



10 DOWNING STREET

*From the Private Secretary*

24 December 1984

Following the Chancellor's minute of 7 December about the Paris Club negotiations, the Prime Minister has now seen the Minister for Trade's subsequent minute of 14 December. She has agreed to Mr Channon's suggestion that it should be put to the Argentines that in the context of the Paris Club meeting and without recourse to form bilateral negotiations the two sides should agree to remove all remaining economic and trade restrictions against each other.

I am copying this letter to Peter Ricketts (Foreign and Commonwealth Office) and Steve Nicklen (Mr Channon's office, Department of Trade and Industry).

(Timothy Flesher)

David Peretz Esq  
HM Treasury

CONFIDENTIAL



JU596

CONFIDENTIAL

PRIME MINISTER

Prime Minister ①

Agree X be tried, though it would not, I think, be the first time?

HT 12/12

Yes

ARGENTINA: APPLICATION TO PARIS CLUB

I have seen Nigel Lawson's minute to you of 7 December proposing that we should participate directly in the Paris Club negotiations on rescheduling the Argentine debt. I believe there are good reasons for being there - we might lose out if we were not - and I support the proposal.

X 2 By agreeing to reschedule our part of the debt we should in effect be helping the Argentine economy, and doing so publicly. This leads me to wonder if it might not be a good opportunity to put it to the Argentines that in the context of the Paris Club meeting, and without recourse to formal bilateral negotiations, the two sides should agree to remove all remaining economic and trade restrictions against each other. The proposal could justifiably be presented as in the long term interests of the Argentine economy; and it would avoid the linkage with discussions on sovereignty.

3 The Argentines might not agree; but we should lose nothing by trying.

4 I am copying this to Nigel Lawson and Geoffrey Howe.

P.C.

P C

14 December 1984

