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FROM: G K MISSION NEW YORK 232232Z MAR 79

TO: IMMEDIATE BUENOS AIRES TELNO. 2 OF 23 MARCH

INFO: SAVING FCO AND GOVERNOR FALKLAND ISLANDS (PERSONAL).

ANGLO-ARGENTINE TALKS ON THE FALKLAND ISLANDS:

NEW YORK 21-23 MARCH.

FOLLOWING FROM HALL.

1. WE HAVE HAD A CORDIAL, DIFFICULT, BUT ON THE WHOLE SUCCESSFUL MEETING.
2. WE EXPLAINED TO THE ARGENTINES WHY WE COULD NOT GO AHEAD WITH THE SIGNATURE OF THE SCIENTIFIC COOPERATION AGREEMENT, STRESSING THE ISLANDERS DEEP SUSPICION OF ARGENTINE MOTIVES AND ACTIONS. THEY AGREED THAT WE SHOULD LEAVE THE AGREEMENT LYING ON THE TABLE AND, IN CONSULTATION WITH EACH OTHER, CONDUCT OUR SCIENTIFIC ACTIVITIES IN THE DEPENDENCIES IN THE SPIRIT OF THE DRAFT. THE ARGENTINE DELEGATION REPEATED THAT ARGENTINA HAD NO PLANS TO CONDUCT FURTHER SCIENTIFIC ACTIVITIES IN THE AREA AND WOULD CONSULT WITH US BEFOREHAND IF THEY WERE TO HAVE ANY. THEY SAID THAT THERE WOULD BE NO REPETITION OF SOUTH THULE. THEY WERE DEEPLY DISAPPOINTED THAT IT WAS NOT POSSIBLE TO GO AHEAD WITH THIS POSITIVE ANGLO-ARGENTINE COOPERATION AND STRESSED THAT THIS MUST MAKE THEM THINK ABOUT THE VALIDITY OF ANY COOPERATION AGREEMENTS THEY MIGHT DISCUSS WITH US BEFORE ISLAND OPINION HAD BEEN CONSULTED.
3. WE HAD LENGTHY EXCHANGES ABOUT SOVEREIGNTY BASED ON THE REPLIES THAT WE TABLED TO THE TWO QUESTIONNAIRES WHICH THEY HAD GIVEN US IN GENEVA. THE ARGENTINE DELEGATION FOUND OUR REPLIES VERY NEGATIVE AND WE HAD REPEATEDLY TO TELL THEM THAT THEY WERE COMPLETELY WRONG IN THINKING THAT THE AIM AND OBJECTIVE OF OUR NEGOTIATIONS WAS TO WORK OUT NEW SOVEREIGNTY ARRANGEMENTS IN FAVOUR OF ARGENTINA IN THE DEPENDENCIES AND IN THE ISLANDS. HOWEVER, THEY WELCOMED THE FURTHER CLARIFICATIONS OF MR ROWLAND'S WORKING PAPER ON SOVEREIGNTY OF 13 DECEMBER 1977. WHILST THEY FOUND THESE VERY DIFFICULT FOR THE ARGENTINE GOVERNMENT TO ACCEPT THEY RECOGNISED THAT A VERY NARROW AND DIFFICULT PATH STILL LAY OPEN BETWEEN THE ESSENTIAL BRITISH REQUIREMENT THAT SOVEREIGN RIGHTS IN RESPECT OF THE FALKLAND ISLANDERS SHOULD CONTINUE TO

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REST WITH BRITAIN AND THE ESSENTIAL ARGENTINE INTEREST IN SOVEREIGNTY OVER THE TERRITORY OF THE FALKLAND ISLANDS. WE CONTINUED TO REITERATE THAT ONLY AN OVERALL SOLUTION TO THE DISPUTE WOULD MAKE IT POSSIBLE TO CONTEMPLATE SOVEREIGNTY CHANGES IN THE DEPENDENCIES.

4. WE WERE UNABLE TO MAKE ANY PROGRESS IN RESOLVING THE DIFFERENCE BETWEEN THE ARGENTINE VIEW THAT CO-ADMINISTRATION OF THE DEPENDENCIES' MARITIME ZONE MUST BEGIN WITH THE TRANSFER OF SOVEREIGNTY OVER THE TERRITORY AND OUR VIEW THAT IT MUST BE UNDER THE SOVEREIGNTY UMBRELLA. WE WENT INTO CONSIDERABLE DETAIL ABOUT THE PRACTICAL MEASURES THAT WOULD BE NECESSARY TO SET UP A FISHERIES REGIME AND TO MANAGE IT ONCE SET UP. BY THIS PROCESS WE MIGHT BE ABLE TO BRING THEM TO A PRACTICAL SOLUTION UNDER THE SOVEREIGNTY UMBRELLA. THEY DID INTRODUCE A MEASURE OF FLEXIBILITY BY SAYING THAT ARGENTINE SOVEREIGNTY OVER THE DEPENDENCIES COULD BE INTRODUCED ON A TIME-SCALE LINKED WITH THE TYPE OF EXPLORATION AND EXPLOITATION OF MARINE RESOURCES WHICH WAS SEEN TO BE POSSIBLE AND WITH THE TIMING OF A GLOBAL SOLUTION TO THE DISPUTE AS A WHOLE.

5. WE HAVE MADE NO COMMITMENT ON THE TIMING OF A FURTHER MEETING WHETHER AT OFFICIAL OR MINISTERIAL LEVEL, ALTHOUGH WE INDICATED THAT IT MIGHT BE POSSIBLE TO HAVE A MEETING OF OFFICIALS IN JUNE OR JULY. THE ARGENTINE SIDE WOULD CLEARLY LIKE TO HAVE A MEETING BETWEEN MR POWLANDS AND SENOR CAVANDOLI FAIRLY SOON, BUT WERE REALISTIC IN RECOGNISING THAT THIS WAS UNLIKELY TO BE POSSIBLE. THEY WELCOMED THE IDEA OF A POSSIBLE MEETING IN SEPTEMBER BETWEEN THE SECRETARY OF STATE AND THE ARGENTINE FOREIGN MINISTER LIKE THAT WHICH TOOK PLACE LAST YEAR.

6. TO SUM UP, WHILST THE ARGENTINES WERE CLEARLY DISAPPOINTED ABOUT THE SCIENTIFIC AGREEMENT AND TAKEN ABACK BY THE STRENGTH OF OUR REJECTION OF THEIR POSITION OVER SOVEREIGNTY, THEY ARE UNLIKELY TO TAKE ANY ACTION WHICH COULD LEAD TO A BREAKDOWN IN THE NEGOTIATIONS AND THEY STILL SEE SOME POSSIBILITIES OF REACHING A MUTUALLY SATISFACTORY SETTLEMENT IN DUE COURSE.

FOO PASS SAVING GOV FALKLAND ISLANDS (PERSONAL)

RICHARD

[SENT ALSO BY BAR TO Buenos)

DEPARTMENTAL DIST :

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