GRS 350 CONFIDENTIAL CONFIDENTIAL FM BUENOS AIRES 28/1406Z MAR 82 TO FLASH FCO TELEGRAM NUMBER 115 OF 28 MARCH 1982 INFO FLASH PORT STANLEY (PERSONAL FOR GOVERNOR), MODUK NAVY AND CINCFLEET MY TELNO 113 : SOUTH GEORGIA COSTA MENDEZ TELEPHONED ME YESTERDAY EVENING TO SAY THAT HIS MESSAGE TO YOU WOULD BE READY AT \$93\$ (123\$Z) TODAY AND I HAVE JUST COLLECTED IT. OUR TRANSLATION OF FULL TEXT IS IN MY IFT. IN ESSENCE IT SAYS THAT WE ARE MAKING TOO MUCH FUSS OVER A MATTER IN ADMITTEDLY DISPUTED TERRITORY SEMI COLON THAT THE ARGENTINE GOVERNMENT CANNOT BUT TAKE THE PRECAUTIONS REQUIRED BY PRUDENCE AND ITS RIGHTS AND THAT THE WORKMEN SHOULD CONTINUE ON SOUTH GEORGIA SINCE THEY HAVE THE NECESSARY DOCUMENTATION. IN CONVERSATION COSTA MENDEZ AND ROS EXPLAINED THAT THE LAST PHRASE MEANT THAT, IN THEIR VIEW (AND ROS WAS ONE OF THE NEGOTIA-TORS) SOUTH GEORGIA IS (REPEAT IS) INCLUDED IN THE WHITE CARD REGIME BY THE 1971 AGREEMENT. IN THE SAME CONVERSATION COSTA MENDEZ TRIED RATHER LAMELY TO RECONCILE HIS CONFLICTING STATEMENTS ABOUT THE BAHIA PARAISO BUT STILL PROFESSED IGNORANCE ABOUT THE PRESENCE ON BOARD OF ARGENTINE MARINES AND CAPITAN TROMBETTA. SINCE TODAY'S PRESS IS FULL OF STATEMENTS THAT A BRITISH WARSHIP, JOHN BISCOE, IS ON ITS WAY TO THE AREA I TOLD COSTA MENDEZ IN CONFIDENCE WHAT BISCOE IS AND THAT THE MARINES ON BOARD HER ARE NOT REINFORCEMENTS BY ROULEMENT IN CIVVIES AND UNARMED. I JUDGED THIS BETTER THAN ALLOWING HIM TO GET A GARBLED ACCOUNT ELSE-WHERE. 3. I TOLD COSTA MENDEZ THAT I WOULD, OF COURSE, TRANSMIT HIS MESSAGE AND WOULD NOT ANTICIPATE YOUR REACTION. I COULD NOT, HOWEVER, FAIL TO NOTE THAT IT DID NOT SUGGEST ANY CONSTRUCTIVE WAY OF PROCEEDING AND, IF FACT, WITHDREW THE PROPOSAL HE HAD PUT TO ME ON WEDNESDAY. HE INTERJECTED THAT IT HAD NOT BEEN A PROPOSAL BUT ONE OF SEVERAL IDEAS. I RECALLED THAT YOUR RESPONSE TO IT, PROPOSAL OR IDEA, HAD BEEN TO OFFER CONSIDERABLE CONCESSION TO BUILD A GOLDEN BRIDGE. HE SEEMED NOW TO HAVE KNOCKED AWAY HIS END OF THIS AND I URGED HIM TO LOSE NO TIME IN DEVISING ANOTHER. IT WAS, I SAID, NOW AGAIN HIS TURN. 4. I HAVE MADE NO STATEMENT TO THE PRESS BEYOND ADVISING THEM TO CHECK PUBLISHED DATA ON THE NATURE OF THE BISCOE. [COPIES SENT TO NO 10 DOWNING ST.] WILLIAMS STANDARD ADDITIONAL DISTRIBUTION S AM D FALKLAND ISLANDS CABINET OFFICE CONFIDENTIAL