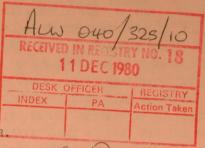
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PROBLEMS.

FM FCO 091540Z DECEMBER 80 INDEX
TO PRIORITY BUENOS AIRES
TELEGRAM NUMBER 246 OF 9 DECEMBER.
MY TELNO. 244: FALKLAND ISLANDS.



ARGENTINE AMBASSADOR CALLED ON 9 DECEMBER. ON MR
 RIDLEY, WHO GAVE HIM A FULL ACCOUNT OF HIS VISIT TO THE ISLANDS.
 ORTIZ DE ROZAS EMPHASISED THAT CAVANDOLI ENTIRELY RECOGNISED

THE NEED FOR PUBLIC DISCUSSION IN THE ISLANDS AND APPRECIATED MR RIDLEY'S HANDLING OF THE ISSUE, BOTH IN THE ISLANDS AND THE UK. IT WAS BETTER THAT THE MATTER SHOULD BE OUT IN THE OPEN. THE ARGENTINE GOVERNMENT WERE PREPARED TO WAIT UNTIL ISLANDER VIEWS EMERGED, POSSIBLY IN EARLY JANUARY. THERE WAS, HOWEVER, AN INCREASING NEED TO RESPOND TO INTERNAL CRITICISM OF THE APPA?ENT PASSIVITY OF THE ARGENTINE GOVERNMENT AND OF THEIR FAILURE TO INFORM THE PUBLIC OF WHAT WAS GOING ON. THERE HAD BEEN SIMILAR RUMBLINGS FROM WITHIN THE ARMED FORCES BUT THIS WAS CONTAINABLE. IT WAS THE PRESS THAT WAS THE PROBLEM. THERE WAS A RISK OF EMOTIONS BEING DANGEROUSLY STIRRED AND THE WHOLE ISSUE WOULD BE REVIVED WHEN ISLANDERS' REACTIONS BECAME KNOWN. THE ARGENTINE GOVERNMENT MIGHT BE FORCED TO MAKE A STATEMENT SOON IF THEY WERE TO PRE-EMPT CRITICISM AND TO KEEP OPTIONS OPEN. BUT CAVANDOLI WISHED TO ENSURE THAT ANY LINE TAKEN WOULD NOT CAUSE ADDITIONAL

3. IT WAS LEFT THAT ORTIZ MIGHT SUGGEST TO CAVANDOLI THE FOLLOWING (APPROXIMATE) CONTINGENCY LINE:
BEGINS. THE ARGENTINE GOVERNMENT HAVE MADE IT VERY CLEAR, BOTH
IN THE APRIL TALKS IN NEW YORK AND BILATERALLY, THAT THEY WANT TO
SEE EARLY PROGRESS TOWARDS A NEGOTIATED SOLUTION TO THE DISPUTE.
THE BRITISH GOVERNMENT HAVE BEEN LEFT IN NO DOUBT ABOUT THIS. IT
IS NOT FOR US TO COMMENT ON BRITISH CONSULTATIONS WITH THE

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ISLANDERS. BUT IF THIS REPRESENTS A GENUINE ATTEMPT TO BREAK THE DEADLOCK, WE HOPE THAT IT COULD LEAD TO AN EARLY RESUMPTION OF SUBSTANTIVE NEGOTIATIONS. NO FORMAL PROPOSALS HAVE BEEN PUT TO US BY THE BRITISH GOVERNMENT AND ANY COMMENT WOULD BE HYPOTHETICAL UNTIL THIS HAS BEEN DONE. ENDS.

4. ORTIZ SAID THAT CAVANDOLI UNDERSTOOD MR RIDLEY'S DIFFICULTIES IN MEETING HIM AT THIS STAGE AND WAS NOT PRESSING. IT WAS NOT YET CERTAIN THAT CAVANDOLI WOULD BE IN EUROPE THIS WEEK: BUT ORTIZ WOULD ENSURE THAT HE WAS FULLY BRIEFED ON THE PRESENT DISCUSSION. IT WAS IMPORTANT TO KEEP CLOSELY IN TOUCH BUT THIS COULD BEST BE DONE THROUGH AMBASSADORS.

CARRINGTON

LIMITED
HD/S AM D
PS
PS/LPS
PS/MR RIDLEY
PS/PUS
MR DAY
MR HARDING