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TO ROUTINE F C O
TELEGRAM NUMBER 617 OF 30 JULY.

MEETING WITH PRESIDENT ALVAREZ.

1. TODAY AT LONG LAST I WAS ABLE TO DELIVER THE MESSAGE FROM THE PRIME MINISTER (YOUR TELEGRAM NUMBER 417). PRESIDENT ALVAREZ WAS CLEARLY VERY PLEASED.

2. IN THE COURSE OF OUR CONVERSATION PRESIDENT ALVAREZ MADE TWO POINTS OF SOME INTEREST:

(I) HE HOPED WE WOULD UNDERSTAND IF NO FORMAL REPLIES WERE FORTHCOMING TO OUR NOTES ABOUT THE WATER FOR THE FORT TORONTO AND SHIPPING SERVICES TO THE FALKLAND ISLANDS (YOUR TELEGRAMS NUMBERS 442 AND 306 TO SANTIAGO REFER). ARGENTINA WAS EXERTING MUCH PRESSURE AND FOR LATIN AMERICAN REASONS URUGUAY COULD NOT APPEAR TO BE BREAKING THE ATTEMPTED ARGENTINE BLOCKADE. ON THE OTHER HAND THE URUGUAYAN GOVERNMENT RECOGNISED THE HUMANITARIAN NEEDS OF THE CIVILIAN POPULATION ON THE ISLANDS. THEREFORE THE URUGUAYAN AUTHORITIES WERE QUITE PREPARED FOR SUPPLIES FOR THE CIVILIAN POPULATION TO BE PURCHASED IN URUGUAY PROVIDED NO INDICATION WAS GIVEN AS TO THEIR DESTINATION. WHEN I COMMENTED THAT SHIPPING WAS A PROBLEM THE PRESIDENT SAID THAT SURELY A VESSEL COULD HEAD TOWARDS THE UNITED KINGDOM AND THEN TURN SOUTH.

(II) THE PROTECTION ZONE AROUND THE ISLANDS WAS A CONTINUING IRRITANT TO ARGENTINA, CONTRIBUTING TO HER CONTINUED INTRANSIGENCE AND WAS ALSO A MATTER OF CONCERN TO OTHER COUNTRIES IN THE AREA INCLUDING URUGUAY. IN RESPONSE TO MY COMMENT THAT WITHOUT THE PROTECTION ZONE, HOW COULD WE BE CERTAIN THAT THERE WOULD NOT BE ANOTHER 2 APRIL, PRESIDENT ALVAREZ' REPLY WAS THAT ARGENTINA AT PRESENT WAS IN NO CONDITION POLITICALLY, ECONOMICALLY OR MILITARILY TO ENGAGE IN FURTHER ADVENTURES.

HUTCHINSON

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