BOLSTER PINOCHET'S
STANDING IN THE UPCOMING VOTE. THE COMPLETE TEXT OF THE
O'SHAUGHNESSY PIECE IS AT PARAGRAPH 6 BELOW.

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2. (U) WRITING "FROM WASHINGTON" SEPTEMBER 5, THE "GUARDIAN'S" MARK TRAN SAYS THE REAGAN ADMINISTRATION IS URGING BRITAIN TO REDUCE ITS MILITARY TIES WITH CHILE. IN TRAN'S PIECE, BRITAIN'S "MILITARY RELATIONSHIP" WITH CHILE IS JUXTAPOSED WITH THE REAGAN ADMINISTRATION'S PRESSURE ON CHILE TO MOVE TOWARDS DEMOCRACY. THE COMPLETE TRAN TEXT, WHICH WAS APPENDED TO A STORY ON THE RUN-UP TO THE PLEBISCITE, IS AT PARAGRAPH 7 BELOW.

3. (C) IN A LOW-KEY BUT DETERMINED WAY, [REDACTED] BOTH PIECES HAD CAUGHT THE ATTENTION OF SENIOR FCO OFFICIALS AND THAT THEY WERE "NOT AMUSED." IT WAS "AMAZING," HE SAID, TO SEE SOMEONE BRIEFING THE "OBSERVER" ON WHAT HAD BEEN THE SUBJECT OF CONFIDENTIAL BILATERAL DISCUSSIONS. HE SAID HMG SAW NO POINT IN GOING DOWN THE ROAD OF MUTUAL RECRIMINATION, BUT HE NOTED FOR THE RECORD THAT THIS WAS "A GAME TWO COULD PLAY." IN THAT REGARD, HE CLAIMED THE U.S. NAVY WOULD BE EXERCISING WITH THE CHILEAN NAVY "IN CHILEAN WATERS DURING THE PLEBISCITE." WHEN CONTACTED BY O'SHAUGHNESSY, THE FCO, [REDACTED] HAD DECLINED TO COMMENT, CITING THE CONFIDENTIALITY OF DIPLOMATIC DISCUSSIONS.

4. (C) [REDACTED] INSISTED THAT NO UK MILITARY SALES TO CHILE WERE PENDING, DESPITE O'SHAUGHNESSY'S CLAIM THAT TWO 1970'S VINTAGE LEANDER CLASS FRIGATES MIGHT BE SOLD TO CHILE IN THE NEXT TWO MONTHS. "ABSOLUTELY NOT; THERE IS NOTHING IN TRAIN; NO OFFERS ON THE TABLE," SAID [REDACTED] ONE OF THE TWO FRIGATES O'SHAUGHNESSY NAMED HAD ALREADY BEEN SOLD TO PAKISTAN. MOREOVER, [REDACTED] AWARE OF NO RECENT COMMUNICATIONS BY WASHINGTON TO HMG ON THE SUBJECT OF ARMS TO CHILE WHICH MIGHT HAVE LENT CREDIBILITY TO O'SHAUGHNESSY'S LEAD-IN.

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5. (C) COMMENT: THAT THE FCO RELIED ON [REDACTED] TO RELAY ITS ANNOYANCE IN THIS CASE DOES NOT, IN OUR VIEW, SIGNAL A LESSENING OF THE IRRITATION WITH WHICH EVEN SENIOR FCO OFFICIALS NOW REACT TO VIRTUALLY ANY USG UTTERANCE ON THIS SUBJECT. HAVING [REDACTED] CARRY THE WATER IS PERHAPS MORE A SIGN OF

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FRUSTRATION OR "WHAT'S THE USE?" -- SO MANY TIMES HAVE WE BEEN AROUND THIS TRACK IN THE LAST YEAR. HANDLING IT AS THE FCO DID PROBABLY ALSO REFLECTS THEIR AWARENESS OF O'SHAUGHNESSY'S NOTORIOUS SENSATIONALISM. MORE BROADLY, THE EXTENT TO WHICH HMG'S CONTINUING SENSITIVITY ON ARMS TO CHILE BETRAYS DEFENSIVENESS IS NOT CLEAR. FCO OFFICIALS WE SPEAK WITH SEEM GENUINELY TO BELIEVE THAT THE USG'S CASE IS WEAK, WITH REGARD TO THE MAGNITUDE OR REGIONALLY DESTABILIZING IMPACT OF UK ARMS SALES TO CHILE, THE USG'S OWN POSTURE ON MILITARY CONTACTS WITH CHILE, AND THE COMPARATIVE EFFECTIVENESS OF OUR TWO GOVERNMENTS' EFFORTS TO PUSH CHILE TOWARD DEMOCRACY. AS WE'VE PREVIOUSLY REPORTED, WHAT CLEARLY DOES IRK THEM IS WHAT THEY SEE AS AN UNJUSTIFIED SELF-RIGHTEOUS TONE IN USG PRONOUNCEMENTS ON CHILE. END COMMENT.

