

National Archives

Chile 1971-3

CAB 188/15

Joint Intelligence Committee, "The Chilean economy: Allende takes charge", 10 February 1971

"The government's economic policies are a mix, embracing on the one hand measures to counteract quickly the present crisis of confidence and stimulate less inflationary development in the medium term, and on the other steps to put right what they regard as economic and social injustices (including foreign domination of certain sectors of the economy)... Unfortunately, the government has chosen to put the emphasis on its radical policies, notably the proposed acceleration of copper nationalisation. The terms announced seem harsh in the extreme and appear bound to hold back the development of the copper industry in Chile." *Other predictions are that "agrarian reform will be speeded up; domestic banks will be taken over by the state now and foreign banks probably later; there will probably be other measures to redistribute income". 3 months since Allende's inauguration.*

"Salvador Allende has done little in the 3 months since his inauguration as President of Chile to assuage the widely held fears of many people both within the country and abroad – fears relating to the security and profitability of existing investments, to future trading and investment prospects, to the role of the private sector and to the survival of democracy itself... Washington is clearly very perturbed by developments in Chile. Quite apart from reacting to announced and threatened measures directed against American business interests the United States must view the prospect of a moderately successful extreme left-wing regime in Chile with considerable misgiving if only because of the effect this might have elsewhere in Latin America".

"The course of events in Chile, as Washington is well aware, is also likely to have important repercussions throughout Latin America and perhaps beyond. Allende's victory has been hailed as strengthening the prevailing radical, anti-American trend in Latin America and (though this is less certain) likely to lead to a bloc of like-minded states comprising Chile, Bolivia and Peru whose negative attitude towards foreign investment has already been demonstrated... The mix of economic policies emerging from the planning and discussion now going on in Santiago contains three elements...

[policies designed to get the economy moving, to get faster growth, and] socio-economic measures designed to reduce foreign control of the economy, to provide for a more equitable distribution of wealth and income and to an extension of the role of the state”.

CAB 188/17

Joint Intelligence Committee, “Chile: Economic prospects”, 3 September 1971

“The Allende government has been directing its economic efforts primarily at effecting a redistribution of income. Prices have been held down and wages and salaries have been allowed to increase. Inflationary pressures have built up and business growth and confidence deteriorated”. *Main inflow of private for invest – from US copper companies – must now be at an end. Export earnings will not grow sufficiently, balance of payments appear uncertain and the need to import food has increased. Therefore faces economic difficulty in next 2-3 years.*

“Allende himself is committed to proving that socialism can be brought to Chile in a peaceful and democratic fashion. He and his supporters will doubtless be anxious to prove to Latin America in particular that their chosen method will work... The success or failure in economic terms of the Chilean ‘experiment’ could have considerable significance for developments elsewhere on the continent; and failure, which cannot be ruled out at present, could thoroughly discredit the way of democratic Socialism, following the readily apparent failure of the Cuban revolution in these terms”.

FCO 7/2410

Chancery, Santiago to Latin America Department, Foreign office, 27 July 1973

UP parties reported in last few weeks to have distributed considerable quantities of arms to factory workers and activists in key cities. “This reflected in part their fear of further military intervention and was probably intended as a warning to the Armed Forces that any attempt at a takeover would meet strong resistance”.

Reginald Secondé, Ambassador to Chile to Peter Fullerton, Latin America Department, 26 June 1973

Government is bent on implementing “the most radical structural reforms” which are “pushing Chile towards becoming a controlled Marxist state”.

D.Hildyard, Ambassador to Chile to Alec Douglas-Home, Foreign Secretary, 13 March 1973

Valedictory dispatch after 3 years. “It has now been definitely decided that it is in

Chile's interest that Western European firms should remain... In general we [UK] remain in good standing with all the three main elements in the country, the government, the opposition and the armed forces... I still think that president Allende will complete his term if his health stands up to it, that there will be free elections in 1976 and that Chile will have some form of social democracy in the future with a large public, but also a substantial private, sector rather than a totalitarian regime".

