

OO PEKING (FOR P.S TO P.M.)

GRS 342

CONFIDENTIAL

FM F C O 241736Z SEP

TO IMMEDIATE PEKING

TELEGRAM NUMBER 449 OF 24 SEPTEMBER

FOLLOWING TELEGRAM NOW REPEATED TO YOU FOR PS/PM AT REQUEST
OF PLANNING STAFF WAS RECEIVED FROM BONN
TELEGRAM NUMBER 793 OF 23 SEPTEMBER
INFO PRIORITY MODUK BRUSSELS COPENHAGEN THE HAGUE ROME PARIS
WASHINGTON
INFO SAVING DUBLIN LUXEMBOURG ATHENS UKDEL NATO UKMIS NEW YORK

YOUR TELNO 414: ARMS FOR ARGENTINA

~~11'3956 CAUSE OF THE POLITICAL TURMOIL AND GENSCH~~

1. BECAUSE OF THE POLITICAL TURMOIL AND GENSCHER'S FORMAL LEAVE-TAKING OF THE AUSWAERTIGES AMT TODAY, I CANNOT GET AN APPOINTMENT TO SPEAK TO ANY MINISTER OR VERY SENIOR OFFICIALS TODAY. I THEREFORE SPOKE TO STATE MINISTER CORTERIER BY TELEPHONE: WE WILL FOLLOW THIS UP AT A LOWER LEVEL AND I HAVE SAID THAT I WILL REVERT TO THE QUESTION AT A SENIOR LEVEL NEXT WEEK.
2. CORTERIER CONFIRMED THAT CABINET DECISION REPORTED IN MY TELNO 791. HE WAS UNCERTAIN ABOUT THE NEXT STEP SO FAR AS INFORMING THE PARLIAMENTARY LEADERSHIP WAS CONCERNED. HE ADMITTED THAT THERE MIGHT BE A FEW MEMBERS OF THE BUNDESTAG ON THE LEFT WHO WOULD BE UNHAPPY ABOUT THE QUESTION OF ARGENTINA BEING AN AREA OF TENSION: T HAD EXPLAINED TO YOU IN BRUSSELS, THE AMOUNTS OF MONEY INVOLVED WERE SO LARGE THAT CLAIMS FOR COMPENSATION WOULD BE ABSOLUTELY CRIPPLING AND THE FEDERAL GOVERNMENT REALLY HAD NO ALTERNATIVE. HE PROMISED TO DISCUSS WITH HIS SENIOR OFFICIALS AN UNDERTAKING TO KEEP US CLOSELY INFORMED ABOUT THE FRIGATES AND OTHER EQUIPMENT (HE SAW NO DIFFICULTY ABOUT THIS). THE QUESTION OF THE ARGENTINE'S ABILITY TO PAY APPEARED TO BE A NEW THOUGHT TO HIM, WHICH HE WOULD ALSO PURSUE.
3. WE SHALL, OF COURSE, REPORT REACTIONS TO FURTHER REPRESENTATIONS. BECAUSE OF THE GERMANS' CONCERN TO FULFIL EXISTING CONTRACTS I THINK THERE IS NO HOPE WHATSOEVER OF GETTING THEM TO REVERSE THEIR DECISION ON THE GROUNDS OF QUOTE AREAS OF TENSION UNQUOTE. (IN FACT THIS CRITERION HAS BEEN REPLACED IN NEW ARMS SALES GUIDELINES: HENCEFORWARD GERMAN ARMS SALES MUST NOT QUOTE HEIGHTEN EXISTING TENSIONS UNQUOTE.) IT SHOULD BE EASIER TO GET AN UNDERSTANDING ABOUT GOING SLOW ON ANY NEW CONTRACTS.

PYM