

CHILE SOLIDARITY CAMPAIGN

ACTION CONFERENCE BIRMINGHAM

Background Papers

Attached are :

- (a) a paper on arms sales to Chile
- (b) a provisional list of British companies with subsidiaries in Chile (total book value of investments about £15 million)
- (c) a provisional (and very incomplete) list of British companies trading with Chile, sectioned :

Section A Copper importers (Britain is a major consumer of Chilean copper)

Section B Armaments firms

Section C Exporting firms

Some additional points on arms sales :

- (a) A courtesy visit to Chile by two Royal Navy warships has been held over, pending review by the new Government (the same action has been taken with regard to impending naval visits to Greece).
- (b) In response to a parliamentary question on 18 March as to how many members of the Chilean armed forces and police were being trained in Great Britain, Mr. William Rogers replied that "about 75 members of the Chilean Navy are being trained in connection with naval sales contracts concluded in 1969."
- (c) It is reported in The Guardian for 22 March that "fast footwork... (by) the Pinochet government in Chile has succeeded in (their) gaining possession not only of the frigates but the last batch of re-conditioned Hawker Hunter jet fighters... Once the British election campaign got under way, Chile lost no time in taking delivery of the Hunter fighters and flying them out of the country before polling day... The Chilean air force now has the full quota of 40 which it ordered from Britain. At least one of the last six Hunters was to have been shipped out of Liverpool last year but was stopped on the quayside by dockers who refused to handle it. The last batch of fighters was therefore flown out to Chile in easy stages - not in itself an unusual method of delivery - by Chilean pilots."
- (d) At the time of writing there has been no announcement by the Government of its intentions with regard to the possible cancellation of the arms orders although there has been speculation on the subject, notably by Patrick Keatley, The Guardian's diplomatic correspondent.

A British businessman in Chile (connected with the Pacific Steam Navigation Company and British Leyland) : "Everywhere the atmosphere is one of orderliness and confidence in the future. Even the city streets are noticeably cleaner and the Public Works Office seems to have come to life again.. the Allende regime was...gangsterism with the working class enrolled as hatchet men..."

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22.3.74

## NOTE ON BRITISH SUPPLY OF ARMAMENTS TO CHILE

i) It is thought that the value of current and recently completed orders to British arms suppliers is about £60 million. It is known that Chilean naval and British arms personnel have been trained in Britain, probably in the use of equipment associated with British supplied ships and aircraft. Some of this training may have taken place in defence establishments. As far as is known, the major recent orders have been for:

- Extensive refits for two Chilean Navy destroyers
- Building two Leander class frigates
- Building two Orberon class submarines
- Supplying Hawker Hunter aircraft

The Chilean Army is also interested in buying the modern British battle tank the Chieftain. It is possible that the Chilean Armed Forces may be supplied with other British armaments (small arms).

It seems that the naval orders (and possibly that for the air force) were negotiated between Britain and Chile in late 1969. President Frei's Minister of Foreign Affairs (Gabriel Valdes) announced this arms deal as 'the most important purchase of arms made by our country this century'. A Swedish source SIPRI links this major arms purchase (and a sweeping increase in the pay of Chilean officers) to Brigadier Viaux's army mutiny of earlier that year.

In recent years there has been a sharp increase in British arms deals overseas. There is a separate organisation in the Ministry of Defence which coordinates the activities of service attaches and of British arms firms throughout the world. In just four years, between 1969 and 1973 UK annual military sales went up 400 million to 972 million dollars at which point they corresponded to about  $\frac{1}{3}$  of total UK defence production (apart from its beneficial impact on Britain's foreign exchange earnings and employment in the armaments industry it seems clear that this overseas effort is important in maintaining a high level of research, development, and production in the industry (and in bolstering the profits of the firms concerned). It seems likely that the Defence Sales Organisation (head in May 1973 Lester Suffield) will lobby strenuously within the Ministry against any proposed arms ban.

The naval orders have been financed by the group of merchant bankers, Anthony Gibbs Ltd. (Gibbs for long specialised in financing arms sales to Chile and Peru - coincidentally or not, Chile and Peru tend to compete with each other in arms purchases). The chairman of Anthony Gibbs Ltd is Lord Aldenham (who is also president of the Anglo-Chilean society); for further information see Time Out article 9-15th Nov 1973.

