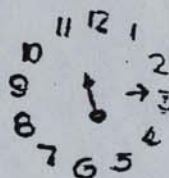


-5 MAY

BSB/FCO 012/05

OO FCO

DESKBY 060900Z MAY 82



GRS 310

CONFIDENTIAL

DESKBY 060900Z MAY 82

FM BRASILIA 052005Z MAY 82

TO IMMEDIATE FCO

TELEGRAM NUMBER 158 OF 5 MAY

193

YOUR TELNO 36 TO ASUNCION: DEFENCE SALES TO SOUTH AMERICA

1. UP TO NOW BRAZILIAN MINISTERS HAVE BEEN AT PAINS TO DENY ANY POSSIBILITY OF DIRECT BRAZILIAN MILITARY INVOLVEMENT IN HOSTILITIES. HOWEVER, WE ALREADY KNOW OF THE SALE TO ARGENTINA OF AT LEAST TWO MARITIME/ASW BANDEIRANTE AIRCRAFT ALREADY IN SERVICE WITH FAB WITHIN THE LAST TWO WEEKS. UNCONFIRMED REPORTS SUGGEST THAT AN ASSORTMENT OF AMMUNITION, MISSILES AND LIGHT WEAPONS MAY ALSO HAVE BEEN SOLD IN THE SAME TIME SPAN.

2. IN OUR VIEW THERE IS NO BRAZILIAN ARMY OR AIR FORCE EQUIPMENT OF BRITISH MANUFACTURE CURRENTLY IN SERVICE WHICH THE ARGENTINES WOULD WANT. THE BRAZILIAN NAVY, HOWEVER, POSSESSES A RANGE OF BRITISH EQUIPMENT ALREADY IN SERVICE WHICH COULD BE OF CONSIDERABLE USE TO THEM. THIS INCLUDES LYNX HELICOPTERS, SPARES BETWEEN COMMON EQUIPMENTS IN NITEROI CLASS FRIGATES AND ARGENTINE TYPE 42 DESTROYERS, SEA CAT AND OTHER COMMON MISSILE SYSTEMS. IT WOULD NOT BE DIFFICULT FOR THE BRAZILIAN NAVY CLANDESTINELY TO PROVIDE THE SERVICES OF AN OBERON CLASS SUBMARINE, BUT WE ARE CONFIDENT THAT THE NAVAL COMMAND WOULD RULE OUT THIS OPTION. INDEED, IN VIEW OF THE INTENSIVE AND OFTEN CRITICAL PRESS INTEREST IN THE SALE OF THE BANDEIRANTE AIRCRAFT, IT SEEMS UNLIKELY THAT THE BRAZILIAN SERVICES WILL MAKE ANY FURTHER DELIVERIES OF MAJOR EQUIPMENTS TO ARGENTINA.

3. THERE IS NOTHING IN THE SALES CHAIN OF ANY OF THE THREE SERVICES THAT WE CAN IDENTIFY WHICH WOULD BE OF USE TO THE ARGENTINES IN THE EXPECTED TIME FRAME OF THE PRESENT CONFLICT. POLITICALLY, IT WOULD MAKE SOUND SENSE FOR BRITISH SUPPLIERS TO CONTINUE BUSINESS WITH BRAZIL AS USUAL. FAILURE TO DO SO WOULD

FAILURE TO DO SO WOULD
TEND TO STRAIN THE EXISTING GOOD RELATIONS BETWEEN US AND THE
BRAZILIAN ARMED FORCES, WHO WIELD A DECISIVE INFLUENCE ON THE
BRAZILIAN GOVERNMENT'S POLICIES IN THE PRESENT CRISIS.

HARDING

NWNN

SENT AT 05: 2154Z HM
RECD AT 05:2154Z TC

UP GOVERNMENT OFFICES WPA 55
RECEIVED OFFICES WPA 55
CONFIDENTIAL
003 3TC

OR 507 RECEIVED OFFICES WPA 55

3 p 1

RECEIVED
OFFICES
WPA 55

2