FCO 7/2411

Secondé to FCO, 14 September 1973

"The coup was carried out efficiently and with a cold-blooded, surgical approach untypical of the Chilean character... It is likely that casualties run into the thousands, certainly it has been far from a bloodless coup".

Douglas-Home to various embassies, 13 September 1973

On subject of recognition. "Circumstances of Allende's overthrow and death render this case delicate... Accordingly we consider that it would not be in anyone's interest to identify too closely with those responsible for the coup ... But we still have enough at stake in economic relations with Chile to require good relations with the government in power".

CAB 128/53

Cabinet meeting, 13 September 1973, CM (73)40th

"The Foreign and Commonwealth Secretary said that following a coup in Chile, President Allende was reported to have committed suicide and a Military Junta had taken over. It was not yet clear whether the Junta was in effective control of the country but he proposed that the question of recognising the new regime should be determined in accordance with the usual criteria".

FCO 7/2412

Secondé to FCO, 21 September 1973

On agreeing form of words for forthcoming meeting with Huerta, the new Foreign Minister. "I think I shall put it to him frankly that HMG understands the problems which the Chilean armed forces faced before the coup and are now facing: this is a particular reason why they are anxious to enter early into good relations with the new

government. However, we have our own problems of public opinion at home. It would therefore help us if he could agree that we should be able to say something to reassure public opinion at home.”

Secondé to Hankey, FCO, 19 September 1973

Coup “scarcely complete” and recognition under discussion. “Most British businessmen, whether they have investments here or are interested simply in exporting to Chile, will be overjoyed at the prospect of consolidation which the new military regime offers... Those British subsidiaries and investments which have emerged from the last three years relatively unscathed - [*various including Shell*]...- are all breathing deep sighs of relief... One thing does seem certain to me. Now is the time to get in. If we delay too long, while we may not miss the bus, we are likely to have difficulty in finding a comfortable seat”.

FCO brief to Sec of State for meeting with Mr Callaghan on 19 September, undated

“Our major interest in Chile is copper. Although there was no UK investment in the mining industry we import about one third of our copper from Chile. Largely owing to the disruption to production in Chile this year and fears for the future, the LME price has now risen to over £800 a ton. Each £1 on the price of copper taken over a year costs the UK £1/2 million in foreign exchange. We therefore have a major interest in Chile regaining stability, regardless of politics”.

Secondé to FCO, “Chile: First impressions”, 3 September 1973

One option for Chile future is a coup: “If this were followed by a military-guided regime, or subsequently by elections bringing in a moderate, democratic government, I suppose one could look to an eventual revival with the help of American credits and some kind of Marshall Aid. It is on this that the business community are pinning their hopes”.

“I believe that there are two main problems with which Latin American countries have to grapple: economic development and social development. Ideally these two should go hand in hand, but usually they do not. It is possible that Chile, at a price which I would not recommend any country to pay, has at least caught her social problems by the tail: many people in the poorer and depressed sections of the community have, as a result of President Allende’s administration, attained a new status and at least tasted, during its early days, a better standard of living, though it has been eroded by inflation. This is in itself a major achievement and has set Chile apart from most other Latin American states. ... If I am right in my thesis that that it is largely through an excess of democratic virtue that they have been so early [*sic*] knocked off balance by the gathering forces of social change in Latin America, then this is a weakness which in due time could develop into a source of strength”.

Secondé to FCO, 18 September 1973

“I think I should make clear that, whatever the excesses of the military during the coup, the Allende administration was leading the country into economic ruin, social disorder and political chaos... There is every reason to suppose that they will now...try to impose a period of sensible, orderly government.”

Secondé to FCO, 17 September 1973

Argues for early recognition. “I realise that, in view of the bloody nature of the coup, the Chilean armed forces are likely to have a poor international image and that HMG may not wish to appear to condone the nature of the coup d’etat by over rapid recognition.”

