390. Note From Roger W. Fontaine of the National Security Council Staff to the President's Deputy Assistant for National Security Affairs (McFarlane)¹

Washington, September 7, 1982

Embassy Buenos Aires strongly urges (see attached)² we lift the hold on pipeline military items to Argentina imposed on April 30 after notifying the British and Argentine governments.

Embassy Buenos Aires persuasively argues to do this quickly, i.e., by September 8, before the E.C. lifts sanctions on September 9.

ARA strongly supports this move now, and the European Bureau seems to be softening its negative position on this matter.

My reading of Argentina's political mood is such an action will improve relations and strengthen the hand of moderate officers. Many Argentines seem prepared to forget their anti-U.S. resentment and, in fact, are looking for reasons to move closer to us (Foreign Ministry excepted). But moving after E.C. acts (their sanctions are far more significant militarily) will gain us little—an opportunity wasted.

A final decision will be made probably today. ARA suggested (and I agree) that a call from you to Larry Eagleburger voicing White House concern on this would be most helpful.

Recommendation: A call to Larry expressing our interest in this decision.³

 $^{^{1}}$ Source: Reagan Library, Roger W. Fontaine Files, Argentina (September 1982). Secret.

² Not found attached. Reference is to Document 388.

 $^{^3}$ Below this sentence, McFarlane wrote: "Done 9/7. They waited til the last minute to consult. We will move 9/9."