25. PS/LADY YOUNG · DS/ND KHUNEY . .. PS/YE RIFKIND :PS/PUS .... SIZ J BULLED ETT I STICLATE HE FUGGLAND SIR W HARDING No ESIGEL צעיהו כע CORDON LINNOX 1 EIR C TICKELL HE CARTLEDGE ED/PUSD (2) ED/SEVD ED/FD 

· PS/NO 10 DOWNING ST, (3)

PS/S OF S FOR DEFENCE. ME J STEMART AUSD STAFF MOD ..

PS/CFANCELLOR MISS M E CUND TREASURY . ME LITTLEE

· SIE E ARMSTRONG . PE & D S GOODALL ) CABINET OF. DIO

MR W & PATTISON, FID, ODL MA POWER , SAD, ODA

Fir A FORTKAM IAT/ D. TRANSPORT

PESTO TYPE CLEEK

CONFIDENTIAL

ED/PLANTIC STAFF

ED/NEES DEFT

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ED/ED(E) ED/ED .

DM BERNE 041620Z

DD FC0 050800Z

TO IMMEDIATE DESKBY FCO TELNO 196 OF 04 JUNE



YOUR TELNO 91: RELATIONS WITH ARGENTINA

SUMMAR Y

1. THE OUTCOME OF TODAY'S TALKS BETWEEN BRUNNER AND DELPECHE IS DISAPPOINTING. THE ARGENTINE SIDE CANNOT AGREE TO PARTICIPATE IN ANY TALKS UNLESS THEY ARE ASSURED OF AN OFFORTUNITY TO MAKE A STATEMENT ON SCVEREIGNTY WITHIN THOSE TALKS. IN THE LIGHT OF THIS POSITION BRUNNER COULD ONLY SUGGEST THAT THE SWISS PROPOSITION SHOULD BE KEPT ON ICE FOR SEVERAL MONTHS UNTIL AFTER THE GENERAL ASSEMBLY'S PROCEEDINGS ARE OVER.

DETAIL

2. I WENT OVER ALL THE POINTS IN YOUR TUR ORALLY WITH SWIS STATE SECRETARY ON THE MORNING OF OZ JUNE AND ALSO IN VIEW OF THEIR NUMBER AND COMPLEXITY GAVE HIM AN AIDE MEMOIRE WITH A COPY FOR KEUSCH MAKING IT CLEAR THAT THIS WAS NOT FOR ONWARD TRANSMISSION. AS REPORTED BY TELEPHONE BRUNNER DISCUSSED AT SOME LENGTH HOW HE MIGHT HANDLE TODAY'S TALKS. HE ASSURED ME HE WOULD MAKE EVERY EFFORT

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PANDLE TODAY'S TALKS. HE ASSURED ME HE WOULD MAKE EVERY EFFORT TO SECURE ACCEPTANCE OF YOUR PROPOSITION FOR SEPARATE STATEMENTS AND DID NOT CHALLENGE OR DISAGREE WITH ANY OF YOUR OTHER POINTS. HIS RESPONSE TO THE QUESTION IN YOUR FINAL PARAGRAPH WAS THAT THE SWISS DRAFT INVITATION HAS AT PRESENT NO STATUS AND HAD ONLY BEEN SHOWN TO US A A POSSIBILITY.

3. I CALLED ON THE STATE SECRETARY THIS AFTERNOON TO MEAR HIS ACCOUNT OF THE MEETING TODAY WITH DELPECHE. COUNSELLOR ACCOMPANIED ME AND KEUSCH WAS ALSO PRESENT. BRUNNER SAID THAT DELPECHE HAD CONFIRMED THAT ARGENTINE SIDE WOULD CONTINUE TO KEEP MATTERS CONFIDENTIAL AT LEAST FOR THE TIME BEING. THE ARGENTINES HAD A PARTICULAR PROBLEM IN THAT THEY WOULD VERY SOON HAVE TO PROPOSE A DRAFT RESOLUTION FOR THE UN GENERAL ASSEMBLY. BEFORE DOING SO, THEY NEEDED TO KNOW WHETHER TALKS WOULD TAKE PLACE. IF A DECISION TO BEGIN TALKS HAD BEEN TAKEN BEFORE THE DEADLINE FOR THE SUBMISSION OF RESOLUTIONS, WHICH BRUNNER THOUGHT WAS THE END OF JUNE IT MIGHT BE A SIMPLE RESOLUTION, WHICH COULD PERHAPS BE CARRIED UNANIMOUSLY, ENCOURAGING BOTH PARTIES TO CONTINUE THEIR TALKS. OTHERWISE IT WOULD BE ON THE SAME LINES AS LAST YEAR. DELPECHE HAD EMPHASISED THAT HE WAS NOT USING THE UN RESOLUTION AS A THREAT BUT SIMPLY STATING THE PROBLEM.

