ADVANCE COPIES: FALKLAND ISLANDS GENERAL 4 PS PS/NO 10 DOWNING ST (2) PS/MR HURD PS/S OF S FOR DEFENCE PS/MR ONSLOW PS/MR RIFKIND MR J STEWART AUSD STAFF MOD PS/PUS PS/CHANCELLOR ) SIR J BULLARD TREASURY SIR I SINCLAIR MR ILETT MR LITTLER MR GIFFARD MR WRIGHT MISS DICKSON D/ENERGY MR ADAMS SIR R ARMSTRONG LORD N G LENNOX SIR M PALLISER LORD BRIDGES MR A D S GOODALL MR URE CABINET OFFICE MR GILLMORE DIO HD/PUSD (2) ROOM 8 FOR MODUK C IN C FLEET HD/S AM D (2)HD/FALKLANDS UNIT MR. COLIN ROTH, LACPT, ODA HD/DEFENCE DEPT HD/NEWS DEPT MR. BORDEN, LARPD, ODA. HD/ERD HD/ECD(E) HD/UND HD/PLANNING STAFF fee oveleaf (but we still RESIDENT CLERK CONFIDENTIAL FM DERNE Ø9151ØZ TO IMMEDIATE FCO TELNO 212 OF Ø9 JULY INFO IMMEDIATE BRASILIA WASHINGTON UKMIS NEW YORK UKMIS GENEVA MONTEVIDEO WELLINGTON YOUR TELNO 148: RETURN OF PRISONERS AND CESSATION OF HOSTILITIES

- 1. I DELIVERED THE MESSAGE IN YOUR TUR TO HUGENTOBLER (FDFA)
  THIS AFTERNOON (Ø9 JULY), MAKING ALL YOUR POINTS AS INSTRUCTED.
  HUGENTOBLER UNDERTOOK TO TRANSMIT THE MESSAGE IMMEDIATELY TO THE
  SWISS AMBASSADOR IN BUENOS AIRES, MAKING IT CLEAR THAT WE NOW
  WANTED ARGENTINES TO NAME THE PORT THROUGH WHICH PRISONERS
  SHOULD BE RETURNED.
- 2. HUGENTOBLER HANDED ME THE TEXT OF A MESSAGE WHICH HE HAD JUST RECEIVED FROM THE SWISS AMBASSADOR IN BUENOS AIRES . OUR TRANSLATION IS AS FOLLOWS SEMI COLON

RECEIVED FROM THE SWISS AMBASSADOR IN BUENOS AIRES . OUR TRANSLATION

BEGINS.

THE NEW MINISTER FOR FOREIGN AFFAIRS ACCOMPANIED BY HIS UNDER-SECRETARY OF STATE ROS HAS JUST GRANTED ME AN INTERVIEW LASTING 30 MINUTES.

NITH REGARD TO THE MESSAGE CONTAINED IN YOUR COMMUNICATION OF 2 JULY AND CONVEYED TO THE MINISTER OF FOREIGN AFFAIRS ON 3 JULY, AGUIRRE LANARI DID NO MORE THAN REPEAT THE TERMS OF HIS RECENT PRESS CONFERENCE: THAT IS, THAT ARGENTINA WAS ALREADY RESPECTING THE CEASEFIRE QUOTE DE FACTO UNQUOTE AND WOULD CONTINUE TO DO SO. THIS IS AS FAR AS THE ARGENTINE GOVERNMENT CAN GO AT PRESENT, FACED WITH A PUBLIC OPINION DEEPLY AFFECTED BY THE DEFEAT.

HE WENT ON TO OUTLINE THE GOVERNMENT'S QUOTE APRES MALOUINES UNQUOTE FOREIGN POLICY, WHICH IS PRACTICALLY THE SAME AS THE CONTENT OF THE ARGENTINE NOTE OF 18 JUNE TO THE UNITED NATIONS ON THIS SUBJECT.