### 2) CHILEAN NAVY

A) Two Chilean navy destroyers of the 'Altamirante' class, Riveros and Williams have been undergoing extensive refits at the Swan-Hunter yard on Tyneside. Riveros and Williams were built by Vickers - Armstrongs Ltd at Barrow, being completed and commissioned in 1960. They are equipped with 4-4 inch guns, anti-submarine weapons, torpedo tubes, SeaCat short-range ship-air weapons (Short Bros and Harland Belfast), Plessey AWSI and Target Indication radar with AIO autonomous displays, Vickers - Armstrongs fire control systems, Babcock and Wilcox boilers, Parsons Pamotrade engines.

There was some attempt locally at building up a movement against the completion of the ships, but it seems there was no blacking action in the yard.

NOTE ON NAVAL SUPPLY OF EQUIPMENT TO CHILE

Williams moved to Rosyth (a naval dockyard) at about the end of January, having presumably completed her refit at Swan Hunters. She was blacked by the local TGWU and was provided with only minimal oil and water. According to a trade union source (about two weeks ago) she did not put into any other British naval dockyard. It is assumed that Riveros is still at Swan Hunters.

B. Two "Leander" class frigates, Condell and Lynch, were ordered from Yarrow and Co. at Scotstoun in January 1970, being laid down in June 1971. They are equipped with two 4.5 inch guns, Exocet launchers, and Seacat missiles.

The ships have been the subject of attempted blacking action.

It is thought that one ship has been completed and commissioned, and that she has probably left with her crew aboard. The other ship is probably still in the yard, but at an advanced stage of fitting-out.

Yarrows have a fairly good order book, with a number of orders from foreign navies.

C. Two "Oberon" class submarines, Hyatt and O'Brien, were ordered from Scott's Shipbuilding and Engineering Co. at Greenock in late 1969 or January 1970 (an order associated with that for the frigates). They are equipped with eight 21 inch torpedo tubes. Hyatt was launched on September 26, 1973 and has almost certainly now left Scotland. The workers in the yard have been unenthusiastic about blacking the two submarines. Liberals in the Glasgow area have exploited the employment issue against Labour politicians in the city. Note that Scotts are thought not to have a full order book.

D. The Daily Telegraph reported the value of the arms contracts for the frigates and submarines as being about £30 million. However it is possible that this figure does not include the value of contracts for associated equipment.

E. A number of Chilean naval personnel (150-200) have been based recently in the Glasgow area. These are probably the crews of the ships (although the total complement for the two frigates and the two submarines would be about 650). The Glasgow-based naval personnel, or some of them, have probably visited the Portsmouth area for training purposes (there is reported to have been blacking action by local trade unionists).

F. The First Sea Lord, Sir Michael Pollock, visited Chile late in 1973.

According to William Hickey in the Daily Express, the Defence Secretary Lord Carrington, thought that the visit was ill-advised, but was over-ruled by Sir Alec Douglas-Home. Apparently the First Sea Lord is well known to and well-liked by Chilean naval officers who have served at their embassy in London.

G. The Chilean ambassador, Rear Admiral (ret'd) Kaare Olsen, arrived in London on 3 November 1973. Olsen "has paid several visits to (Britain) and made many friends here". He was naval attache to the Chilean Embassy in London between 1948 and 1950. He was Minister of Education and Minister of Foreign Affairs in the Ibanez government (1955).

H. There is an important Chilean Naval mission in London, in Picadilly House, 33 Regent Street, W.1. All matters concerning naval contracts are thought to be dealt with through this mission, and by naval personnel (not diplomatic or civil service). The attachments between the Royal Navy and the Chilean navy are known to be close, and are cemented by such events as Chilean Navy day (the last Navy Day reception at the United Service Club in Pall Mall drew 200 guests). It should be recalled that it was the naval attache, Rear Admiral Oscar Buzneta, who took over the London embassy before the British government recognised the Junta.

### 3. CHILEAN AIR FORCE

A. The Chilean Air Force obtained 36 Douglas B-26 Invaders from the UK in 1954 (an American type, presumably had been in service with the RAF). In 1955, 5 DH Vampire T-55 trainers were purchased from the UK. These aircraft were probably in service in 1970 or 1971; whether they are still in service is not known.

B. The main fighter/ground attack strength of the Chilean Air Force consists in the estimated 39 Hawker Hunters. Orders for 18 (FGA9) and 3 (T7) were placed in 1969; value US 9.6 million dollars, with seven years credit. In early May 1970 Chile placed an order for a further nine. An order for either seven or eight aircraft was placed in May 1972. ( $18+3+9+7/8 = 37$  or  $38$ , one or two short of the estimated total of 39). The final order (for the seven or eight) is reported to be worth £2.5 million. Some of these aircraft were being moved through Liverpool docks at the time of the coup. Blacking inhibited the movement of the final few aircraft. In february a Chilean Air Force mission was reported to be in London in connection with delivery of the remaining aircraft. Shortly before the election, the Morning Star reported that the Junta had announced that they had taken delivery of the remaining aircraft. However, a check with Liverpool established that the remaining aircraft had not been moved.

