PS PS/MR HURD PS/MR ONSLOW PS/MR RIFKIND PS/PUS SIR J BULLARD SIR I SINCLAIR MR GIFFARD MR WRIGHT MR ADAMS LORD N G LENNOX MR EVANS MR URE MR GILLMORE (July Ot) HD/PUSD (2) HD/S AM D HD/FID (2) HD/DEFENCE DEPT HD/NEWS DEPT HD/ERD HD/ECD(E) HD/UND HD/PLANNING STAFF RESIDENT CLERK

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PS/CHANCELLOR )
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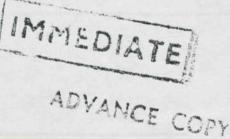
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MY TELNO 1166: FRENCH ARMS DELIVERIES TO ARGENTINA

1. HEAD OF CHANCERY CALLED ON FOUQUET (HEAD OF SOUTH AMERICAN DEPARTMENT) AT THE QUAI ON 6 DECEMBER TO ASK FOR CLARIFICATION OF THE REPORTS IN LE MONDE AND LE MATIN.

2. FOUQUET SAID THAT AT THE TIME THE FRENCH ARMS EMBARGO WAS IMPOSED ON ARGENTINA, 9 SUPER ETENDARDS PREVIOUSLY ORDERED HAD NOT YET BEEN DELIVERED. SINCE FRANCE HAD LIFTED THE EMBARGO, ALL NINE HAD BEEN DELIVERED, 5 ON 18 NOVEMBER, AND 4 LAST WEEK(HE HAD TO CHECK WITH THE MINISTRY OF DEFENCE BEFORE HE COULD CONFIRM LAST WEEK'S DELIVERY).

3. FOUQUET SAID THAT 5 EXOCET AM39S HAD BEEN SENT BEFORE THE CONFLICT AND A FURTHER 5 HAD BEEN SENT BY AREOPLANE ON THE NIGHT OF 20/21 NOVEMBER.

4. FOUQUET ADMITTED THAT THE MINISTRY OF DEFENCE DID NOT KEEP THE QUAL COMPLETELY IN THE PICTURE. HE WAS QUITE CERTAIN, HOWEVER, THAT NEWSPAPER REPORTS ABOUT DELIVERIES OF SUPER

ETENDARDS OR EXOCETS ADDITIONAL TO THOSE HE HAD MENTIONED WERE FALSE. HE WAS ALSO QUITE CERTAIN THAT NO OTHER TYPES OF EXOCETS HAD BEEN DELIVERED WHICH MIGHT ACCOUNT FOR THE LE MONDE CLAIM (PARA 1 OF TUR) THAT 10 EXOCETS HAD BEE LOADED ON 1 DECEMBER. ALL THAT HAD BEEN DELIVERED WAS WHAT HAD BEEN IN THE ORIGINAL CONTRACT I.E. A GRAND TOTAL OF 14 SUPER ETENDARDS AND 10 EXOCET AM39S.

- 5. FOUQUET WENT ON TO SAY THAT THE ARGENTINES WERE ASKING FOR A CONSIDERABLE NUMBER OF NEW WEAPONS, INCLUDING 10 MORE SUPER ETENDARDS: EXOCET AM39S, MM38S AND MM40S: ROLAND SURFACE TO AIR MISSILES: AND SUPER PUMA AND GAZELLE HELICOPTERS, THE LATTER EQUIPPED WITH HOT.
- 6. ARBUTHNOTT REMINDED FOUQUET OF THE SENSITIVITY OF THE ISSUE FOR HMG AND THAT WE HOPED THAT THE FRENCH WOULD NOT DECIDE TO SUPPLY ANY NEW ARMS. FOUQUET SAID THAT THE FRENCH HAD NEVER UNDERTAKEN TO ACCEPT A BRITISH VETO OVER THEIR SALES.

  NEVERTHELESS HE COULD SAY, SPEAKING PERSONALLY, THAT CHEYSSON HAD PROPOSED TO THE INTER-MINISTERIAL COMMITTEE CONSIDERING ARMS SUPPLIES THAT THE FRENCH SHOULD NOT ALLOW THE MOST SOPHISTICATED WEAPONS TOGO TO ARGENTINA. HERNU WAS, HOWEVER, UNDER CONSIDERABLE PRESSURE FROM DASSAULT AND SNIAS AND STRONGLY OPPOSED ANY LIMITATION ON SALES. THE GOVERNMENT AS A WHOLE WAS UNDER PRESSURE FROM THE TRADES UNIONS TO MAXIMISE SALES BECAUSE OF THE UNEMPLOYMENT SITUATION. FOUQUET SAID THAT NO DECISION HAD YET BEEN TAKEN ON THE ARGENTINE REQUEST MOR COULD HE SAY WHEN IT WOULD BE. IT WOULD DEPEND IN PART ON THE EVOLUTION OF THE SITUATION IN ARGENTINAY ITSELF.
- 7. CONTINUING TO SPEAK PERSONALLY, FOUQUET SAID THAT IF THE UK WISHED TO HAVE THE BEST CHANCE OF PREVENTING THE SALE OF ARMS. IT SHOULD CONCENTRATE ON TRYING TO PREVENT THE SALE OF THE MOST SOPHISTICATED EQUIPMENT, E.G. THE AM39S. BUT EVEN HERE, TO MAXIMISE THE CHANCES OF SUCCESS, IT MIGHT BE NECESSARY FOR MRS THATCHER TO SPEAK TO PRESIDENT MITTERRAND AT SOME STAGE. ARBUTHNOTT REMINDED FOUQUET THAT I HAD ALREADY GIVEN MARTIN IN THE QUAL A LIST OF THE WEAPONS WE BELIEVED TO BE THE MOST SENSITIVE (MY TELNO 806 OF 11 AUGUST). FOUQUET SAID THAT HE WOULD LOOK IT OUT.

## COMMENT

8. IF YOU WISH TO PURSUE THE IDEA OF TRYING TO PREVENT THE SALE OF THE MOST SOPHISTICATED WEAPONS, I SUGGEST THAT WE RE-EXAMINE THE LIST IN YOUR TELNO 205 TO ATHENS. THERE IS NO CHANCE OF STOPPING THE FRENCH DELIVERING ALL THE ITEMS LISTED. ON THE OTHER HAND, IF WE WERE TO CONCENTRATE OUR EFFORTS ON ONE OR TWO WEAPONS ONLY E.G. IN PARTICULAR THE AM39S WE WOULD HAVE A BETTER CHANCE.