

COPY OF WASHINGTON TELEGRAM No. 3329 OF 4 NOVEMBER

Your telegram number 1851: American Arms for Argentina

1. I called on Dañ this evening to carry out the instructions in your telegram under reference.

2. I said we had publicly welcomed the restoration of democracy in Argentina. We hoped it would herald a normalisation of our relations with the Argentines. We had shown ourselves ready to take part in operations to rescue Argentina financially, and we were ready to move pari passu with the Argentines in a number of other areas. However it remained of great concern to us that Argentina had not declared an end to hostilities. We hoped this would now happen. Renunciation of force and of any desire to govern the Falkland Islands against the wishes of the Islanders should be a litmus test of Argentine democracy.

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3. I said that against this background the resumption of US arms sales to Argentina would pose us great problems. This was a highly emotive issue in Britain. If the Americans were tending to the conclusion that some sort of security assistance relationship with Argentina was desirable in the light of the elections, we hoped:

a) that we would be consulted on the timing of the announcement of an intention to certify as well as the decision itself. In any case we hoped this would not happen before the Alfonsin Government took over power. Any announcement in the next few weeks would create difficulties for our relations that would be especially serious so soon after our differences over Grenada.

b) That we would also be consulted over the supply of individual items of equipment. I emphasised that strengthening Argentina's military capabilities through the supply of equipment would have implications for the size of our garrison on the Falkland Islands. In turn this would affect our capacity to deploy our forces normally committed to NATO.

4. Dam had no hesitation in assuring me that we would be consulted both over the timing of an announcement to certify and over individual sales. He said the administration did not at present have a time-table on certification, so he could not give me a commitment that this would not take place before the Alfonsin Government assumed power. But he took note of our concern on this point.

5. Dam said that if and when sales were resumed, the Argentines were most unlikely to get more than the minimum necessary to ensure a viable US/Argentine military relationship. US budgetary constraints would militate against a large-scale security assistance programme, and the US would not want to upset the military balance in the region.

6. Dam said he hoped we would not be misled by press reports that a given deal was under consideration. This would not necessarily mean that the administration had decided to supply. I assured him we would know how to make this distinction. I warned him

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that you and the Prime Minister would probably raise this subject at Chequers.

FCO please pass to No.10 Downing Street.

WRIGHT.