



Prime Minister

The Navy-to-Navy
links are primitive.

But news on
Skyhawks much more
worrying. You might
mention it privately
to the President.

Dear Charles,

CDD 15/2.

Foreign and Commonwealth Office

London SW1A 2AH

15 February 1985

Argentina: Naval Cooperation with the US

You suggested in your letter of 6 February that the Prime Minister might be briefed to raise during her visit to the United States the matter of US-Argentine relations, with particular reference to military contacts, on which the JIC has just produced a Note (JIC(85)(N)18).

The recent approaches by the US Navy to the Argentine Navy are apparently part of a wider exercise to encourage South American navies (Colombia and Venezuela are also mentioned) to review their maritime strategy. The approach has been made on a Navy-to-Navy basis rather than through political channels.

The US Navy's aim is to encourage the Argentines to look more to the West, and to consider their strategy in the South Atlantic in the light of a proper appreciation of the dangers of Soviet naval activity. The Americans have argued that it is both in their national interest to repair their formerly close relations with the Argentine and other South American navies, and in the wider Western interest that the Argentines should be steered away from any temptation to try to develop service-to-service relations with less desirable partners. They say that initial dialogue with the Argentine Navy is likely in practice to consist only of proposals for limited personnel exchanged and the offer of some places on staff and command level courses in the US. The Pentagon recognised that this could be a matter of concern to us, and emphasised that they envisaged the development of relations being a very slow process. There had been some talk of a Memorandum of Understanding, which could lead to other areas of cooperation and eventually perhaps to some defence sales. But the Chairman of the US Joint Chiefs of Staff has categorically ruled this out.

These developments are not welcome, particularly when Argentina still refuses to declare a formal cessation of hostilities. We have made this view plain to the Americans

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through both military and political channels. The Chief of Defence Staff sent a message of concern to the Chairman of the US Joint Chiefs of Staff, and we took the opportunity of a visit by a senior FCO official to Washington in January to raise the matter with the State Department. In his reply General Vessey gave an assurance that the US Navy was simply taking tentative first steps to re-open some lines of communication with the Argentine Navy. He added that there were "no plans for anything resembling a Memorandum of Understanding" (para 3 above), nor any plans for sales of major defence equipment; and he expressed confidence that no wrong signals would be given to the Argentine armed forces; and that the United Kingdom interests in the South Atlantic would not be jeopardised. The Director of the Southern Cone in the US State Department subsequently assured us that it was not the US intention that the future US/Argentine military relationship should develop in any way prejudicial to the United Kingdom, and stressed that the commitment the US had made to us for prior consultation on arms sales continued to stand.

These assurances are authoritative and wide-ranging though the JIC Note rightly concludes that they may be tested if the military relationship between the US and Argentina develops. We must clearly continue to keep a close eye on this and be ready to speak again firmly to the Americans if there are any signs of their military contacts with Argentina developing in a way which does not accord with the assurances they have given us. But the Foreign Secretary does not consider that the Prime Minister need raise the matter at this stage.

The Embassy in Washington have, however, reported that the Americans are reviewing their policy of opposing the sale of Israeli Skyhawk aircraft to Argentina. You will remember from my letter of 29 January that the Americans undertook to consult us if any such change were contemplated. The contract with the Israelis would be for 24 Skyhawks and would almost double the Argentines' holding of these aircraft.

Sir Geoffrey Howe intends to leave Mr Shultz in no doubt of our concern at this possibility. Besides drawing attention to the increased threat which the aircraft would pose to our forces, he will emphasise that the Americans would be making a serious political mistake if they were to permit this sale to go ahead. The provision of combat aircraft with the clear offensive capability of the Skyhawk would merely add to the risk of a repetition of the deplorable action of 1982 which caused the damage to US/Argentine relations in the first place. Sir Geoffrey Howe hopes that the Defence Secretary will speak similarly to Mr Weinberger. They would also point out that we have successfully urged several of our European Allies not to

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enter into new arms contracts with Argentina: the supply of Skyhawks by Israel could force these Governments to reconsider their position, whether they liked it or not.

Sir Geoffrey Howe does not, however, consider it necessary for the Prime Minister herself to raise this in Washington.

I am copying this letter to Richard Hatfield (Cabinet Office) and Richard Mottram (MOD)

Yours ever,

Peter Ricketts

(P F Ricketts)
Private Secretary

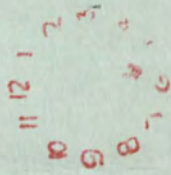
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USA : Pm's Visit : P. 4.



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Foreign and Commonwealth Office

London SW1A 2AH

15 February, 1985

*Prime Minister
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Dear Charles,

Argentina: Possible Arms Supplies

I wrote to you earlier today about US military cooperation with Argentina, including the possibility that the Americans might be reviewing their policy of opposing the sale of Israeli Skyhawk aircraft to the Argentines. I recorded the Foreign Secretary's view that he and the Defence Secretary should urge Mr Shultz and Mr Weinberger respectively to maintain the American ban on the Skyhawk contract.

We have since seen your letter of 15 February recording the Prime Minister's conversation with the Italian Prime Minister on 14 February. We have no independent evidence for the Italians' claim that the Argentines are trying to procure modern torpedoes from the USA. The standing arrangements for the Americans, whereby they consult us about the possible supply of weaponry to Argentina that could cause us difficulty, would certainly cover torpedoes. If the Italian claim is true, we should therefore have heard from the Americans about it. We have not had any indication from them that this is being discussed.

Since Sir Geoffrey, and we understand Mr Heseltine, propose to raise other potential US arms sales to Argentina with their interlocutors in Washington, we recommend that they should also raise the question of torpedo sales. In that case it would not be necessary for the Prime Minister to raise the subject specifically, unless she particularly wished to do so.

I am copying this letter to Richard Mottram (MOD).

Yours ever,

Peter Ricketts

(P F Ricketts)
Private Secretary

C D Powell Esq
10 Downing Street

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UNITED STATES DEPARTMENT OF JUSTICE

FEDERAL BUREAU OF INVESTIGATION

15 FEB 1985

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