

PRIME MINISTER

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Abdul Minty, Director of the World Campaign against Military and Nuclear Collaboration with South Africa, held a press conference this morning and made available a letter he wrote to the Foreign and Commonwealth Secretary yesterday in which he drew attention to the presence of South African defence force personnel in the UK on a training course with Plessey Limited. It also alleges that some items of military equipment have been supplied to South Africa. All this had been set out in a letter to the Foreign Office of 29 July.

I think this is almost certain to arise at your own press conference. Since the problem is addressed to the Foreign Secretary, there is a good argument for his taking the question, but he has not yet been briefed.

In London, Foreign Office News Department is saying that the contract dates from 1976 and is for civilian air traffic control equipment. But in the light of this letter and earlier press reports, the Government will examine the situation.

The British Government is of course committed to honouring their obligations under the UN Arms Embargo. And since the abrogation of the Simonstown Naval Base Agreement in 1975 it has been British Government policy that there should be no collaboration with the South African Government in defence matters.



Henry James

7 August 1979

Prime Minister

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CONFIDENTIAL

FM FCO 031130 AUGUST 79
TO FLASH LUSAKA
TELEGRAM NUMBER 642 OF 3 AUGUST
INFO IMMEDIATE PRETORIA UKMIS NEW YORK MODUK(DS13 AND DS11)
INFO PRIORITY WASHINGTON LAGOS
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PLESSEY CONTRACT

1. AS REQUESTED (TELCON WALL/LEVER) THE FOLLOWING IS FURTHER FULL BACKGROUND.
2. IN OCTOBER 1974 MINISTERS AGREED, WITHOUT COMMITTING THEMSELVES TO AGREEING TO THE GRANT OF AN EXPORT LICENCE, TO A VISIT OF A SOUTH AFRICAN EVALUATION TEAM TO THE UK TO EXPLORE THE POSSIBILITY THAT PLESSEY MIGHT PROVIDE SOUTH AFRICA WITH AN AIR DEFENCE/AIR TRAFFIC CONTROL RADAR SYSTEM. THE VALUE OF THE CONTRACT AT THAT STAGE WAS SOME 12: IT HAS SINCE RISEN TO APPROXIMATELY 56M.
3. THIS REQUEST CAME AT A TIME WHEN MINISTERS WERE CONSIDERING THE FUTURE APPLICATION OF THE VOLUNTARY ARMS EMBARGO AGAINST SOUTH AFRICA. THAT POLICY WAS SETTLED IN ALL MAJOR RESPECTS BY MINISTERS IN NOVEMBER 1974 WHO DECIDED THAT APPLICATIONS FOR DUAL-PURPOSE EQUIPMENT INCLUDING SPARES, WHICH COVERED MAINLY ELECTRONIC AND COMMUNICATIONS ITEMS WHICH MIGHT BE USED IN BOTH CIVIL AND MILITARY ROLES, SHOULD CONTINUE TO BE ALLOWED. THE MAIN BUSINESS UNDER THIS HEADING RELATED TO AIR RADAR FOR USE BOTH IN DEFENCE AND AIR TRAFFIC CONTROL.
4. THE SOUTH AFRICANS, HOWEVER, STILL FELT UNCERTAIN ABOUT THE WISDOM OF CONTRACTING FOR THIS EQUIPMENT GIVEN THE POSSIBILITY THAT A LICENCE MIGHT BE REVOKED, OR THAT SPARES MIGHT BE PREVENTED FROM GOING TO SOUTH AFRICA AT A LATER DATE. PLESSEY KEPT ITS OPTIONS OPEN BY RENEWING THE EXPORT LICENCE APPLICATION FROM TIME TO TIME.

