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SENT 2 1 JUL 1984

FALKLAND ISLANDS GENERAL

PS/LADY YOUNG PS/MR WHITNEY PS/MR RIFKIND PS/PUS SIR J BULLARD MR FREELAND SIR W HARDING MR GOODALL MR O'NEILL SIR C TICKELL MR O C THOMAS MR BARRINGTON HD/PUSD HD/SAMD HD/FID HD/NEWS DEPT HD/EED HD/ECD (E)

HD/UND

PS/NO 10 DOWNING ST PS/S OF S FOR DEFENCE MR RD NICHOLLS AUSD STAFE MOD

PS/CHANCELLOR }
MISS M E CUND } TREASURY
MR LITTLER }

SIR R ARMSTRONG }
MR A D S GOODALL } CABINET
DIO } OFFICE

MR POWER, SAD, ODA

MR A FORTNAM IAT/D. TRANSPORT

KESIDENT CLERK

GRS 460

CONFIDENTIAL

DESKBY 210900Z JUL

FM BRASILIA 201930Z JUL 84

TO IMMEDIATE FCO

TELEGRAM NUMBER 255 OF 20 JULY

INFO IMMEDIATE BERNE, PRIORITY WASHINGTON

YOUR TELNOS 183 TO ANKARA AND 141 TO BERNE: ANGLO-ARGENTINE

1. I CALLED ON AMBASSADOR CALERO (SECRETARY-GENERAL OF FOERIGN MINISTRY) THIS AFTERNOON AND GAVE HIM COPIES OF YOUR STATEMENTS OF 19 AND 20 JULY. I EXPLAINED, BY WAY OF BACKGROUND, THE INTENSIVE EFFORTS WHICH WE HAD MADE TO FIND AN ACCEPTABLE FORMULA TO EXPRESS OUR WELL-UNDERSTOOD INABILITY TO DISCUSS THE FALKLANDS AT THESE TALKS AND LEFT THE SECRETARY-GENERAL IN NO DOUBT AS TO WHERE THE BLAME FOR THE BREAKDOWN LAY, NOR OF THE FACT THAT THE ONUS NOW LAY WITH ARGENTINA TO LIVE UP TO THEIR EARLIER AGREEMENT.

2. CALERO SAID THAT THE BRAZILIANS SHARED OUR DISAPPOINTMENT
AT THE TURN EVENTS HAD TAKEN. HE 'COULD NOT ALTOGETHER UNDERSTAND
ARGENTINE BEHAVIOUR' SINCE HE BELIEVED THAT WE HAD EVEN GONE
SO FAR AS TO CONSIDER JOINTLY AND IN ADVANCE HOW OUR FORM OF
WORDS IN RESPONSE TO THE ARGENTINES RAISING THE FALKLANDS WOULD
TRANSLATE INTO SPANISH. HE COULD ONLY CONCLUDE THAT THE
ARGENTINES WERE NOT PREPARED TO HAVE ANY TALKS WITH US UNLESS
WE COULD CONCEDE THAT 'SOMETIME AND SOMEHOW' DISCUSSION
OF THE FALKLANDS WOULD BE POSSIBLE. HIS PERSONAL VIEW WAS THAT
SOONER OR LATER 'ALL THE ISSUES' WOULD HAVE TO BE DISCUSSED.

ADVANCE COPY

SOONER OR LATER "ALL THE ISSUES" WOULD HAVE TO BE DISCUSSED.

I SAID THAT HE WELL KNEW FROM HIS RECENT TALKS WITH LADY YOUNG
WHY WE COULD NOT GO FURTHER AT PRESENT AND I REMINDED HIM THAT
MINISTERS HAD AVOIDED USING THE WORD "NEVER" IN THIS CONNECTION:
THE FACT WAS THAT DISCUSSION OF THE FALKLANDS AT THESE TALKS
WAS JUST NOT POSSIBLE AFTER ALL THAT HAD HAPPENED.

3. WE HAD SOME DISCUSSION OF THE TREATMENT OF THE BREAKDOWN IN THE BRAZILIAN PRESS (WHICH ON THE WHOLE HAS GRASPED THE POINT THAT IT WAS THE ARGENTINES WHO WALKED OUT AND WHICH HAS INCLUDED QUOTATIONS FROM YOUR OWN EARLIER STATEMENT) AND REFERENCE WAS MADE TO REPORTS OF BRIEFING IN BERNE BY THE SWISS SUGGESTING THAT ANOTHER ROUND OF TALKS MIGHT BE SET UP SHORTLY, PROBABLY IN BRASILIA. CALERO COMMENTED THAT HE THOUGHT THIS WAS THE SWISS ATTITUDE BEFORE THE BREAKDOWN, BUT SAW NO PROSPECT OF AN EARLY RESUMPTION IN BRASILIA IN PRESENT CIRCUMSTANCES. FOR THE MOMENT, THE BRAZILIAN GOVERNMENT WOULD TAKE NOTE OF WHAT I HAD TOLD THEM AND WOULD AWAIT DEVELOPMENTS. THEY WOULD OF COURSE BE DEBRIEFING THEIR OWN REPRESENTATIVE IN BERNE THOROUGHLY ON HIS RETURN AND WOULD HAVE NO OBJECTION TO ME ALSO TALKING TO HIM.

4. CALERO'S OVERALL MOOD WAS ONE OF INTENSE DISAPPOINTMENT, WITH NO (REPEAT NO) PROPENSITY TO RECRIMINATE AGAINST US AND A CONSIDERABLE TENDENCY TO BE BEMUSED BY THE ARGENTINE CONDUCT.

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SENT/RECD AT 20:2018Z JA//KRC