

TYPISTS (a.a.)

IMMEDIATE

ADVANCE COPIES: FALKLAND ISLANDS

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 MR McINTYRE)
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TO IMMEDIATE FCO

TELEGRAM NUMBER 400 OF 04 MAY

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FALKLANDS

1. I CALLED THIS EVENING ON STATE SECRETARY VON STADEN, A MEETING ARRANGED BEFORE THE LATEST MILITARY DEVELOPMENTS IN THE FALKLANDS. VON STADEN HAD JUST COME FROM A VERY LONG MEETING WITH HERR GENSCHER IN WHICH THE FALKLANDS CRISIS AND THE DISCUSSION ON THIS SUBJECT AT THE POLITICAL COMMITTEE MEETING TODAY HAD FIGURED LARGELY. THE GERMANS WERE CONCERNED THAT THE IRISH POSITION WOULD UNDERMINE UNITY. THE MINISTER HAD, HOWEVER, ALSO DWELT ON THE DISMAY OF THE FEDERAL GOVERNMENT OVER THE SINKING OF THE ARGENTINE CRUISER.

2. VON STADEN SAID THAT THE SINKING OF THE CRUISER WITH QUOTE A LARGE LOSS OF YOUNG LIVES UNQUOTE COULD CAUSE A PSYCHOLOGICAL COLLAPSE

LARGE LOSS OF YOUNG LIVES UNQUOTE COULD CAUSE A PSYCHOLOGICAL COLLAPSE OF MUCH OF GERMAN OPINION. HITHERTO, DESPITE SOME DOUBTS, GERMAN OPINION AND CERTAINLY THE GOVERNMENT HAD BEEN PREPARED TO SUPPORT WHAT HE DESCRIBED AS A QUOTE CONTROLLED REACTION UNQUOTE TO THE ARGENTINE AGGRESSION. BOTH THE GOVERNMENT AND PUBLIC OPINION HOWEVER HAD DOUBTS ABOUT THE OPERATIONAL JUSTIFICATION OF SINKING THE CRUISER OUTSIDE THE TWO HUNDRED MILE ZONE WITH SUCH SERIOUS LOSS OF LIFE.

3. THE FEDERAL REPUBLIC WAS VERY ANXIOUS TO SEE THE UNITED NATIONS BROUGHT IN TO BRING ABOUT A CEASE-FIRE AND NEGOTIATION. VON STADEN APPEARED TO HAVE THE IMPRESSION FROM THE BRIEFINGS GIVEN IN NEW YORK THAT IT WAS THE UK WHO CONSIDERED IT TOO EARLY FOR A NEW UN INITIATIVE.

4. I COUNTERED THESE ARGUMENTS REFERRING TO OUR STATEMENT OF 23 APRIL ABOUT HOSTILE ACTIVITIES BY ARGENTINE UNITS AND DREW ATTENTION TO THE NEED FOR THE COMMANDER OF THE TASK FORCE TO CONSIDER THE THREAT. I EMPHASISED THAT NOTHING HAD BASICALLY CHANGED SINCE WE DECIDED TO DISPATCH THE TASK FORCE, AND REFERRED TO THE INEVITABLE CONSEQUENCES THAT FOLLOWED FROM TOTAL ARGENTINE REFUSAL TO ACCEPT ANY REASONABLE BASIS FOR NEGOTIATIONS. I ALSO UNDERLINED THE IMPORTANCE OF HOLDING TOGETHER, AND OF ACHIEVING A SOLUTION THAT DID NOT ALLOW THE ARGENTINES TO ACHIEVE THEIR OBJECTIVES THROUGH AGGRESSION: VON STADEN WOULD KNOW FROM BRIEFINGS GIVEN BY BULLARD THAT WE WERE PREPARED TO GO A VERY LONG WAY INDEED IN NEGOTIATING APPROPRIATE ARRANGEMENTS FOR THE FUTURE OF THE FALKLANDS. I ALSO POINTED OUT THAT WE HAD NO AUTHORITY INFORMATION ABOUT LOSS OF LIFE AS A RESULT OF THE SINKING OF THE CRUISER SINCE WE WERE AT PRESENT DEPENDING UPON ARGENTINE REPORTS. I HOPE ALL THIS MAY HAVE A MODIFYING EFFECT ON THE STATEMENT THAT THE FEDERAL GOVERNMENT ARE PROPOSING TO PUT OUT THIS EVENING.

CONCLUSION

5. ALTHOUGH THE GERMANS ARE STILL ON BOARD WITH US, THEY ARE CLEARLY EXTREMELY CONCERNED ABOUT WHAT THEY REGARD AS A POSSIBLE UNCONTROLLED ESCALATION OF THE CONFLICT. THEIR OWN HISTORICAL BACKGROUND MAKES THEM WORRIED ABOUT LARGE SCALE MILITARY ACTION WHICH REINFORCES THEIR CONCERNS ABOUT REACTIONS IN THE THIRD WORLD AND POSSIBLE BENEFITS FROM THE PRESENT SITUATION FOR THE SOVIET UNION. IT WOULD HELP STEADY THEIR REACTIONS IF WE WERE SEEN TO BE MAKING A MAJOR EFFORT TO ENCOURAGE EFFORTS FOR A PEACEFUL SOLUTION THROUGH THE US, THE UN OR EVEN PERU: THIS WOULD HELP TO OFFSET THE FEELING THAT THE MILITARY CONFRONTATION IS

HELP TO OFFSET THE FEELING THAT THE MILITARY CONFRONTATION IS
DEVELOPING A MOMENTUM OF ITS OWN. I HAVE REPORTED SEPARATELY THE
DIFFICULTIES IN ARRANGING A BILATERAL MEETING BETWEEN HERR
GENSCHER AND YOURSELF, BUT IT IS QUITE CLEAR THAT THE MORE WE CAN
TAKE THE GERMANS INTO OUR CONFIDENCE BILATERALLY THE GREATER THE
CHANCE OF CONTINUED PUBLIC SUPPORT FOR OUR POSITION FROM THE
FEDERAL GOVERNMENT.

FCO PASS SAVING ABOVE

TAYLOR

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SENT AT 041857Z KB

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