6. (U) BEGIN TEXT OF "OBSERVER" PIECE:

BRITAIN TOLD TO STOP AID TO CHILE
BY HUGH O'SHAUGHNESSY

WASHINGTON HAS TOLD THE FOREIGN SECRETARY, SIR GEOFFREY HOWE, THAT BRITAIN SHOULD CUT BACK MILITARY SUPPORT FOR GENERAL AUGUSTO PINOCHET'S REGIME IN CHILE.

AMERICAN WORRIES HAVE BEEN MADE KNOWN TO THE FOREIGN AND COMMONWEALTH OFFICE IN THE RUN-UP TO THE PLEBISCITE TO

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	TRSE-00	PM-10	PA-01	OMB-01	INRE-00	ACDA-12	USIE-00
	SP-02	SNP-01	C-01	PRS-01	DS-01	P-02	T-01

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TAGS: PREL, PGOV, -MASS, CI, UK
SUBJECT: UK/CHILE -- FCO IRRITATED BY WASHINGTON-SOURCED
BE HELD IN CHILE ON 5 OCTOBER.

THE BRITISH GOVERNMENT HAS BEEN IN CLOSE BUT DISCREET
ALLIANCE WITH THE CHILEAN REGIME SINCE THE FALKLANDS
WAR, WHEN GENERAL PINOCHET DID BRITAIN A NUMBER OF
SUBSTANTIAL MILITARY FAVOURS. BRITISH BACKING IS
PARTICULARLY IMPORTANT TO THE CHILEAN DICTATOR AS HE
SEEKS A FURTHER PERIOD IN POWER.

THE STATE DEPARTMENT SEES THE BRITISH POLICY OF SELLING
WARSHIPS TO CHILE AS DANGEROUS FOR THE BALANCE OF POWER
BETWEEN DEMOCRATIC ARGENTINA AND THE CHILEAN DICTATORSHIP.

WASHINGTON FEELS THE SALES FROM BRITAIN WILL BOLSTER THE
GENERAL'S POSITION IN THE VOTING CAMPAIGN.

THE MAJORITY OF THE FIGHTING UNITS IN THE CHILEAN NAVY
ARE BRITISH-BUILT. TWO OF CHILE'S FOUR SUBMARINES WERE

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BUILT BY SCOTT-LITHGOW ON THE CLYDE.

FOUR OF CHILE'S EIGHT DESTROYERS ARE THE FORMER COUNTY
CLASS VESSELS NORFOLK, ANTRIM, GLAMORGAN AND FIFE,
ACQUIRED IN THE PAST SIX YEARS. TWO OTHER DESTROYERS
WERE PURCHASED NEW FROM VICKERS-ARMSTRONG IN BARROW IN
1960.

THE CHILEAN NAVY RECEIVED TWO NEW LEANDER CLASS FRIGATES
IN THE 1970S. THE CHILEANS WANT TO BUY A FURTHER FOUR

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OF THE SAME CLASS, PERHAPS SECOND-HAND. DIOMEDE AND
ACHILLES, EACH EQUIPPED WITH MODERN SHORTS SEACAT
MISSILES, COULD BE SOLD TO CHILE IN THE NEW FEW MONTHS.

THE U.S. HAS ALSO EXPRESSED ITS WORRIES TO ISRAEL, WHICH
HAS SOLD CHILE FAST TORPEDO BOATS AND A WIDE RANGE OF
MILITARY EQUIPMENT.

END TEXT

7. BEGIN TEXT OF "GUARDIAN" PIECE
(U) PINOCHET PROTEST DRAWS 100,000

MARK TRAN ADDS FROM WASHINGTON: THE REAGAN
ADMINISTRATION IS URGING BRITAIN TO REDUCE ITS MILITARY
TIES WITH CHILE, ARGUING THAT WEAPONS SALES ARE
UPSETTING THE REGIONAL BALANCE OF POWER WITH ARGENTINA
AS WELL AS BOLSTERING GEN PINOCHET'S POSITION AHEAD OF
NEXT MONTH'S PLEBISCITE. BRITAIN HAS IN THE PAST SOLD
OLD ROYAL NAVY SHIPS TO CHILE, INCLUDING DESTROYERS TO
THE PINOCHET GOVERNMENT, CAUSING CONSIDERABLE DOMESTIC
DEBATE.

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U.S. IRRITATION AT BRITAIN'S MILITARY RELATIONSHIP WITH
CHILE COMES AT A TIME WHEN THE REAGAN ADMINISTRATION IS
PUTTING PRESSURE ON CHILE TO MOVE TOWARDS DEMOCRATIC
RULE. TO PRESS ITS POINT, THE ADMINISTRATION LAST YEAR
ABSTAINED DURING A WORLD BANK VOTE ON A 200 MILLION
DOLLAR LOAN TO CHILE.

IN JUNE, IT EMERGED THAT A GOVERNMENT-FINANCED GROUP IN
THE U.S. HAS MADE 600,000 DOLLARS (320,000 POUNDS
STERLING) AVAILABLE TO DEFEAT GENERAL PINOCHET IN THE
PLEBISCITE.

END TEXT

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