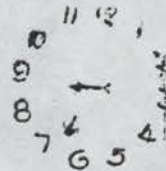


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GRS 208
CONFIDENTIAL
FM FCO 071800Z MAY 82
TO IMMEDIATE TEL AVIV
TELEGRAM NUMBER 155 OF 7 MAY
INFO WASHINGTON, MONTEVIDEO, BERNE



MY TELNO. L54: ISRAELI ARMS FOR ARGENTINA

1. THE ISRAELI AMBASSADOR CALLED ON SIR J LEAHY ON 7 MAY. SPEAKING IN STRICTEST CONFIDENCE AND ON INSTRUCTIONS FROM THE HIGHEST LEVEL, HE SAID THAT NOT A SINGLE MILITARY ITEM HAD BEEN SUPPLIED TO ARGENTINA SINCE A DECISION TAKEN BY THE ISRAELI GOVERNMENT EARLY IN THE CRISIS, BEFORE YOUR FIRST DEMARCHE ON THIS SUBJECT AND AT A TIME WHEN THE PROSPECT OF MORE SERIOUS FIGHTING STILL SEEMED REMOTE.

2. ARGOV SAID THAT THE ISRAELIS HAD COME UNDER PRESSURE FROM THE ARGENTINES TO REVERSE THIS DECISION. THEY WERE CONCERNED ABOUT THE EXPOSURE OF THE JEWISH COMMUNITY IN ARGENTINA (AND THERE HAD BEEN THREATS). THEY WERE ALSO DETERMINED TO HANG ON TO THEIR LONG-TERM MARKET IN ARGENTINA AND LATIN AMERICA.

3. ARGOV SAID THAT THE GOVERNMENT HAD CHECKED THE TWO STORIES IN PARA. 3 OF MY TUR. THE GOVERNMENT HAD NO KNOWLEDGE OF EITHER OF THEM.

4. SIR JOHN LEAHY SAID THAT THE POINTS ARGOV HAD MADE WERE SATISFACTORY TO US. HE UNDERTOOK TO TRY TO FIND A WAY OF DEALING WITH PARLIAMENTARY AND OTHER ENQUIRIES WHICH WOULD NOT ENDANGER THE LEGITIMATE ISRAELI INTERESTS TO WHICH ARGOV HAD REFERRED.

PYM