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TO IMMEDIATE FCO

TELEGRAM NUMBER 3650 OF 3 DECEMBER

INFO IMMEDIATE ATHENS (FOR PRIVATE SECRETARIES TO PRIME MINISTER AND SECRETARY OF STATE).

YOUR TELNOS. 2037 AND 2038: MESSAGE TO SHULTZ ON ARMS SALES TO ARGENTINA.

1. YOUR MESSAGE WAS DELIVERED VIA SEITZ (HEAD OF MR SHULTZ'S OFFICE) FIRST THING THIS MORNING. IT HAS CROSSED WITH A MESSAGE SENT LAST NIGHT FROM THE PRESIDENT TO THE PRIME MINISTER SAYING THAT, SINCE ARGENTINA HAS MADE SIGNIFICANT PROGRESS IN HUMAN RIGHTS, THERE IS NO LONGER ANY LEGAL BASIS FOR THE US TO WITHHOLD CERTIFICATION. THE ANNOUNCEMENT WILL BE MADE HERE ON 7 DECEMBER, JUST BEFORE THE VICE PRESIDENT LEAVES FOR BUENOS AIRES. CERTIFICATION WILL COME INTO EFFECT WITH THE INSTALLATION OF THE CIVILIAN GOVERNMENT ON 10 DECEMBER.

2. SEITZ SAID, HOWEVER, THAT SHULTZ WOULD BE VERY GLAD TO RECEIVE YOUR MESSAGE, WHICH WOULD ALSO BE USEFUL TO THE VICE PRESIDENT IN HIS TALKS IN BUENOS AIRES. SHULTZ KNEW THAT WE WERE OPPOSED TO CERTIFICATION IN PRINCIPLE, BUT HOPED WE UNDERSTOOD THAT THIS HAD BEEN WITHHELD UNTIL THE LAST POSSIBLE MOMENT AND THAT THERE WAS NO LONGER ANY LEGAL BASIS TO DO SO. THE IMPORTANT ISSUE WAS THAT RAISED IN PARAGRAPH 3 OF YOUR MESSAGE. IN REACTING TO CERTIFICATION, THE AMERICANS HOPED THAT WE WOULD BE PREPARED TO EMPHASISE THAT WHAT MATTERED WAS WHAT THE UNITED STATES WAS ACTUALLY PREPARED TO SUPPLY RATHER THAN CERTIFICATION ITSELF.

3. IN A SEPARATE CONVERSATION BURT (ASSISTANT SECRETARY FOR EUROPEAN AFFAIRS) SAID THAT THE WHOLE US ADMINISTRATION WAS VERY CONCERNED TO AVOID GRENADA-LIKE PUBLIC DIFFERENCES BETWEEN US. CONSULTATION HAD BEEN METICULOUS. THE US HAD TO CERTIFY AND IT WAS IN OUR INTERESTS THAT THERE SHOULD BE US INFLUENCE ON THE ARGENTINE GOVERNMENT. CERTIFICATION WAS NOT EQUIVALENT TO ARMS SALES, THOUGH IT DID REMOVE A LEGAL IMPEDIMENT TO SUCH SALES. OTHER EUROPEAN COUNTRIES HAD ALREADY RESUMED SUPPLIES. EVERY REQUEST WOULD BE REVIEWED IN RELATION TO ANY THREAT THAT COULD BE POSED TO PEACE IN THE REGION. EAGLEBURGER WOULD PERSONALLY REVIEW ALL SPECIFIC PROPOSALS FOR MAJOR ARMS SALES.

4. BURT GAVE AN ASSURANCE THAT THE US WOULD NOT APPROVE SALES SUCH AS ADVANCED FIGHTER AIRCRAFT OR MISSILES THAT WOULD INCREASE SIGNIFICANTLY THE THREAT OF ARMED ATTACK AGAINST THE FALKLANDS OR REPRESENT A SIGNIFICANT SHIFT IN THE ARGENTINE/CHILE MILITARY BALANCE. THEY WOULD NOT AUTHORISE THIRD COUNTRY TRANSFERS EXCEPT ON THE SAME TERMS THEY WOULD AUTHORISE US SALES. NO SIZEABLE IMMEDIATE SALES WERE ANTICIPATED, THOUGH SOME NON-LETHAL REQUESTS MIGHT BE APPROVED DURING THE FIRST 6-12 MONTHS FOLLOWING CERTIFICATION (EG AIR TRAFFIC CONTROL AND RADAR SYSTEMS).

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5. WE IMPRESSED ON BURT THE VERY GREAT CONCERN THAT WOULD BE CAUSED BY THE SUPPLY OF ANY EQUIPMENT THAT COULD INCREASE THE THREAT TO OUR SERVICEMEN ON THE ISLANDS. NOR WAS IT IN US INTERESTS TO OBLIGE US TO INCREASE THE RESOURCES WE HAD TO DEVOTE TO DEFENCE OF THE ISLANDS. BURT AGREED WITH THIS. WE RAISED THE POSSIBILITY THAT THE ARGENTINES MIGHT MAKE EARLY REQUESTS FOR SPARE PARTS FOR SHIPS AND AIRCRAFT OF US ORIGIN. WE LEFT BURT IN NO DOUBT THAT WE WOULD BE GREATLY CONCERNED AT THE RESUMPTION OF SUCH SUPPLIES.

6. BURT SAID THAT THE AMERICANS WELCOMED THE LINE TAKEN BY THE LEADER OF THE HOUSE OF COMMONS IN HIS PARLIAMENTARY REPLY TO MR LATHAM ON 22 NOVEMBER (YOUR TELNO 1973). FOR OBVIOUS REASONS, THE AMERICANS COULD NOT ACKNOWLEDGE PUBLICLY THAT WE WOULD BE CONSULTED ABOUT ALL SIGNIFICANT ARMS SUPPLIES TO ARGENTINA. ITS CONFIDENTIALITY WAS CRUCIAL TO THE ABILITY TO MAINTAIN AN EFFECTIVE CONSULTATION PROCESS. WE SAID THAT, NEVERTHELESS, WE WOULD CERTAINLY WANT TO STRESS THAT WE WOULD BE IN CONSTANT TOUCH WITH THE US ADMINISTRATION ABOUT THIS. WE SAID THAT AS YOUR MESSAGE TO SHULTZ HAD MADE CLEAR, WE WOULD WANT ALSO TO REFER TO THE ASSURANCES WEINBERGER HAD GIVEN ABOUT EXERCISING CAUTION IN THE RESUMPTION OF ARMS SALES.

7. BURT SEEMED INCLINED TO CONSIDER TRYING TO DELAY THE U.S. ANNOUNCEMENT TO 8 DECEMBER TO ENABLE SHULTZ TO HAVE A WORD WITH YOU IN BRUSSELS BEFORE IT IS FINALLY MADE. HE DID NOT KNOW, HOWEVER, WHETHER THIS WOULD BE POSSIBLE.

8. I EXPECT TO SEE SHULTZ OR DAM ON MONDAY: AND WILL BE SEEING THE VICE PRESIDENT ON TUESDAY MORNING.

WRIGHT

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