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PM WASHINGTON 1717157 APR 80 TELNO 1334 OF 17 APRIL 82 INSO IMMEDIATE MOSCOW HAVANA LIKDEL MATO

MOSCOW TELNOS 202 AND 203 . FALKLANDS . SOVIET ATTITUDE

1. I AGREE WITH MR PROOKE THRNER'S COMMENTS IN THE SECOND THE

2. SEMEONOV'S ASSERTION THAT THE SOVIET BRION IS NOT PROVIDING INTELLIGENCE TO THE ARGENTINES IS, OF COURSE, UNTRUE. CLARK TOLD ME THIS MORNING THAT THERE IS IN HIS VIEW NO DOURT THAT THE RUSSIANS ARE PROVIDING THE ARGENTINIANS WITH INTELLIGENCE ABOUT OUR FLEET

3. THE AMERICANS AS YOU KNOW ARE MUCH EXERCISED AT THE FIRELIHOOD AS THEY ARE ALREADY DOING - AND THAT THIS WILL OFFER THE RUSSIANS A HITHERTO UNHOPED FOR OPPORTUNITY OF EXTENDING THEIR INFLUENCE IN AN AREA OF GREAT STRATEGIC INTEREST TO THEM. THE SHARPER AND MORE PROLONGED THE CRISIS THE GREATER THE OPPORTUNITIES FOR SUCH AN EXTENSION OF SOVIET INFLUENCE.

KINDS INCLUDING, PROBABLY OFFERS OF FRESH ARMS SUPPLIES (THEY HAVE ALREADY SOLD HEAVY LIFT HELICOPTERS). AS I POINTED OUT TO CLARK. IT WOULD BE QUITE OUT OF CHARACTER WITH PREVIOUS SOVIET CONDUCT. HOWEVER, FOR THE RUSSIANS TO TAKE THE RISK OF DIRECT MILITARY INVOLVEMENT, THOUGH THIS DIMENSION OF THE CRISIS COULD TAKE ON A MUCH SHARPER ASPECT IN THE EVENT OF A THREAT TO SOVIET GRAIN SHIPMENTS.

HD/S AM D HD/EESD HD/DEF D

PS/MR ONSLOW MR GIFFARD MR BULLARD

[Passed to E.R MOD Con (Fled

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