

Confidential

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| Mr Chase (AMM) | |
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J. Fearn 11/5

Mr Fearn, Emergency Unit

FALKLANDS: CONTACTS WITH THE BRAZILIAN EMBASSY

1. Mr Hugueneay, Political Counsellor at the Brazilian Embassy, has for some months been in the habit of calling on me to discuss international, usually East/West, matters. He has been asking me fairly frequently since the Falklands crisis began for indications of the state of play in negotiations. Up to now, I have been extremely cagey, confining myself to Ministers' statements in Parliament. Today Mr Hugueneay rang and, after explaining that the Brazilian President was about to visit the US, said that he understood that Argentina had changed its position on sovereignty and in particular was no longer insisting on any mention of the word in an interim agreement to end the crisis.

2. I said, in reply, that the public remarks by Mr Costa Mendez two days ago were ambiguous; on the one hand, he seemed to be claiming that recognition of Argentine sovereignty over the Islands was no longer a pre-condition for long term negotiations, but on the other he was saying that Argentine sovereignty was the only outcome that could be considered. This seemed to be a claim of a change of position rather than an actual change of position. I also said that Argentina, in the New York negotiations, had not accepted language which would state that negotiations about the future of the Islands would be without prejudice to the outcome. Asked about the general prospects in the New York negotiations, I said that Argentina was not demonstrating serious flexibility but that we would continue to leave no stone unturned in our efforts for a negotiated settlement. I implied that the next several days might be crucial.

C L G Mallaby
Planning Staff

11 May 1982

cc: Mr Giffard
Mr Ure