PRIME MINISTER

## Situation in New York

Sir Anthony Parsons recommends that you telephone Perez de Cuellar at \$945. De Cuellar is under pressure to keep his negotiating effort alive. As you know, Costa Mendez suggested to him that he should send emissaries to London and Buenos Aires but Parsons has killed that idea.

Costa Mendez also suggested that de Cuellar should speak to <u>Galtieri</u> who, he says, is prepared to be flexible. De Cuellar will telephone Galtieri at about 9 o'clock our time.

There is an informal meeting of the Security Council at about 1015.

Parsons thinks it would help Perez de Cuellar to control the situation if he could say that he had spoken to both Heads of Government. He suggests that you take the line that the Argentines have a simple alternative - either to accept our proposal or to implement UN Security Council Resolution 502. They have been intransigent for six weeks and it is simply not possible for us to continue negotiating with such people.

(I should add that Parsons has been through the Argentine reply with the Secretary General and has asked him to convey to the Argentines that it is wholly unacceptable and that we have no choice but to terminate the negotiations.)

I think we ought to obtain confirmation that de Cuellar actually has spoken to Galtieri but, subject to that, would you be willing to leave the dinner party to make this telephone call at 1945? The point is to speak to de Cuellar after he has yolen to Jaltier but before the informal meeting of the Secrity Council at 10.15.

A. J. C.

19 May 1982

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