



Foreign and Commonwealth Office

London SW1A 2AH

12 November 1985

Yes
Dear Charles,

Arms Sales to Argentina

In his letter of 26 September, Colin Budd reported an American proposal for technical talks between British and US officials on security relations with Argentina, to cover, inter alia, arms sales.

These talks took place on 24 October in London. The main American point was their desire to improve security relations with Argentina. They told us that their objective was to strengthen Argentine democracy and, to this end, to collaborate with the Argentine Government in a programme designed to restructure and depoliticise the armed forces. They are thinking of a programme that would include training (including a high "civic awareness" content), exchanges of personnel, discussions on regional and security issues, possibly co-production of equipment and, of course, arms sales. Like Alfonsin, they envisaged a reduction in the size of the Argentine Armed Forces. They did not have a crash programme in mind, rather a gradualist approach.

In response we made it clear that we emphatically did not consider that the supply of arms was the best way to achieve US objectives. We left the American team in no doubt that any action which appeared significantly to enhance Argentine military capability in such a way as to increase the threat to the Falklands would be viewed with dismay in London, and seen as an unfriendly act on the part of the United States. For their part, the Americans replied that their commitment to consulting us about any major arms sales was as firm as ever, but they hoped that we would consider their approach carefully and give them our views. Our team, while expressing confidence in the value of a UK/US dialogue, made no commitment to reply to the American approach.

Pressure in Washington to make some positive gesture towards Argentina is strong and growing. Last weekend's election result, together with the Argentine Government's determined action on the economic front, will have further enhanced the United States' perception of Alfonsin as a well-entrenched democratic leader worth backing.

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Some of the US proposals for arms sales are unexceptionable. But their list includes A4 Skyhawk fighter aircraft at present in Israel, but which have been paid for by Argentina. Our firm warning at this latest round of talks will have staved off American agreement to the transfer of these aircraft to Argentina for a further period. But we must expect that they will return to the charge with us before much longer.

The question therefore arises whether we should take pre-emptive action at Ministerial level. If we wait for a further approach we shall be once more on the defensive, and as Alfonsin continues to cut his military establishment down to size, the American case, both technically and politically, will appear stronger. In the light of this, Sir Geoffrey Howe thinks that there is advantage in writing to Mr Shultz in the terms of the attached draft so as to remind him of our firm view that the supply of American arms to Argentina would be against our interests.

I am sending a copy of this letter to Richard Mottram at the MOD.

Your ever,

Len Appleyard

(L V Appleyard)
Private Secretary

C D Powell Esq
10 Downing Street

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DRAFT: minute/letter/teleletter/despatch/note

TYPE: Draft/Final 1+

FROM:

Reference

Secretary of State

DEPARTMENT:

TEL. NO:

SECURITY CLASSIFICATION

TO:

Your Reference

Top Secret

Mr Shultz

Secret

Copies to:

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SUBJECT: SECURITY RELATIONSHIP WITH ARGENTINA

.....In Confidence

CAVEAT.....

I understand that there were useful discussions on US policy in the security field towards Argentina in the course of the recent Pol/Mil talks in London. We appreciate the thorough way in which you have carried through your commitment to consult us on this issue. It is a commitment we value very highly.

On developments in Argentina, we understand your satisfaction at the way Alfonsin appears to be developing, not least on the economic front. His determination gives some hope that democracy there may at last take root, although it will clearly be a very tender plant for a long time.

From the start, the Prime Minister and I and other Ministerial colleagues have publicly supported the efforts of Alfonsin and his Government to consolidate democracy in Argentina. We shall continue to do so. We have as you know been working to achieve more normal relations between Britain and Argentina by making numerous practical proposals in particular in the economic and commercial field. But the response from the Argentine Government has so far been very disappointing.

Enclosures—flag(s).....

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We understand how sensitive an issue the Falklands is in Argentina, and that President Alfonsin has to proceed with caution. But President Alfonsin's policy towards us has so far been uncooperative. We therefore remain very cautious in our assessment of Argentine intentions towards the Falklands in anything other than the short term. Alfonsin told the German press in September that the British "must vacate the Islands". Until Alfonsin and his successors have come to terms with the reality of the situation created in the Islands, no less than in Britain, by the conflict in 1982, we must remain wary.

That is the background against which we have to assess the supply by the US Government of military equipment that could enhance the capability of the Argentine armed forces to strike again at the Islands if and when they are so minded. The Prime Minister has raised this on several occasions with the President, and you and I have discussed this as well. So I know you have our concerns very much in mind. But I thought it worth emphasising again that a decision to release such equipment to Argentina would be received here with the utmost dismay. I have in mind in particular Skyhawk aircraft, although there may be other equipment that would give rise to equal concern.

The Prime Minister and I therefore very much hope that in developing a closer security relationship with Argentina you will keep our own security requirements at the top of your minds.

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