5. IN MAY 1976, THE THEN SECRETARY OF STATE FOR TRADE WAS APPROACHED BY THE CHAIRMAN OF PLESSEY WITH A REQUEST FOR A GUARANTEE THAT HMG WOULD NOT PREVENT THE EXPORT OF THIS EQUIPMENT SHOULD A CONTRACT BE SIGNED BETWEEN PLESSEY AND THE SOUTH AFRICANS. AFTER CONSULTATION WITH THE THEN FOREIGN AND COMMONWEALTH SECRETARY AND PRIME MINISTER, IT WAS AGREED THAT SUCH A GUARANTEE SHOULD BE GIVEN.

6. THE FIRST LICENCE WAS ISSUED ON 11 DECEMBER, 1974 FOR TWO PLESSEY MOBILE RADAR SYSTEMS, EACH COMPRISING A NUMBER OF PLESSEY AR3D RADARS, DATA PROCESSING AND HANDLING EQUIPMENT, CONTROLLERS' DISPLAYS AND COMMUNICATIONS EQUIPMENT. THIS WAS RENEWED ON 29 JANUARY 1975 BECAUSE OF AN INCREASE IN THE VALUE OF THE CONTRACT. THIS SECOND LICENCE WAS RE-VALIDATED FOR A FURTHER YEAR ON 30 JANUARY 1976. HOWEVER, A FURTHER INCREASE IN THE VALUE OF THE PROJECT TO 56 MILLION LED TO THE ISSUE OF A NEW LICENCE ON 28 JANUARY 1977. THIS WAS RE-VALIDATED ON 1 MAY 1978. A FURTHER APPLICATION WAS APPLIED ON 21 NOVEMBER 1978 WHICH ISSUED ON 5 DECEMBER 1978 FOR A FURTHER YEAR. THE PURCHASERS WERE THE SOUTH AFRICAN ARMAMENTS BOARD AND THE LICENCES WERE ISSUED FOR EXPORT TO THE SOUTH AFRICAN AIR FORCE. THE DUAL PURPOSE NATURE OF THE EQUIPMENT MUST HAVE BEEN WELL KNOWN AT ALL TIMES.

7. POLICY ON ARMS SALES TO SOUTH AFRICA WAS REVIEWED IN THE LIGHT OF ACTION REQUIRED BY SCR 418 (77) IN DECEMBER 1977. IT WAS AGREED THEN THAT THERE SHOULD BE NO CHANGE IN THE LICENSING OF THE PLESSEY EQUIPMENT, THE EXPORT OF WHICH HAD ORIGINALLY BEEN AGREED DURING THE GOVERNMENT'S REVIEW IN 1974.

8. IN DECEMBER 1977 MINISTERS COLLECTIVELY APPROVED THE RECOMMENDATION BY OFFICIALS THAT GOODS UNDER LICENCE CONTROL WHICH HAD BOTH A CIVIL AND MILITARY APPLICATION SHOULD CONTINUE TO BE LICENSED FOR EXPORT TO SOUTH AFRICA UNLESS THEY WERE INTENDED FOR SOLELY MILITARY PURPOSES. SUCH DUAL-PURPOSE EQUIPMENT HAD PREVIOUSLY BEEN ALLOWED UNDER THE VOLUNTARY ARMS EMBARGO. THE GREATER PART OF SUCH GOODS ARE NOT UNDER EXPORT LICENSING CONTROL TO SOUTH AFRICA (E G GENERAL PURPOSE COMPUTERS). THOSE THAT ARE HAVE ATTRIBUTES WHICH MAY BE OF VALUE IN THE MILITARY FIELD EVEN THOUGH THESE ATTRIBUTES ARE NOT SPECIFICALLY MILITARY. THE LICENSING PROCEDURES ALLOW AD HOC DECISIONS IN CASE OF DOUBT. THE GRANT OF LICENCES FOR CONTROLLED DUAL-PURPOSE GOODS WAS CONSIDERED COMPATIBLE WITH THE UN RESOLUTION UNLESS THE ITEMS WERE OBVIOUSLY INTENDED SOLELY FOR MILITARY PURPOSES.

