

CONFIDENTIAL

SECOND DAY, SATURDAY 27 FEBRUARY: THIRD SESSION, IN THE ARGENTINE MISSION AT 1000

1. Sr Ros welcomed the British delegation and asked whether they had considered the Argentine proposal further.

2. Mr Luce said that before he commented in detail on the Argentine proposal he would like to make one or two general points about the Argentines' feeling of frustration. He recalled that Sr Ros had said on the previous day that, despite 16 years of negotiations, no progress had been made. The British view of the discussions was that all parties should be trying to generate an atmosphere of mutual trust in which progress could be made. If this was so, it was not helpful for the Argentines to take actions which generated mistrust and resentment amongst the Islanders and public opinion in the UK. Examples of this were the illegal occupation of Southern Thule; the operation of a ham radio and the franking of Argentine stamps in Southern Thule; unauthorised overflights of the Islands and Dependencies; the offer of the Magallanes Este block; and, in recent weeks, speculation in the Argentine press about the possibility of military action. All this caused great irritation, both in the Islands and in Britain. He asked whether Councillors would wish to elaborate on anything he had said. Mr Cheek said that over the last 16 years there had certainly been considerable contact between Islanders and Argentines and this had probably been to the benefit of both. Over the years, despite unquestionable Islander suspicion, the relationship had developed quite well. The Argentines had been kind to the Islanders. But they had probably expected matters to make much faster progress than they had. This might have led to occasional Argentine harshness which, however, in its turn made further progress more difficult. He accepted that the Argentines were not

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solely to blame for this; both Islanders and Argentines had to accept responsibility. Mr Blake added that it was very difficult for large countries to appreciate the sensibilities of small communities. Events of minor importance could arouse widespread opposition. The recent comment in the Argentine press, for example, had made the two Councillors' attendance at the New York talks particularly difficult.

3. Sr Ros felt that the main purpose of the talks was to discuss the sovereignty dispute. If progress could be made here he was sure that these minor difficulties could be overcome. He reminded the British side that the Argentines' sense of frustration was deep-rooted. Despite all the years that had passed and the many attempts to find a way forward there had been no progress. The Argentines had made many offers and practical suggestions to the Islanders; these had all been rejected, apparently for the sake of rejection. Argentine sensitivities had to be taken into account as well. Sr Ortiz de Rozas cited the example of the recent issue of stamps for the Falkland Islands Dependencies depicting the Princess of Wales. This had been seen in Argentina as a direct provocation. Mr Luce ended this part of the discussion by saying that he had just wished to convey certain points to the Argentines as background. He proposed that the discussion move on to the mechanics of the Negotiating Commission.

4. Sr Ros said that he had spoken to his Foreign Minister overnight and had been instructed to urge that the Commission should meet for the first time on 1 April. Mr Luce doubted whether April Fool's Day was the most appropriate day to begin work. More fundamentally, he stressed that he would have to discuss the whole proposal for a Negotiating Commission with his Ministerial colleagues; the Councillors would have to consult their colleagues as well. There was no doubt that both he and the Councillors wished to respond as soon as

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possible but he could not now give a definite date by which a reply would be ready. As soon as an agreement had been reached, dates could be pursued through our respective Ambassadors. Mr Luce could not commit himself so early but he had already agreed that the first meeting should be at Ministerial level and he would be happy to work out the earliest convenient dates with the Argentine Ambassador in London.

5. On the question of venue, Mr Luce repeated that he had no strong objections to meeting alternately at capitals. He thought the danger of attracting attention to the talks would be outweighed by the greater efficiency. Mr Fearn and Mr Williams could see the increased difficulty of keeping the meetings confidential in capitals, but conceded that this would have greater symbolic value than continuing to meet in third countries.

6. Mr Luce then turned to the question of a time limit for the Commission's work. He had liked Sr Ortiz de Rozas' suggestion that Ministers should meet to review the value of the instrument after one year's operation. He thought this would give the necessary new impetus to the discussions without applying counterproductive pressure. Sr Ortiz de Rozas said that it was essential for Argentine public opinion that a fixed term was imposed ab initio. There was widespread criticism that nothing had happened following previous rounds of talks and the Argentine Government could not risk this happening again. Obviously if, after a year's operation, the Negotiating Commission was near agreement on a solution then it would continue. But without a cut-off point it would be very difficult to make the necessary progress. Sr Ros emphasised that it must be understood from the outset that his Government were firmly committed to a one year term for the Commission's work and no longer. He agreed with Sr Ortiz de Rozas that this time limit needed to be imposed

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in addition to the discretion given to either side to end the Commission's work at any time if they could detect no progress. Mr Luce felt that it was important to give this new mechanism a chance. We were all working for the same objective but it was more difficult to work under pressure. Mr Williams agreed that both sides should see how the mechanism worked. If it was not successful we should try to develop a new and more effective one. Sr Ros said that the Argentines were prepared to give as much time and effort as was necessary but only as long as positive progress was made. Sr Ortiz de Rozas stressed that it was very much in Argentine interests for the Commission to work; it was, after all, an Argentine proposal. Mr Fearn said it was the responsibility of both sides to make the Commission work.

