

A.S.C. 9/9.

Ref: 0411MR COLES ✓  
No 10 DOWNING STREETFALKLAND ISLANDS: ECGD COVER

At their meeting yesterday evening, the Prime Minister asked Lord Shackleton about the state of ECGD cover. I have spoken to ECGD who tell me that their Advisory Council has authorised blanket cover for export contracts to the Falkland Islands payable in the short term (that is, up to six months). The Advisory Council has not yet formed a policy on contracts payable over a longer term, say, up to two years. At present they assume that cover would be provided through British aid.

At present ECGD cover for investment is academic but this may well change. They would of course need to assess the risks and seek advice in Whitehall. Whilst ECGD would wish to take each case on its merits they concede it is unlikely they would refuse.

ECGD recognise that this is something of a problem area but have indicated in discussion with a member of Lord Shackleton's team that they would respond very positively to any requests for cover which clearly had Governmental backing.



S J DAVEY

SHACKLETON SECRETARIAT

10 September 1982