FCO 7/2413

Henry Hankey, FCO to R.Secondé, 28 September 1973

“It is a pity of course from every point of view that the force commanders in Chile have found it necessary to do so much killing. However, in view of the well-stocked arsenals uncovered in factories and elsewhere it may well be that by displaying a ruthless resolution at the outset more lives were saved than lost”. *Two questions of particular importance.* “One is whether the allegedly fascist inclinations of the new leaders... It seems very hard to foresee a return for many years to anything like democratic government of the kind to which Chile has been accustomed for many years to come... Two things do seem certain. One is that we shall be faced with heavy competition in doing business in Chile – and the other, that in spite of the natural optimism which the coup has aroused among those hoping to benefit from improved credit prospects in Chile, it will in fact take a long time before the country can be got back on its legs again”.

Secondé to Hankey, 14 September 1973

On 11 September, “Hawker Hunters swept down with their aerial rockets, directed with remarkable accuracy at the Palace, which was severely damaged and set on fire”, *i.e., presidential palace where Allende was at the time. This was after Mendoz, the self-appointed Director General of Carabineros went to the palace to present an ultimatum to Allende, which Allende refused and after which Allende appealed over radio to workers to resist the actions of a small group of military officers.*

Typed note dated 17 September: “Since this letter was drafted, stories of military excesses and mounting casualties have begun increasingly to circulate. The extent of the bloodshed has shocked people”.

J.Hunter, Latin America Department to Mr Coles, 26 September 1973

Attaches a note for Lord Balniel when he attends Cabinet tomorrow. Total killed is "probably under 300". 22 countries recognised regime. "The campaign by the organised Left to prevent normal relations with Chile is continuing, and will almost certainly be carried on in Parliament. Mrs Judith Hart is campaigning to stop aid to Chile. Mr Amery has told her that this will not happen... Mr Amery explained to Mrs Judith Hart on 24 September our need to resume normal relations, and rejected the demand that aid should be suspended". Aid is mainly technical assistance, £294,000 in 73/4. Ivor Richards MP has also written to Foreign Secretary saying that the two submarines under construction for the Chilean navy should not be delivered.

Record of conversation between Judith Hart and Julian Amery, 24 September 1973

Hart said she hoped that UK diplomatic representation in Chile would be kept at a very low level. "Mr Amery said that the level of our representation would continue as before". Hart said this was not what other countries were doing, eg Belgium which has frozen its aid programme and is keeping the ambassador in Brussels. "She asked whether we could not freeze our relations and restrict our activities to essential consular services. Mr Amery said that there was no question of this. We would continue with our work in Santiago as before".

FCO 7/2414

Secondé to FCO, 22 September 1973

"I handed a note verbale, implying HMG recognition of the new Chilean government, to Admiral Huerta this morning. He expressed deep satisfaction. I went on to say that this was not an easy political decision for HMG to take, because although they understood the motives of the armed forces, intervention and the problems facing the military government, there was a very strong feeling in many quarters in Britain over the death of President Allende and of his followers and over the large number of arrests... We hoped to have firm and friendly relations" *with the new government*. "He reacted well and we parted accordingly".

Secondé says that he "suggested a form of wording which HMG might use in public". Seems like this is wording to be used in public in UK. Says Huerta not able to accept reference to deaths of many Allende followers or large number of people arrested, but "he was happy enough with the rest of the text".

Secondé to FCO, 22 September 1973

"Agreed wording [as above] as follows... HMG accept that the internal situation in

Chile if of course a matter for the Chilean government only and they understand that the rule of law must be re-established. Her Majesty's Ambassador has however explained to the Chilean government the very strong feeling which exists in many quarters in Britain over the deaths of President Allende and others and over the many people arrested. The Chilean government offered assurances that they will deal in a humane manner and in accordance with the due processes of law with all those present in detention and with those in political opposition".