WITH REGARD TO THE EXCHANGE OF PRISONERS, AGUIRRE LANARI CONFINED HIMSELF TO POINTING OUT THAT QUOTE THE ARGENTINE AUTHORITIES HAD ONLY TO-DAY RELEASED THE LAST BRITISH PRISONER IN THEIR HANDS (FLIGHT LT. GLOVER), AND FROM NOW ON IT WAS UP TO THE BRITISH WITHOUT NEED TO COMMUNICATE BILATERALLY WITH BUENOS AIRES, TO LIBERATE THE HUNDREDS OF ARGENTINE OFFICERS, BADLY FED AND SUFFERING FROM COLD, WHOM THEY STILL KEPT PRISONER, UNLESS THEY WISHED TO PUT THEMSELVES COMPLETELY IN BREACH OF THE GENEVA CONVENTIONS OF 1949 UNQUOTE

ENDS.

- 3. I UNDERTOOK TO TRANSMIT THIS MESSAGE TO YOU IMMEDIATELY.
  HUGENTOBLER ADDED THAT AMBASSADOR BODMER HAD COMMENTED THAT NO
  FURTHER PROGRESS TOWARDS A DEFINITIVE CEASE FIRE COULD REALISTICALLY
  BE EXPECTED GIVEN THE INTERNAL SITUATION IN ARGENTINA. HE ALSO
  SAID THAT YOUR LATEST MESSAGE AND SWISS REPORT ABOVE SHOWED A
  VERY WELCOME CONVERGENCE.
- 4. I THEN ENQUIRED ABOUT PEREZ DE CUELLAR'S DISCUSSIONS WITH FEDERAL .

  COUNCILLOR AUBERT ON Ø8 JULY. HUGENTOBLER SAID THAT SECRETARY

  GENERAL HAD COMMENTED THAT HE WAS HOPING THAT A DECISION COULD BE

COUNCILLOR AUBERT ON DB JULY. HUGENTOBLER SAID THAT SECRETARY

GENERAL HAD COMMENTED THAT HE WAS HOPING THAT A DECISION COULD BE

ACHED ON THE LINES CUTLINED IN THE MESSAGE WHICH I HAD JUST HANDED

OVER. HE ALSO HOPED THAT THE BRITISH GOVERNMENT WOULD BE PREPARED

TO BEGIN NEGOTIATIONS WITH THE ARGENTINES SOON.

5. HUGENTOBLER THEN ADDED SOME COMMENTS OF HIS OWN OFF THE RECORD.

THE WORLD COMMUNITY OWED A DEBT OF GRATITUDE TO THE UNITED KINGDOM FOR HAVING TAKEN THE ACTION IT DID AND RESTORED THE RULE OF LAW. THE UNITED KINGDOM HAD HAD A VICTORY AND HAD HUMILIATED ARGENTINA. THE QUESTION WAS WHAT WOULD HAPPEN NEXT. THE UK AFTER NEGOTIATING WITH THE ARGENTINES FOR 17 YEARS HAD THE POSSIBILITY TO SHOW SOME FLEXIBILITY IN DEALING WITH THEM NOW AND PERHAPS IT WAS UNNECESSARY FOR US NOW TO CLOSE EVERY DOOR. I COMMENTED THAT IT MIGHT BE EASIER FOR THE UNITED KINGDOM TO SHOW FLEXIBILITY IF THE THREAT OF RENEWED HOSTILITIES WERE REMOVED. HUGENTOBLER ACCEPTED THIS AND ADDED THAT WE ALL HAD AN INTEREST IN BRINGING ARGENTINA BACK INTO THE WESTERN COMMUNITY.

6. A COMPLEMENTARY ACCOUNT OF PEREZ DE CUELLAR'S VISIT TO BERNE WHICH WE HAVE RECEIVED AT DESK LEVEL IS IN MIFT.

Man Control of the Action

POWELL - JONES

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SENT AT RECD AT Ø91614Z TWPM