

From the Secretary of State Pome Minister.

The Rt Hon Douglas Hurd CBE, MP Minister of State Foreign and Commonwealth Office London SWI

Wen Donglas, FRIGATES FOR ARGENTINA

I have seen Tom Trenchard's letter to you of 13 August seeking your agreement that we should permit the export of equipment for incorporation into the frigates which are being built in West Germany for the Argentine navy.

It is regrettable that the FRG has not given us the assurance we have sought. And we might expect that in the wake of the French decision to lift the arms embargo there will be pressure within Germany to do likewise. But I do not believe we would be justified in continuing our objections to the export of the equipment, and thus exposing British companies to contractual penalties. Our best course of action seems to lie in telling the Germans that we are releasing the equipment but that we would hope and expect that as allies they would consult us before releasing the ships.

I am copying this to members of OD and to Sir Robert Armstrong.

LORD COCKFIELD