J.Hunter, Latin America Department to Hankey, FCO, 1 October 1973

The representations made by Secondé were particularly delicate and "crucial to our recognition problem". He achieved a "remarkable success in reaching agreement with Admiral Huerta on a statement which HMG could make in London about the representations". Suggests congratulatory telegram from the Foreign Secretary.

Alec Douglas-Home, Foreign Secretary to Secondé, 4 October 1973

"You had a difficult brief and you carried it through with tact and skill... The statement helped us to defend our relatively early recognition of the new government against domestic criticism".

Secondé to Douglas-Home, 1 October 1973

"The overthrow of constitutional government was not what it may seem in Britain...President Allende's tragic end has confused people about his aims and political conduct. Both were dangerous...Though their intentions are still shadowy, the military, who mounted this coup reluctantly, will not restore power to political hands soon...The Chilean experiment has failed; that has advantages for the West, but there are longer term disadvantages too... The military have no political experience and are likely to be heavy handed. Circumstances also will push them into directions which British public opinion will deplore. But this regime suits British interests much better than its predecessor".

Coup carried out with "ruthless precision", resistance by armed civilians "was subdued only after much blood was shed". "On the ground, shooting, particularly in the city centre, became heavier as the morning wore on, while in the air the Chilean Air Force Hawker Hunters were putting on an impressive show of force... the Hawker Hunters dived down at the Moneda Palace and with remarkable accuracy released their aerial rockets. These did much damage and set the Palace on fire. The President's residence on the outskirts of the city, where resistance was encountered, was similarly attacked".

On number of casualties says reports of many thousands dead can be discounted but that a confidential figure given to the embassy by the armed forces saying 500 is "doubtful" and probably higher. "There are lots of stories of deliberate killings and brutalities,

though these are also hard to pin down... There were reports of summary executions of some of those who resisted the Armed Forces, and the large-scale round-up of government supporters and sympathisers, particularly foreigners. Several thousand were held in the football stadium where some received very rough treatment. As a result, there were many frightened people in Santiago and Latin American embassies were soon filled with those seeking asylum”.

“It [*the coup*] raises the important questions of whether the armed forces were justified in rising against the government and whether there is any defence for the methods which they employed. The answers to these questions cannot be tidy or complete. But I must draw attention to certain facts which for the most part the world press have failed to mention, and which are in danger of being forgotten or obliterated by emotional reactions to the violence which occurred... The Armed Forces are widely condemned abroad for having overthrown constitutional government. This must be put into its proper perspective. In Britain, there are cries of ‘resign’ if the government suffers a defeat of a few votes in the Commons, In the Chilean Congress, the government had been regularly defeated by substantial majorities on matters of principle over a period of years; Ministers had been impeached; the Executive had overridden decisions of the Courts; it had radically restructured the whole economic and social life of the country. All this was done against the wishes of the Congressional majority and so far as the Constitution was concerned, on the strength of a 36% vote in the 1970 presidential election... It is inconceivable that any government in Britain would cling to power in such circumstances. Thus the notion of constitutional action has a very different content in the two countries.”

“As to the ruthlessness of the coup, the military would argue that half-measures or a ‘soft’ coup would not only have been ineffective but would have led to prolonged civil war. Many groups of workers in the principal industrial centres had been systematically organised and armed (partly through the good offices of the Cuban embassy). These arms were distributed for a purpose, and it is reasonable to assume that the purpose was partly defensive to discourage or defeat a military coup, and partly offensive to impose on the country in due time a more direct workers’ authority. There are plausible reports of plans by extremists for a period of escalating violence...Admiral Huerta told me that he doubted whether anything like fifty per cent of clandestine weapons have so far been found. To put it another way, there must even now be left in Chile, after all the round-ups and searches, many more trained and armed militants than in Northern Ireland... It was in an attempt to break the back of this growing parallel military power than the Chilean armed forces acted as strongly as they did, with the aim, not only of crushing resistance, but of trying to extirpate all sources from which it could occur. Hence determination behind the coup and the large scale round-up of potential subversives”.

