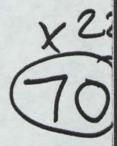
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## YOUR TELNOS 793 AND 794: FALKLANDS

- 1. MINISTERS FEEL STRONGLY THAT ALTHOUGH THE SECRETARY GENERAL'S IDEAS ARE, AS YOU POINT OUT, LIKELY TO BE MORE FAVOURABLE TO US THAN TO ARGENTINA THEY NEVERTHELESS REPRESENT A SIGNIFICANT MOVEMENT DOWNWARDS FROM WHAT WAS OUR ABSOLUTE BOTTOM LINE. IN ADDITION TO THE UNAGREED POINTS LISTED BY THE SECRETARY GENERAL, THERE IS NO MENTION WHATSOEVER OF HOW TO DEAL WITH THE VITAL ISSUE OF NON-REINTRODUCTION OF FORCES. FURTHERMORE THE EQUALLY FIRM DEADLINE HAS NOW BEEN PASSED BY NEARLY 24 HOURS AND MEANWHILE WE HAVE RECEIVED THE STATEMENT OF THE ARGENTINE POSITION WHICH IS EVEN MORE INTRANSIGENT THAN WE MIGHT HAVE EXPECTED. HAVING RESPONDED TO OUR PROPOSALS AS THEY DID IT SEEMS MOST UNLIKELY THAT THE ARGENTINES COULD POSSIBLY REACT FAVOURABLY TO THE SECRETARY GENERAL'S IDEAS EXCEPT IN ORDER TO PROCRASTINATE AND ENGAGE IN FURTHER SPUN OUT NEGOTIATIONS. IT IS THEREFORE NO GOOD THEIR AGREEING TO HIS PROPOSALS 'AS A BASIS FOR NEGOTIATIONS'.
- 2. YOU SHOULD THEREFORE RESPOND TO THE SECRETARY GENERAL AS PROPOSED IN PARAGRAPH 6 OF YOUR TELNO 793 USING THE POINTS IN PARAGRAPH 1 ABOVE AS APPROPRIATE. ON MILITARY PLANS YOU SHOULD REEMPHASIZE AS HAS BEEN CONSTANTLY STATED IN PARLIAMENT THAT OUR SEARCH FOR A NEGOTIATED SETTLEMENT HAS NOT AFFECTED AND CANNOT AFFECT THE PRESSURES INCLUDING MILITARY WHICH WE HAVE BEEN BRINGING TO BEAR ON THE ARGENTINES.
- 3. IN YOUR TELEPHONE CONVERSATION WITH THE PUS YOU SUGGESTED THAT, AT WORKING LEVEL, COMMENTS AND CLARIFICATIONS MIGHT

BE MADE ON THE SECRETARY GENERAL'S DRAFTS. THE PURPOSE OF THESE WOULD BE TO BRING HIS PROPOSALS WHOLLY BACK TO OUR BOTTOM LINE AND TO ENABLE US TO SAY THAT WE HAD RESPONDED IMMEDIATELY (IF AND WHEN THE SECRETARY GENERAL'S INITIATIVE BECOMES PUBLIC). WE CONSIDER THAT THE LATTER PURPOSE CAN BE MET BY THE LINE IN PARAGRAPH 6 OF YOUR TELNO 793. WE WOULD PREFER NOT (NOT) TO GET INTO ANY FURTHER SORT OF TEXTUAL DISCUSSIONS AT THIS STAGE.

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