4. DELPECHE HAD SAID THAT BOTH COUNTRIES HAD THE SAME PROBLEM, SEEN FROM OPPOSITE SIDES. OUR ATTITUDE WAS UNDERSTOOD IN BUENCS AIRES. FOR THE ARGENTINE SIDE SOVEREIGNTY WAS AN INTERNAL PROBLEM. THEY DID NOT NEED TO NEGOTIATE ON SOVEREIGNTY BUT THEY HAD TO BE ABLE TO SAY PUBLICLY THAT THEY HAD RAISED IT. ALFONSIN AND CAPUTO SERIOUSLY WISHED TO ENGAGE IN TALKS WITH US AND, APART FROM THE SOVEREIGNTY QUESTION, THEY AGREED ON THE ARRANGE-WENTS ALREADY DISCUSSED. DELPECHE THEREFORE SAW TWO ALTERNATIVES. ONE WAS SIMPLY TO REPLY TO OUR MESSAGE OF 6 APRIL AND LEAVE MATTERS ON THE BASIS THAT NO COMMON GROUND FOR TALKS COULD AT PRESENT BE FOUND. THE SWISS FORMULA WOULD THEN REMAIN ON ICE IN THE HOPE OF A MORE PROPITIOUS TIME EMERGING LATER. IN THAT EVENT, HOWEVER, THE UN RESOLUTION MIGHT BE EMBARRASSING TO THE FRIENDS OF BOTH COUNTRIES, ESPECIALLY IN EUROPE AND IT MIGHT QUOTE CAISSER LA PORCELAINE UNQUOTE SOMEWHAT. THIS SOLUTION MIGHT BE REALISTIC BUT WAS NOT A SATISFACTORY ONE. THE ALTERNATIVE WHICH DELPECHE ENVISAGED WOULD BE FOR A SIMPLER SWISS INVITATION FOR QUOTE TALKS UNQUOTE, WITH NO FORMULAE AGREED IN ADVANCE. THERE APPEARED TO BE ABOUT TEN ITEMS WHICH IN THEORY COULD BE RAISED. IN THE CASE OF SOME OF THEM, SUCH AS THE SECURITY ZONE OR THE FORMAL CESSATION OF HOSTILITIES, THERE WAS NO POSSIBILITY OF EARLY AGREEMENT. BUT FOR OTHERS FAIRLY SPEEDY AGREEMENT APPEARED POSSIBLE. FOR INSTANCE. IT SHOULD NOT BE DIFFICULT TO AGREE TO ASK THE RED CROSS TO ARRANGE A VISIT BY RELATIVES TO THE GRAVES OF THE ARGENTINIAN DEAD (SUCH A VISIT WOULD NOT INVOLVE DESTEFANIS). THE SOVEREIGNTY ISSUE WOULD BE AMONGST THE QUOTE DIFFICULT UNQUOTE SUBJECTS. IT WAS IMPOSSIBLE FOR THE ARGENTINIANS NOT TO RAISE IT THOUGH THEY RECOGNISED THAT IT WOULD BE SOLVED BY THE PRESENT GENERATION. THE LEADER OF THE ARGENTINIAN DELEGATION (WHO MIGHT BE DELPECHE HIMSELF) WOULD HAVE TO MAKE A STATEMENT ON THAT QUESTION, AS ON OTHERS. NO RESPONSE FROM US WOULD BE

