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FM BERNE 060755Z

DD FCO 060900Z

TO IMMEDIATE DESKBY FCO  
TELNO 252 OF 06 JULY  
INFO PRIORITY BRASILIA

YOUR TELNO 117: RELATIONS WITH ARGENTINA

## SUMMARY

1. CAPUTO HAS NOW PROPOSED A NEW FORMULA FOR HANDLING PUBLIC INFORMATION ABOUT TALKS. HE LEAVES TODAY FOR LIMA. FINAL DECISION UNLIKELY BEFORE HIS RETURN NEXT WEEK. ARGENTINE RESPONSE TO ACTION BY KEUSCH ON BASIS OF YOUR TUR NOT YET KNOWN.

## DETAIL

2. I CALLED ON STATE SECRETARY AT 06.30 PM LOCAL TIME YESTERDAY AND INFORMED HIM OF YOUR POSITION IN ACCORDANCE WITH TUR. BRUNNER WAS NOT ABLE TO GET IN TOUCH WITH KEUSCH THERE AND THEN BECAUSE AMBASSDOR WAS ATTENDING A RECEPTION FOR CHANCELLOR KOHL. LATER IN THE EVENING HE CALLED TO CONFIRM THAT HE HAD CONVEYED YOUR INSTRUCTIONS TO KEUSCH AND HAD DIRECTED HIM TO POINT OUT TO ARGENTINES THAT IF THE BRITISH POSITION WERE ACCEPTED BOTH SIDES WOULD BE FREE TO SAY WHAT THEY WISHED AFTER THE BERNE TALKS. KEUSCH HOPED TO SEE CAPUTO LATER IN THE DAY IN ORDER TO PUT FORWARD YOUR POINTS.

3. MEANWHILE KEUSCH HAD ALREADY DISCUSSED THE SITUATION WITH CAPUTO AT THE KOHL RECEPTION. HIS REPORT INCLUDED THE FOLLOWING POINTS:-

A. CAPUTO IS DUE TO LEAVE BUENOS AIRES LATE ON 06 JULY FOR LIMA RETURNING ON 10 JULY.

B. UNLESS AGREEMENT ON THE TERMS OF THE TALKS COULD BE REACHED TODAY, THEY WOULD HAVE TO BE POSTPONED UNTIL THE END OF NEXT WEEK (13/14 JULY) IN ORDER TO ALLOW TIME FOR FINAL DECISION AFTER MINISTER'S RETURN FROM LIMA.

C. CAPUTO ACCEPTED KEUSCH'S VIEW THAT THE SO-CALLED SECOND OPTION (MY TELNO 250 PARA 4C) WAS UNLIKELY TO PROVIDE A SOLUTION.

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D. CAPUTO THEN TURNED TO THE POSSIBILITY OF A FORMULA WHEREBY BOTH SIDES COULD SAY THE SAME THING ABOUT THE TALKS IN A WAY WHICH WOULD REFLECT REALITY IN NON-POLEMICAL TERMS. HIS FIRST THOUGHT WAS SOMETHING ON THE FOLLOWING LINES:- '' NOUS AVONS PASSE EN REVUE/EVOQUE TOUS LES POINTS DE DESACCORD ENTRE LES DEUX PAYS. A CETTE OCCASION LES POSITIONS BIEN CONNUES DE L'ARGENTINE ET DE LA GRANDE BRETAGNE ONT ETE REPETEES. CEPENDANT NOUS SOMMES TOMBES D'ACCORD SUR LES POINTS SUIVANTS (DATE OF NEXT MEETING AND WHATEVER ELSE MAY BE AGREED)''.

E. IN THIS WAY CAPUTO SUGGESTED IT WOULD BE POSSIBLE TO AVOID GOING INTO DETAILS IN EITHER CAPITAL OF WHAT HAD BEEN DISCUSSED. THIS WAS NOT CAPUTO'S LAST WORD AND AN ELABORATION OF THE FOREGOING FORMULA WOULD NOW BE PREPARED.

4. AFTER CONSULTING THE DEPARTMENT I SPOKE TO BRUNNER FOR THE THIRD TIME LATE IN THE EVENING TO CONFIRM OUR HOPE THAT KEUSCH WOULD BE ABLE TO BRING THE ARGENTINES ROUND TO ACCEPTING THE ARGUMENT IN YOUR TUR. I MADE IT CLEAR THAT WE WOULD PREFER NOT TO GET INVOLVED IN NEGOTIATING A NEW FORMULA ON THE LINES PROPOSED BY CAPUTO THOUGH WE WOULD OF COURSE BE WILLING TO EXAMINE THIS IF THE ARGENTINES INSISTED. BRUNNER SAID THAT HE WOULD BE IN TOUCH WITH ME AGAIN TODAY ON RECEIVING KEUSCH'S REPORT OF HIS FURTHER DISCUSSION WITH CAPUTO (PARA 2 ABOVE).

POWELL-JONES

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