25/9/2 Higher 9

PS/Mr Ridley

cc PS PS/PUS Mr Day Mr Harding o.r. ALW 040 / 325 / 10

26 SEP 1980

DESK OFFICER REGISTRY
INDEX PA Action Taken

Cers 26 19 Jun Jaght

FALKLAND ISLANDS

- 1. In Mr Harding's absence, I have opened a Secret and Personal letter to him from HMA Buenos Aires about Mr Ridley's talks with Comodoro Cavandoli, sent before Mr Williams received his copy of the record. I have had the original manuscript typed and attach a copy for the Minister to see.
- 2. There are several interesting elements. The letter reinforces Mr Ridley's impression that Comodoro Cavandoli found their meeting productive and that he is relatively optimistic, within the inevitable limits, that progress can be made. It is also clear that Sr Cavandoli remains aware of the supreme importance of keeping the meeting secret: no mean feat if it involves excluding the head of the relevant division (Oliveri Lopez) and the Director General of Foreign Policy (Enrique Ros) from his counsel.
- The only point of possible difficulty which arises is that the chronology envisaged in this letter is different from that proposed in Geneva. It appears unlikely from this that Sr Pastor will have much of substance to say to the Secretary of State in New York, though this may not matter. Instead, Sr Cavandoli is thinking in terms of further contacts (either another clandestine meeting or through Ambassadors) to formulate a firm proposal to be put in parallel to the Cabinet here and to the President in Argentina.
- This would be less satisfactory from our point of view. Ideally, we should have some firm indication soon of Argentine views, preferably endorsed by the President, before we go to OD (a further clandestine meeting is to be avoided at all costs). There is also perhaps an underlying suggestion of further bargaining on the terms which we would want to resist at this stage. On the other hand, the proposal that the Junta should only be brought in later gives us more time than we had been expecting; and if it is done at the same time as Mr Ridley is consulting the Islanders, with the inevitable accompanying publicity, any leaks from Buenos Aires would, with luck, be submerged in news from the Islands.
- There is no action we need take on this now. Comodoro Cavandoli's remarks are likely to reflect immediate rather than considered views on timing: the ball is presently in the Argentine court and the sequence of events will have to be worked out between us. But first reactions remain favourable; and the auguries for the Secretary of State's meeting with Sr Pastor are good.

6. Our Ambassador in Buenos Aires expects to be back in the UK on a private visit in mid-October. This would be a useful opportunity to discuss prospects with him.

P R Fearn

South America Dept.

25 September 1980