

IMMEDIATE

PS
 PS/MR HURD
 PS/MR ONSLOW
 PS/PUS
 MR BULLARD
 SIR I SINCLAIR
 MR GIFFARD
 MR WRIGHT
 MR ADAMS
 LORD N G LENNOX
 LORD BRIDGES
 MR URE
 MR GILLMORE
 HD/PUSD
 HD/S AM D
 HD/DEF DEPT
 HD/NEWS DEPT
 HD/ERD
 HD/ECD(E)
 HD/UND
 HD/PLANNING STAFF
 MR ANTHONY WILLIAMS W60
 EMERGENCY ROOM
 RESIDENT CLERK

PS/NO 10 DOWNING ST (2)
 PS/S OF S FOR DEFENCE
 MR J STEWART AUSD STAFF MOD
 PS/CHANCELLOR)
 MR ILETT) TREASURY
 MR LITTLER)
 SIR R ARMSTRONG)
 SIR M PALLISER) CABINET
 MR WADE-GERY) OFFICE
 MR FULLER SAPU/DIO)
 DIO)

~~RM 8 FOR MODUK C IN C FLEET~~

[Passed to E.R.]

[Typists' list]

CONFIDENTIAL

FM WASHINGTON 170300Z MAY 82
 TO IMMEDIATE FCO
 TELEGRAM NUMBER 1781 OF 16 MAY
 INFO IMMEDIATE LUXEMBOURG (FOR S OF S'S PARTY) PRIORITY CANBERRA.
 FALKLANDS: AUSTRALIAN PRIME MINISTER'S CALL ON PRESIDENT REAGAN.

MR FRASER ARRIVED IN WASHINGTON THIS EVENING FOR A DISCUSSION TOMORROW WITH PRESIDENT REAGAN. HE HAS ASKED THAT YOU SHOULD BE INFORMED THAT HE WILL BE MAKING TWO BASIC POINTS ON THE FALKLANDS:-

(I) THAT SUPPORT FOR THE BRITISH POSITION AND FOR WHAT MRS THATCHER IS TRYING TO ACHIEVE IS OF CRITICAL IMPORTANCE TO THE WESTERN ALLIANCE.

(II) THAT BRITAIN'S RESISTANCE TO ARGENTINE INVASION OF THE FALKLANDS IS IN THE INTERESTS OF EVERYONE. FEW COUNTRIES NOWADAYS HAD THE GUTS TO FIGHT AGGRESSION AND THIS DESERVED THE FULLEST INTERNATIONAL SUPPORT.

2. IN PASSING THIS ON AT MR FRASER'S REQUEST, PRICE (AUSTRALIAN CHARGE D'AFFAIRES) SAID THAT HIS PRIME MINISTER THOUGHT YOU MIGHT

2. IN PASSING THIS ON AT MR FRASER'S REQUEST, PRICE (AUSTRALIAN CHARGE D'AFFAIRES) SAID THAT HIS PRIME MINISTER THOUGHT YOU MIGHT FIND IT USEFUL IN DEALING WITH YOUR EUROPEAN COLLEAGUES TO KNOW THAT HE WOULD BE TAKING THIS LINE HERE. HE HAD ASKED THAT WE SHOULD TREAT THIS AS CONFIDENTIAL UNTIL HE HAD SEEN PRESIDENT REAGAN. HIS APPOINTMENT IS AT 1800 GMT ON 17 MAY.

3. PRICE ASKED IF I HAD ANY COMMENTS. I SAID THAT I KNEW MR FRASER'S ROBUST LINE WOULD BE VERY WELCOME IN LONDON. I THOUGHT HE WOULD FIND PRESIDENT REAGAN IN AGREEMENT ON THE BASIC ISSUES, BUT CONCERNED ABOUT THE COST OF U.S. SUPPORT FOR THE U.K. IN TERMS OF U.S. RELATIONS WITH LATIN AMERICA. I SAID MR FRASER MIGHT WISH, WHILE RECOGNISING THIS PROBLEM, TO EMPHASISE THE NEED NOT TO EASE THE PRESSURE ON THE ARGENTINIANS AT THE PRESENT CRITICAL STAGE. I ALSO SUGGESTED THAT IT WOULD BE HELPFUL IF MR FRASER COULD UNDERLINE THAT NO ONE SHOULD BE DELUDED BY ARGENTINIAN CLAIMS OF READINESS TO FOREGO THEIR EARLIER INSISTENCE ON PREJUDGEMENT OF THE SOVEREIGNTY ISSUE AT THE OUTSET. THIS WAS THE LEAST THAT COULD BE EXPECTED OF THEM. IT WAS STILL VITAL FOR US TO MAKE SURE THAT THE OTHER ELEMENTS IN AN EVENTUAL PACKAGE (PARTICULARLY THE ARRANGEMENTS FOR AN INTERIM ADMINISTRATION ON WHICH I EXPLAINED OUR OBJECTIVES) DID NOT PREJUDGE THE OUTCOME. PRICE UNDERTOOK TO SEE THAT MR FRASER WAS SEIZED OF THIS POINT.

THOMAS

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