

ADVANCE COPIES: FALKLAND ISLANDS

(30) + 7 CAB

PS + 6  
PS/MR HURD  
PS/MR ONSLOW  
PS/PUS  
MR GIFFARD  
MR WRIGHT  
MR ADAMS  
MR URE  
MR GILLMORE

IMMEDIATE

ED/S AM D (FCO DIST + A/D F/I)  
ED/DEF D  
ED/NEWS D  
ED/UND  
ED/PLANNING STAFF  
MR ANTHONY WILLIAMS W60  
RESIDENT CLERK

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PS/CHANCELLOR )  
SIR K COUZENS )  
MR LITTLER )  
MR HAWTIN )  
MR PERETZ ) TREASURY  
MR ILETT )  
MR McINTYRE )

MISS DICKSON (EIP DIV) D/EN  
DIO CABINET OFFICE  
MR WADE-GERY CABINET OFFICE  
MR FULLER SAPU/DIO " "

SIR M PALLISER CABINET OFFICE  
SIR R ARMSTRONG " "

(Copy passed to Emergency Staff)

GR 370

CONFIDENTIAL

DESKBY 010900Z

FM WASHINGTON 302352Z APR 82

TO IMMEDIATE FCO

TELEGRAM NUMBER 1553 OF 30 APRIL 1982

INFO PRIORITY MODUK

YOUR TELEGRAM NO 876: US MILITARY EXPORTS TO ARGENTINA

1. THE POSITION IS THAT THE SUSPENSION OF ALL MILITARY EXPORTS AND THE WITHHOLDING OF CERTIFICATION OF ARGENTINE ELIGIBILITY FOR MILITARY SALES ANNOUNCED TODAY BY HAIG APPLIES STRICTLY ONLY TO ITEMS ON THE MUNITIONS LIST. IT DOES NOT, REPEAT NOT, APPLY TO ITEMS UNDER THE CONTROL OF THE DEPARTMENT OF COMMERCE, TO WHICH ORDINARY EXPORT LICENCING ARRANGEMENTS STILL APPLY.

2. NEITHER THE J65 ENGINES FOR SKYHAWKS AND CANBERRAS, NOR THE ENGINES FOR THE PUCARA ARE ANY LONGER ON THE MUNITIONS LIST. WE HAVE URGED STATE DEPARTMENT IN THE LIGHT OF HAIG'S STATEMENT THIS MORNING, TO PUT THEM BACK ON. BUT FOR REASONS THAT ARE NOT ALTOGETHER CLEAR, THEY SEE GREAT DIFFICULTY IN THIS. IT IS A MATTER FOR EXECUTIVE DISCRETION (IE DOES NOT HAVE TO GO THROUGH CONGRESS) BUT THERE IS LEGISLATION IN EXISTENCE WHICH REQUIRES THE EXECUTIVE

EXECUTIVE DISCRETION (IE DOES NOT HAVE TO GO THROUGH CONGRESS) BUT THERE IS LEGISLATION IN EXISTENCE WHICH REQUIRES THE EXECUTIVE BRANCH TO TRY TO REDUCE THE NUMBER OF ITEMS ON THE MUNITIONS LIST (CLASSIFIED AS PREDOMINANTLY OR EXCLUSIVELY FOR MILITARY USE) RATHER THAN TO INCREASE THEM. THE UNDERLYING REASON HOWEVER IS THE SAME AS THE CASE OF THE IMPORT BAN (MY TELEGRAM NO 1537): THEY DO NOT SEE THAT THE POLITICAL OR SECURITY SITUATION YET JUSTIFIES DEPARTURE FROM NORMAL PRACTICE.

3. NEVERTHELESS, THEY FULLY RECOGNISE THE NEED NOT TO LET SUCH ITEMS AS THE J65 ENGINES GO AND ARE PREPARED TO USE THEIR POWERS UNDER THE EXPORT ADMINISTRATION ACT TO DELAY ANY APPLICATION FOR A LICENCE FOR EXPORT TO A MILITARY END USER. ~~THEY DO NOT INTEND~~ TO ANNOUNCE THIS, SINCE THE ITEMS CONCERNED ARE NOT UNDER FORMAL CONTROL. BUT IT MEANS IN PRACTICE THAT THEY CAN DELAY ANY APPLICATION FOR A PERIOD OF UP TO SIX MONTHS, AND COULD IF NECESSARY, FIND WAYS OF DELAYING BEYOND THAT.

4. THIS IS FAR FROM SATISFACTORY AND WE HAVE MADE OUR VIEWS ABOUT IT KNOWN AT VARIOUS LEVELS IN THE STATE DEPARTMENT. MIFT CONTAINS A LIST OF ALL THE PRESENT APPLICATIONS FOR LICENCES FOR EXPORT TO MILITARY END-USERS IN ARGENTINA OF WHICH THEY ARE AWARE. AS WE KNOW (MY TELNO 1514) THEY HAVE STOPPED THE EXPORT OF THE J65 ENGINES AND ARE NOT PLANNING TO ISSUE LICENCES FOR EITHER THE TUBES FOR THE MISSILE CONTROL SYSTEM OR THE PUCARA ENGINES. THERE SEEMED SOME DOUBT IN THEIR MINDS ABOUT THE MISCELLANEOUS ELECTRONIC EQUIPMENT BUT WE HAVE UNDERLINED VERY STRONGLY TO THEM THAT THIS SHOULD NOT BE ALLOWED TO GO.  
PLEASE SEE MIFT.

HENDERSON

NNNN

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TO IMMEDIATE FCO

TELEGRAM NO 1554 OF 30 APRIL

INFO PRIORITY MODUK

MY IMMEDIATELY PRECEDING TELEGRAM : U.S. MILITARY EXPORTS TO ARGENTINA.

1. FOLLOWING ARE KNOWN LICENCE APPLICATIONS FOR MILITARY END-USERS IN ARGENTINA.

(I) 2 APPLICATIONS FOR EXPORT OF J65 ENGINES

20 J-65 - 16

12 J-65 - 5

(II) 1 APPLICATION FOR EXPORT OF 20 ENGINE NACELLES AND ACCESSORIES FOR TURBO-PROP ENGINES FOR 1A 66 PUCARA.

(III) ONE APPLICATION FOR EXPORT OF 53 ELECTRON TUBES FOR NAVAL MISSILE FIRE CONTROL SYSTEMS

(IV) 9 APPLICATIONS FOR EXPORT OF MISCELLEANEOUS GENERAL PURPOSE ELECTRONIC EQUIPMENT (EG AIRCRAFT NAVIGATIONAL EQUIPMENT, SPECTRON ANALYSER ETC).

HENDERSON