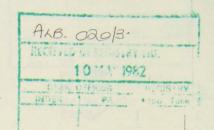
GRS 540 CONFIDENTIAL DESKBY 071800Z FM BRASILIA 071705Z APR 82 TO IMMEDIATE FCO TELEGRAM NUMBER 162 OF 7 MAY INFO IMMEDIATE WASHINGTON, UKMIS NEW YORK



FALKLANDS: PARLIAMENTARY STATEMENT

- 1. I CALLED ON THE FOREIGN MINISTER AT NOON TODAY AND HANDED HIM A COPY OF YOUR STATEMENT IN THE HOUSE THIS MORNING.
- 2. GUERREIRO READ THE TEXT IN SILENCE. HE THEN SAID THAT HE HAD ALWAYS CONSIDERED THAT THE UNITED NATIONS OFFERED THE BEST ROUTE TO A SOLUTION, THOUGH IT WOULD UNDOUBTEDLY BE A VERY COMPLEX AND DIFFICULT BUSINESS. HE HAD PERSONALLY URGED ON THE ARGENTINE FOREIGN MINISTER (WITH WHOM HE KEEPS IN SPORADIC CONTACT BY TELEPHONE) THE NEED TO ADOPT A FLEXIBLE APPROACH TO A NEGOTIATED SOLUTION UNDER UN AUSPICES. HE HAD GATHERED FROM COSTA MENDEZ THAT THE ARGENTINES WOULD NOT WELCOME A FURTHER FORMAL SESSION OF THE SECURITY COUNCIL, SINCE THEY ASSUMED THERE WOULD BE AN AUTOMATIC BRITISH VETO ON ANY DRAFT RESOLUTION UNFAVOURABLE TO OUR INTERESTS. BUT THE ARGENTINES WOULD BE QUITE WILLING TO PURSUE DISCUSSIONS WITH THE UN SECRETARY GENERAL, THOUGH THEY SEEMED IN NO MOOD YET TO ABANDON THEIR PREREQUISITE CLAIM TO SOVEREIGNTY. THE BRAZILIAN AMBASSADOR TO THE UN HAD ALSO RECEIVED THE IMPRESSION FROM HIS SOVIET COLLEAGUE THAT THE RUSSIANS WERE ALSO IN FAVOUR OF AN EARLY NEGOTIATED SOLUTION AND WISHED TO AVOID FORMAL DEBATE IN THE SECURITY COUNCIL. NO DOUBT THIS ATTITUDE HAD SOMETHING TO DO WITH THE CHINESE PRESIDENCY OF THE SECURITY COUNCIL THIS MONTH. 3. I SAID THAT, THOUGH I WAS NOT PRIVY TO MY GOVERNMENT'S INNERMOST THOUGHTS ON THE QUESTION, IT SEEMED CLEAR THAT WE WOULD NOT WISH TO IMPOSE ANY PRIOR CONDITIONS ON NEGOTIATIONS FOR A SETTLEMENT, SO LONG AS NO SUCH CONDITIONS (EG ARGENTINE SOVEREIGNTY) WERE IMPOSED ON US AND NO ARGENTINE TROOPS WERE LEFT ON THE ISLANDS. EVERYTHING ELSE COULD BE DISCUSSED, THOUGH OF COURSE WE WOULD MAINTAIN OUR CLAIM TO SOVEREIGNTY AND TO BRITISH ADMINISTRATION OF THE ISLANDS AND OUR FIRM DETERMINATION TO GIVE FULL WEIGHT TO THE WISHES OF THE INHABITANTS, ONE OF THE MAIN PROBLEMS, AS I SAW IT, WAS THAT, WHEREAS YOU WERE ALWAYS ABLE TO SPEAK WITH THE FULL AUTHORITY OF THE BRITISH CABINET, COSTA MENDEZ DID NOT SEEM TO BE ENTIRELY TRUSTED BY THE JUNTA AND COULD NOT ALWAYS BE RELIED

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"UPON TO REFLECT THEIR VIEWS ACCURATELY - IF INDEED THEY COULD BE SAID TO HAVE COHERENT VIEWS AT ALL. GUERREIRO DID NOT DEMUR, THOUGH HE HAD NOTED IN THE COURSE OF THE OAS MEETINGS ON THE FALKLANDS QUESTION THAT COSTA MENDEZ HAD BEEN IN VERY FREQUENT TELEPHONIC CONTACT WITH BUENOS AIRES. THIS SEEMED TO ME TO PROVE MY POINT RATHER THAN OTHERWISE. COMMENT.

4. GUERREIRO SEEMED TO TAKE A MORE PESSIMISTIC VIEW THAN BEFORE OF THE PROSPECTS OF AN EARLY AND PEACEFUL SOLUTION.

I NOTED THAT HE MADE NO ATTEMPT WHATSOEVER TO OFFER ADVICE OR EXHORTATION AS TO HOW WE SHOULD PLAY OUR HAND. I WOULD JUDGE THAT HIS FEELING OF IMPOTENCE IN THE FACE OF A DANGEROUS SITUATION WHICH MIGHT TURN OUT TO BE VERY DAMAGING TO BRAZILIAN INTERESTS IS SHARED BY THE BRAZILIAN GOVERNMENT AS A WHOLE. PRESIDENT FIGUEIREDO, HOWEVER, WHO IS OF A MORE EMOTIONAL DISPOSITION, MAY WELL GIVE VENT TO HIS FRUSTRATION WHEN HE SEES PRESIDENT REAGAN NEXT WEEK. SIR N HENDERSON MAY THUS BE ABLE TO GLEAN SOMETHING OF INTEREST FROM EITHER HAIG OR GUERREIRO AFTER DISCUSSIONS BETWEEN THE TWO PRESIDENTS HAVE TAKEN PLACE.

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