“For three years he [Allende] has dominated the Chilean political scene and, during this time, he succeeded in altering its whole social and economic pattern. His unique experiment in introducing Marxism through democratic processes has alone put him

in the history books... Few people abroad realise that the Chilean Socialist party is somewhat to the left of the Communists. Far from being a sort of Latin American Willy Brandt, Dr Allende was a dedicated Marxist, who, on a minority vote, tried to destroy the economic base of the Opposition parties... This led even moderate men to believe that the outcome would be a totalitarian state. His ignorance of economics drove Chile to the verge of bankruptcy and his democratic road to socialism had...just about petered out”.

The military will not give up power soon. Congress dissolved, political parties outlawed, trades union federation dissolved. Firms brought under state control will remain there but those illegally acquired will return to private ownership. “Air Force General Leigh has announced that the doors will be opened to foreign capital which wishes to establish itself in Chile... While it would clearly be dangerous at this stage to be unduly optimistic, the prospects for British business in Chile are clearly much brighter under the new regime and this is a matter on which I am addressing your department separately”.

“What of the wider repercussions of the overthrowing of the Allende government? When I arrived here five months ago it seemed possible that Chile would in due course follow Cuba and become a totalitarian Marxist state with all the consequences for Latin America that would follow from this. Moreover, there was a danger that a successful outcome to the Chilean experiment would have repercussions beyond Latin America by offering a pattern to be followed in other countries, particularly France and Italy... The final seal of failure has now been put on this experiment by the Chilean Armed Forces. This has some obvious advantages. But I fear that the coup will also have some other effects less advantageous to the West. In the first place, it will be widely concluded that violent revolution is the only effective way to Communism”. Second, sympathy for Allende may extend to terrorists in Chile who could be seen as freedom fighters.... Politically, there is a danger that internal security problems, political factionalism, diplomatic isolation by the Soviet bloc and the effect of critical world opinion will push the Chilean military leaders in directions which British public opinion will deplore. From this point of view the next few years may be grey ones, in which freedom of expression may suffer”. *But democracy will eventually re-emerge.*

“Meanwhile, the current regime has infinitely more to offer British interests than the one which preceded it. The new leaders are unequivocally on our side and want to do business, in its widest sense, with us. I hope that Her Majesty’s Government will respond”.

FCO 7/2415

HMG recognised the new government on 22 September.

P.Fullerton, LAD to Hankey, FCO, 2 November 1973

Attaches supplementaries to oral PQs for 7 November. Aid for 1973/4 will be £369,000 – “this aid programme will continue unchanged”. On commercial credit for Chile, “the position is exactly the same as it was during President Allende’s government. There has been no change in HMG’s attitude to credit for Chile”. On military contracts, “there is no question of the suspension of these contracts having any effect on the government’s policies” therefore should continue. “Six vessels are currently being built or refitted in British shipyards for the Chilean navy”, including two submarines and two destroyers. Contracts worth over £50 million.

On US involvement: “This is not a matter for this House. Perhaps the hon member would be good enough to tell us what evidence he has. HMG accept unreservedly the denial by the American government that they were in any way involved in the violent overthrow of the Chilean government”.

Chile has been armed with Hawker Hunters since 1966. A further order for 8 was placed in January 1972 – two were delivered before coup, remaining six to be delivered later in 1973 and 1974. If pressed - “To suspend the contract now would mean that the government would have to step in and purchase the aircraft. That would be an improper use of public funds”.

On aid and credit, “We shall deal with the new government on exactly the same criteria as we did the last”.

