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FM FCO 161500Z APR 82

TO PRIORITY CERTAIN MISSIONS AND DEPENDENT TERRITORIES
TELEGRAM NUMBER GUIDANCE 59 OF 16 APRIL.

FALKLANDS: ECONOMIC ACTION TAKEN AGAINST ARGENTINA BY EUROPEAN
COMMUNITY AND OTHERS

1. THE FOLLOWING MAY BE USED AT YOUR DISCRETION EXCEPT WHERE
OTHERWISE STATED.

EUROPEAN COMMUNITY

2. ON 2 APRIL (THE DAY OF THE INVASION) FOREIGN MINISTERS
CONDEMNED THE ARGENTINE ACTION AND CALLED ON ARGENTINA TO
WITHDRAW ITS FORCES IMMEDIATELY AND TO ADHERE TO THE UN SECURITY
COUNCIL'S APPEAL TO REFRAIN FROM THE USE OF FORCE (RETRACT NO
090/05).

3. ON 10 APRIL FOREIGN MINISTERS OF THE COMMUNITY REPEATED
THEIR CONDEMNATION OF ARGENTINA AND CALLED FOR THE IMMEDIATE
IMPLEMENTATION OF SCR 502. THEY ANNOUNCED A COMPLETE EMBARGO OF
ARMS EXPORTS TO ARGENTINA TO BE CARRIED OUT BY INDIVIDUAL
GOVERNMENTS. THEY DECIDED 'IN A SPIRIT OF SOLIDARITY' TO BAN
ALL IMPORTS OF ARGENTINE ORIGIN INTO THE COMMUNITY. THEY CALLED
ON OTHER GOVERNMENTS TO TAKE SIMILAR DECISIONS. TEXT OF THIS
STATEMENT IS BEING SENT TO SELECTED POSTS IN RETRACT SERIES.

4. THE DETAILS OF THE IMPORT BAN WERE FINALISED ON 14 APRIL.
THE BAN WILL COME INTO EFFECT FROM 16 APRIL FOR AN INITIAL
PERIOD (RENEWABLE) OF ONE MONTH. IT WILL AFFECT ALL IMPORTS OF
ARGENTINE ORIGIN WITH THE EXCEPTION OF GOODS IN TRANSIT AND
THOSE ALREADY LICENSED OR CONTRACTED FOR.

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5. EXPORT CREDITS ARE A MATTER FOR INDIVIDUAL GOVERNMENTS. ALMOST ALL MEMBER STATE GOVERNMENTS HAVE ALSO DECIDED THAT IN THE PRESENT CIRCUMSTANCES IN ARGENTINA THERE WILL NOT IN PRACTICE BE ANY NEW OFFERS OF OFFICIALLY SUPPORTED EXPORT CREDITS. (FOR YOUR OWN INFORMATION, THE BELGIAN GOVERNMENT IS STILL PERSUING WITH ITS EXPORT CREDIT BOARD, WHICH IS NOT GOVERNMENT CONTROLLED.)

6. MOST MEMBER STATES HAVE IN ADDITION REPORTED THAT, ON THE BASIS OF CONTACTS WITH BANKS IN THEIR COUNTRIES, THE PROVISION OF NEW LOANS TO ARGENTINE BORROWERS IN PRESENT CIRCUMSTANCES IS MOST UNLIKELY.

OTHER STATES

7. AS FAR AS THE COMMONWEALTH IS CONCERNED, CANADA, AUSTRALIA AND NEW ZEALAND HAVE BANNED IMPORTS FROM ARGENTINA AND WILL GRANT NO NEW EXPORT CREDITS. NEW ZEALAND HAS GONE FURTHER AND BANNED EXPORTS TO ARGENTINA AS WELL.

8. THE UNITED STATES HAVE TAKEN NO PUBLICLY ANNOUNCED MEASURES, THOUGH THEY ARE AT PRESENT AVOIDING NEW COMMITMENTS ON EXPORT CREDITS. (FOR YOUR OWN INFORMATION, WE ARE NOT PRESSING THE AMERICANS TO INTRODUCE MEASURES AS LONG AS THE HAIG MISSION CONTINUES.)

9. JAPAN HAS NOT TAKEN ANY MEASURES, THOUGH THEY HAVE WARNED ARGENTINA THAT ECONOMIC RELATIONS COULD BE AFFECTED IF THE DISPUTE CONTINUES. (FOR YOUR OWN INFORMATION, THE JAPANESE HAVE TOLD US PRIVATELY THAT NO APPLICATION FOR NEW COMMITMENTS FOR EXPORT CREDIT TO ARGENTINA ARE EXPECTED FOR THE TIME BEING. WE ARE NOW PRESSING THE JAPANESE GOVERNMENT TO GO FURTHER, AS THE COMMUNITY AND OLD COMMONWEALTH COUNTRIES HAVE DONE.)

10. IN ADDITION, WE HAVE ASKED ALL UK DEPENDENCIES TO IMPOSE A PARALLEL BAN ON IMPORTS FROM ARGENTINA. THESE ARE ONLY SIGNIFICANT

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IN THE CASE OF HONG KONG: HONG KONG HAVE ALREADY TAKEN THE NECESSARY ACTION.

ARGENTINE RETALIATION

11. THERE HAVE BEEN REPORTS (OF WHICH WE HAVE NOT YET HAD CONFIRMATION) THAT THE ARGENTINE GOVERNMENT HAS ANNOUNCED THAT NO MORE IMPORT LICENCES WILL BE GRANTED FOR SUPPLIES FROM EC COUNTRIES, EXCEPT FOR VITAL GOODS SUCH AS SPARE PARTS AND MEDICAL SUPPLIES. WE HAVE NO INFORMATION ABOUT ANY SIMILAR ARGENTINE ACTION AGAINST OTHERS WHO HAVE TAKEN ECONOMIC MEASURES.

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UKREP EC BRUSSELS

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THE HAGUE
LUXEMBOURG
PARIS

ROME
BERNE
DUBLIN
LAGOS

[PRIORITY]

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OSLO
UKDEL STRASBOURG
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BIS NEW YORK
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[ROUTINE]

AND SAVING TO CERTAIN OTHER POSTS

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