

- 1. I had a brief word yesterday evening with the Argentine Ambassador at the Costa Rican Ambassador's farewell reception. I gave him a rough outline of our appraisal of the Islanders reactions to Mr Ridley's proposals, emphasizing that they were not as negative as the press had represented. I said that, above all, what was needed was time. It had required an act of considerable political courage to bring the Islanders face to face with the harsh realities of their position; and it would take time for this unpleasant medicine to have its effect. I hopedthat the Argentine side would continue to show patience and would not leap to any conclusions if the formal response from the Islanders, which we expected to receive in early January, was not as forthcoming as we hoped.
- 2. Sr Ortiz de Rozas said that he well understood the need for patience. He thought that his view was shared by those in Buenos Aires who were privy to the exchanges of the last few months. But these latter were naturally being subjected to heavy pressure from those who were not in the know. He had explained to the Foreign Minister and the Deputy Foreign Minister why a meeting as early as 15 January would be out of the question. But he thought it might be important that we should be in a position to make an announcement about the middle of January of the date of a negotiating meeting to be held in February. He was in no doubt that his Ministers would be looking for such a meeting, whatever the Islanders' answer might be. Even if it could not discuss lease-back it could at least address itself to other matters of more mundane common interest, such as the YPF Jetty, fishing zones, etc.
- 3. This last remark of the Ambassador's surprised me. I cannot really believe that Commodore Cavandoli, or his masters in the Junta, could easily be fobbed off with a discussion of such subordinate issues at the next negotiating round. But I did receive a clear impression from Sr Ortiz de Rozas that, at all costs, contact must be maintained and the negotiating process must be seen to be continuing. I did not provoke this view: but as you know, it is very much my own as well.

G W Harding

19 December 1980

PS/Mr Ridley Mr Day, or PS/PUS PS/LPS PS