C. Nothing is known at present about the supply of equipment for the aircraft. However, the Times reported on 2 November 1973 that six Chilean air force NCO's were in Britain to train in the use of communication equipment related to the Hunter deal. They were being trained by a private firm in the use and maintenance of the equipment delivered to Chile by the firm (a preliminary library check has failed to establish the name of the firm).

D. As is well known, the Hunters were used in the coup in Chile, in attacks on the presidential palace and on workers defending factories.

E. Some time in 1973 the Chilean Ministry of Defence raised the status of its London representation (air) to that of a separate mission: the Chilean Air Force Mission in London. The mission is acting as buying agent for Europe as a whole. It is located in the embassy.

### 4. CHILEAN ARMY

All that is known under this heading is that there is a reliable report that the Army has been interested in buying the British Chieftain tank.

5. FURTHER INVESTIGATION

The material itemised above represents what is at present known. It needs to be improved upon. There would seem to be two poles to further investigation: 1) political-financial-industrial information which would be useful in pressing for Government action to ban the arms trade with Chile; 2) the sort of detailed information which would be needed for blacking action by trade unionists - e.g. sub-contractors for the main arms orders (there has been blacking already in at least two such cases - pumps for the ships at Weirs of Cathcarts, and of the aero-engines at Rolls Royce, East Kilbride).

- a) Types of major armaments on which the Chilean FF.AA are based.
- b) Major suppliers (actual and potential): state of order books
- c) sub-contractors for components
- d) Associated equipment (e.g. radars, communication systems, missiles)
- e) Contract arrangements
- f) Spares (this item could be very important: even after the completion of a major order, e.g. for aircraft, there will be a continuing need for spares).
- g) Building programmes (especially deliveries)
- h) Associated training programmes (whether organised by firms or by British Defense establishments)
- i) Methods of delivery
- j) Financing arrangements /financial intermediaries / Government finance or guarantees
- k) Likely future orders
- L) Role of British Government, especially FCO and MOD, in the field of defence sales.
- m) Blacking action carried out
- n) Background action on previous arms bans (South Africa)

CI Report 11.3.74

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BRITISH FIRMS WITH SUBSIDIARIES IN CHILE

PROVISIONAL LIST

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ANTOFAGASTA (CHILE) AND BOLIVIA RAILWAY CO. LTD.  
1 Broad Street Place, Finsbury Circus, London EC2

- Andes Trust Ltd.
- Chilean Northern Railway Co. Ltd.
- Cia. Ferro-Cerril de Agues Blancas

BRITISH-AMERICAN TOBACCO CO. LTD.  
7 Millbank, London SW1

- Chilena de Tabacco S.A. Cia.

BABCOCK AND WILCOX LTD.  
Cleveland House, St. James's Square, London, SW1

- S.A. de Construcciones Meticalicas

BRITISH LEYLAND MOTOR CORPORATION LTD.  
Berkeley Square House, Berkeley Square, London, W1

- British Leyland Automotores de Chile S.A.

BRITISH ROPES LTD.  
Warmsworth Hall,  
Doncaster, Yorks.

- Productos de Acero S.A.

CABLE AND WIRELESS LTD.  
Mercury House, Theobald's Road, London, WCI

- Transradio Chilena Cia. de Telecomunicaciones S.A.

COATS PATONS LTD.  
155 St. Vincent Street, Glasgow, C2

- Cia. Industrial Hilos Cadena S.A.

COMMERCIAL UNION ASSURANCE CO. LTD.  
St. Helens, 1 Undershaft, London, EC3

- "La Aconcagua" Cia. Nacional de Seguros

EMI LTD.  
Hayes, Middx.

- Sociedad Chilena de Ediciones Musicales
- Industrias Electricas y Musicales Odeon S.A.

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BRITISH FIRMS WITH SUBSIDIARIES IN CHILE

CHILE SOLIDARITY CAMPAIGN

PROVISIONAL LIST

BRITISH FIRMS WITH SUBSIDIARIES IN CHILE PAGE 2

ANTHONY GIBBS AND SONS LTD.  
22 Bishopsgate, London EC2

ANTHONY GIBBS AND SONS LTD.

- Compania Comercial de Inversiones Anton Ltda.
- Gibbs and Cia. S.A.C.
- Pintura Blundell, Spence y Cia. (Chile) S.A.