Peter Fullerton, LAD to Secondé, 2 November 1973

“The existing aid programme will continue... Our credit policies will continue to be based on the creditworthiness (or otherwise) of Chile, and not on political factors. No quick change can therefore be expected, but we shall want in due course to make the most of the opportunities which will be presented by the change of government, and the expected improvement in the economy... Existing defence contracts will be met (ships and aircraft). New enquiries will also be expected, but we shall wish to play these as quietly as possible for some time to come... We shall not try to get landed with any large number of refugees from Chile, but we shall support UNHCR efforts to resettle them wherever else they want to go... In discussing the coup with those who are prepared to take a reasoned view, we are taking the line that it was a coup against revolutionary socialism, not against democratic socialism... These are just a few quick points to illustrate our thoughts.. You may be glad to know that the views of the Secretary of State and Mr Amery are extremely robust on Chile, and they fully understand the background to the coup”.

LAD, Brief for Mr Amery's visit to Budapest, November 1973, 22 October 1973

Allende was elected with 36% of the vote in 1970 elections and in congressional elections in 1973 the Popular Unity coalition increased its vote to 44%. "He was the only avowedly Marxist politician to have been democratically elected a President in any country".

J.Hunter, LAD to Hankey, 12 October 1973

Attaches draft note of reply to PQ. "Our priorities in Latin America are determined largely by our trading and investment interests, especially in the long term... On the recent events in Chile, our public policy is to refuse to be drawn into the controversy of the rights or wrongs of President Allende's government or the new military government".

Brief for the Secretary of State's meeting with Sr Don Victor Santa Cruz at 6pm on Wednesday 10 October

"We recognised the Chilean government fairly quickly, according to our usual criteria. We hope the Chileans realise that we and the Germans led the field on this and incurred a lot of domestic criticism for doing so."

P.Grattan, FCO to LAD, 11 October 1973

Write-up of above meeting with Cruz. "The Secretary of State asked about casualties and Mr Santa Cruz through they were well under 10,000... The Secretary of State said that he hoped they would stop executions".

FCO 7/2416

Edward Heath, Prime Minister to Judith Hart, MP, 27 December 1973

*"Our policy in this respect [*credit cover for Chile*] has not changed since the new Chilean government came to power. Our aid programme to Chile... has also remained unchanged. We are being no more and no less generous to the present government in this respect than to President Allende's government".*

Hugh Carless, FCO to Secondé, 28 December 1973

"Your description of the Junta's efforts to rehabilitate Chile's shattered economy is encouraging. This should help us, once the debt rescheduling for 1973 and 1974 has been agreed, to persuade the Treasury and others to reopen the question of export credit for Chile".

“An equally serious matter for Chile must be the systematic campaign now being mounted against the Junta abroad. Chileans must be wondering why on Earth, in these days of shattering international economic events produced by the oil crisis, so much unfair attention is being paid to their change of government”. *Notes that there is developing an international movement among the left that will be there as long as the junta remains in power.* “It looks as though we shall have to live with the Chile Solidarity Movement for as long as the Junta rules Chile. This means we shall, occasionally, have to adopt a lower profile than we would like. We shall have to be wary over any new arms sales; we shall not be able to give a robust lead to help the Chileans in the Paris Club, where the going may be quite sticky for them; and we shall not be able to rescue them from being pilloried in international meetings where the Cubans and Eastern Europeans will do their best to expel them. Above all, there is little we and the Information Departments [sic] can do to correct the wolfish propaganda lurking in the sheepish guise of journalism. Unfortunately, there is (as you have pointed out to us) a good deal of fact behind the atrocity stories and that alone makes it impossible for us to counter the propaganda... We can do little about the press... but you can assure them [*Chileans*] that we and our Ministers do understand the facts... and that HMG has taken a bolder line publicly than any other government in Europe about having normal relations with Chile”.

D.Spedding, Embassy Chile to P.Fullerton, FCO, 4 December 1973

On 3 December Admiral Merino of the Chilean government produced definitive figures for deaths during and after coup – 2,800 civilians and 700 armed forces. “In order to protect our relationship with Admiral Merino, we would not like these figures to be quoted, at least for the time being”.

