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TO IMMEDIATE BERNE

TELEGRAM NUMBER 61 OF 6 APRIL

INFO PRIORITY BRASILIA, UKMIS NEW YORK, PORT STANLEY, WASHINGTON,
EC POSTS

RELATIONS WITH ARGENTINA

1. MINISTERS HAVE NOW DECIDED THE TERMS OF OUR RESPONSE TO THE ARGENTINE MESSAGE OF 17 FEBRUARY. WE SHOULD BE GRATEFUL IF YOU WOULD SEEK AN EARLY MEETING WITH BRUNNER TO TELL HIM OF OUR RESPONSE AND ASK THAT THE SWISS AMBASSADOR IN BUENOS AIRES BE INSTRUCTED TO CONVEY IT TO THE ARGENTINE GOVERNMENT (IF AT ALL POSSIBLE TO CAPUTO HIMSELF).
2. WE BELIEVE THAT THE PROCEDURE USED IN JANUARY REMAINS APPROPRIATE. MY SECOND IFT CONTAINS THE TEXT OF A SPEAKING NOTE WHICH WE HOPE THE SWISS WILL AGREE TO CONVEY TO KEUSCH, GIVING HIM DISCRETION TO LEAVE IT WITH THE ARGENTINE AUTHORITIES, AS HE DID ON 26 JANUARY. WE HOPE THAT THE SWISS WILL REGARD THIS AS A SUITABLE BASIS ON WHICH TO CONTINUE TO PLAY THE CONSTRUCTIVE ROLE THEY HAVE PERFORMED SO FAR. THEIR POSITION IN ANY TALKS THAT GET UNDER WAY IS DISCUSSED IN MIFT.
3. AS TO TIMING WE NOTE THAT CAPUTO IS DUE TO VISIT NEW YORK FROM 8 APRIL FOR TALKS WITH THE UN SECRETARIAT AND TO GO ON FROM THERE TO WASHINGTON. I SEE CONSIDERABLE ADVANTAGE IN THE SWISS CONVEYING OUR REPLY TO CAPUTO (UNDERLINE NEXT WORD) BEFORE HIS DEPARTURE. IF THE SWISS JUDGE THAT THIS IS NOT (NOT) POSSIBLE, WE

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WOULD PREFER TO AWAIT HIS RETURN TO BUENOS AIRES (ON 13 APRIL) SO THAT THE REPLY CAN BE GIVEN TO HIM.

4. YOU WILL SEE THAT WE WISH TO CARRY FORWARD THE PROCESS OF WORKING TOWARDS MORE NORMAL RELATIONS WITH ARGENTINA. BUT WE CANNOT AGREE TO A DISCUSSION OF SOVEREIGNTY FORMING ANY PART OF THIS. THERE IS NO FLEXIBILITY WHATSOEVER ON THIS POINT. THE ARGENTINE MESSAGE OF 17 FEBRUARY, PREPARED WHEN GOBBI WAS MANAGING THIS AREA OF THEIR POLICY, ENVISAGED PRELIMINARY EXCHANGES LEADING TO QUOTE SUBSTANTIVE NEGOTIATIONS UNQUOTE WHICH QUOTE CANNOT OVERLOOK SOVEREIGNTY UNQUOTE. IT INDICATED THAT WHATEVER THE BASIS THAT MIGHT BE AGREED FOR THE OPENING OF TALKS, ARGENTINA WOULD SUBSEQUENTLY SEEK TO PRESS THE SOVEREIGNTY ISSUE. IF THEY DID THIS, WE WOULD BE OBLIGED TO DISCONTINUE THE TALKS. CAPUTO, ON HIS VISIT TO BERNE ON 27 FEBRUARY, SHOWED A MORE REALISTIC READINESS TO CONCENTRATE ON CONFIDENCE-BUILDING, LEAVING SOVEREIGNTY ASIDE (PARA 5 OF YOUR TELNO 65). THE SWISS ARE THUS WELL PLACED FROM THEIR OWN DEALINGS WITH CAPUTO TO DRIVE HOME THE POINT THAT SOVEREIGNTY IS NOT FOR DISCUSSION, AS BOTH I AND THE PRIME MINISTER MADE CLEAR TO M. AUBERT ON 2 APRIL.

5. YOU WILL ALSO SEE THAT WE CANNOT ACCEPT THE THREE POINTS WHICH THE ARGENTINES PROPOSED (IN TENDENTIOUS TERMS) FOR INCLUSION IN AN AGREED AGENDA. WE WOULD THEREFORE PREFER THERE TO BE NO (NO) FORMAL AGENDA. THE SWISS AMBASSADOR IN BUENOS AIRES WILL NEED, IN PRESENTING OUR SPEAKING NOTE TO THE ARGENTINES, TO REINFORCE ORALLY OUR VIEWS ON SOVEREIGNTY AND ON THE ARGENTINES' PROPOSED ITEMS. WE HOPE THE FDFA WILL AGREE TO INSTRUCT KEUSCH ACCORDINGLY.

6. THE SWISS SHOULD ENSURE THAT THE ARGENTINES ARE IN NO DOUBT ABOUT THE FIRMNESS OF OUR POSITION THAT TALKS CAN ONLY TAKE PLACE ON THE CLEAR UNDERSTANDING THAT DISCUSSION OF THE FUTURE STATUS OF THE FALKLAND ISLANDS CANNOT FORM PART OF THEM AND THAT IF THEY WERE TO PERSIST IN RAISING THE SUBJECT, THE TALKS WOULD CEASE.

7. FOR WASHINGTON AND UKMIS NEW YORK: SEPARATE TELEGRAM OF GUIDANCE WILL FOLLOW AS SOON AS IT IS CLEAR WHETHER THE SWISS CAN ACT WITH CAPUTO BEFORE HE LEAVES BUENOS AIRES.

8. SEE MIPT.

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