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Secretary of State

FALKLAND ISLANDS: ANGLO/ARGENTINE NEGOTIATIONS IN GENEVA FROM 18-20 DECEMBER

1. You may like to have the following account of this meeting.

SOUTHERN THULE

2. We and the Argentines both tabled outline papers for a scientific co-operation agreement. The Argentines accepted that, under such an agreement, these activities - including their station on Thule - would have no implications for sovereignty. Their thinking was also close to ours on the mechanics of such a scheme. But we came up against two difficulties. First, the Argentines had envisaged an agreement applying to land based operations only. We said we wanted the scheme to apply to maritime areas as well, since both we and they already conducted scientific work off-shore. The Argentines saw the logic of this, but were unhappy about the legal problems of defining maritime areas if they were to be included. In particular, they wanted to exclude the continental shelf. In the end, I obtained Allara's agreement to the broad formulation that the agreement would apply to "surrounding maritime areas"; this should not prejudice either the Argentine position or ours on delimitation. Secondly, the Argentines dug their heels in on the clause I wanted which would have prevented their setting up other stations. I left Allara in no doubt that it would seriously prejudice the whole negotiating process, if another station were set up under cover of this agreement. Allara said that the Argentines could not give up their right in principle to have other stations, but they were not planning any for the time being and would talk to us beforehand. The clause, frankly, contradicted our earlier position when we had never made or implied /such



such a limitation and on the strength of his assurance, I agreed to drop it. If I had not, I believe firmly that we would not have got an agreement at all.

With these two issues resolved, there are now only one or two minor points of phraseology for the lawyers to resolve. Once this is done, and both Governments approve the final text, an exchange of notes can take place.

### Co-administration of the Dependencies Maritime Zones

3. Again, both we and the Argentines tabled an outline paper. The Argentines saw no problems in our ideas over the mechanics as far as fishing was concerned, and agreed on the need for urgent action to deal with third parties. The Argentines agreed that action would be required to declare a 200 mile fishing zone. They suggested this should be done jointly; but did not explain how they would reconcile this with their own sovereignty claim and existing zone. The major stumbling block which emerged was that they rejected the idea of a co-administration scheme being under the sovereignty umbrella. Instead, they wanted a transfer of sovereignty over the Dependencies themselves to Argentina as the price for co-administration of a fisheries zone; and they wanted to exclude the continental shelf altogether from the arrangement. I told Allara firmly that none of this was on. Eventually, Allara suggested, on a personal basis, that they might consider a co-administration scheme under the sovereignty umbrella if it could cover the Dependencies themselves as well as the maritime zones. I did not respond on this; I simply said that this idea, like the joint declaration of a zone, was a new concept for us to which we would give thought. We left it that all these ideas would be looked at at a further meeting of officials probably in late March.

/Sovereignty



### Sovereignty

4. At both official and ministerial level the Argentines repeated their position on principle on sovereignty and tried to draw us out on the sovereignty changes we had in mind in the working paper which I gave Allara in the New York talks in December 1977. We rejected the idea that the aim of the negotiations was simply to transfer sovereignty to Argentina. Mr Hall repeated that the ideas set out in our New York paper had to be taken together, ie no consideration of fresh sovereignty arrangements in favour of Argentina in the Dependencies without Argentine acceptance that sovereign rights in respect of the Falkland Islanders should continue to rest with Britain. The Argentines handed over, during the official level talks, two papers with questions about our New York Working Paper and about our reactions to their own 8 year joint administration idea for the Falklands. Mr Hall gave standard oral replies to the first and declined to give replies to the second. Allara made no mention of either set of questions during my own day of talks and I did not volunteer any answers. So there was really no pressure on us on sovereignty and no substantive discussion in this area at Ministerial level.

### Conclusion

5. On the whole, I believe the outcome was satisfactory. We look to have achieved our basic objective on Thule. We have got through another round without having to move on sovereignty; clearly the Argentines have taken on board what you told Montes in September about no substantive sovereignty discussions this side of an election. We have started a dialogue on a possible co-administration scheme. The latter could be tricky if the Argentines maintained their demand for sovereignty changes affecting the Dependencies themselves, even under the sovereignty umbrella.

/My



My meeting with Island Councillors in Rio next week may give us a clearer idea of what room for manoeuvre we may have. But in any event, we now have the prospects of maintaining the negotiations without running into major snags, until the election. My own personal fear is that when the Hawks take a closer look at what Allara got out of Geneva their dissatisfaction may well prompt individual acts of provocation eg interference with fishing vessels etc. We shall have to see.

6. After I have seen the Island Councillors I will put forward the draft of a minute for DOP colleagues.

A handwritten signature in dark ink, appearing to be 'TR' with a flourish.

Ted Rowlands  
5 January 1979