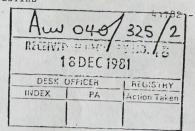
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OO BUENOS AIRES GRS 405 CONFIDENTIAL. FM FCO 181150Z DEC 81 TO IMMEDIATE BUENOS AIRES TELEGRAM NUMBER 317 OF 18 DECEMBER REPEATED FOR INFORMATION PRIORITY PORT STANLEY (PERSONAL FOR





GOVERNOR)

YOUR TELNO 337: POSTPONEMENT OF TALKS

- ORTIZ DE ROZAS CALLED ON MR LUCE ON 17 DECEMBER AND PRESSED HARD FOR AGREEMENT TO A NEW DATE FOR TALKS IN THE SECOND HALF OF JANUARY. HE SAID THAT HE HIMSELF HAD RECOMMENDED THE POSTPONEMENT OF THE DECEMBER TALKS SINCE THESE WOULD HAVE GREATER CREDIBILITY AFTER THE INSTALLATION OF A NEW GOVERNMENT. HOWEVER THERE WAS NO QUESTION OF ANY CHANGE IN THE ARGENTINE POSITION AT A NEXT ROUND: THE POLICY HAD BEEN FULLY AGREED BY THE JUNTA AND WOULD NOT BE AFFECTED BY THE CHANGE OF GOVERNMENT. A NEW DATE COULD THEREFORE BE FIRMLY PLANNED.
- 2. MR LUCE SAID THAT WE FULLY UNDERSTOOD THE REASONS FOR THE POSTPONEMENT OF THE TALKS. BECAUSE OF HIS OWN COMMITMENTS IT WAS. HOWEVER, VERY DIFFICULT AT THIS STAGE TO MAKE A FIRM DECISION ON NEW DATES. JANUARY CERTAINLY HAD TO BE RULED OUT BECAUSE OF A PLANNED VISIT TO THE CARIBBEAN IN MID-JANUARY AND SINCE THE CANADIAN CONSTITUTION BILL WAS EXPECTED TO BE TAKEN IN THE HOUSE IMMEDIATELY AFTER THE RECESS. THE TIMETABLE FOR THE VARIOUS STAGES OF THE BILL HAD STILL TO BE CLARIFIED AND IT WOULD SEEM BEST TO AVOID MAKING TENTATIVE PLANS AT THIS STAGE WHICH MIGHT THEN HAVE TO BE CHANGED. THE TIMETABLE FOR THE BILL MIGHT. HOWEVER, BE CLEARER BY CHRISTMAS AND WE WOULD KEEP ORTIZ DE ROZAS INFORMED. MR LUCE EMPHASISED THAT WE WERE IN NO WAY DRAGGING OUR FEET BUT TO HAVE TO POSTPONE THE TALKS TWICE COULD BE PRESENTATIONALLY UNFORTUNATE.
- 3. ORTIZ DE ROZAS ACCEPTED THIS WITH RELUCTANCE. TO DELAY BEYOND THE END OF FEBRUARY WOULD BE DIFFICULT FOR THE ARGENTINE GOVERNMENT. ON VENUE THE STRONG ARGENTINE PREFERENCE WAS FOR NEW YORK.

4. YOU MAY WISH TO REINFORCE WITH ROS THE GENUINENESS OF MR
LUCE'S DIFFICULTY ON TIMING BECAUSE OF THE CANADIAN CONSTITUTION
BILL. FOR YOUR OWN INFORMATION, WE OF COURSE ARE IN NO HURRY
AND OUR PREFERENCE MAY BE TO PROPOSE IN DUE COURSE FIRM DATES
IN THE SECOND HALF OF FEBRUARY WHEN MR LUCE'S DIARY IS CLEARER.
5. ON PARA 2 OF YOUR TUR WE DO NOT (REPEAT NOT) SEE IT AS IN OUR
INTEREST TO SEEK ANY DETAILED INSIGHT INTO ARGENTINE PROPOSALS
BEFORE THE NEXT TALKS. AS YOU SAY, TO DO SO WOULD REMOVE A USEFUL
BREATHING SPACE. WE ARE RELUCTANT TO DO ANYTHING WHICH MIGHT
SHORTEN THE TIME WE CAN PLAUSIBLY CLAIM TO BE REEDED FOR
CONSIDERATION OF ARGENTINE PROPOSITIONS.

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