[PLEASE RETURN COPY TO TYPISTS] E COPIES: FALKLAND ISLANDS GENERAL 12 44 PS/NO 10 DOWNING ST (2) PS (6) PS/S OF S FOR DEFENCE PS/MR HURD PS/MR ONSLOW MR J STEWART AUSD STAFF MOD PS/MR RIFKIND PS/CHANCELLOR ) PS/PUS SIR J BULLARD TREASURY MR ILETT SIR I SINCLAIR MR FREDAND MR LITTLER MR GIFFARD MISS DICKSON D/ENERGY MR WRIGHT SIR R ARMSTRONG MR ADAMS LORD N G LENNOX SIR M PALLISER LORD BRIDGES CABINET OFFICE MR A D S GOODALL MR FULLER SAPU/DIO MR URE MR GILLMORE HD/PUSD (2) ROOM 8 FOR MODUK C IN C FLEET HD/S AM D HD/FALKLANDS UNIT ADVANCE COPY HD/DEFENCE DEPT HD/NEWS DEPT HD/ERD What will felt was to head of HD/ECD(E) HD/UND IMMEDIATE HD/PLANNING STAFF RESIDENT CLERK CONFIDENTIAL

FM WASHINGTON 030036Z JUL 82 TO IMMEDIATE FCO TELEGRAM NUMBER 2341 OF 2 JULY INFO PRIORITY BERNE BRASILIA UKMIS NEW YORK

US/ARGENTINA.

1. EAGLEBURGER TOLD US TODAY THAT THE US WAS OF COURSE STILL MAINTAINING LIMITED SANCTIONS AGAINST ARGENTINA. THEY COULD NOT CONTINUE TO DO SO FOR EVER. THEY WOULD HAVE TO TAKE A DECISION SOON. HE WAS CONCERNED BEFORE A DECISION WAS TAKEN HERE TO GET YOUR THINKING ON THE MATTER. THE LONGER SANCTIONS WERE CONTINUED THE MORE DIFFICULT IT WAS FOR THE UNITED STATES TO REPAIR RELATIONS WITH ARGENTINA. THE PRESIDENT HAD SAID THAT PARTICULARLY IN VIEW OF THE OTHER PROBLEMS AT PRESENT BETWEEN US OVER SANCTIONS, HE WANTED FIRST TO KNOW BRITISH VIEWS.

2. WE UNDERTOOK TO CONVEY THESE TO HIM AS SOON AS POSSIBLE, MAKING IT CLEAR THAT YOU WOULD NOT WISH SANCTIONS TO BE LIFTED PREMATURELY IT IS PRETTY CLEAR, HOWEVER, THAT FOLLOWING THE EC DECISION THE AMERICANS WILL WANT TO MOVE TO LIFT SANCTIONS WITHOUT MUCH DELAY. IT WILL ORVIOUSLY BE IMPORTANT THAT, AS AND WHEN THEY DO, THEY MAKE

AMERICANS WILL WANT TO MOVE TO LIFT SANCTIONS WITHOUT MUCH DELAY.

IT WILL OBVIOUSLY BE IMPORTANT THAT, AS AND WHEN THEY DO, THEY MAY

CLEAR THAT SANCTIONS WOULD BE REIMPOSED IF THERE WAS ANY RESUMPTION

OF HOSTILITIES ON THE PART OF THE ARGENTINIANS. WE IMPRESSED ON

EAGLEBURGER THE IMPORTANCE NOT ONLY OF MAINTAINING THE ARMS EMBARGO

BUT ALSO OF THE MANNER IN WHICH IT IS ENFORCED, EAGLEBURGER WAS

REASSURING ON THIS POINT.

3. IN VIEW OF EAGLEBURGER'S REQUEST TO BE KEPT INFORMED OF ANY DEVELOPMENTS IN RELATION TO THE PRISONERS, WE GAVE HIM THE GIST OF YOUR COMMUNICATION TO THE SWISS (YOUR TELNO 142 TO BERNE).

EAGLEBURGER WELCOMED THIS MOVE AND SAID THAT THE US AMBASSADOR IN BUENOS AIRES WOULD BE INSTRUCTED TO COMMEND A SOLUTION ON THESE LINES TO THE ARGENTINIANS. WE UNDERTOOK TO KEEP THE AMERICANS CLOSELY INFORMED OF DEVELOPMENTS. WE HAVE PUT TO THE STATE DEPARTMENT THE IMPORTANCE TO US OF SECURING THE EARLY RETURN OF FLIGHT LIEUTENANT GLOVER (YOUR TELNO 1258).

HENDERSON

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