

ER

CB BONN FCO 007/ 10-

PP FCO

PP MODUK

10 MAY 1982

*[Handwritten mark]*

PP CINCFLEET

RR TRAFFIC RELAY



126

GRS 470

SECRET

FM BONN 101655Z MAY 82  
TO PRIORITY FCO  
TELEGRAM NUMBER 426 OF 10 MAY  
INFO PRIORITY MODUK CINCFLEET  
INFO SAVING OSLO

YOUR TEL 204: FALKLAND ISLANDS : ARMS SALES TO ARGENTINA.

1. ACTION TAKEN WITH MFA, AS WITH PREVIOUS CASES (MY TEL 352 TO FCO) HENZE, HEAD OF RESPONSIBLE DEPARTMENT, STATED THAT THE INFORMATION WOULD BE PASSED TO THE LOCAL CUSTOMS AUTHORITIES WHO WILL WATCH OUT FOR ANY EXPORT LICENCE APPLICATIONS FROM BLAETTNER AND SIEFERT RICH (WHICH WOULD OF COURSE BE REFUSED) OR ATTEMPTS BY THESE COMPANIES TO EXPORT PROHIBITED GOODS WITHOUT LICENCES. APART FROM THE FACT THAT WE HAVE SO FAR BEEN UNABLE TO TRACE SIEFERT RICH AND CO WHO ARE NOT LISTED IN ANY OF THE COMMERCIAL DIRECTORIES WE HOLD (IS SPELLING CORRECT QUESTION MARK), HENZE POINTED OUT THAT THE ABILITY OF THE GERMAN GOVERNMENT TO TAKE ACTION WILL DEPEND ON THE TYPE OF MACHINERY BEING OFFERED. IF THE COMPANY WERE OFFERING SIMPLE DYE STAMPING PRESSES OF GENERAL PURPOSE APPLICATION THEY MIGHT NOT HAVE ANY POWER TO FORBID EXPORT.

2. HENZE SAID THAT HE WISHED US TO BE AWARE THAT IN ACCORDANCE WITH THEIR POLICY OF ALLOWING GERMAN MANUFACTURERS TO CONTINUE WITH THE EXECUTION OF CONTRACTS WITH ARGENTINA UP TO THE POINT OF DELIVERY, THE GERMAN GOVERNMENT DID NOT PROPOSE TO TAKE ANY ACTION TO BAN OR OTHERWISE DELAY THE CONTRACTORS' SEA TRIALS OF THE FIRST OF THE FOUR FRIGATES WHICH BLOHM AND VOSS ARE BUILDING FOR THE ARGENTINE NAVY. THESE ARE DUE TO BEGIN IN EARLY JUNE BUT MAY BE DELAYED DUE TO UNAVAILABILITY OF CERTAIN COMPONENTS FOR THE ENGINE CONTROLS, EXPORT OF WHICH FROM THE UK HAD BEEN BLOKED (PERRY'S LETTER OF 23 APRIL TO D SALES 2 MOD REFERS). IT IS USUAL PRACTICE FOR GERMAN SHIP BUILDERS TO USE CERTAIN FACILITIES IN NORWEGIAN WATERS FOR THESE TRIALS AND FOR THIS THE GERMAN GOVERNMENT SEEK DIPLOMATIC CLEARANCE. SO FAR BLOHM AND VOSS HAVE NOT MADE FORMAL APPLICATION FOR THIS AND MFA PRESUME THIS IS BECAUSE THEY ARE UNABLE TO FORECAST A FIRM DATE AT PRESENT. HENZE ALSO ADDED THAT A SUBSTANTIAL NUMBER OF ARGENTINE NAVAL PERSONNEL, WHO WERE DUE TO ARRIVE IN HAMBURG TO PARTICIPATE IN THESE TRIALS AS OBSERVERS/TRAINEES WITH A VIEW TO TAKING OVER THE SHIP FOR THE SECOND STAGE (USER) SEA TRIALS, HAVE FAILED TO ARRIVE. THE GERMANS HAD NOT PUT ANY OBSTACLE IN THEIR WAY.

3. HENZE MENTIONED THAT THE FEDERAL GOVERNMENT WAS BECOMING INCREASINGLY CONCERNED ABOUT THE FINANCIAL CONSEQUENCES OF THE EMBARGO. THE ARGENTINES WERE NOW WITH HOLDING PAYMENT FOR ITEMS WHICH GERMAN FIRMS WERE NOT PERMITTED TO DELIVER. THE GERMANS HAD NOT SO FAR GIVEN ANY SERIOUS CONSIDERATION TO A LONGER TERM POLICY ON SUPPLIES OF MILITARY EQUIPMENT TO ARGENTINA AFTER THE TERMINATION OF PRESENT HOSTILITIES BUT WERE CONCERNED THAT THERE SHOULD BE AN ALIGNMENT OF POLICY BY ALL EC GOVERNMENTS AND ASSUMED THAT IN DUE COURSE WE WOULD RAISE THIS QUESTION IN BRUSSELS.

4. INCIDENTALLY, COUNSELLOR (DEFENCE SUPPLY) RECENTLY SAW EVIDENCE THAT THE EMBARGO WAS IN OPERATION AT THE FIRM OF RENK IN AUGSBURG, WHERE A CONSIGNMENT OF TAM TANK GEAR BOXES WAS BEING HELD BACK FROM SHIPMENT.

FCO PLEASE PASS SAVING OSLO.

TAYLOR

NNNN