C.Crabbie, FCO to A.Walter, embassy Chile, 14 December 1973

“I do not think that anyone seriously doubts that torture is going on in Chile”.

Secondé to Hugh Carless, 23 November 1973

The junta is promoting a “‘managed’ free market economy”. “Political life is frankly dead, but there is general acceptance of this...The lack of political activity is, for the time being, no loss”.

Conservative Research Department, Foreign Affairs Background Brief: Chile – A reason why, 19 November 1973

HMG is continuing to honour the contract to supply 8 Hawker Hunter fighters. Quotes from Hansard, 8 Nov 73, Col 227, Julian Amery: “Our policy is to supply arms to the new Chilean government on the same basis as we did to their predecessors”. These arms supplies are worth over £60 million.

Casualties likely to be 3,000-5,000. "Summary executions are still taking place throughout the country". 4,000 prisoners being held, books are being burned, military have been appointed run the universities, Congress has been suspended, all political parties banned, the Trades Union Movement (CUT) banned and the Junta "is hunting down the former leaders of the Left in order to, according to the words of General Leigh, 'extirpate the Marxist cancer from the country'".

"The British government has been criticised by the Opposition for refusing to allow our Embassy in Santiago to give sanctuary to political refugees... from the military junta".

"The government's aim was to create a restructured society based on three different classes of ownership (state, mixed and private) and achieved mainly through the rapid extension of state control over large parts of the economy. This necessarily involved the state takeover of both foreign and domestic private interests either by direct nationalisation or by government investment".

Junta has said that 250 companies illegally taken over will be returned to former owners. Some companies will be sold back to the private sector. In July 1971 the US-owned copper mines, the nationalisation of which was begun under the previous government of President Frei, were completely taken over by the UP government "with the unanimous approval of the Chilean congress". US reacted sharply by cutting off all credit and new aid to Allende and used its influence in the World Bank etc to do the same. The Kennecott mining corporation, one of US mining companies, undertook legal proceedings to block payment to the government for its copper exports and Anaconda, the other main company involved, started legal proceedings since Allende had discontinued payment of compensation agreed by Frei when mines were nationalised in 1969. Copper provides 70% of Chilean export earnings and 27% of state budget. By April 1971, 8 private banks had come under state control. In February 1972, the government announced its intention to take over 91 key firms which accounted for 50% of Chile's output. "British companies did not escape nationalisation or takeovers. However it was generally considered at the time that where nationalisation of British assets had taken place the compensation agreed upon had been fair".

P.Fullerton, FCO to Grattan, 1 November 1973

The first two aircraft – Hawker Hunters – of 8 in the contract signed in January 1972 have now been delivered to Chile, as result of previous agreement.

FCO 7/2427

Secondé, Record of conversation with US ambassador, 30 May 1973

“Mr Davis [*US ambassador*] said that these [US-Chilean relations] were of course bedevilled by the nationalisation of American copper interests in Chile. The United States government were concerned, not only about the loss to the copper companies, but also about the precedent that the Chilean action would set for the nationalisation of other big American interests throughout the developing world”.

FCO 7/2433

Hugh Carless, FCO to P.Petrie, Embassy Bonn

“Our present policy on defence contracts to Chile is that those placed by the Allende government will be fulfilled (8 Hawker Hunter aircraft and 6 naval vessels) but we are inclined to delay approval for new licences, particularly for small arms, in view of the parliamentary concern expressed by the Opposition that we should not support the Junta”.

Hugh Carless to Hankey, 15 November 1973

“The Secretary of State has suggested that we might send for the Chilean ambassador and ask the Chileans not to go ahead with an order for small arms to be placed with the Royal Small Arms Factory until things settle down”. *This was Chilean government request for 2,200 rifles and 200 machine guns.*

Douglas-Home to Embassy Paris, 20 December 1973

Douglas-Home agrees to request by French government for 4 remaining Exocet missiles to be fitted to the destroyer whose refit is now almost complete to be loaded in the UK.