



DEPARTMENT OF STATE
ACTION MEMORANDUM

S/S

7802

File
Report

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~~Department of State, A/GIS/IPS/SRP
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Exemptions b () () E.O. 13526 25x () ()
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With concurrence of: _____
_____ obtained _____ not obt.
IPS by *[Signature]* Date 10-27-16~~

TO: The Acting Secretary
THROUGH: T - Lucy Wilson Benson
FROM: ARA - Terence A. Todman
D/HA - Patricia M. Derian
PM - Leslie M. Gelb

SUBJECT: Decision on Sale of Helicopters to Argentina

Pursuant to your decision of August 20 (Tab 2) we have revised the attached memorandum to the President (Tab 1) requesting that he approve the sale of eight UH-1H Bell helicopters to the Argentine government contingent upon removal of armor plating from six of the eight and removal of gun emplacements from all of the aircraft. We will also seek assurances from the Argentines that the helicopters will not be used for internal security purposes.

Recommendation:

That you sign the attached memorandum to the President.

Attachments:

- 1. Memorandum for the President.
- 2. Message from Mr. Christopher dated 8/20/77.

Drafted: ARA/ECA: FERondon/JBumpus: D/HA: OJones/PM: RTitus: jc
8/23/77: 29166

Clearance: H - Mr. Bennet
OSD/ISA - Colonel Thomas

DEPARTMENT OF STATE
WASHINGTON

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CONFIDENTIAL

MEMORANDUM FOR: THE PRESIDENT
 From: Warren Christopher, Acting
 Subject: Request for a Decision on an Argentine
 Conventional Arms Transfer Case

Issue

Since my July 18 memorandum to you, a commercial case which had been held up along with many other Argentine Foreign Military Sales (FMS) and commercial cases because of unresolved human rights questions has reached the point of decision. This case falls within the new policy guidelines, and I am recommending that it be approved. DOD concurs in this recommendation. The case involves the sale of eight Bell UH-1H transport helicopters. The American manufacturer has informed us that the Argentine government intends two of the helicopters to be used by the Argentine President, against whom there have been four assassination attempts, and the other six for general transportation in the Buenos Aires region and for four months of the year in support of Antarctica exploration.

Background

The total value of this commercial case is \$15 million. There is some urgency, because we have delayed the matter while reviewing the Argentine human rights situation. There is likely to be some Congressional and public opposition to the administrative approval of this sale because of the continuing severe human rights violations in Argentina, especially in light of constraints our Congress has placed on arms transfers to such countries in Section 502 B of the Foreign Assistance Act. Our

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- 2 -

denial of nearly all Argentine arms requests testifies to our concern over human rights violations in Argentina. On balance, I believe that, in the interest of our overall bilateral relationship with this key South American country we should allow the sale of carefully selected military items such as these helicopters.

Because of the Argentine government's record of human rights violations, I believe, however, that the helicopters should not be sold as requested in the contract -- with machine gun emplacements and armor plating. Instead, I recommend that none of the helicopters have machine gun emplacements and that only the two intended for protection of the Argentine President be armor plated.

If the helicopters are sold in this stripped down condition, there will be no need to notify Congress. Under Section 36 (C) of the Arms Export Control Act only sales of major defense equipment which exceeds \$7 million or total commercial sales exceeding \$25 million have to be reported. (In this case, the two armor plated helicopters, which would qualify as major defense equipment, do not exceed \$7 million and the total sales price is \$15 million.)

We also will seek assurance from the Argentines that the helicopters will not be used for internal security purposes.

Recommendation:

That you approve the proposed sales case described above.

Authorize. Yes _____ No _____

ALTERNATIVELY, that you delay approval of this case and authorization until the human rights situation in Argentina is significantly improved.

Approve _____ Disapprove _____

Declassified Case: LW- 87067 Date: 06-04-2013

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UNDER SECRETARY OF STATE
FOR SECURITY ASSISTANCE
WASHINGTON

August 19, 1977

Cy:

The issue of helicopters to Argentina has been bouncing around on the 7th floor for weeks and I want to get it settled once and for all.

My own strongly-held view of that because of our non-proliferation interest in Argentina, we should sell the helicopters. I recommend, therefore, that we tell the Bell helicopter people that we will issue an export license only if all eight are stripped of the machine gun mounts and six are stripped of the armour plate. (The two helicopters earmarked for President Videla's use can be sold with the armour plate.) But I would not recommend the government-to-government exchange as D/HA recommends, on the question of assurances.

We do not need assurances for what amounts to a commercial transport helicopter to justify the sale on the Hill. And we risk a good deal, particularly on non-proliferation, for a marginal return, since we have no way of verifying compliance of any assurances we might be given. If the assurances are designed to remind the Argentinians that we do not like their human rights record, then there are other more effective solutions, notably disapproval of the sale altogether.

8/20/77

Lucy - see view of the 8 months. Lucy in B.A. I think the assurances are appropriate. Otherwise, I accept your recommendation. Presidential letter needs re-writing. Let's try to get this out Monday, 8/22/77. Warren.

Department of State, A/GIS/IPS/SRP

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IPS by *[Signature]* Date *10-22-77* 16

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