

PS
PS/LPS

PS No. 10 DOWNING ST.

PS/LORD TREGARNE
PS/PUS
MR GIFFARD
MR WRIGHT
MR ADAMS
MR URE
MR GILLMORE

IMMEDIATE

PS/CHANCELLOR
SIR K COUZENS
MR LITTLER
MR HAWTIN
MR PERETZ
MR ILETT
MR MCINTYRE

H.M. Tsy

HD/SAMD (FCO DIST + A/D F/I)
HD/DEF D
HD/NEWS D
HD/UND
HD/PLANNING STAFF
HD/HKGD

Miss DICKSON (EIP DIV) D/En

DIO CABINET OFFICE

Mr Wade-Gery Cabinet Office

Mr Fuller, SAPU, Cabinet Office

RESIDENT CLERK

Copies passed to Emergency Staff, MOD Sitcen and CinC Fleet)

CONFIDENTIAL

FM WASHINGTON 140128Z APR 82
TO IMMEDIATE F C O
TELEGRAM NO 1268 OF 13 APRILMY TELEGRAM NO 1252: ECONOMIC MEASURES AGAINST ARGENTINA

1. HORMATS HAS CONFIRMED TODAY THAT ADMINISTRATION POLICY OVER THE PAST FEW WEEKS HAS BEEN TO ENCOURAGE EXIM BANK TO GO VERY SLOW ON ARGENTINIAN BUSINESS. HE SAID THERE WERE AT PRESENT SIX OUTSTANDING PRELIMINARY COMMITMENTS OF WHICH TWO WERE DUE TO COME UP BEFORE THE FULL BOARD FOR APPROVAL LAST WEEK. THE STATE DEPARTMENT HAD GOT THESE DEFERRED FOR "TECHNICAL REASONS" AND THEY HAVE AGAIN BEEN DEFERRED TODAY. THE LONGER THIS GOES ON, THE MORE OBVIOUS IT WILL BECOME TO THE ARGENTINIANS THAT POLITICAL PRESSURE IS BEING APPLIED. WE HAVE SAID THAT IN OUR VIEW THIS CAN ONLY HELP TOWARDS THE ACHIEVEMENT OF THE OBJECTIVE OF GETTING THEM TO REMOVE THEIR TROOPS.

2. HORMATS BELIEVES (PLEASE PROTECT) THAT BETWEEN NOW AND NEXT WEEK, THE US ADMINISTRATION MAY MOVE INTO A "DIFFERENT GEAR" AS REGARDS DIRECT PRESSURE ON THE ARGENTINES. HE SAID THERE WAS A GREAT DEAL OF SUPPORT ON THE ECONOMIC SIDE OF THE STATE DEPARTMENT FOR FIRMER ACTION AND A CONSIDERABLE AMOUNT OF CONTINGENCY PLANNING HAD ALREADY BEEN DONE. HORMATS MENTIONED FINANCE AS WELL AS TRADE AS AREAS WHERE PRESSURE COULD BE EXERTED, THOUGH IT DID NOT APPEAR THAT THE US BANKS WERE ANYWAY AIMING TO DO MUCH TO HELP THE ARGENTINIANS IN PRESENT CIRCUMSTANCES.

HENDERSON