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CONFIDENTIAL

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TO IMMEDIATE FOO

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INFO IMMEDIATE PARIS WASHINGTON UKRIS REF YORK UKREP BRUSSELS

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ACTION COPY

NY TELNO 575: FALKLANDS.

1. I SAW HERR BENSCHER THIS AFTERNOON AND TOOK HIM OVER MANY OF THE POINTS I MADE YESTERDAY TO VON STADEN. I SAID THAT IT LOOKED AS IF WE WERE OUT OF THE WOODS ON THE QUESTION OF REPATRIATING PRISONERS, BUT THAT THERE WAS STILL NOTHING REMOTELY SATISFACTORY OVER THE CESSATION OF HOSTILITIES. HERR BENSCHER (LIKE MANY OTHER GERMANS) WAS INCLINED TO THE VIEW THAT ARGENTINA WOULD NOT IN THE PRESENT CIRCUMSTANCES RESUME ANY FORM OF OFFENSIVE ACTION. I EXPLAINED THAT IT WAS ABSOLUTELY IMPOSSIBLE FOR THE COMMANDERS IN THE SOUTH ATLANTIC TO ASSUME THAT, AND STRONGLY EMPHASISED THE COMMON INTEREST THAT WE AND OUR ALLIES HAD IN OBTAINING A FORMAL RENUNCIATION OF ALL HOSTILITIES. I DREW ATTENTION TO EARLIER CONCERN EXPRESSED HERE ABOUT THE WEAKENING OF NATO'S MARITIME DEFENCES, WHICH WOULD CONTINUE UNLESS WE HAD THE RIGHT SORT OF CREDIBLE ASSURANCES FROM ARGENTINA.

2. IT WAS APPARENT THAT THE CONCERNS I EXPRESSED YESTERDAY TO VON STADEN HAD GOT THROUGH AND I DID NOT LABOUR ALTHOUGH I MENTIONED) OUR CONCERN THAT, FOLLOWING DISCUSSIONS AMONGST POLITICAL DIRECTORS ON MONDAY AND BETWEEN MR FORD AND HERR CORTIER THE SAME DAY, THE GERMANS COULD (WITH THE FRENCH) PUT FORWARD THEIR SUGGESTION FOR IMMEDIATE LIFTING OF SANCTIONS WITHOUT EVEN CONSULTING US. HERR BENSCHER DID NOT ATTEMPT TO REFUTE THIS CRITICISM BUT TWICE ASKED ME TO PASS TO YOU HIS GREETINGS, HIS FEELINGS OF SOLIDARITY AND HIS HOPES OF HAVING A GOOD PRIVATE DISCUSSION WITH YOU IN LUXEMBOURG ON SUNDAY.

3. INSO FAR AS HERR BENSCHER TRIED TO JUSTIFY THE LIFTING OF SANCTIONS BEFORE ARGENTINA HAD AGREED TO A CESSATION OF HOSTILITIES IN THE SOUTH ATLANTIC, IT WAS BY SUGGESTING THAT THE REBUILDING OF RELATIONS BETWEEN THE COMMUNITY AND ARGENTINA WOULD ALLOW THE GERMANS AND OTHERS TO EXERCISE MORE INFLUENCE. I EXPRESSED MY

3. INSO FAR AS HERR GENSCHER TRIED TO JUSTIFY THE LIFTING OF SANCTIONS BEFORE ARGENTINA HAD AGREED TO A CESSATION OF HOSTILITIES, IN THE SOUTH ATLANTIC, IT WAS BY SUGGESTING THAT THE REBUILDING OF RELATIONS BETWEEN THE COMMUNITY AND ARGENTINA WOULD ALLOW THE GERMANS AND OTHERS TO EXERCISE MORE INFLUENCE. I EXPRESSED MY DOUBTS ABOUT THIS AND POINTED OUT THAT RESOLUTION 502 DID NOT NOW APPLY AND THAT NEGOTIATION WITH ARGENTINA ABOUT THE FUTURE OF THE FALKLANDS WAS NOT AT PRESENT AN OPTION. HERR GENSCHER MADE NO DIRECT COMMENT BUT I HOPE NOW UNDERSTANDS THE POLITICAL REALITIES. HE WAS AT PAINS TO BE FRIENDLY AND REPEATED HIS TOTAL CONDEMNATION OF THE AGGRESSION, WHICH HE CLAIMED TO HAVE STATED TO ALL HIS LATIN AMERICAN INTERLOCUTORS.

A. IN THE LIGHT OF THIS CONVERSATION I CAN ONLY HOPE THAT YOU WILL FIND A REASONABLY COOPERATIVE AND SLIGHTLY HASTENED HERR GENSCHER AT THE MEETINGS IN LUXEMBOURG; BUT I FEAR THAT EVEN IF THE GERMANS WERE WILLING TO CHANGE THEIR ATTITUDE ON THE IMPORT EMBARGO (FOR WHICH THERE IS ABSOLUTELY NO EVIDENCE) IT WOULD ONLY BE ON THE BASIS OF OUR AGREEING TO NEGOTIATIONS WITH ARGENTINA OVER THE FUTURE OF THE ISLANDS IN ACCORDANCE WITH EARLIER UN RESOLUTIONS. I MADE IT CLEAR TO HERR GENSCHER HOW IMPOSSIBLE THIS WAS, BUT THOUGHT IT BEST NOT TO PURSUE THE POINT TOO FAR TODAY.

5. HERR GENSCHER IS MUCH PREOCCUPIED THIS WEEK WITH THE NEGOTIATIONS OF THE COALITION ON ECONOMIC POLICY AND YESTERDAY'S ANNOUNCEMENT OF THE HESSEN FDP'S DECISION TO THROW ITS LOT IN WITH THE LOCAL CDU (MY TELNO 580). THIS HAS UNDOUBTEDLY STRAINED RELATIONS BETWEEN HIM AND HERR SCHMIDT, AND PROBABLY CONTRIBUTED TO HERR GENSCHER'S FAILURES TO CONSULT US. IT MAY ALSO HAVE PREVENTED HERR GENSCHER FROM ARGUING THE POINT PROPERLY WITH HERR SCHMIDT IN CABINET.

TAYLOR

NWMM