



Foreign and Commonwealth Office

London SW1A 2AH

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Dear Charles

US Arms Sales to Argentina

We have included a sentence in the briefing for the Prime Minister's bilateral with President Reagan, suggesting that she raise the subject of US Arms Sales to Argentina. The background to this recommendation is that the Embassy in Washington have heard from a number of sources that Shultz, Carlucci and General Powell are now united in their determination to ease the restrictions on US Arms Sales to Argentina and have recommended to President Reagan that he should be as robust as possible in pointing out to the Prime Minister the need for a less restrictive policy.

At the Embassy's suggestion, Mr Eggar called in the US Ambassador on 25 February to express HMG's concern about Argentine press reports that US arms policy towards Argentina was changing. The Embassy followed this up on 26 February with Gelbard (Under Secretary in State Department) who gave a welcome confirmation that the Administration's view had not changed regarding the consultation process over prospective arms deals. But Gelbard also left the Embassy in little doubt that the pressures were building up to allow some further arms sales to Argentina. We know that some elements in the US Administration believe resumption of sales (eg of A4 Skyhawks) would further US strategic interests in the region and bolster Argentine democracy by helping to bring the military under civil control.

Against this background it is important that the Prime Minister leaves President Reagan in no doubt about the strength of her own view, and the importance she attaches to the existing agreed consultation process prior to major arms deals. There is no inconsistency between this and the recent announcement about an exercise to test out ability to reinforce the Islands. Rapid reinforcement (which needs to be tested) allows us to reduce tension in the area by reducing the garrison in the Islands.

The Foreign Secretary raised this subject with the US Ambassador when they met at Chevening yesterday.

PS I am copying this letter to
David Ball

Yours ever
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