

444. Action Memorandum From the Assistant Secretary of State for Inter-American Affairs (Motley), the Assistant Secretary of State for European Affairs (Burt), and the Director of the Bureau of Politico-Military Affairs (Howe) to the Under Secretary of State for Political Affairs (Eagleburger)¹

Washington, December 15, 1983

SUBJECT

Review of Argentine Arms Transfers and Consultations with the U.K.

Issue for Decision

Whether to approve a plan for Department review of arms transfers to Argentina and consultations with the U.K.

Background

You have undertaken to review major arms transfers to Argentina, and we are committed to consultation with the U.K. prior to approving them.

The Alfonsin Government is committed to cutting military spending, and we do not expect many requests from the Argentines for major new weapons systems. Given the fact that certification ends a five-year legal prohibition against arms transfers, however, we do expect a number of requests for smaller items—especially replacement parts for U.S.-origin equipment. The British have already identified some such items as being of great concern to them. Other items may be clearly non-sensitive.

We can also expect to receive a large number of Munitions Control Export License requests from U.S. companies to market new items or transfer them to the GOA. Some of the marketing requests may involve items that are major by any definition. Under normal circumstances, the Department review of such requests would be handled by PM and the regional bureaus. Controversial items, and those on which bureaus cannot agree, would be sent to the seventh floor for decision.

¹ Source: Department of State, Bureau of European Affairs, United Kingdom Political Files, Lot 89D489, Falklands—Memos/Letters/Press 1982. Confidential. Drafted by F.G. Lee (ARA/RPP) on December 13; cleared by Kilday, Perry, Sienkiewicz, Blakemore, Haass, Wenick, Proper, Finegold, and Morley. Lee initialed for all clearing officials with the exception of Kilday, who initialed the memorandum. A stamped notation at the top of the memorandum indicates that Eagleburger saw it on December 22. Below this, Howe wrote: "This is height of inefficient operations. I oppose creating such a mechanism even for cosmetic purposes. JH."

Given the sensitivity of arms transfers to Argentina, ARA and EUR propose that a special procedure be set up to consider *all* requests involving the GOA. This system would allow us to give prompt, close attention even to small items that may turn out to be relevant from the point of view of regional stability.

The proposal is that a special review committee would meet as often as necessary to review all Argentine arms transfer requests (both direct sales from the U.S. and third-party transfer requests). The Committee would be chaired by PM, with representatives from T, P, PM, ARA, EUR, ACDA, and DOD. PM, ARA, and EUR representation on the Committee would be at the Office Director level, given the intent that the Committee would formulate recommendations to P. The Committee would examine each request case-by-case rather than attempting to define general principle in the abstract. With respect to each request, the Committee would either:

- Approve (no major items or items considered sensitive from the point of view of regional stability), or

- Deny (items on which Working Group agrees should be denied and which would not normally be referred to the 7th floor), or

- Refer through P to T for determination (major and sensitive items recommended for approval, and items on which the Working Group cannot unanimously agree).

Those items that are considered neither controversial nor major might be approved by the Committee without referral to P or consultations with the British. At the beginning of this process, the Committee would confirm its decision at the DAS level in PM.

Approvals/denials resulting from the committee meetings, or from your decisions, would be communicated by PM to the Munitions Control Office (PM/MC) for issuance/denial of licenses and to DOD/DSAA for final disposition of FMS requests.

PM believes that the existing munitions control license application procedure is adequate to screen Argentine cases effectively and efficiently; difficult cases on which positive action was indicated could then be referred to P and T for final decision. If, however, the EUR/ARA recommendations for a special committee to handle all such cases (denials as well as approvals) are accepted, we should, after two months of experience with this approach, review with P and T the necessity of the continuing requirement for reviewing *every* case.

Consultations with the British would normally take place when we have reached a preliminary decision to approve a major sale. There may be situations, however, when publicity surrounding a proposed sale—or potential therefor—will cause the British to raise the issue with us before we have reached even a preliminary decision. In either

situation, where consultations are considered appropriate, they will be undertaken by PM and EUR with the British Embassy in Washington. The process would involve calling in a representative of the British Embassy (Counselor level), giving him a cleared non-paper, and requesting comments from HMG within a specified period of time (normally five days).

Recommendation

That you approve the formation of a committee composed of T, P, PM (chair), ARA, EUR, ACDA and DOD to review all Argentine arms transfer requests along lines proposed above.²

² Eagleburger approved the recommendation on December 22. At the bottom of the page, he wrote: "But, JH's [Jonathan Howe's] concerns are legitimate. Let's review the need for this after 2 months. What I am concerned about is assurances of great care in the review process *and* adequate consultations with the UK. If these can be managed through normal procedures, I'll probably agree to a less bureaucratic system. LSE."