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UNCLASSIFIED
FM BUENOS AIRES 03/1735Z MAR 82
TO IMMEDIATE FCO
TELEGRAM NUMBER 60 OF 03 MARCH 1982
AND TO IMMEDIATE PORT STANLEY

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RECEIVED NO. 13		
- 4 MAR 1982		
DESK OFFICER		REGISTRY
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(73) MY TELNO 57 : FALKLANDS TALKS : ARGENTINE PRESS COMMENT

1. THERE IS FURTHER COMMENT IN TODAY'S PRESS. LA PRENSA SEES THE ARGENTINE STATEMENT (MY TELNO 58) AS EVIDENCE OF NEW ENERGY AND DETERMINATION IN THE MFA AND SEES QUOTE CERTAIN CONTRADICTIONS UNQUOTE BETWEEN THIS STATEMENT AND THE JOINT STATEMENT. IT SPECULATES, AFTER CONVERSATIONS WITH UNSPECIFIED MFA OFFICIALS, THAT IF PRESENT TACTICS ARE UNPRODUCTIVE, A FIRST ARGENTINE STEP MIGHT BE TO CUT OFF SERVICES FOR THE FALKLANDS (COMMUNICATIONS, FUEL, TEACHERS ETC), FOLLOWED BY A PROGRESSIVE COOLING OF BILATERAL RELATIONS BETWEEN ARGENTINA AND BRITAIN.

2. IN THE SAME NEWSPAPER, COLUMNIST IGLESIAS ROUCO CLAIMS TO DETECT ARGENTINE DISSATISFACTION WITH THE NEW YORK TALKS AND SERIOUS THOUGHT OF BREAKING OFF RELATIONS WITH BRITAIN IN THE NEAR FUTURE. HE QUOTES HIS SOURCES AS SAYING THAT BRITAIN WILL HAVE NO MORE THAN THREE OR FOUR MONTHS TO ACKNOWLEDGE ARGENTINE SOVEREIGNTY AND AGREE ON AN EARLY DATE FOR THE QUOTE RETURN UNQUOTE OF THE ISLANDS TO ARGENTINA. WHILE AS A FINAL QUOTE GOODWILL GESTURE UNQUOTE MR LUCE WAS GRANTED A FEW DAYS TO RESPOND TO THE ARGENTINE PROPOSALS, THERE WOULD BE NO FLEXIBILITY IN ARGENTINA'S MINIMUM DEMAND FOR RESTITUTION OF SOVEREIGNTY BEFORE THE 150TH ANNIVERSARY OF THE COLONY AND FOR THE HOLDING OF MONTHLY MEETINGS TO DISCUSS THE HANDING OVER OF SOVEREIGNTY AND GUARANTEES FOR THE ISLANDERS. THEREAFTER, ARGENTINA WOULD RESORT TO OTHER MEANS IF THERE WERE NO PROGRESS. HE GOES ON TO SPECULATE ABOUT THE ADVANTAGES OF A DIRECT SEIZURE OF THE ISLANDS, WHICH HE BELIEVES WOULD BE QUOTE UNDERSTOOD UNQUOTE BY THE AMERICANS., TO WHOM JOINT NAVAL FACILITIES IN THE ISLANDS COULD BE OFFERED. HE SUGGESTS THAT SUCH DIRECT ACTION MIGHT BE TAKEN BETWEEN THE MIDDLE AND END OF THIS YEAR.

/3.

3. LA NACION'S LEADING EDITORIAL APPROVINGLY REHEARSES THE DETAILS OF THE ARGENTINE STATEMENT, WHICH IT SEES AS PUTTING THE JOINT STATEMENT INTO PROPER PERSPECTIVE, AND CALLS FOR A PROMPT AND POSITIVE BRITISH RESPONSE. A BA HERALD EDITORIAL SEES THE ARGENTINE STATEMENT AS CONTAINING A QUOTE VEILED THREAT UNQUOTE AND WARNS BRITAIN THAT THIS TIME ARGENTINA SEEMS TO QUOTE MEAN BUSINESS UNQUOTE. IT STRESSES THE IMPORTANCE OF GUARANTEES FOR THE ISLANDERS, AND COMMENTS THAT THE ARGENTINE POSITION WOULD BE STRONGER IF ITS DEDICATION TO DEMOCRACY WERE MORE PLAUSIBLE. BUT IT SEES NO ALTERNATIVE TO A BRITISH HANDOVER.

5. MOST PAPERS QUOTE UNDER-SECRETARY ROS, ON HIS ARRIVAL BACK FROM NEW YORK YESTERDAY, AS DECLINING TO COMMENT ON THE TALKS BECAUSE OF THEIR CONFIDENTIAL NATURE.

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