ADVANCE COPIES: FALKLAND ISLANDS GENERAL (SE) (41) PS (6) PS/NO 10 DOWNING ST (2) POR HURD PS/S OF S FOR DEFENCE PS/MR CNSLOW MR J STEWART AUSD STAFF PS/PUS · MR BULLARD PS/CHANCELLOR) SIR I SINCLAIR BR ILETT TREASURY MR GIFFARD MR LITTLER MR WRIGHT IR ASS Evens. SIR R ARMSTRONG LORD N G LENNOX SIR M PALLISER CABINET LORD BRIDGES MR WADE-GERY OFFICE MR FULLER SAPU/DIC MR URE MR GILLMORE DIO HD/PUSD RM 8 FOR MODUK C IN C FLEET HD/S AM D HD/DEF DEPT HD/HEWS DEPT HD/ERD HD/ECD(E) HD/UED HD/PLANNING STAFF [Passed to E.R.] MR ANTHONY WILLIAMS W60 EMERGENCY ROOM RESIDENT CLERK [Typists aa]

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FALKLANDS: US PRESS OF 16 MAY.

UNDER THE HEADLINE: ARGENTINES PUT BLAME ON BRITISH FOR UN DELAY, THE NEW YORK TIMES QUOTES COSTA MENDEZ AS SAYING THAT SIR A PARSONS' OR THE PROLONGATION OF THE NEGOTIATIONS IS CERTAINLY NOT ARGENTINIA'S BUT BRITAIN'S UNQUOTE.

2. IN ANARTICLE IN THE NEW YORK TIMES WHICH APPEARS TO REFLECT

- 2. IN ANARTICLE IN THE NEW YORK TIMES WHICH APPEARS TO REFLECT UN'SECRETARIAT BRIEFING, NOSSITER WRITES: QUOTE AFTER SIX SUCCESS-ING DAYS, THE NEGOTIATIONS WERE STALLED BY A BRITISH ATTEMPT TO REVIVE AT LEAST A VESTIGE OF CONTROL OVER THE ISLANDS BY RESTORING THE FALKLANDS' LOCAL COUNCIL ... THE SECRETARY GENERAL HAD PROPOSED AND ARGENTINA HAD AGREED, THAT A NEUTRAL TEAM OF UN OFFICIALS ADMINISTER THE FALKLANDS. UNQUOTE NOSSITER ALSO SAYS THAT THE SECRETARY GENERAL BELIEVES THAT THE US ATTITUDE TO HIS EFFORTS HAS BEEN UNHELPFUL AND THAT HE WAS ANNOYED AT HAIG'S SUGGESTION THAT HE (HAIG) WAS SOMEHOW THE MOTIVE POWER BEHIND THE NEGOTIONS.
- 3. ALSO IN THE NEW YORK TIMES, APPLE WRITING FROM LONDON, CLAIMS THAT IT IS INCREASINGLY BELIEVED IN BRITISH GOVERNMENT CIRCLES THAT BRITAIN, RATHER THAN ARGENTINA IS NOW HOLDING UP AN AGREEMENT. SIR N HENDERSON'S RETURN TO LONDON IS LINKED TO BRITISH PRESS REPORTS THAT THE UNITED STATES IS INCREASING PRESSURE ON BRITAIN TO AGREE TO A SETTLEMENT.
- 4. JAMES RESTON WRITES IN THE NEW YORK TIMES THAT PRESIDENT REAGAN HAS BEEN SUGGESTING THAT WASHINGTON AND MOSCOW WORK TOGETHER TO AVOID MORE TROUBLE AROUND THE FALKLANDS AND TO PREVENT A REGIONAL CONTROVERSY INTERFERING WITH LARGER PROBLEMS. RESTON CONCLUDES THAT WHILE THE UNITED STATES COULD DECIDE THE ISSUE IN THE CRITICAL DAYS THAT ARE LEFT BY MAKING CLEAR THAT IT WOULD GIVE THE BRITISH WHATEVER MILITARY SUPPORT THEY NEED TO DEFEND THE SECURITY OF THEIR ARMADA, IN PRACTICE NOTHING MUCH WILL BE DONE AND THE ADMINISTRATION WILL SIMPLY TRUST TO LUCK THAT THE ARGENTINE GENERALS WILL COME TO THEIR SENSES.
- 5. THE WASHINGTON POST, IN A REPORT FROM BUENOS AIRES, SAYS THAT THE ABDUCTION OF FOREIGN JOURNALISTS HAS AGAIN CONFRONTED THE JUNTA WITH THE SPECTRE OF ITS OWN DARK PAST. FOR HUMAN RIGHTS GROUPS IN ARGENTINA THE DAMAGE DONE TO THE COUNTRY'S IMAGE ABROAD IS LESS SERIOUS THAN THE POSSIBILITY THAT THE ONCE FEARED SECURITY APPARATUS HAS NOT BEEN DISMANTLED.
- 6. THE NEW YORK TIMES REPORTS THAT CONSERVATIVES IN CONGRESS AND THE STATE DEPARTMENT, WHO ARGUE THAT CONTAINING COMMUNIST EXPANTIONISM IS MORE IMPORTANT THAT PRESERVING BRITISH CONTROL OVER THE FALKLANDS, ARE ALARMED AT THE DAMAGE DONE TO AMERICAN POLICY IN CENTRAL AMERICA. NOT ONLY HAS AMERICA LOST HER PROXY IN CENTRAL AMERICAN (ARGENTINA) BUT ONE OF THE ONLY OTHER COUNTRIES OF THE REGION WILLING TO SUPPORT US POLICY ON EL SALVADOR (VENEZUELA) HAS ADOPTED A RADICAL PRO-ARGENTINA STANCE. A US OFFICIAL IS QUOTED AS SAYING: QUOTE NICARAGNA HAS BEEN GIVEN A NEW LEASE OF

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