

Aw 040/325/2

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8

GRS 260

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DESKBY 091000Z

FM BUENOS AIRES 8/1730Z JAN 81

TO IMMEDIATE FCC

TELEGRAM NUMBER 007 OF 8 JANUARY 1981

1000 001

YOUR TELNO 252 OF 22 DECEMBER ^{Aw 040/325/10 (99)}

FOLLOWING PERSONAL FOR FEARN, SAND FROM AMBASSADOR

IN THE LIGHT OF PORT STANLEY TELEGRAMS 7 AND 8 AND MY OWN FALKLANDS EXPERIENCES I AM ADDITIONALLY CONVINCED THAT OUR MAIN OBJECTIVE MUST BE NOT TO LOSE THE ACCEPTANCE OF A LONG LEASE-BACK AS A NEGOTIATING BASIS WHICH CAVANDOLI EXTRACTED FROM THE JUNTA. OUR AIM MUST BE TO GET THIS ON THE PUBLIC RECORD BEFORE IT GETS OVERLAID BY SUBSEQUENT DISPARAGEMENTS HERE OR IN THE ISLANDS, EVEN IF IT CANNOT BE USED IN NEGOTIATION PRIOR TO A PROBABLY DISCOURAGING JOINT EXPLORATION OF FREEZE. SINCE CAVANDOLI CANNOT GO ON PUBLIC RECORD UNTIL SOMETHING IS ADDRESSED TO HIM BY US (THE ARGENTINE GOVERNMENT IS, AT OUR SUGGESTION, STILL WITHHOLDING ALL COMMENT ON THE GROUNDS THAT OPTIONS AIRED ARE SO FAR UNDER DISCUSSION ONLY BETWEEN BRITISH) I NOW DEFINITELY RECOMMEND THAT WE AIM FOR SOME VISIBLE CONTACT BETWEEN HIM AND MR RIDLEY BEFORE THIS GOVERNMENT GOES. WHETHER IT SHOULD BE CALLED NEGOTIATION WE CAN DISCUSS WITH HIM AFTER HE RETURNS FROM HOLIDAYS ON 14 JANUARY. THE OUTCOME TO BE AIMED FOR SHOULD PERHAPS BE A COMMUNIQUE GIVING AN ACCOUNT OF WHAT MR RIDLEY HAS TOLD HIM AND OF WHAT HE SAID IN REPLY AS REGARDS ARGENTINE GOVERNMENT ATTITUDES. THE TWO NEED NOT AGREE AND CAVANDOLI WOULD HAVE TO REITERATE ARGENTINE SOVEREIGNTY CLAIMS BUT HE MIGHT BE PERSUADED TO ADD A PASSAGE INDICATING THAT LEASEBACK - OR A CIRCUMLOCUTION FOR IT - IS NOT EXCLUDED BY ARGENTINA AS A NEGOTIATING BASIS. PRESSURES FOR GREATER INTRANSIGRANCE WITH THE BRITISH ARE GROWING, AS I AM REPORTING SEPARATELY. IT IS ALSO IMPORTANT THAT CAVANDOLI SHOULD BE ABLE TO SHOW THAT WE HAVE NOT HOODWINKED HIM OVER THESE LAST TWO YEARS INTO ALLOWING US TO AVOID ALL SUBSTANTIVE PROGRESS.

WILLIAMS

LIMITED
 ED/S AM D
 PS
 PS/LPS
 PS/MR RIDLEY
 PS/PUS
 MR DAY
 MR HARDING

SECRET