CONFIDENTIAL

MO 6/17/15/1D

FOREIGN SECRETARY

ROLLS ROYCE: ENGINES FOR AN ARGENTINE DESTROYER

Thank you for your letter of 24th October about the supply of
Rolls Royce marine gas turbine engine spares for the Meko 360 Class
destroyer, the Amirante Brown (which Rolls Royce referred to as a
frigate), that Argentina has committed to the multinational force in
the Gulf.

2.   Despite the welcome progress made in the last year or so in
normalising our relations with Argentina, there is a continuing
military threat to the Falkland Islands. We have, therefore, as you
point out, taken great care to ensure that the embargo is not
breached and made considerable efforts to dissuade friendly
countries from supplying military equipment to Argentina.
Nevertheless, on balance, I believe that the potential embarrassment
of refusing these spares and perhaps thereby limiting the
Argentine's ability to participate to the full in the multinational
force in the Gulf, outweighs any possible military penalties in
agreeing their supply. I therefore agree that an export licence for
the Rolls Royce spares should be granted.

3.   The Amirante Brown also contains several other items of British
origin, as does the Meko 140 frigate, Spiro, (no R.R. engines) which
the Argentine is also deploying to the Gulf. Other essential spares
may therefore be required. In the circumstances, and strictly
limited to these ships' commitment to the multinational force in the
Gulf, I believe we can accept the supply of any other essential

spares for this specific deployment to maintain rather than enhance their capability. We can rely on our officials to draw to our attention any items which they feel go beyond this narrow dispensation.

4.   It will also be important I think for you to ensure that the US and Germans (who built the vessels) understand the basis of our approach. Presumably this can be done at official level through our Embassies.

5.   I am copying this minute to the Prime Minister, other OD colleagues and Sir Robin Butler.

S+4 November 1990   (T K)