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FALKLAND ISLANDS GENERAL

PS (6)
 PS/LADY YOUNG
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 MR FREELAND
 SIR V HARDING
 MR GOODALL
 MR O'NEILL
 SIR C TICKELL
 MR D C THOMAS
 MR WESTON
 MR BAZZINGTON
 HD/PUSD
 HD/SAMD
 HD/FID
 HD/NEWS DEPT
 HD/EED
 HD/ECD (E)
 HD/UND



(2)

PS/NO 10 DOWNING ST
 PS/S OF S FOR DEFENCE
 MR RD NICHOLLS, AUSD STAFF, 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

RESIDENT CLERK

BANK OF ENGLAND

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(FM BERNE 211105Z)

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TELNO 480 OF 20 JULY 1984

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 CARACAS, MONTEVIDEO, MEXICO, UKMIS NEW YORK, WASHINGTON,
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RELATIONS WITH ARGENTINA : REACTIONS TO THE BREAK

1. TODAY'S PRESS SUMMARY (MY TELNO 479) CONTAINS DETAILS OF
 LOCAL PRESS REACTION TO THE ABRUPT END OF THE BERNE MEETING,
 BUT SOME BACKGROUND WILL BE USEFUL.

2. THE EARLY BREAK UP OF THE TALKS IS GENERALLY BLAMED ON BRITISH
 INTRANSIGENCE, QUOTE GREAT BRITAIN BROKE THE AGREED RULES UNQUOTE
 IS A TYPICAL HEADLINE, BUT THE BETTER INFORMED NON-OFFICIAL
 OBSERVERS ARE PUZZLED OVER ARGENTINE MOTIVES FOR FIRST ATTENDING
 AND THEN BREAKING OFF THE MEETING. THE EXPLANATIONS BEING
 SUGGESTED ARE :

- A. FEAR OF THE ADVERSE MILITARY/NATIONALIST REACTION TO NEWS
 OF THE TALKS,
- B. INGENUOUSNESS AND INEXPERIENCE OF THE ARGENTINE MINISTRY OF
 FOREIGN AFFAIRS,
- C. A DELIBERATE STRATAGEM TO EMPHASISE ARGENTINE WILLINGNESS

FOREIGN AFFAIRS,

C. A DELIBERATE STRATAGEM TO EMPHASISE ARGENTINE WILLINGNESS TO TALK AND BRITISH INTRANSIGENCE IN PREPARATION FOR UNGA AND IN THE HOPE OF EARNING MORE VOTES AND PARTICULARLY DIVIDING THE EUROPEANS.

CAPUTO'S PRESENTATION TO THE CHAMBER OF DEPUTIES LAST NIGHT LENT SOME COLOUR TO THIS (TRANSLATION FOLLOWS). "IF GREAT BRITAIN DOES NOT WISH TO NEGOTIATE, OUR OBJECTIVE IS TO FORCE HER TO DO SO BY A VARIETY OF PRESSURES. THE OBJECTIVE OF THIS ATTEMPT IN BERNE WAS TO MAKE THE COST OF NOT NEGOTIATING UNBEARABLE FOR THE BRITISH GOVERNMENT."

3. THE REAL MOTIVE MAY BE A COMBINATION OF THESE THREE. "LA PRENSA" COLUMNIST IGLESIAS ROUCO REHEARSES ALL THREE AND ADDS A FOURTH, NAMELY AS A SMOKESCREEN TO PERMIT CONTACTS TO CONTINUE.

4. THIS IS A PERSISTANT UNDERLYING IMPRESSION HOWEVER THAT THE MEETING WAS NOT ENTIRELY A FAILURE (THE LOCALLY REPORTED SWISS VIEW) AND THAT CONTACTS THROUGH THE PROTECTING POWERS ARE LIKELY TO CONTINUE.

5. THERE HAVE BEEN NO PHYSICAL ANTI-BRITISH MANIFESTATION SO FAR.

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