GUARDIAN ROYAL EXCHANGE ASSURANCE LTD.  
Royal Exchange, London, EC3

- Compania Nacional de Seguros La Minerva

HEAT, WRIGHTSON AND CO. LTD.  
The Friarage, Yard, Yorkshire

- United Consortium (Chile) Ltd.

IMPERIAL CHEMICAL INDUSTRIES LTD.  
Imperial Chemical House, Millbank, London, SW1

- Cia. Imperial de Industrias Quimicas de Chile, S.A.

LLOYDS AND BOLSA INTERNATIONAL BANK LTD.  
40-66 Queen Victoria Street, London, EC4

- Importadora Industrial "Bulnes" S.A.C.
- Importadora Industrial "Bulnes" Ltda.
- Cia. Inversiones "La - (?) " Ltda.
- Sociedad Comercial Cominsa Ltda.
- Cia. de Seguros "La Republica" Ltda.
- Inmobiliaria San Antonio-Huerfanos Ltda.
- Representaciones y Servicios Londres Ltda.
- Savasta y Cia. Ltda.

NORWICH UNION LIFE INSURANCE SOCIETY  
Surrey Street, Norwich, Norfolk

- Compania de Seguros "La Nacion"
- Compania de Seguros "La Victoria"  
(both subsidiaries of Norwich Union Fire Insurance Society Ltd.)

RANSOMES SIMS AND JEFFERIES LTD.  
Hacton Works, Ipswich, Suffolk

- Implementos Agricolas Ransomes Chilena Ltda.
- Ransomes Chilena S.A.

RECKITT AND COLMAN LTD.  
PO Box 26, Burlington Lane, Chiswick, London

- Industrias Atlantis S.A.

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BRITISH FIRMS WITH SUBSIDIARIES IN CHILE

PROVISIONAL LIST

RENDEL, PALMER AND TRITTON

Southwark Bridge House, 61 Southwark Street, London, SE1

- Rendel, Palmer and Tritton (Chile) Ltda.

THE RIO-TINTO ZINC CORPORATION LTD.

6 St. James's Square, London, SW1

- Ireco Chile Ltda.

(subsidiary/associate of Ireco Chemicals, USA)

ROYAL INSURANCE CO. LTD.

1 North John Street, Liverpool L69

- Cia. Nacional de Seguros "La Britanica"

- Cia. Nacional de Seguros "La Reina"

THE "SHELL" TRANSPORT AND TRADING CO. LTD.

Shell Centre, London SE1

- Shell Chile S.A. Industrial Chimica

- Shell Chile S.A. Distribuidora

RAPID AMERICAN CORP.

New York, 10022/NY (US parent)

(through Schenley Industries Inc.)

? Long John International Ltd.

- Seagers de Chile S.A.I.C. (subsidiary/associate of Long John

International Ltd.)

20.3.74



CHILE SOLIDARITY CAMPAIGN

BRITISH FIRMS TRADING WITH CHILE

PROVISIONAL LIST

(note : this list is of firms that are thought to be trading, or recently to have traded with Chile; the list is incomplete, although it is probable that a high proportion of the more important traders have been included; the list is made up almost entirely of firms that are exporting to Chile - exceptions are the firms that are importing copper)

A. Copper importing firms

BRITISH INSULATED CABLES

21 Bloomsbury Street, London, WC1

- factory using copper probably in Warrington

DUNLOP/PIRELLI

Dunlop House, 25 Ryder Street, St. James's Street, London, SW1

- factory using copper ?Southampton ?Gateshead

THE LONDON ELECTRIC WIRE CO.

Church Road, London E10

- factory using copper probably in Salford

ENFIELD ROLLING MILLS

Millmarsh Lane, Brimsdown, Enfield

JOHNSON AND NEPHEW LTD.

Forge Lane, Manchester

- factory using copper probably in Sheffield

IMPERIAL METAL INDUSTRIES

PO Box 216, Witton, Birmingham

B. Firms involved in armaments trade

(note : almost all sub-contractors will be excluded)

(note : for more information, see the section on British arms sales to Chile)

BABCOCK AND WILCOX

- boilers for two Chilean "Almirante" class destroyers (completed 1960)  
(Williams and Riveros). Also, boilers for two US-built cruisers

ANTHONY GIBBS LTD.

- "Anthony Gibbs Ltd. has made a speciality over the years of financing arms sales to Peru and Chile. At the present time, the house of Gibbs is providing the Chilean navy with the wherewithal to build and refit a number of vessels in British shipyards." (TimeOut article, 9-15 November, 1973)

HAWKERS

- up to 39 Hawker Hunter aircraft, of which the last 7 or 8 have been delivered, or have been planned to be delivered, in the last few months