9. THE ONLY OTHER EXAMPLE IS MARCONI TROPOSPHERIC SCATTER COMMUNICATIONS EQUIPMENT WORTH SOME 8 MILLION. IT IS A COMMUNICATIONS SYSTEM WITH A CIVIL AS WELL AS A MILITARY ROLE. MINISTERS AGREED IN 1976 THAT IT DID NOT CONSTITUTE ARMS AND COULD BE EXPORTED. THE GOVERNMENT'S POLICY TO PERMIT THE EXPORT TO SOUTH AFRICA OF DUAL PURPOSE EQUIPMENT HAS NEVER BEEN MADE PUBLIC BUT THE MARCONI CONTRACT HAS BEEN DEFENDED IN REPLIES TO MPS LETTERS ON THE GROUNDS THAT IT FELL OUTSIDE THE EMBARGO.

WE UNDERSTAND THAT THE EQUIPMENT IS BEING USED IN PROJECT NASSAU, WHICH IS A GENERAL UP-DATING OF SOUTH AFRICA'S EXISTING FLIGHT CONTROL SYSTEM. AT LEAST PART OF THE EQUIPMENT IS PROBABLY LOCATED AT THE COMBINED CIVIL/MILITARY AIR CONTROL CENTRE AT DEVON IN EASTERN TRANSVAAL WHICH CONTROLS AIRCRAFT, BOTH MILITARY AND CIVIL, IN THAT PART OF SOUTH AFRICA. IT WOULD OPERATE IN BOTH PEACE TIME AND DURING A WAR.

11. SEE PARAGRAPHS 2 AND 3 OF MY TEL NO 611. AS YET, WE HAVE FOUND NO RECORD, IN MOD, DOT OR FCO, THAT WE WERE EVER INFORMED BY PLESSEY THAT THEIR CONTRACT WOULD ENTAIL VISITS BY SOUTH AFRICAN CIVILIAN AND MILITARY PERSONNEL TO THE UK EITHER FOR TRAINING OR CUSTOMER REPRESENTATION IN CONNECTION WITH THE EQUIPMENT.

12. GROUP 1 PART 11 OF SCHEDULE 1 OF THE EXPORT OF GOODS CONTROL ORDER 1978 LISTS A WIDE RANGE OF AIRCRAFT, ARMS, AND RELATED MATERIAL, AMMUNITION, MILITARY STORES AND APPLIANCES AND PARAMILITARY POLICE EQUIPMENT. THESE GOODS MAY NOT BE EXPORTED TO ANY DESTINATION SAVE UNDER THE AUTHORITY OF A LICENCE. IN IMPLEMENTATION OF THE MANDATORY EMBARGO NO LICENCE WILL BE GRANTED FOR THE EXPORT TO SOUTH AFRICA OF ANY GOODS LISTED IN GROUP 1 IN SO FAR AS THEY ARE SPECIALLY DESIGNED FOR MILITARY OR PARAMILITARY POLICE PURPOSES OR ARE FOR THE MANUFACTURE/MAINTENANCE OF SUCH GOODS. APPLICATIONS TO EXPORT OTHER CONTROLLED GOODS TO SOUTH AFRICA ARE CONSIDERED ON THEIR MERITS. APPLICANTS ARE REQUIRED TO GIVE FULL INFORMATION ABOUT THE PRECISE NATURE OF THE GOODS, THE PURPOSE FOR WHICH THEY ARE INTENDED AND THE NAME AND NATURE OF THE BUSINESS OF THE END USER.

13. WE HAVE JUST SEEN YOUR TEL NO 824. ADVICE ON THE POINTS IN PARA 3 WILL BE SENT BUT IT WILL TAKE A LITTLE TIME TO ASSEMBLE ALL THE RELEVANT INFORMATION AND WILL NEED PLESSEY'S FULL COOPERATION. MEANWHILE THE DOT AND DOI POINT OUT THAT THIS CONTRACT CONSTITUTES A SIGNIFICANT PART OF PLESSEY'S RADAR BUSINESS AND THEY NATURALLY HOPE THAT ON ECONOMIC AND COMMERCIAL GROUNDS THAT THE CONTRACT CAN STAND.

