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FM FORT STANLEY 331249Z FEB 81 TO ROUTINE FCO

TELEGRAM NUMBER 53 OF 3 MARCH

INFO BUENOS AIRES

A W 040/325/2 RECEIVED IN REMEMY NO. 18 -4 MAR 1981

DESK OFFICER REGISTRY
S.INDEX PA Action Taken

BUENOS AIRES TELNO 83: FALKLANDS TALKS.INDEX

1. COUNCILLORS MONK AND WALLACE REPORTED BACK TO JOINT COUNCILS
ON 28 FEBRUARY AND HELD A PRESS/RADIO CONFERENCE ON 1 MARCH
WITH LOCALS PLUS HAROLD BRILLY (BBC) AND RICHARD BOUDREAUX (AP).

- 2. THEY SAID THAT ARGENTINES HAD TOTALLY REJECTED FREEZE AND ISLANDERS WERE NOW FACED WITH A STRAIGHT CHOICE OF CEDING SOVEREIGNTY OR NOT. IF THEY WERE PREPARED TO OFFER THE FORMER, THERE WAS NO LIMIT TO THE GUARANTEES AND PROMISES THE ARGENTINES WOULD GIVE IN RETURN. IF THEY CHOSE THE LATTER, THERE WOULD BE NO FURTHER TALKS. THE TIME HAD NOW COME FOR REFLECTION AND CONSULTATION WITH CONSTITUENTS.
- 3. ON THE COMMUNIQUE'S REFERENCE TO ''FURTHER NEGOTIATIONS AT AN EARLY DATE'', THEY SAID THEY HAD EXPLAINED TO THE ARGENTINES THAT GENERAL ELECTIONS WOULD HAVE TO BE HELD BEFORE NOVEMBER. THE ARGENTINES APPEARED TO APPRECIATE THAT THESE WOULD BE PART OF THE DECISION—MAKING PROCESS AND WOULD NOT PRESS FOR ANOTHER MEETING UNTIL AFTERWARDS SEMI—COLON BUT COUNCILLOR WALLACE THOUGHT THAT THEY WOULD WANT ANOTHER MEETING WITHIN A YEAR.
- 4. BOTH COUNCILLORS EMPHASISED THAT ME RIDLEY HAD ARGUED THE CASE FOR A FREEZE MOST ABLY AND FORCEFULLY BUT THE ARGENTINES HAD CONVINCED THEM THAT IT HAD NO CHANCE OF ACCEPTANCE.
- 5. WALLACE TOLD ME THAT HE HAD FOUND THE TALKS TRAUMATIC
 BUT INTERESTING AND INSTRUCTIVE. HE HAD BEEN IMPRESSED BY
 CAVANDOLL AND ACCEPTED THAT HE GENUINELY SOUGHT THE WELL-BEING
 OF ISLANDERS. HE BELIEVED THAT CAVANDOLI WOULD RESPECT ANY
 GUARANTEES OR PROMISES MADE. MONK TOLD ME THAT HE THOUGHT
 WALLACE HAD FALLEN UNDER CAVANDOLI'S SPELL. HE GUESSED THAT
 WALLACE WOULD COME DOWN EVENTUALLY IN FAVOUR OF CEDING
 SOVEREIGNTY SEMI-COLON BUT HE HIMSELF WOULD NEVER AGREE.
 IN THE END, HOWEVER, HE THOUGHT THAT THE MAJORITY OF ISLANDERS
 WOULD FOLLOW WALLACE. THEY WOULD NOT (REPEAT NOT) BE RESOLUTE
 ENOUGH TO FACE UP TO THE CONSEQUENCES OF STATING SIMPLY TO THE
 ARGENTINES THAT THEY WERE NOT PREPARED TO CEDE SOVEREIGNTY.
 IF SOVEREIGNTY WERE CEDED, HE WOULD LEAVE THE ISLANDS. HE THOUGHT

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THAT MAMY OTHERS WITH INFLUENCE AND WEALTH WOULD DO LIKEWISE AND THAT WE MIGHT NOT BE ABLE TO SUSTAIN A COLONY FOR THE LENGTH OF ANY LEASE AGREED. AT THE SAME TIME, HE RECOGNISED THAT REFUSING TO CEDE SOVEREIGNTY WOULD LEAD TO CONDITIONS WHICH WOULD THEMSELVES DRIVE MANY PEOPLE FROM THE ISLANDS.

6.WALLACE PROFESSED TO KEEP AN OPEN MIND ON THE SUBJECT AND HAS NOT RULED OUT INDEPENDENCE AS A POSSIBLE THIRD OPTION.

7. COUNCILLORS WERE NOT WORRIED ABOUT THE HICCUP OVER THE COMMUNITUE. THEY REGARDED IT AS A DOMESTIC ARGENTINE AFFAIR AND ACCEPTED BLOOMER-REEVE'S REASSURANCE THAT THE ARGENTINES STOOD BY THE ORIGINAL COMMUNIQUE.

8. COUNCILLORS CONSIDERED WHETHER SCMEONE SHOULD VISIT FROM LONDON OR BA IN THE NEXT FEW MONTHS. MONK WAS IN FAVOUR. HE THOUGHT THE PEOPLE WOULD NEED A PROD. THE MAJORITY THOUGHT A VISIT WOULD BE COUNTER-PRODUCTIVE AS ISLANDERS WOULD RESENT OUTSIDE PRESSURES. WHILE THERE IS A RISK THAT THEY WILL NOT FACE UP TO THE DIFFICULT DECISION AHEAD, I AM INCLINED TO AGREE THAT WE SHOULD NOT SEEK TO PUT FURTHER PRESSURE ON THEM AT THIS STAGE.

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THIS TELEGRAM
WAS NOT
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