

PS/MR HURD
PS/MR ONSLOW
PS/PUS
MR BULLARD
SIR I SINCLAIR
MR GIFFARD
MR WRIGHT
MR ADAMS
LORD N G LENNOX
LORD BRIDGES
MR URE
MR GILLMORE
HD/PUSD
HD/S AM D
HD/DEF DEPT
HD/NEWS DEPT
HD/ERD
HD/ECD(E)
HD/UND
HD/PLANNING STAFF
MR ANTHONY WILLIAMS W60
~~EMERGENCY ROOM~~
~~CONSULTANT CLERK~~

PS/NO 10 DOWNING ST (2)
PS/S OF S FOR DEFENCE
MR J STEWART AUSD STAFF MOD
PS/CHANCELLOR)
MR ILETT) TREASURY
MR LITTLER)
SIR R ARMSTRONG)
SIR M PALLISER) CABINET
MR WADE-GERY) OFFICE
MR FULLER SAPU/DIO)
DIO)

RM 8 FOR MODUK C IN C FLEET

ADVANCE COPY

IMMEDIATE

RESTRICTED

(FM BERNE 141309Z)

FM BRITISH INTERESTS SECTION SWISS EMBASSY BUENOS AIRES

TO IMMEDIATE FCO
TELNO 96 OF 13 MAY

ECONOMIC ROUND-UP

1. LOCAL MANUFACTURERS ARE SERIOUSLY CONCERNED AT THE RECENT GOVERNMENT MEASURES IMPOSING A VIRTUAL 45-DAY IMPORT BAN ON NON-ESSENTIAL GOODS AND POSSIBLE FUTURE EXTENSION OF THESE RESTRICTIONS.

2. FOLLOWING THE LOW STOCK SITUATION BEFORE THE PRESENT CRISIS DUE TO EXCEEDINGLY HIGH INTEREST RATES, THESE MEASURES HAVE CREATED A CRITICAL SITUATION. MOST AFFECTED IS THE METALLURGICAL SECTOR WHICH IS SHORT OF COMPONENTS, SPARE PARTS, SPECIAL STEELS FOR TOOL MANUFACTURE, CHROME AND NICKEL. THE FOOD SECTOR IS ALSO HIT BY THE LACK OF COCOA, BICARBONATE OF SODA AND INGREDIENTS FOR THE MANUFACTURE OF SWEETS, CHOCOLATES AND BISCUITS, CIGARETTE

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MANUFACTURERS ARE SHORT OF CIGARETTE PAPER, FILTERS AND PLASTIC
STRIP PACK OPENERS. CAR MANUFACTURERS ARE PRESSING THE GOVERNMENT
TO SPEED IMPORT CERTIFICATES ON VEHICLE COMPONENTS.

3. GRAIN EXPORTERS FORESEE DIFFICULTIES IN SHIPPING THEIR PRODUCTS
ABROAD DUE TO LLOYD'S CANCELLATION OF SHIPPING COVER AS FROM 24
MAY AND THE SOVIET SLOW-DOWN ON GRAIN IMPORTS. THERE ARE NO
SHIPMENTS PROGRAMMED TO THE USSR FOR THE SECOND HALF OF JUNE.

JOY. 13.5.

LEE

NNNN

SENT AT RECD AT 141320Z TWPM/ PJH

VFO TLM