

FALKLAND ISLANDS

SITREP BY FCO 0730 18 APRIL

Haig Initiative

1. Mr Haig began his second day of talks in Buenos Aires pessimistic following 'totally unacceptable' Argentine proposals (his message of 17 April to Mr Pym, see FCO telno. 747 to Washington). Clark at the White House told Sir N Henderson that Haig's instructions would be to make clear the US view of Argentine intransigence and which side they would be on if talks broke down.

2. However Haig held a further meeting with Costa Mendez from 1600 to 2155 local and will be resuming later today (Washington telno. 1337). Galtieri was not present. Meanwhile agencies reported that the Argentine generals met until 1830 (local time) under the chairmanship of the Army Chief of Staff to discuss Haig's proposals, and would also resume today.

US

3. Yesterday's American press stressed British 'resentment' at US impartiality, prompting Dr Kissinger to phone Sir N Henderson to make clear his view that in a showdown the US would be entirely on the British side. He believed Haig would be using this argument to pressure Argentina to an acceptable settlement.

Latin America

4. Peru, Venezuela, Bolivia, Ecuador and Colombia have announced that they will increase their trade with Argentina to compensate for European and other economic measures.

Royal Marines and BAS Personnel

5. The party of 29 marines and 13 BAS personnel notified through Swiss Embassy Buenos Aires and through Uruguayan MFA as flying to Montevideo last night (Montevideo telno. 147), arrived at 0420 GMT today (telno. 148), none injured. RAF VC10 departed 2230 GMT last night to collect them all: ETA Brize Norton 0330 on 20 April.

Journalists

6. Argentine MFA have confirmed reports that the three missing British journalists have been arrested in Ushuaia and charged with espionage. The Sunday Times believe the case is coming up tomorrow and are sending Isobel Hilton to attend (Montevideo telno. 1 to Berne). The Canadian Broadcasting Corporation have now said that three of their reporters and their interpreter have been arrested at Comodoro Rivadavia.

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Emergency Unit

SECRET