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MEMORANDUM FOR: THE PRESIDENT

From:

George P. Shultz

Subject:

Argentine Certification

We believe we should move soon on Copgressional certification for Argentina. Their human rights record has greatly improved and we see no serious threat of renewed Falklands hostilities. They have called for elections this October and will turn over power to the civilians next January. Most importantly, we should signal the Argentine military, a bastion of anti-Communism in an unstable domestic environment, that we are now prepared to remove the stigma of the U.S. law prohibiting arms sales. from USSmer

This action would not mean large, early sales. Argentimes have bought heavily in Europe and seek mostly spare parts/. But it would be an important symbolic step toward a nation now on the road back to democracy. when? Ind INTENTA TO permit?

Mrs. Thatcher will not be happy and could seek to delay our decision. We will consult closely with the British. We hope that the lack of significant military sales plus our use of <u>cartification</u> as leverage to deter any Argentine thought of Tenewed hostilities will be persuasive. The British do not intend to negotiate for the foreseeable future with Argentina on the Falklands. We need to build bridges and put this issue behind us in Latin America.

Chile will also be disturbed. We plan to send a special f emissary to talk to General Pinochet and reaffirm our strong desire for close relations, even though we cannot now certify Chile. Once these pieces are in place, and following Congressional consultations, we will seek your formal approval for Argentine certification, perhaps early next month.

Chile Project (#\$199900030)

U.S. Department of State

Deny_

Excise___ Release_

Declassify: In Part

In Full_¥

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