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GR 390 SECRET FM FCO 301842Z MAY 82 TO FLASH PARIS TELEGRAM NUMBER 310 OF 30 MAY

FOLLOWING PERSONAL FOR AMBASSADOR.

- 1. PRESIDENT MITTERRAND TELEPHONED TO THE PRIME MINISTER
 ON 29 MAY TO DISCUSS THE PROBLEM OF FRANCE'S CONTRACT TO
 SUPPLY PERU WITH EXOCET MISSILES. HE HAD DELAYED MATTERS
 SO FAR AS HE HAD PROMISED AND A PERUVIAN SHIP HAD RECENTLY
 ARRIVED IN A FRENCH PORT TO TAKE DELIVERY OF THE MISSILES BUT
 HAD BEEN SENT AWAY EMPTY. PERU WAS NOW PROTESTING TO FRANCE
 ABOUT THE NON-EXECUTION OF A SIGNED CONTRACT. ANOTHER
 PERUVIAN SHIP WOULD ARRIVE NEXT TUESDAY.
- 2. THE PRIME MINISTER ASKED WHETHER THERE WAS A CONDITION
 IN THE CONTRACT THAT THE MISSILES SHOULD NOT BE PASSED TO THIRD
 COUNTRIES. MITTERRAND CONFIRMED THAT THIS WAS THE CASE AND
 FRANCE WOULD NATURALLY DRAW ATTENTION TO IT. THE PRIME
 MINISTER SAID THAT WE HAD GOOD REASON TO BELIEVE THAT PERU WAS
 OFFERING EXTENSIVE HELP TO ARGENTINA AND IT WOULD BE A VERY
 SERIOUS MATTER INDEED IF THE EXOCETS WERE DELIVERED TO ARGENTINA
 VIA PERU. MITTERRAND SAID THAT HE TOO HAD LITTLE FAITH IN
 PERU OBSERVING THE PROHIBITION ON TRANSFER.
- 3. THE PRIME MINISTER EXPRESSED HER GREAT CONCERN OVER THIS QUESTION. AS IT WAS AN OPEN LINE, SHE SAID THAT SHE WOULD PREFER TO SEND THE PRESIDENT A MESSAGE BY OTHER MEANS. MITTERRAND, FOR HIS PART, EXPLAINED THE FRENCH PROBLEM ABOUT FAILING TO IMPLEMENT A CONTRACT AND HE SUGGESTED THAT IT WOULD BE SEVERAL DAYS BEFORE THE MISSILES COULD BE USED AGAINST US, ASSUMING THE PERUVIANS PASSED THEM ON. HE ASKED IF THE PRIME MINISTER COULD GIVE HIM SOME IDEA OF HOW SOON WE COULD TAKE PORT STANLEY. THE IMPLICATION WAS THAT HE EXPECTED THIS TO BE THE END OF HOSTILITIES AND THAT HE WANTED IF POSSIBLE TO HOLD DELIVERY UP UNTIL THEN.
- 4. THE PRIME MINISTER HAS DISCUSSED THIS WITH A NUMBER OF HER CABINET COLLEAGUES AND WITH THE CHIEF OF THE DEFENCE STAFF.

 ALL ARE AGREED THAT IT IS ESSENTIAL THAT THE MISSILES ARE HELD IN FRANCE AT LEAST FOR A FURTHER PERIOD. PLEASE DELIVER URGENTLY THE MESSAGE IN MY IMMEDIATELY FOLLOWING TELEGRAM TO BEREGOVOY WITH THE REQUEST THAT HE GETS IN TOUCH IMMEDIATELY WITH THE PRESIDENT. THE PRIME MINISTER ASSUMES THAT HER MESSAGE WILL BE SUFFICIENT TO CONVINCE THE PRESIDENT THAT THE MISSILES SHOULD NOT

SECRET

BE ALLOWED OUT OF FRANCE. IF, HOWEVER, HE OR BEREGOVOY THINK
IT WOULD BE USEFUL TO DISCUSS THE MATTER FURTHER, THE PRIME
MINISTER WOULD SEND SIR MICHAEL PALLISER AS HER PERSONAL EMISSARY.
SIR MICHAEL COULD ARRIVE IN PARIS TOMORROW, 31 MAY.

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