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7 JUN 1982

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OO BRASILIA

GRS 580

CONFIDENTIAL

FM FCO 071425Z OF 7 JUNE 1982

TO IMMEDIATE BRASILIA

TELEGRAM NUMBER 170 OF 7 JUN

INFO IMMEDIATE MODUK AIR (SIC 19F), IMMEDIATE MODUK (FOR DGS/INT AND DIC ARMS CELL) AND IMMEDIATE WASHINGTON

YOUR TELEGRAM NO 252: VULCAN DIVERSION

1. WE WERE GRATEFUL FOR THE FULL REPORT ON YOUR CONVERSATION WITH FOREIGN MINISTER. GIVEN GUERREIRO'S APPARENT EMBARRASSMENT OVER THE DOUBLE STANDARDS IN APPLICATION OF THE HAGUE RULES (PARAGRAPH 5 OF YOUR TUR) WE THINK IT WOULD BE WORTHWHILE RETURNING TO THE CHARGE.
2. PLEASE THEREFORE SEEK AN EARLY MEETING WITH THE FOREIGN MINISTER. YOU SHOULD SAY THAT YOU HAD REPORTED FULLY ON YOUR CONVERSATION OF 5 JUNE. IN THE LIGHT OF THIS AND OF THE PUS'S DISCUSSION WITH CAMPOS (MY TELEGRAM NO 169) YOU HAD BEEN INSTRUCTED TO MAKE THE FOLLOWING POINTS:
  - A. WE NOTED THAT THE BRAZILIAN GOVERNMENT IS NOW SEEKING A LEGAL OPINION ON THE STATUS OF THE AIRCRAFT IN RELATION TO THE DRAFT HAGUE RULES OF 1923. THE BRAZILIAN GOVERNMENT HAD ALREADY BEEN MADE AWARE OF THE BRITISH GOVERNMENT'S VIEW THAT THESE RULES WERE NEITHER RELEVANT TO THE CASE IN QUESTION NOR BINDING:
  - B. AS ACLAND HAD MADE CLEAR TO CAMPOS, WE CONSIDER THIS ESSENTIALLY A POLITICAL, RATHER THAN A LEGAL, QUESTION. BOTH THE PRIME MINISTER AND I ATTACH CONSIDERABLE IMPORTANCE TO IT AND ACLAND HAD MADE CLEAR OUR STRONG CONCERN TO MAINTAIN CLOSE AND FRIENDLY RELATIONS WITH BRAZIL AND LATIN AMERICA AS A WHOLE:
  - C. WE ALSO NOTED THAT CAMPOS HAD EXPRESSED THE BRAZILIAN



GOVERNMENT'S DESIRE TO BE EVENHANDED. IF THIS WAS SO, WE WERE NOT IMPRESSED BY BRAZILIAN DEMONSTRATION OF EVENHANDEDNESS IN PRACTICE. THEY WERE ARGUING ON THE ONE HAND THAT THE HAGUE RULES SHOULD APPLY TO THE CASE OF THE VULCAN: BUT WHEN IT CAME TO MILITARY SUPPLIES FOR ARGENTINA TRANSITTING BRAZIL WE WERE TOLD THAT IT WAS NOT THE HAGUE RULES WHICH APPLIED BUT THE RECENT RIO TREATY RESOLUTION. THIS WAS NOT IN OUR VIEW EVENHANDEDNESS:

- D. THE BRITISH GOVERNMENT WAS THEREFORE STRONGLY OF THE VIEW THAT THE CONTINUED DETENTION OF THE VULCAN ON BRAZILIAN SOIL LENT ADDED WEIGHT TO THE NEED TO ENSURE THAT NO FURTHER ARGENTINE AIRCRAFT WOULD BE ALLOWED TO TRANSIT RECIFE OR ANY OTHER BRAZILIAN AIRPORT WITH MILITARY SUPPLIES FROM THIRD COUNTRIES. WE NOTED THAT GUERREIRO HAD TOLD YOU THAT BRAZIL WOULD TAKE MEASURES TO DISCOURAGE SUCH TRAFFIC IF IT WAS FOUND TO BE TAKING PLACE. WE HAD CLEAR EVIDENCE THAT IT WAS AND WE LOOKED TO THE BRAZILIAN GOVERNMENT TO TAKE APPROPRIATE MEASURES.
3. YOU HAVE DISCRETION TO ADD, IF YOU JUDGE IT APPROPRIATE, THAT HMG, IN ANY EVENT, FIND IT CURIOUS THAT BRAZIL SHOULD BE ACTING AS A CHANNEL FOR SUPPLY OF MILITARY EQUIPMENT FROM LIBYA. GIVEN LIBYA'S PERFORMANCE AS A SUPPORTER AND SUPPLIER OF GUERRILLA MOVEMENTS AND REVOLUTIONARY GROUPS AND KHADAFI'S NEFARIOUS BEHAVIOUR IN MANY PARTS OF THE WORLD, WE ARE SURPRISED THAT BRAZIL SHOULD CONSORT AS AN ACCESSORY AFTER THE FACT WITH THE LIBYAN GOVERNMENT.
4. FOR YOUR OWN INFORMATION, IF WE HAD TO MAKE A CHOICE BETWEEN THE IMMEDIATE RELEASE OF THE VULCAN AND PERSUADING THE BRAZILIANS TO STOP FURTHER TRANSIT OF LIBYAN ARMS AND OTHER MILITARY EQUIPMENT FROM THIRD COUNTRIES, THE LATTER ALTERNATIVE WOULD BE OF CONSIDERABLY GREATER BENEFIT TO OUR INTERESTS.

PYM