





SECRETARY OF STATE FOR TRADE

- 1. Thank you for your letter of 23 April about the export of strategic goods to Argentina.
- 2. We do not want to be unduly provocative. But it is clear that the situation may change very rapidly and I believe that we ought to be ready to make immediately a new Export Control Order, subjecting a wider range of goods to licence. I think, therefore, that officials should urgently clear the ground and prepare the necessary Instrument.
- 3. We need to consider whether we should wish to allow goods produced by our EC partners which were covered by a new order to be trans-shipped through the United Kingdom on their way to Argentina. In practice, a problem would probably arise only with Ireland and even then on a very small number of cases. For this reason, and given that we may shortly be seeking our EC partners' agreement to a prolongation of the Community import ban (which will be difficult to achieve anyway), it might be unwise to create an extra irritant to an issue that is of little practical significance.
- 4. I am in entire agreement with the line your officials are taking on enquiries from companies about undertaking new business with Argentina. We are taking a similar line on these and on cases where companies ask us about restructuring their business with Argentina through third countries.
- 5. I am sending copies of this letter to members of OD, to the Secretaries of State for Industry and Energy and to Sir Robert

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2. My Rend 4/2.

7. Me Child 5/5

4. Me Alexander

(FRANCIS PYM)

Foreign and Commonwealth Office 29 April 1982