14. THE TEXT OF AN ARTICLE IN TODAY'S 'DAILY TELEGRAPH' UNDER THE HEADLINE 'LABOUR IN ROW OVER RADAR FOR SOUTH AFRICA' IS IN MIFT.

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TO FLASH LUSAKA

TELEGRAM NUMBER 611 OF 2 AUG

INFO IMMEDIATE PRETORIA UKMIS NEW YORK WASHINGTON LAGOS

MODUK (FOR PS/S OF S, DS 13 AND DS11)

YOUR TELNO 817: PLESSEY CONTRACT

1. NEWS DEPARTMENT STUCK TO LINE IN PARAGRAPH 2 OF YOUR TELEGRAM UNDER REFERENCE AT 12.30 TODAY.

2. A MEMBER OF THE BOARD OF PLESSEYS SPOKE TO THE LORD PRIVY SEAL THIS MORNING. HE SAID THE CONTRACT, WHICH WAS WITH THE SOUTH AFRICAN ARMAMENTS BOARD (AND WHICH CORRESPONDS ROUGHLY TO MOD(PE), WAS CONCLUDED IN 1976. PERSONNEL FROM ARMAMENTS BOARD HAD BEEN WITH PLESSEYS SINCE DECEMBER 1976: OF THE PRESENT GROUP OF 14, 5 WERE MEMBERS OF THE SOUTH AFRICAN DEFENCE FORCES. THE LEADER OF THE GROUP WAS A DR DE LA GUERRE WHO WAS A CIVILIAN TECHNICAL EXPERT.

3. CONTRARY TO THE IMPRESSION GIVEN IN THE PRESS REPORTS, THESE PERSONNEL WERE NOT HERE FOR TRAINING. THEY WERE HERE TO SUPERVISE WORK BEING DONE UNDER THE CONTRACT AND TO PROVIDE SOFTWARE IN ORDER TO ENSURE THAT THE EQUIPMENT WAS COMPATIBLE WITH EXISTING SYSTEMS. THIS WAS PART OF THE NORMAL PROVISION FOR CUSTOMER REPRESENTATION DURING THE PERIOD OF THE CONTRACT. HE HOPED WE WOULD CORRECT THIS MISLEADING IMPRESSION, WHICH HE THOUGHT POTENTIALLY THE MOST DAMAGING. HOWEVER HE ADDED THAT THREE OF THE CIVILIANS CURRENTLY HERE WERE BEING TRAINED IN COMPUTER PROGRAMMING, AND THAT MORE CIVILIAN PERSONNEL WERE DUE TO ARRIVE IN OCTOBER FOR TRAINING ON THE SYSTEM.

4. HE ADDED THAT THE MOD HAD NOT BEEN CLOSELY INVOLVED SINCE THIS HAD BEEN PART OF A COMMERCIAL CONTRACT. THEIR MAIN CONTACT HAD BEEN WITH DOT SINCE THE LATTER HAD PROVIDED THE EXPORT LICENCE. HM AMBASSADOR IN PRETORIA HAD GIVEN A DINNER FOR PLESSEY AND THE SOUTH AFRICAN ARMAMENTS BOARD, AND HE UNDERSTOOD THAT THE CONTRACT HAD BEEN PUT TO CABINET.

5. THE ABOVE IS PLESSEY'S VERSION WHICH MOD ARE CHECKING URGENTLY. IN ADDITION YOU MAY WISH TO HAVE THE FOLLOWING BACKGROUND WHICH SUPPLEMENTS MY TELNO 598.

