

PS  
 PS/LADY YOUNG  
 PS/MR WHITNEY  
 PS/MR RIFKIND  
 PS/PUS  
 SIR J BULLARD  
 SIR I SINCLAIR  
 SIR W HARDING  
 MR WRIGHT  
 MR ADAMS  
~~LORD N G LENNOX~~  
 SIR C TICKELL  
 MR D C THOMAS  
 MR CARTLEDGE  
~~MR MILES~~  
 ED/PUSD (2)  
 ED/SAMD  
 ED/FID ✓  
~~ED/NEWS DEPT~~  
 ED/ED  
 ED/ECDE  
 ED/UND  
 ED/PLANNING STAFF

PS/NO 10 DOWNING ST (3)  
 PS/S OF S FOR DEFENCE  
 MR J STEWART AUSD STAFF MOD  
 PS/CHANCELLOR )  
 MISS M E CUND ) TREASURY  
 MR LITTLE )  
 SIR R ARMSTRONG )  
 MR A D S GOODALL ) CABINET OF  
 DIO )  
~~MR M A PATTISON, FID, ODA~~  
 MR POWER, SAD, ODA  
 MR A FORTNAM IAT/ D. TRANSPORT

~~PRESIDENT~~

CONFIDENTIAL

FM BERNE 220900Z



~~D.FCO 220945Z~~

TO IMMEDIATE DESK BY FCO  
 ELNO 180 OF 22 MAY  
 INFO IMMEDIATE BRASILIA

*mf*

MY TELNO 178: RELATIONS WITH ARGENTINA

SUMMARY

1. ARGENTINE GOVERNMENT UNWILLING TO HOLD TALKS AT WHICH DISCUSSION OF SOVEREIGNTY IS EXCLUDED.

DETAIL

2. STATE SECRETARY ASKED ME TO CALL THIS MORNING AND READ OVER KEUSCH'S TELEGRAM REPORTING OFFICIAL ARGENTINE REACTION TO YOUR COMMUNICATION OF 16 MAY. THIS WAS GIVEN BY DELPECHE IN AN ORAL COMMUNICATION COMPOSED OF SIX POINTS:-

- (I) THE BRITISH COMMUNICATION OF 16 MAY CONCERNING THE SWISS PROPOSAL FOR TALKS BETWEEN REPRESENTATIVES OF THE UK AND ARGENTINA HAS BEEN ANALYSED AT THE HIGHEST LEVEL IN BUENOS AIRES OVER THE PAST WEEKEND.
- (II) PRESIDENT ALFONSIN WISHED TO CONVEY HIS DISAPPOINTMENT AT THE BRITISH COMMUNICATION.
- (III) PRESIDENT CONVEYED HIS THANKS AND THOSE OF THE ARGENTINE GOVERNMENT TO THE SWISS GOVERNMENT FOR THEIR EFFORTS, WHICH WERE GREATLY APPRECIATED.
- (IV) HAVING IN MIND THE STATEMENT IN THE BRITISH NOTE OF 16 MAY THAT THE QUESTION OF SOVEREIGNTY MUST BE EXCLUDED FROM THE

THAT " THE QUESTION OF SOVEREIGNTY MUST BE EXCLUDED FROM THE TALKS" THE ARGENTINE GOVERNMENT DOES NOT CONSIDER IT POSSIBLE TO START A DISCUSSION ON THAT BASIS. MOREOVER THE GOVERNMENT CANNOT BE SATISFIED BY THE FORMULA IN YOUR NOTE " THE BRITISH GOVERNMENT REMAIN PREPARED TO ACCEPT THAT, IF THE ARGENTINE AUTHORITES CONSIDER THIS NECESSARY, THERE SHOULD BE AN ORAL OR WRITTEN EXCHANGE OF STATEMENTS ON SOVERGNTY BEFORE BUT QUITE SEPARATE FROM THE TALKS".

