[YPISTS]

PS PS/MR HURD ADVANCE COPY PS/MR ONSLOW PS/PUS MR GIFFARD IMMEDIATE MR WRIGHT MR ADAMS MR URE MR GILLMORE HD/S AM D (FCO DIST + A/D F/I) HD/DEF D HD/NEWS D HD/UND HD/PLANNING STAFF MR ANTHONY WILLIAMS W60 RESIDENT CLERK

PS NO 10 DOWNING ST -PS/S OF S FOR DEFENCE

PS/CHANCELLOR )
SIR K COUZENS )
MR LITTLER )
MR HAWTIN )
MR PERETZ )

TREASURY

MR ILETT
MR McINTYRE

MISS DICKSON (EIP DIV) D/EN

DIO CABINET OFFICE
MR WADE-GERY CABINET OFFICE
MR FULLER SAPU/DIO " "

SIR M PALLISER CABINET OFFICE SIR R ARMSTRONG " "

(Copy passed to Emergency Staff)
CONFIDENTIAL

FM WASHINGTON Ø5231ØZ MAY 82
TO IMMEDIATE F C O
TELEGRAM NUMBER 1622 OF 5 MAY
INFO PRIORITY MODUK



MY TELNO 1553 AND 1559: AIRCRAFT ENGINES FOR ARGENTINA

1. THE STATE DEPARTMENT TOLD US TODAY THAT THE US CUSTOMS
HAVE NOW FORMALLY SEIZED IN SAN FRANCISCO THE J65 AERO ENGINES
(BELIEVED TO TOTAL 32) DESTINED FOR ARGENTINA.

THE CUSTOMS DID SO ON THE GROUNDS THAT THE ENGINES WERE NOT SPARE PARTS AS DESCRIBED IN THE EXPORT DOCUMENTS. THE EXPORTER HAS BEEN INSTRUCTED TO SEEK ANOTHER, CORRECT EXPORT LICENCE FROM THE DEPARTMENT OF COMMERCE. THE STATE DEPARTMENT HAVE ASSURED US IN CONFIDENCE THAT CONSIDERATION OF ANY NEW LICENCE WILL BE DELAYED.

2. THE CUSTOMS ACTION IN SEIZING THE ENGINES HAS AROUSED CONSIDERABLE PRESS INTEREST. IN RESPONSE TO ENQUIRIES WE SHALL WELCOME THIS DECISION BY THE US AUTHORITIES IN ACCORDANCE WITH THE ADMINISTRATIONS STATEMENT OF 3Ø APRIL ANNOUNCING THE SUSPENSION OF ALL MILITARY EXPORTS TO ARGENTINA. IF ASKED ABOUT OUR INVOLVEMENT, WE SHALL CONFIRM THAT WE HAVE BEEN IN TOUCH WITH THE US AUTHORITIES ABOUT THIS MATTER.