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 TO IMMEDIATE FCO DESKBY 041615Z  
 TELNO 379 OF 4 DECEMBER 1984

INFO ROUTINE: UKMIS NEW YORK, WASHINGTON, BRASILIA, EC POSTS.

YOUR TELNO 183: RELATIONS WITH ARGENTINA

SUMMARY

1. ARGENTINE PROPOSALS FOR RENEWAL OF DIALOGUE NOW COMMUNICATED THROUGH SWISS CHANNEL.

DETAIL

2. SWISS STATE SECRETARY INVITED ME TO CALL ON 4 DECEMBER IN ORDER TO RECEIVE AN ORAL COMMUNICATION WHICH ARGENTINE FOREIGN MINISTER HAD ASKED AMBASSADOR KEUSCH TO CONVEY. COUNSELLOR WAS PRESENT. BRUNNER SAID THAT THE USE OF THE SWISS INSTEAD OF THE BRAZILIAN CHANNEL WAS AN INDICATION OF THE INFORMAL CHARACTER OF THE ARGENTINE MESSAGE.

3. BRUNNER SAID THAT THERE WERE THREE POINTS WHICH THE SWISS HAD BEEN ASKED TO CONVEY:-

- (A) CAPUTO WISHED TO CONFIRM THE DESIRE OF THE ARGENTINE SIDE TO RENEW A DIALOGUE WITH THE UNITED KINGDOM. CAPUTO WISHED TO DEVELOP SOME IDEAS WHICH HE IS READY TO DISCUSS AND POSSIBLY TO AMEND IN THE LIGHT OF YOUR REACTION.
- (B) CAPUTO'S CONCRETE PROPOSAL ABOUT A RENEWED DIALOGUE IS IN SUBSTANCE THAT IT SHOULD BE IN THREE PHASES AND SHOULD BE KNOWN BY THE NAME "ORIGIN AND CONSEQUENCES OF THE CONFLICT".
- (C) THE FIRST PHASE COULD BE ENTIRELY DEVOTED TO IDEAS PROPOSED BY THE BRITISH SIDE IN BERNE IE OUR SIX POINTS WHICH CAPUTO REGARDS AS CONFIDENCE-BUILDING MEASURES IN THE WIDEST SENSE. IT WOULD ALSO BE OPEN TO US TO PROPOSE THE INCLUSION IN PHASE ONE OF ADDITIONAL SUBJECTS. PHASE TWO WOULD BE DEVOTED TO THE THREE ARGENTINE CONFIDENCE-BUILDING MEASURES PROPOSED EARLIER IN THE YEAR. THE THIRD PHASE WOULD BE ENTITLED "POLITICAL STATUS OF THE ISLANDS AND THEIR INHABITANTS". THIS PHASE WOULD NOT START UNTIL AFTER THE FIRST TWO HAD BEEN COMPLETED AND IN THE SAME WAY PHASE ONE WOULD BE COMPLETED BEFORE THE COMMENCEMENT OF PHASE TWO.

4. BRUNNER WENT ON TO SAY THAT IN ADDITION TO THE ABOVE PRESENTATION CAPUTO HAD MADE SOME INFORMAL COMMENTS TO KEUSCH:-

- (A) THE TIMING AND DURATION OF EACH PHASE WOULD BE A MATTER FOR THE NEGOTIATORS AND COULD IF NECESSARY EXTEND OVER SEVERAL MONTHS OR EVEN YEARS.

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- (B) THE WHOLE CONCEPT OF THE THREE PHASES WOULD HAVE TO BE ACCEPTED BY BOTH SIDES BEFORE THE FIRST PHASE COULD START. THERE COULD BE NO QUESTION OF STOPPING THE PROCESS AFTER THE COMPLETION OF THE FIRST OR SECOND PHASES. THE THREE PHASES TOGETHER WOULD CONSTITUTE ONE PACKAGE.
- (C) CAPUTO HAS SOME PROCEDURAL IDEAS WHICH HE DOES NOT WISH TO ENTER INTO AT THIS STAGE SINCE HE BELIEVES WE SHOULD FIRST TRY TO AGREE ON THE WHOLE CONCEPT. CAPUTO WOULD THEN OFFER SOME IDEAS ON PROCEDURE, WHICH HE CONSIDERS SHOULD BE LESS FORMAL AND LESS PUBLICISED THAN THE BERNE TALKS, THOUGH ON THE SAME LINES.

5. FINALLY BRUNNER SAID THAT CAPUTO UNDERSTOOD THAT TIME WOULD BE NEEDED FOR CONSIDERATION OF THESE IDEAS IN LONDON. CAPUTO WOULD WELCOME YOUR COMMENTS IN DUE COURSE AND FELT HIMSELF TO HAVE SHOWN SOME FLEXIBILITY, FOR INSTANCE IN NOT PUTTING SOVEREIGNTY FIRST. BRUNNER ALSO SAID THAT CONFIDENTIALITY WAS CONSIDERED OF GREAT IMPORTANCE BY THE ARGENTINE SIDE AND AS AN ILLUSTRATION OF THIS POINT MENTIONED THAT THE ARGENTINE AMBASSADOR IN BERNE WAS NOT INFORMED OF THIS NEW DEVELOPMENT.

6. IN RESPONSE I SAID THAT I WAS GRATEFUL TO THE SWISS AUTHORITIES FOR HAVING CONVEYED CAPUTO'S MESSAGE WHICH I WOULD TRANSMIT IN FULL. I COULD NOT AT PRESENT MAKE ANY SUBSTANTIVE COMMENT. THE MATTER WOULD CLEARLY HAVE TO BE CONSIDERED CAREFULLY IN LONDON AND I COULD NOT ANTICIPATE YOUR JUDGEMENT ON IT.

POWELL-JONES

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