

PS
PS/MR HURD
PS/MR ONSLOW
PS/PS ← PS/MR RIFKIND
SIR J BULLARD
SIR J SINCLAIR
MR GIFFARD
MR WRIGHT
MR ADAMS
LORD N GORDON LENNOX
LORD BRIDGES
MR URE
MR GILLMORE
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MR J STEWART AUSD STAFF MOD
PS/CHANCELLOR }
MR ILETT } TREASURY
MR LITTLER }
MISS DICKSON D/ENERGY

SIR R ARMSTRONG }
SIR M PALLISER } CABINET OFFICE
MR WADE GERY S. Goodall }
MR FULLER SAPU/DIO }
DIO }

Room 8 FOR MODUK C IN C FLEET/

EMERGENCY UNIT
~~RESIDENT CLERK~~

[Passed to E.R.]
[Typists a.a.]

RESTRICTED

(FM BERNE 221412Z)

FM BIS BUENOS AIRES

TO IMMEDIATE FCO

TELNO 173 OF 21 JUNE

AND TO IMMEDIATE MONTEVIDEO SANTIAGO LIMA BRASILIA WASHINGTON
UKMIS NEW YORK

YOUR TELNO 155 TO LIMA: END TO HOSTILITIES

1. THE SITUATION HERE IS STILL VERY UNCLEAR AND THERE ARE STILL NO FIRM INDICATIONS THAT THE NEW MILITARY JUNTA IS PREPARED TO DECLARE AN END TO HOSTILITIES. WE SHALL BE LUCKY TO GET ANY FORMAL DECLARATION AND IN ANY CASE SHOULD NOT EXPECT ANY STATEMENT UNTIL THE NEW PRESIDENT IS INSTALLED.

2. BUT THE WIDELY-READ AND INFLUENTIAL DAILH "LA NACION" CARRIES THIS MORNING IN ITS LEAD STORY A REPORT THAT THE NAVY, PREVIOUSLY THE MOST BELLIGERENT OF THE TVHREE FORCES, HAS NOW INDICATED THROUGH ITS COMMANDER, ANAYA, THAT THE PERIOD OPENING

~~INDICATED THROUGH ITS COMMANDER, ANAYA, THAT~~ THE PERIOD OPENING WITH THE NEW PRESIDENT QUOTE SHOULD TAKE INTO THE PURELY DIPLOMATIC FIELD THE STRUGGLE UNDERTAKEN IN THE MILITARY FIELD WITH ADVERSE RESULTS UNQUOTE9 THE PAPER POINTS OUT THAT THE NAVY HAS THUS JOINED THE AIR FORCE, WHICH HAS THROUGHOUT THE RRISIS SUPPORTED THE WIDEST POSSIBLE MARGIN OF NEGOTIATION ON THE DIPLOMATIC FRONT. THE ARMY, IN DEPOSING GALTIERI, HAS TAKEN THE SAME DECISION. THE PAPER NOTES THAT ANAYA'S FAREWELL ADDRESS TO GALTIERI, WITH ITS AGGRESSIVE TONES, DID NOT GO DOWN WELL IN CERTAIN ARMY CIRCLES.

3. IN SUMMARY, LA NACION JUDGES THAT THE PREDOMINANT ATTITUDES PREVAILING IN THE THREE ARMED FORCES APPEAR NOW TO COINCIDE IN BELIEVING THAT WHATEVER THE RESULT OF THE ENTERPRISE BEGUN ON 2 APRIL, THE PRESENT SHOULD BE A TIME OF PEACE. THIS IS THE MOST HOPEFUL INDICATION SO FAR ON AN EMERGING REASONABLE ATTITUDE IN THE JUNTA.

JOY

POWELL-JONES

NNNNN

SENT AT RECD AT 221434Z TWPM