

FARLAND ISLANDS GENERAL (ADVANCES)

36

PS
PS/LADY YOUNG
PS/WHITNEY
PS/DE RIFKIND
PS/PUS
~~PS/STAFF~~ SIR J
~~PS/STAFF~~ MR. FRUGLAND
SIR W. HARDING
MR. GOODALL
MR. O'NEILL
~~MR. GORDON DENNOX~~
SIR C. TICKELL
MR. C. THOMAS
MR. WESTON
MR. MILES
D/PUS (2)
D/SAD
D/ED
~~D/STAFF~~
D/NEES LEFT
D/ED
D/ED (E)
D/ED
D/PLANNING STAFF

PS/NO 10 DOWNING ST (3)
PS/S OF S FOR DEFENCE
MR. ~~STAFF~~ AUSSD STAFF MOD.
MR. NICHOLL
PS/CHANCELLOR)
MISS M E CURD) TREASURY
MR LITTLE)
SIR P ARMSTRONG)
MR A D S GOODALL) CABINET C
DIO) CARTLEDGE)
~~MR V A PATTISON, TD, ODA~~
MR POWER, SAD, ODA
MR A FORTNAM IAT/ D. TRANSPORT

ADVANCE COPY
IMMEDIATE

CONFIDENTIAL

FM BERNE 020900Z

DD FCO 020945Z

TO IMMEDIATE DESKBY FCO

ELNO 241 OF 02 JULY

INFO IMMEDIATE MOSCOW (FOR SECRETARY OF STATE'S PARTY)

INFO PRIORITY BRASILIA

MY TELNO 240: RELATIONS WITH ARGENTINA

SUMMARY

1. THERE ARE NOW HOPES THAT ARGENTINE GOVERNMENT WILL ACCEPT INVITATION IN PRESENT FROM WITH OMISSION OF "ET SAN PREALABLES".

DETAIL

2. SWISS STATE SECRETARY INFORMED ME THIS MORNING THAT DELPECHE HAD BEEN UNOBTAINABLE OVER THE WEEKEND. BRUNNER HAD HOWEVER RECEIVED A CALL FROM CAPUTO LATE ON 29 JUNE. THIS CONCERNED THE ARGENTINE DEBT PROBLEM AND THE MINISTER ASKED FOR SWISS HELP (UNSPECIFIED) RELATING TO THE PARIS CLUB. BRUNNER WAS LATER ABLE TO CALL CAPUTO BACK WITH A POSITIVE RESPONSE AND TOOK THE OPPORTUNITY TO ASK HIM TO RECEIVE KEUSCH WITHOUT DELAY ON HIS RETURN AND TO GIVE DUE WEIGHT TO THE AMBASSADOR'S EXPLANATIONS (ON THE LINES AGREED AT OUR MEETING REPORTED IN MY TUR). BRUNNER WENT ON TO EXPLAIN TO CAPUTO HOW MATTERS STOOD FOLLOWING OUR LATEST DISCUSSION. CAPUTO'S IMMEDIATE RESPONSE WAS NOT UNFAVOURABLE THOUGH HE WISHED TO HEAR DELPECHE'S ADVICE BEFORE COMMITTING HIMSELF.

3. BRUNNER HAS BEEN IN DIRECT CONTACT WITH DELPECHE IN ROME THIS MORNING. THE OUTCOME OF THEIR CONVERSATION WAS THAT DELPECHE WILL NOW TELEGRAPH ADVISING CAPUTO TO ACCEPT INVITATION IN PRESENT

WILL NOW TELEGRAPH ADVISING CAPUTO TO ACCEPT INVITATION IN PRESENT FORM BUT OMITTING " ET SANS PREALABLE". BRUNNER HOPES FOR A FURTHER CALL FROM DELPECHE THIS EVENING TO CONFIRM ARGENTINE ACCEPTANCE. IN THAT EVENT SWISS GOVERNMENT WILL ISSUE INVITATIONS TO LONDON AND BUENOS AIRES ON 03 JULY.

