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FM LINA 281600Z MAY 82
TO IMMEDIATE FCO
TELEGRAM NUMBER 205 DF 28 MAY
AND TO IMMEDIATE WASHINGTON

MY TELNO 205: FALKLANDS/ARMS SUPPLIES

1. IN THE LIGHT OF CONTINUING INDICATIONS TO THE CONTRARY, THE UNSOLICITED DENIAL CONVEYED TO ME LAST NIGHT BY THE SECRETARY GENERAL OF THE PRESIDENCY SUGGESTS THAT PRESIDENT BELAUNDE IS NOT IN COMPLETE CONTROL OF THE ARMED FORCES, WHO MAY BE UNDERTAKING PRIVATE ENTERPRISE SUPPLIES TO ARGENTINA ON AN INCREASING SCALE.
2. IF IT IS HAPPENING WITH THE PRESIDENT'S KNOWLEDGE AND/OR CONSENT, THIS MAY BE THE PRICE HE HAS HAD TO PAY FOLLOWING SOME SORT OF AN ULTIMATUM BY THE MILITARY. BUT IT MAY ALSO BE TAKING PLACE WITHOUT HIS FORMAL APPROVAL, PRECISELY IN ORDER TO ENABLE THE GOVERNMENT TO CONTINUE TO MAKE ITS REPEATED PUBLIC DENIALS.
3. RECENT PARLIAMENTARY DEBATES HAVE MADE MUCH OF THE FACT THAT ANY MILITARY AID TO ARGENTINA WOULD FIRST HAVE TO BE APPROVED BY PRESIDENT AND CONGRESS SENIORS AND NEITHER THE FOREIGN MINISTER NOR THE PRESIDENT HAVE, IN THEIR MOST RECENT CONVERSATIONS WITH ME, ATTEMPTED TO CONCEAL THEIR PREOCCUPATION WITH THE INCREASING PRESSURES, MAINLY FROM THE MILITARY BUT ALSO FROM OTHER SECTORS OF POLITICAL OPINION WITHIN THE COUNTRY.
4. IN EITHER CASE, I BELIEVE PRESIDENT BELAUNDE WILL CONTINUE TO BE A MODERATING AND CONCILIATORY INFLUENCE EVEN WITH ARGENTINE (AND PERUVIAN) INTERESTS UPPERMOST IN MIND. ANY REGIME LIKELY TO SUCCEED PRESIDENT BELAUNDE'S GOVERNMENT AS A RESULT OF HIS OVERTHROW BY THE PERUVIAN ARMED FORCES WOULD BE BOUND TO ADOPT A MORE RADICAL POSTURE BOTH DOMESTICALLY AND INTERNATIONALLY.
- WALLACE

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FALKLANDS SELECTIVE
LIMITED
HQ/EMERGENCY UNIT
HD/S AN D
ED/DEF D
ED/PLANNING STAFF
HD/DKD
HD/NEWS D
ED/ERD
HD/BCD (E)
HD/PUED
DEP HD/PUED
ED/RES D
PS
PS/MR HURD
PS/MR OSLOW
PS/LORD BELSTED
PS/POB
MR HULLARD
SIR J SMCLEAIR
MR GIFFARD
MR WRIGHT
MR GILMORE
MR URE
MR BARETT

COPIES TO
PS/HOME SECRETARY
PS/ S OF S DEFENCE
PS/ATTORNEY GENERAL
PS/CHANCELLOR DUCY OF LANCASTER
PS/SIR B ARMSTRONG
PS/SIR K PALLISER
PS/SIR A DUFF
MR MADE-GEY
MR FULLER
MR O'HEILL
ED/ASSESSMENTS STAFF
MR COLVIN
MR J E SEEMANT AUSD STAFF MOD
ADMIRAL SIR ROY HALLIDAY DGI MOD
SIR P MOORS BUCKINGHAM PALACE
DIRECTOR GCHQ

CABINET
OFFICE

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