

CONFIDENTIAL



Foreign and Commonwealth Office

London SW1A 2AH

22 February 1983

Argentine

Dear John,

Arms Sales to Argentina

In the light of the continuing criticism of the Government's decision to allow Rolls Royce engines to be released for incorporation in the frigates which the FRG is building for Argentina, you will wish to know of a parallel case involving radar equipment. MEL of Crawley, a division of Phillips, have a contract dating from 1980 for the export of radar equipment to the Netherlands (to another member of the Phillips group) for incorporation there into radar systems for the frigates. In the light of the line taken by OD on the frigates, an export licence was granted last October for the remaining part of this order. A further licence application has now been received from MEL, covering items which, according to MEL, were omitted in error from the earlier application. We propose to grant this licence too.

As far as we know, this radar deal has not yet attracted publicity. However Mr Stan Newens MP has written to Mr Pym about it and it is likely to become public soon. I enclose a copy of the reply which Mr Pym proposes to send. It would be helpful to know whether the Prime Minister is content with this line, since she may well face further questions in the Commons on this difficult subject.

Yours ever
John Holmes

(J E Holmes)
Private Secretary

A J Coles Esq
10 Downing Street

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file Argentina Bre
cc MOD,

10 DOWNING STREET

From the Private Secretary

22 February 1983

ARMS SALES TO ARGENTINA

Thank you for your letter of 22 February enclosing a copy of a letter to the Foreign and Commonwealth Secretary from Mr. Stan Newens MP and a proposed line of reply. The Prime Minister saw this before Questions today and is content with the line taken in the draft reply.

You should know, however, that the Prime Minister indicated that she felt that our position could become untenable if many more of these cases were discovered and that we might reach the position where we should be forced to consider refusing or withdrawing permission to export certain arms.

I am copying this letter, together with a copy of yours, to Richard Mottram in the Ministry of Defence.

A. J. COLES

John Holmes, Esq.,
Foreign and Commonwealth Office

DRAFT: ~~minute/letter/teleletter/despatch/note~~
XXXXX XXXXXXXXXXXXXXXXXXXX

TYPE: Draft/Final 1+

FROM:
Secretary of State

Reference

DEPARTMENT: TEL. NO:

SECURITY CLASSIFICATION

TO:

Your Reference

- Top Secret
- Secret
- Confidential
- Restricted
- Unclassified

Stan Newens Esq MP
House of Commons
LONDON SW1A 0AA

Copies to:

PRIVACY MARKING

SUBJECT:

.....In Confidence

CAVEAT.....

Thank you for your letter of 31 January on the question of British-made radar equipment being exported to the Netherlands for incorporation there into radar systems destined for destroyers being built for the Argentine Navy in Germany.

The Government considered long and carefully how to deal with cases of equipment for which contracts had been signed with friendly third parties well before the outbreak of hostilities, and eventually decided to release such equipment.

The Government attach great importance to fulfilling contracts whenever possible. We pointed out in November that the British engines for these warships were part of a long-standing contract with a NATO ally, and the same must now apply to the radars. But we made it clear to the Germans that we would be concerned about the early delivery of the warships and, when they did hand over the Almirante Brown, we made plain our regret that they had

Enclosures—flag(s).....

/not felt

not felt able to prevent its delivery. Although we feel constrained to fulfil our own long-standing contracts with those such as the Germans and Dutch, we continually stress to all concerned that it is particularly dangerous and unwise to engage in arms business with the Argentines when they have not even declared a formal cessation of hostilities.

From: Stan Newens, M.P.

V. Arch
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✓ - s/s ✓ 14/2.
p.c. PS
PS/RD - slow
D/RH
Refer to



HOUSE OF COMMONS
LONDON SW1A 0AA

HF
- 7 FEB 1983

all 7/2

31st January, 1983.

The Rt. Hon. Francis Pym, M.P.,
Foreign and Commonwealth Secretary,
Foreign and Commonwealth Office,
Downing Street,
London, S.W.1.

Dear Francis,

I understand that pressure is being brought to bear on the British suppliers of radar equipment made in this country for a Dutch firm to equip warships being built for the Argentinian authorities by the Germans in Hamburg, in order that they can deliver early in February. In view of the fact that the Argentinians are not yet prepared to indicate that they will desist from all further military action against the Falkland Islands, it is an outrage that the British Government should continue to allow such equipment to be supplied, and an indication of the hollowness of relations between EEC countries if a fellow member of the Community is prepared to supply equipment which may be used to kill or injure citizens of a fellow member.

Engines have already been supplied from the U.K. to equip these vessels. Is the British Government prepared to take clear decisive steps forthwith, since failure to do so would seem to make a mockery of the homage paid to those who died in the Falklands operation - some through the use of British made military equipment or materiel containing British components?

Yours sincerely,

Stan Newens
Stan Newens.

22 FEB 1983

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