

ADVANCE COPIES: FALKLAND ISLANDS

~~(30)~~ ~~(35)~~ (36)

PS
 PS/MR HURD
 PS/MR ONSLOW
 PS/PUS
 MR GIFFARD
 MR WRIGHT
 MR ADAMS EVANS
 MR URE
 MR GILLYCRE
 MR HAYES
 ED/S AM D (FCO DIST + A/D F/I)
 ED/DEF D
 ED/NETS D
 ED/ORD
 ED/PLANNING STAFF
 MR ANTHONY WILLIAMS T60
 RESIDENT CLERK
 HD/ERD
 HD/ESID

~~PS NO 10 DOWNING ST~~
 PS/S OF S FOR DEFENCE
 PS/CHANCELLOR }
 SIR K COUZENS }
 MR LITTLER }
 MR HAWTIN } TREASURY
 MR PERETZ }
 MR ILETT }
 MR McINTYRE }
 MISS DICKSON (EIP DIV) D/EN
 DIO CABINET OFFICE
 MR WADE-GERY CABINET OFFICE
 MR FULLER SAPE/DIO " "

SIR M PALLISER CABINET OFFICE
 SIR R ARMSTRONG " "

D.O., DOT
 BK/England

(Copy passed to Emergency Staff)

ADVANCE COPY

RESTRICTED

(FM BERNE 051442Z)

FM BRITISH INTEREST SECTION SWISS EMBASSY BUENOS AIRES

TO PRIORITY FCO
 TELNO 67 OF 4 AMY
 INFO PRIORITY DOT AND BANK OF ENGLAND

ECONOMIC ROUNDUP

1. THE MONTH OF APRIL CLOSED WITH A DRAIN OF US DOLLARS 350 MILLION FROM THE CENTRAL BANK RESERVES AND THE AMOUNT OF PESOS IN CIRCULATION INCREASED BY 16.7 PER CENT OVER THE PREVIOUS WEEK AND 49.2 PER CENT DURING THE LAST 30 DAYS.

2. ON THE LABOUR FRONT VOLKSWAGEN WILL SUSPEND 1,200 WORKERS IN MAX. FOUR 2 HRS FOR 1-0 DAYS A WEEK. THE GOVERNMENT HAS

IN MAY: FORD, 2,500 FOR TWO DAYS A WEEK. THE GOVERNMENT HAS REQUESTED THAT NO FURTHER MASS FIRINGS TAKE PLACE DURING THE PRESENT CRISIS. THERE ARE SOME 15,000 UNSOLD VEHICLES IN THE MANUFACTURERS' PARKING AREAS. THE GOVERNMENT IS NOW STUDYING THE POSSIBILITY OF APPLYING A 15 PER CENT TAX ON PETROL TO LOWER ITS CONSUMPTION AND INCREASE TAX INTAKE WHICH HAS DROPPED 30 PER CENT DURING THE FIRST 4 MONTHS OF THIS YEAR.

3. THERE HAS BEEN MUCH TALK BUT NO DETAILS OF ECONOMIC MEASURES TO COPE WITH THE WAR SITUATION, BUT SO FAR NO ANNOUNCEMENT OR ACTION HAS RESULTED. BUSTAMANTE, ECONOMIC MINISTRY UNDER SECRETARY HAS ESTIMATED THAT ABOUT 50 PER CENT OF MINISTER ALEMANN'S POLICIES ARE STILL INTACT. PRESSURES FOR SWITCHING TO A DIRIGISTE WAR ECONOMY ARE LIKELY TO INCREASE IF THE CONFLICT LASTS.

JOY 4.5.

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SENT AT RECD TA 051531Z TWPM