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RCA SEP 22 0933# 248302 CCUS UR 22347MINAG AR

THE PRESIDENT THE WHITE HOUSE WASHINGTON, D.C.



KEITH L. MICELI BEGUTIVE BECRETARY ON OF AMERICAN CHAMBERS OF COMMERCE

CHAMBER OF COMMERCE OF THE UNITED STATES
1915 H STREET, N. W. / WASHINGTON, D. C. 20052 / 502 690-3055
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1982 SEP 24 PH 1: 17

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THE ASSOCIATION OF AMERICAN CHRMBERS OF COMMERCE IN LATIN AMERICA AND THE AMERICAN BUSINESS COMMUNITY IN ARGENTINA ARE VERY MUCH PREOCCUPIED BY THE CONTINUATION OF TENSIONS BETWEEN THE UNITED STATES AND ARGENTINA. THIS UNERSY BILATERAL RELATIONSHIP DOES AND WILL AFFECT BUSINESS WITH THIS IMPORTANT TRADING PARTNER OF THE UNITED STATES WHERE HE HAVE ENJOYED POSITIVE BALANCES IN OUR TRADE WITH THEM OVER MANY YEARS.

THESE TENSIONS ARE EXACERBATED BY THE CONTINUATION OF MILITARY SANCTIONS PLACED IN EFFECT SHORTLY AFTER THE INVASION OF THE FALKLAND ISLANDS. THESE SANCTIONS HAVE EFFECTIVELY STOPPED OUR MILITARY TRAINING PROGRAMS, THE SHIPMENT OF DEFENSIVE ARMAMENTS AND SPARES, AND CAN NON AFFECT THE CONTINUATION OF OUR MIL GROUP IN ARGENTINA. AS OF NOVEMBER, THE MIL GROUP AGREEMENT IS UP FOR APPROVAL AND ARGENTINE REACTIONS ARE AGAINST RENEWAL. IF THIS HAPPENS, WE CAN ONLY LOOK FORWARD TO MORE DIFFICULT TIMES WITH RESPECT TO OUR ESTRANGED RELATIONSHIPS AS POSITIONS BECOME MORE HARDENED.

AS A RESULT, WE CALL ON THE ADMINISTRATION TO REEXAMINE OUR POSITION AND TO REVERSE THE SANCTIONS ADOPTED AFTER THE INVASION AS A MEANS OF DEMONSTRATING OUR GOOD FAITH TOWARDS NORMALIZING OUR RELATIONSHIP WITH ARBENTINA. MANY NATIONS OF THE EUROPEAN COMMON MARKET HAVE ALREADY LIFTED THEIR SANCTIONS, INCLUDING GREAT BRITAIN INDIRECTLY. THERE IS NO NEED FOR THE UNITED STATES TO STAND OUT AS THE LAST COUNTRY TO MOVE ON THIS ISSUE AND TO SEE OUR RELATIONSHIPS DETERIORATE FURTHER RATHER THAN IMPROVE FOR THE MUTUAL BENEFIT OF ALL CONCERNED.

ALEXANDER PERRY, JR.
PRESIDENT
AACCLA
1615 H STREET, N.W.
WASHINGTON, D.C. 20062

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RCA SEP 22 0933# 248902 CCUS UR 22347MINAG AR

THE PRESIDENT THE WHITE HOUSE Washington, D.C.

DEAR MR.



KEITH L. MICELI DECUTIVE BECRETARY AMERICAN CHAP

CHAMBER OF COMMERCE OF

1982 SEP 24 PM -1: 17

CF-UF OF THE SECRETARY OF DEFENSE

THE BSSOCIATION OF AMERICAN CHAMBERS OF COMMERCE IN LATIN AMERICA AND THE AMERICAN BUSINESS COMMUNITY IN ARGENTINA ARE VERY MUCH PREOCCUPIED BY THE CONTINUATION OF TENSIONS BETWEEN THE UNITED STATES AND ARGENTINA. THIS UNEASY BILATERAL RELATIONSHIP DOES AND WILL AFFECT BUSINESS WITH THIS IMPORTANT TRADING PARTNER OF THE UNITED STATES WHERE HE HAVE ENJOYED POSITIVE BALANCES IN OUR TRADE WITH THEN OVER MANY YEARS.

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ALEXANDER PERRY, JR: PRESIDENT RACCLA 1615 H STREET, N.H. WASHINGTON, B.C. 20062

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ASSISTANT SECRETARY OF DEFENSE

WASHINGTON, D.C. 20301

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SEP 29 1982

25 September 1982

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MEMORANDUM FOR MAJOR GENERAL CARL SMITH, MILITARY ASSISTANT TO THE SECRETARY OF DEFENSE

Carl,

Concerning FMS pipeline for Argentina:

- \$3 million in the pipeline; all in consumables and spare parts (plus two C130 engines for \$100,000);
 - 2) no major items in pipeline;
 - 3) no ammo except \$4,000 in 20 mm cartridges;
 - 4) State (PM) closed the pipeline on 30 April;
- 5) the Argentines on the Falklands surrendered on 14 June;
- 6) State (ARA) opened the pipeline on 24 September but did not notify beforehand State (PM), ISA or DSAA;
- 7) the pipeline is for FMS contracts signed before 30 Sept 1978;
- 8) since 1978, Congressional legislation has prohibited security assistance to Argentina, pending Presidential certification on human rights;
- 9) State is considering such certification for Chile and Argentina but has not acted thus far.

Francis J. West, Jr.

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