(V) ALTHOUGH ARGENTINA RENOUNCES THE IDEA OF DISCUSSIONS FOR THE PRESENT, SHE IS INTERESTED IN KEEPING THE SWISS PROPOSITION OPEN AND ALSO THE CHANNEL OF COMMUNICATION. FOR THIS REASON NO RESPONSE WILL BE GIVEN TO THE BRITISH COMMUNICATION OF 16 MAY. ARGENTINA CONSIDERS THAT THE SWISS PROPOSAL REMAINS VALID BUT PROVISIONALLY FROZEN. NO ELEMENT OF OUR EXCHANGES AND DISCUSSION WILL BE DIVULGED PUBLICLY.

(VI) A REPLY WILL BE SENT WITHOUT DELAY TO THE BRITISH NOTE OF 06 APRIL THROUGH THE BRASILIAN CHANNEL. THIS REPLY WILL BE VERY FIRM. A HARDENING OF THE ARGENITNE POSITION MUST BE EXPECTED BY COMPARISON WITH THE REPLY PREVIOUSLY ENVISAGED (MY TELNO 172, PARAS 4 AND 5). IT WAS NOT EXCLUDED THAT THE BRITISH NOTE OF 06 APRIL AND THE IMPENDING ARGENTINE REPLY " FASSENT L'OBJECT D'UN CERTAIN ORIENTATION VERS LA PRESSE".

3. BRUNNER SAID THAT HE EXPECTED TO RECEIVE A FURTHER TELEGRAM FROM KEUSCH LATER TODAY GIVEING HIS COMMENTS AND WE ARRANGED TO MEET TOMORROW TO DISCUSS THEM. HIS OWN IMMEDIATE COMMENT WAS THAT THE ARGENTINE SIDE NOW SEEMED TO BE N A MOOD TO FLEX THEIR MUSCLES. HE ALSO SAID THAT DELPECHE WOULD BE IN ROME FOR THE BEAGLE CHANNEL NEGOTIATION FROM 23 MAY UNTIL MID-JUNE AND HAD OFFERED TO VISIT BERNE FOR A DISCUSSION WITH THE SWISS AUTHORITIES. BRUNNER FELT IT WOULD BE USEFUL TO HEAR DELPECH'S FIRST-HAND ACCOUNT OF ARGENTINE VIEWS AND PROPSED THEREFORE TO INVITE HIM. HE AGREED TO GIVE ME AS MUCH NOTICE AS POSSIBLE OF THE DATE OF DELPECHE'S VISIT IN ORDER TO ALLOW AN OPPORTUNITY TO CONVEY TO HIM POINTS WHICH YOU MIGHT WIYHSHYE SWISS SIDE TO HAVE IN MIND DURING THIS MEETING.

4. I ALSO POINTED OUT THAT THERE WAS A CONTRADICTION BETWEEN THE ARGENTINE STATEMENT AT POINT (V) ABOVE THAT NOTHING WOULD BE DIVULGED ABOUT THE RECENT EXCHANGES AND THE INTENTION IN PARA (VI) TO REVEAL TO THE PRESS OUR NOTE OF 06 APRIL CONCERNING POSSIBLE TALKS NOTABLY THE PENULTIMATE PARAGRAPH. BRUNNER ACCEPTED THIS AND UNDERTOOK TO SEND INSTRUCTIONS IMMEDIATELY TO KEUSCH URGING THE ARGENTINES TO DIVULGE AS LITTLE AS POSSIBLE IN ORDER TO AVOID PREJUDICING THE POSSIBILITY OF RESURRECTING THE SWISS PROPOSAL FOR THE TALKS.

5. IN FURTHER DISCUSSION BRUNNER ACCEPTED THAT IT WAS INCONSISTENT TO PUBLICISE PART OF THE RECENT EXCHANGE AND THAT IT WOULD BE BETTER TO KEEP THE WHOLE THING CONFIDENTIAL IN ORDER TO MINIMISE DAMAGE. HE WILL CONVEY THIS VIEW TO KEUSCH. I SAID THAT IF PARTS OF THE RECENT CORRESPONDENCE WERE PUBLISHED BY BUENOS AIRES YOU MIGHT FEEL IT NECESSARY TO PUBLISH OTHER PARTS.