

Mr. Duffell
Mr. B. J. P. 80
[Signature]

RECORD OF CONVERSATION BETWEEN THE MINISTER OF STATE FOR FOREIGN AND
 COMMONWEALTH AFFAIRS AND THE VICE FOREIGN MINISTER OF ARGENTINA:
 BUENOS AIRES, 21 NOVEMBER 1980

Present

The Hon Nicholas Ridley MP Comodoro Cavandoli
 HE Mr A J Williams CMG Comodoro Bloomer-Reeve
 Mr P R Fearn

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1. Mr Ridley said that the British Government had agreed that he should visit the Falkland Islands to seek their views on a solution to the dispute based on leaseback. The decision had not been an easy one for HMG. It would also be very difficult to persuade the Islanders. He would discuss with them various sovereignty options: some unacceptable to the Argentines, some to the Islanders: the aim would be to obtain their agreement to explore the scope for leaseback through negotiations. There was no certainty that the Islanders would come up with a clear endorsement before he left the Islands. In that case a more lengthy process of persuasion would be necessary. Meanwhile it was of the greatest importance that no hint of the recent private exchanges between himself and Comodoro Cavandoli should leak out. It would also be tactically helpful if the Argentine Government, perhaps in speaking to the press about his present courtesy call, could put some pressure on and demonstrate impatience at the lack of progress towards formal negotiations. Mr Ridley understood that the Islanders were already drawing conclusions from the coincidence of his visit to the Islands with the Argentine decision not to press the Falklands item at the General Assembly.

2. Comodoro Cavandoli asked whether the agreement of the British Government related to the heads of agreement set out at the Geneva meeting. Mr Ridley confirmed this. Comodoro Cavandoli expressed relief. It was on this precise basis that he had consulted the President two weeks ago and that the Junta had been consulted earlier that week. Their agreement had been secured. He had delayed this stage of consultation in order to avoid any risk of premature leakage. He understood the difficulties which Mr Ridley would face in the

Islands and hoped for a good result.

3. Mr Ridley said that the British Government, while emphasizing the dependence of any solution on Islander agreement, were concerned that the length of lease previously agreed should be maintained and that any leaseback agreement should be underwritten by the United Nations. In addition there were a number of aspects (flags, Argentine presence, cooperation on oil and fish) which had to be negotiated in detail. Comodoro Cavandoli said that the Argentine President was also concerned at the length of lease, though in the opposite sense (in later discussion Comodoro Bloomer-Reeve mentioned 75 years). This had to be discussed further, as also did the detailed points mentioned by Mr Ridley. The important thing was that we remained in agreement on the broad concept. There would be no problem about UN involvement; an agreement would certainly need to be registered with the UN.

4. Comodoro Cavandoli took up Mr Ridley's point about a rougher Argentine public line. This was no problem. In comment on Mr Ridley's present courtesy call, they would say that, while the sovereignty issue had not been raised in New York, they had pointed out the need for concrete follow-up to the exploratory talks in April and to Sr Pastor's meeting with Lord Carrington in September. Argentina had been patient but formal negotiations on sovereignty could not be delayed. It was to be hoped that Mr Ridley's visit to the Islands would hasten progress to this end. Mr Ridley agreed this line.

5. Comodoro Cavandoli, while agreeing that it would be presentationally wrong for him to see Mr Ridley again in Buenos Aires on his return from the Islands, hoped that he could be informed soon on the outcome. There was little time before the change of Argentine Government in March and it was important that the timetable of events on the Falklands should be given priority over other commitments. If the visit achieved the right result, a further meeting between the two sides would be necessary to set up a negotiating formula as a cover for previous contacts before the first formal negotiating round took place, at which Islanders would be present. Mr Ridley said that he would inform him of the outcome of his visit through Mr Williams.

/Further

Further secret meetings had to be avoided (Comodoro Cavandoli agreed). He also had to report back to his Government before any firm plans could be made. The best course would be a meeting of officials to agree an agenda and terms of reference for negotiations. But leaseback should not be explicitly on the agenda. It should arise in discussion of alternative sovereignty options. Comodoro Cavandoli agreed: and added that, if things did not go well in the Islands, both sides must equally consult each other in amity in order to find a way of dealing with the situation.

6. When Mr Ridley asked about the state of play on the Beagle Channel, Comodoro Cavandoli remarked that UK press reports that Britain intended to sell Vickers tanks to Chile had been mentioned to him by President Videla that morning, with an expression of concern that this could lead Argentina into an expensive arms race with Chile. Mr Ridley said that the press reports should not be credited: Comodoro Cavandoli also said in regard to the Beagle Channel that he was optimistic that a satisfactory solution would be reached by the end of the year or early 1981. The Pope had taken the matter into his own hands and his authority would be accepted by both sides. From what the Argentines knew of the documents endorsed by the Pope, the likely solution would satisfy the full aspirations of neither side but would give each sufficient justification to accept the proposed compromise.

South America Dept.

2 December 1980

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