7. Sr Ros said that if this one year term was to be useful it would be important to set a fast rhythm and a pace from the outset. That was why the Argentines wanted a commitment to monthly meetings of the Commission.

There then followed a long, repetitive and sterile argument about the frequency with which meetings should be held. The British side (Mr Luce, Mr Williams and Mr Fearn) maintained that it was not realistic to think in terms of monthly meetings. It would be more practical to meet as required. The first Ministerial-level meeting would set work in hand and decide an appropriate time-scale. It was important not to be too rigid. There was no question of deliberate procrastination, it was merely a matter of the practical difficulties of carrying out the work that would be necessary and ensuring that it was comprehensive. Mr Luce said that he could accept wording like 'the Commission should meet as

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regularly as required and with the maximum possible frequency' but he could not agree to commit himself to monthly meetings. The Argentine side (Sr Ros, Sr Ortiz de Rozas and Sr Blanco) maintained that it was essential for their Government that there should be a commitment from the beginning to meet each month. They conceded that the Commission would be master of its own procedure and could decide the exact timing of its own meetings, but they could not concede meetings at more than monthly intervals. They held that the only way to be sure that progress could be made towards a solution to the dispute within a year was to force all concerned to work to this rapid pace. They later agreed that, if only the British side could accept the principle of monthly meetings, the Argentines could accept that the Commission need not meet quite as regularly as this; e.g. if a particularly difficult objective had to be examined, the Commission might take two months to look at it carefully. They were strongly opposed to allowing the Commission to set up its own time-table as they were convinced that if they did so dates would almost certainly slip. Nor did they feel that the whole question of the regularity of meetings should be left to the first meeting of the Negotiating Commission; if the two sides could not agree in New York, there was little prospect of their agreeing in capitals. (Over lunch Sr Ros finally agreed that all reference to periodicity should be omitted from the working paper, provided Mr Luce informed his colleagues of the Argentine preoccupation with the need to give visible urgency to a Commission's work and provided that the British view on the question of frequency of meetings were given in the eventual response to the Argentine proposal).

8. Sr Ros then wished to clarify the level of participation.

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He proposed that, as well as the first meeting being held at Ministerial level, each subsequent meeting should be chaired by the Minister of the host government. Mr Luce said he saw little difficulty with this, providing the Argentines understood that the host Minister might not necessarily be present throughout the sessions. He would open each meeting and technically remain in the chair but he might well have to delegate his functions to a senior official. Sr Ortiz de Rozas thought that his side would have little difficulty with this idea, as long as the British side understood that it would have to be a senior official in charge of the Commission. He proposed, and Mr Luce agreed, that if the Minister of the visiting team wished to attend a particular meeting he could do so.

9. The meeting then looked again at the British draft working paper. Mr Fearn recalled that it was no more than a mind-clearing exercise and expressed the British understanding of the agreement reached. If the Argentines wished, a paragraph could be added on the question of mechanics. Sr Ros accepted that the paper had no formal status, but as it was intended to reflect mutual understanding, it was important that it should include a section on the mechanics. It was agreed that Sr Blanco and Mr Fearn should look at the paper in the light of the morning's discussion and agree a text for submission to the afternoon session.

10. The British side then presented the Argentines with a short draft communiqué and asked for their views. Sr Ros's initial reaction was that he would prefer to have a more substantive communiqué, reflecting in detail the Argentine proposal. Mr Luce said that he would have no objection to a mention of the proposal but to include details would be to preempt the outcome of his discussion with his colleagues. It would create dangerous speculation and attract unwelcome

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pressure, which would help neither side. Mr Fearn and Sr Blanco then discussed in private the wording of the communiqué. The principal difficulty was the Argentine wish to include a reference to the need to accelerate the rate of progress over the dispute. This was unacceptable to the British side, who were however prepared to acknowledge in the communiqué the Argentines' wish to expedite matters.

11. The meeting then reconvened in plenary and agreed to finalise the text of both the communiqué and the working paper in the afternoon session. The meeting adjourned at 1300.