4. BRUNNER'S COMMENT ON THIS DEVELOPEMENT WAS THAT ARGENTINES ARE VERY RESPONSE TO MOOD AND THAT THE TIMING OF CAPUTO'S REQUEST FOR SWISS HELP OVER DEBT HAD BEEN FORTUNATE IN DEVELOPING A POSITIVE DISPOSITION ON HIS POART.

5. BRUNNER ALSO INFORMED ME THAT DELPECHE HAD THIS MORNING MADE SOME POINTS ABOUT THE ARRANGEMENTS AT THE TALKS NEXT WEEK. HE WAS IN AGREEMENT WITH THE TIMING ENVISAGED BUT THOUGHT IT WOULD BE PREFERABLE THAT ON 11 JULY TALKS SHOULD BE CONFINED TO THE MORNING ONLY Y IN ORDER TO ALLOW DELEGATIONS TO REPORT AND CONSULT GOVERNMENTS DURING TE AFTERNOON BEFORE STARTING AGAIN ON THE MORNING OF 12 JULY AND FINISHING THAT EVENING AT THE LATEST.

6. BRUNNER REPEATED AS HE HAS SAID MORE THAN ONCE BEFORE THAT THE OPENING DINNER WOULD BE A GATHERING DESIGNED TO ALLOW THE DELEGATIONS TO GET TO KNOW EACH OTHER. IT WOULD BE A WORKING OCCASION WITHOUT FANFARE. NO SPECIFIC BUSINESS WOULD BE RAISED. ON 11 JULY HE THOUGHT THAT IT WOULD BE USEEFUL FOR THE SWISS TO INVITE THE TWO DELEGATIONS SEPARATELY TO LUNCH AND DINNER REPECTIVELY WHICH WOULD PROVIDE AN OPPORTUNITY TO CLARIFY MATTERS AND CONVEY MESSAGES THROUGH THE CHAIRMAN. DELPECHE HAD WELCOMED THIS SUGESSTION. I SAID IT WAS NOT FOR ME TO COMMENT SINCE I WOULD NOT BE LEADING THE DELEGATION AFTER THE OPENING STAGES BUT I THOUGHT THESE IDEAS HAD MUCH TO RECOMMEND THEM.

7. DELPECHE ALSO TOLD BRUNNER THIS MORNING THAT THE ARGENTINE SIDE WOULD PREFER THE SECOND ROUND OF THE TALKS TO TAKE PLACE IN BERNE NOT BRASILIA AND THAT THIS HAD BEEN ACCEPTED BY THE BRAZILIAN AUTHORITIES. HE THOUGHT IT SHOULD TAKE PLACE IN SEPTEMBER BEFORE THE GENERAL ASSEMBLY. THE CONDUCT OF UN DEBATE AND THE TONE OF THE ARGENTINE STATEMENT WOULD DEPEND VERY MUCH ON THE DEGREE OF PROGRESS MADE AT THE TALKS HERE. BRUNNER COMMENTED THAT IT WAS NOT POSSIBLE TO ENVISAGE AN AGREED RESOLUTION ENCOURAGING BOTH SIDES TO PURSUE THEIR TALKS IF THESE DEVELOPED FAVOURABLY.

8. FINALLY I MADE A PROVISIONAL APPOINTMENT (ASSUMING TIMINGS SUGGESTED BY TELEPHONE HAVE BEEN ACCEPTED) FOR INTRODUCTORY CALL BY DELEGATION ON STATE SECRETARY AT 05.00 PM ON 10 JULY.

POWELL-JONES

CCCN PRAR FIVE LINES FIVE AND SEVEN
LINE FIVE SHOULD READ " BE CONFINED TO THE MORNING ONLY
IN ORDER TO "

LINE SEVEN SHOULD READ " GOVERNMENTS DURING THE AFTERNOON"

CAN YOU PLEASE AMEND

SENT AT RECD AT 020955 ZTWPM/JWT