

CONFIDENTIAL

FM WASHINGTON 020030Z MAR 82
TO PRIORITY F C O
TELEGRAM NUMBER 671 OF 1 MARCH 1982
INFO BUENOS AIRES, PORT STANLEY (PERSONAL FOR GOVERNOR).

P.S. NO 10. DOWNING STREET.

FALKLAND ISLANDS.

1. WHEN MR LUCE SAW ENDERS AT THE STATE DEPARTMENT ON 1 MARCH, HE BRIEFED HIM ON THE PRESENT SITUATION ON THE FALKLAND ISSUE FOLLOWING THE NEW YORK TALKS. THE ISSUE WAS BECOMING INCREASINGLY POLARISED. THE ARGENTINES WERE IMPATIENT AT WHAT THEY SAW AS A LACK OF PROGRESS AFTER SIXTEEN YEARS OF NEGOTIATIONS: AT THE SAME TIME ISLANDERS OPPOSITION TO ANY TRANSFER OF SOVEREIGNTY OR GREATER INVOLVEMENT WITH ARGENTINA HAD HARDENED. PUBLIC AND PARLIAMENTARY OPINION IN THE UK WAS HIGHLY SENSITIVE ON THE ISSUE. NO BRITISH GOVERNMENT COULD ACT ON THE DISPUTE EXCEPT IN ACCORDANCE WITH THE ISLANDER'S WISHES. THEREFORE, WHILE WE WANTED TO RESOLVE THE DISPUTE AND TO REMOVE THIS SOURCE OF TENSION WITH ARGENTINA, THE POLITICAL DIFFICULTIES FOR US WERE VERY REAL AND IT WAS NOT EASY TO SEE HOW PROGRESS COULD BE MADE.

2. IT WAS CLEAR THAT THE NEW ARGENTINE GOVERNMENT WERE COMMITTED TO PRESSING HARD FOR A SETTLEMENT ON THEIR TERMS. IF NEGOTIATIONS BROKE DOWN THERE COULD BE AN AWKWARD CONFRONTATION. THERE WAS TALK IN THE ARGENTINE PRESS OF MILITARY ACTION (ALTHOUGH WE DID NOT BELIEVE THAT THIS REFLECTED THE VIEWS OF THE ARGENTINE GOVERNMENT). THE ARGENTINES MIGHT ALSO DECIDE TO CUT OFF COMMUNICATIONS AND OTHER FACILITIES TO THE ISLAND. IT WOULD THEREFORE BE HELPFUL IF ENDERS DURING HIS FORTHCOMING VISIT TO BUENOS AIRES COULD ENCOURAGE THE ARGENTINES TO KEEP THINGS COOL ON THE FALKLAND DISPUTE.

3. ENDERS UNDERTOOK TO DO THIS AND EXPECTED THAT THE ARGENTINES WOULD WISH TO GIVE HIM THEIR VIEWS ON THE ISSUE. HIS ONLY SPECIFIC COMMENT WAS THAT THE ARGENTINES HAD RECENTLY GIVEN THE IMPRESSION OF GREATER OPTIMISM THAT THE UK WAS NOW MORE READY TO CONSIDER THE INTERESTS RATHER THAN SIMPLY THE WISHES OF THE ISLANDERS IN SEEKING A SOLUTION TO THE DISPUTE. MR LUCE MADE CLEAR THAT THERE WAS NO BASIS TO SUCH AN ASSUMPTION.

HENDERSON

[FALKLAND ISLANDS]

STANDARD

S AM D

MAED

UND

ES & SD

SPD

CABINET OFFICE

ADDITIONAL DISTRIBUTION

FALKLAND ISLANDS

CONFIDENTIAL