PRESENT GENERATION. THE LEADER OF THE ARGENTINIAN DELEGATION (WHO MIGHT BE DELPECHE HIMSELF) WOULD HAVE TO MAKE A STATEMENT ON THAT QUESTION, AS ON OTHERS. NO RESPONSE FROM US WOULD BE EXPECTED. IT WOULD BE OPEN FOR US TO MAKE A STATEMENT ON THE SUBJECT, OR NOT, AS WE PREFERRED, AND THEN MOVE ON TO OTHER ISSUES. THIS, DELPECHE THOUGHT, WOULD PRESERVE THE INTERESTS OF BOTH PARTIES. HE COULD REPORT BACK ON THE LINES QUOTE NOUS AVONS EVOQUE LA QUESTION MAIS LES BRITANNIQUES NE SONT PAS ENTRES EN MATIERE UNQUOTE. 5. I TOLD BRUNNER THAT I THOUGHT THIS RESPONSE BY DELPECHE WAS DISAPPOINTING AND UNLIKELY TO COMMEND ITSELF TO MM GOVERNEMENT. THIS WAS EVIDENTLY THE RESPONSE HE EXPECTED. HE CONFIRMED, HOWEVER, THAT SEPARATE STATEMENTS AND THE ALTERNATIVES PUT FORWARD ON 18 MAY WERE NOT ACCEPTABLE TO THE ARGENTINIANS. IT WAS NOT POSSIBLE FOR THEM TO PUT SOVEREIGHTY INTO A SEPARATE CATEGORY FROM OTHER AGENDA ITEMS. IN RESPONSE TO MY QUESTION, BRUNNER CONFIRMED THAT, UNDER DELPECHE'S PROPOSALS, NO PRE-ESTABLISHED LIST OF SUBJECTS WAS ENVISAGED. EACH SIDE COULD RAISE WHATEVER IT WISHED AND THE OTHER SIDE COULD THEN REACT ON EACH ISSUE AS IT PREFERRED. HE THOUGHT IT MIGHT BE POSSIBLE FOR US TO SAY IN PUBLIC, IN RESPONSE TO QUESTIONS, THAT THE ARGENTINIANS HAD RAISED THE SUBJECT OF SOVEREIGNTY BUT WE HAD REFUSED TO DISCUSS 6. KEUSCH SAID THAT HE WAS CONFIDENT THAT DELPECHE WAS REFLECTING ALFONSIN'S AND CAPUTO'S VIEWS. ALFONSIN WAS IN A SOMEWHAT WEAK POSITION DOMESTICALLY DESPITE HIS ELECTORAL SUCCESS. HE SOUGHT POPULAR PARTICIPATION ON SEVERAL MAJOR ISSUES AND HE THEREFORE COULD NOT TAKE THE RISK OF ALIENATING A LARGE SECTION OF HIS PUBLIC OPINION BY NOT BEING ABLE TO CLAIM THAT HE HAD RAISED THE QUESTION OF SOVEREIGNTY DURING THE TALKS. IT WAS IMPORTANT TO REMEMBER THAT THE ALFONSIN GOVERNMENT CONSIDERED THEMSELVES TOTALLY SEPARATE AND DIFFERENT FROM THE PREVIOUS MILITARY ADMINISTRATION.

7 KEUSCH WILL REMAIN IN EUROPE FOR A FEW WEEKS, BUT COULD RETURN TO BUENOS AIRES AT SHORT NOTICE IF WE NEEDED HIM TO TRANSACT IMPORTANT BUSINESS. MEANWHILE, FOR THE NEXT WEEK, DELPECHE WILL BE IN ROME AND BRUNNER COULD PASS ON A MESSAGE TO HIM DIRECTLY THERE IF NECESSARY. IT WAS NOT YET CLEAR WHETHER THE ARGENTINIANS WOULD NOW SEND A REPLY TO YOUR MESSAGE OF 6 APRIL, OR WHETHER THEY WOULD WAIT UNTIL ALFONSIN'S AND CAPUTO'S RETURN FROM MADRID (WHERE THEY WILL BE MAKING A VISIT FROM 10 TO 14 JUNE) IN THE HOPE OF SOME ENCOURAGING MESSAGE FROM YOU MEANWHILE. IN EITHER CASE IT WILL NOT BE PUBLISHED FOR THE PRESENT.

POWELL-JONES

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SENT/RECD AT 4/1708Z JDG/BCC

Wollersin Mark.