

ADVANCE COPIES: FALKLAND ISLANDS GENERAL (40)

PS
PS/MR HURD
PS/MR ONSLOW
PS/MR RIFKIND
SIR J BULLARD
SIR I SINCLAIR
MR GIFFARD
MR WRIGHT
MR ADAMS
LORD N GORDON LENNOX
LORD BRIDGES
MR URE
MR GILLMORE
HD/PUSD (2)
HD/S Am D
HD/DEFENCE D
HD/NEWS D
HD/ERD
HD/ECD(E)
HD/UND
HD/PLANNING STAFF

PS/No 10 DOWNING ST (2)
PS/S OF S FOR DEFENCE
MR J STEWART AUSD STAFF MOD
PS/CHANCELLOR }
MR ILETT } TREASURY
MR LITTLER }
MISS DICKSON D/ENERGY

SIR R ARMSTRONG }
SIR M PALLISER } CABINET OFFICE
MR WADE-GERY }
MR FULLER SAPU/DIO }
DIO }

Room 8 FOR MODUK C IN C FLEET

ADVANCE COPY

[Passed to E.R.]

[Typists a.a.]

Hd Wey
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GRS 243

CONFIDENTIAL

FM BONN 151553Z JUN 82

TO ROUTINE FCO

TELEGRAM NUMBER 569 OF 15 JUNE

INFO ROUTINE WASHINGTON

FALKLANDS

1. THE AMERICAN AMBASSADOR HERE ARTHUR BURNS, WHEN ASKING ME TO CONVEY HIS CONGRATULATIONS ON THE PORT STANLEY VICTORY TO YOU AND THE PRIME MINISTER, REVERTED TO A SUGGESTION HE HAD AIRED EARLIER ABOUT THE NEED FOR A MASSIVE AID PROGRAMME TO ARGENTINA ONCE HOSTILITIES ARE FINISHED. HE HAS PUT THIS IDEA FORWARD TO PRESIDENT REAGAN AND OTHERS IN WASHINGTON WHO, HE SAID, WERE SUPPORTING THE IDEA BUT UNABLE TO GIVE ANY CONSIDERED REACTION YET. HE TOLD ME THAT HE HAD ALSO MENTIONED THIS IDEA TO HERR SCHMIDT WHO WAS VERY INTERESTED; HE HOPED THAT THE GERMANS AND OTHERS MIGHT JOIN IF A PROGRAMME OF THIS SORT WERE PUT INTO EFFECT.

2. IN EXPLAINING HIS IDEAS, BURNS SAID THAT HE HAD TWO OBJECTIVES IN MIND. FIRST, TO AVOID THE SPREAD OF SERIOUS FINANCIAL DIFFICULTIES IN THE WHOLE OF LATIN AMERICA AND INDEED IN OTHER THIRD WORLD COUNTRIES, WHICH HE THOUGHT WOULD FLOW FROM ARGENTINE BANKRUPTCY. HE CLAIMED THAT THERE WERE ALREADY SIGNS THAT MEXICO, VENEZUELA AND OTHERS WERE RUNNING INTO DIFFICULTIES IN ARRANGING LOANS WITH THE INTERNATIONAL COMMUNITY AS A RESULT OF THE SITUATION

...NKING COMMUNITY AS A RESULT OF THE SITUATION
IN ARGENTINA. SECONDLY, HE FELT THAT AN OFFER OF FINANCIAL
ASSISTANCE WOULD HELP TO PREVENT ARGENTINA FALLING AGAIN INTO
THE HANDS OF THE PERONISTS, WITH ALL THE DANGERS THAT SUCH A
DEVELOPMENT MIGHT ENTAIL. I DREW HIS ATTENTION TO THE VITAL
IMPORTANCE OF GETTING ARGENTINA TO ABANDON HOSTILITIES TOTALLY AND
FOR GOOD. HE SAID HE UNDERSTOOD THIS AND PROMISED TO LET ME KNOW
IF HE HAD ANY CONSIDERED REACTION FROM WASHINGTON TO HIS
SUGGESTIONS.

TAYLOR

NNNN

ESENT AT 151639Z LCD