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Dan Peter,

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## ARMS SALES TO ARGENTINA

The Defence Secretary has seen your letter of 12th November to Charles Powell and his reply of 13th November. Mr Heseltine agrees that it would be helpful for Sir Geoffrey Howe to write to Mr Shultz to remind him of our firm view that the supply of American arms to Argentina would be against our interests. He would, however, like to include at the end of the penultimate paragraph a reminder that we are also concerned about the knock-on effects which any sale, such as that of Skyhawk aircraft, would have on the willingness of our other Allies to refrain from major arms sales.

I understand that consideration is still being given to the question of a considered reply to the United States proposals at official level. Mr Heseltine has expressed interest in this and would like to be consulted on the terms of any official reply, as no doubt would the Foreign and Commonwealth Secretary.

I am sending a copy of this letter to Charles Powell (No 10).

Your ever Deri

(D BRENNAN)

P Ricketts Esq Foreign and Commonwealth Office