Prime Minister

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6. THE SALE OF PLESSEY AR3D AIR TRAFFIC CONTROL AIR DEFENCE RADAR, WAS LICENSED BY THE PREVIOUS ADMINISTRATION BEFORE THE UN MANDATORY ARMS EMBARGO, BUT DURING THE VOLUNTARY ARMS EMBARGO. ON 24 MAY 1976, THE THEN SECRETARY OF STATE FOR TRADE CONFIRMED TO THE EXPORTER THAT HMG HAD NO INTENTION OF PREVENTING THE SUPPLY OF THIS EQUIPMENT AND ON 3 AUGUST 1976 SAID THAT IT WAS HMG'S POLICY TO PERMIT THE EXPORT OF SPARES FOR THIS DUAL-PURPOSE EQUIPMENT. POLICY ON DUAL-PURPOSE EQUIPMENT, IE GOODS FOR CIVIL USE BUT ALSO USED BY THE ARMED FORCES, IS THAT THEY SHOULD RECEIVE LICENCES FOR EXPORT UNLESS THEY ARE OBVIOUSLY INTENDED FOR SOLELY MILITARY PURPOSES. THE PLESSEY EQUIPMENT IN QUESTION WAS LICENSED TO THE EXTENT OF POUNDS STERLING 56 MILLION(ALTHOUGH THE TOTAL CONTRACT IS WORTH CONSIDERABLY MORE) ON THE BASIS THAT IT WAS INTENDED FOR USE IN PEACETIME FOR THE CONTROL OF CIVIL AIR TRAFFICE. ALTHOUGH THE LICENSES HAVE BEEN GRANTED THE BULK OF THE EQUIPMENT HAS NOT YET BEEN EXPORTED.

7. WE UNDERSTAND THAT THE EQUIPMENT IS BEING SUPPLIED FOR USE IN PROJECT MASSAU WHICH IS A GENERAL UP-DATING OF SOUTH AFRICA'S EXISTING FLIGHT CONTROL SYSTEM. THE QUOTE GUARDIAN UNQUOTE ARTICLE REFERS TO A QUOTE COMPUTERISED UNDERGROUND COMPLEX SITUATED AT DEVAN IN EASTERN TRANSVALL UNQUOTE. A COMBINED CIVIL/MILITARY AIR CONTROL CENTRE IS LOCATED AT DEVON WHICH CONTROLS AIRCRAFT BOTH MILITARY AND CIVIL, IN THE AREA. IT WOULD APPEAR THEREFORE, THAT THE PLESSEY EQUIPMENT WAS LICENSED IN ACCORDANCE WITH THE POLICY IN PARAGRAPH 6 ABOVE, AS NOT BEING INTENDED FOR SOLELY, OR EVEN PRIMARILY, MILITARY PURPOSES.

8. ACCORDING TO MOD, IT WOULD BE NORMAL IN SUCH A CONTRACT TO INCLUDE TRAINING IN THE USE OF THE EQUIPMENT. AS FAR AS WE CAN TELL, THE FCO WERE NOT INFORMED THAT SOUTH AFRICAN PERSONNEL, INCLUDING MILITARY PERSONNEL, WOULD COME TO BRITAIN. NOR WERE WE (OR THE MOD SECTION DEALING WITH THE ARMS EMBARGO) CONSULTED ABOUT A RECENT VISIT TO AN MOD ESTABLISHMENT.

9. IT WOULD APPEAR THAT THE AMERICAN COMPUTER WHICH FORMS PART OF THE PLESSEY EQUIPMENT (MY TELNO 600) WOULD NOT (NOT) REQUIRE A UK EXPORT LICENCE FOR EXPORT TO SOUTH AFRICA, HOWEVER THE AMERICANS, UNLIKE US, PROHIBIT THE EXPORT OF ALL EQUIPMENT DESTINED FOR THE SOUTH AFRICAN ARMED FORCES AND THE POLICE.

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