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3.30 pm

PS/Mr Ridley

Thank you.  
14/1 [Signature]

FIRST CALL ON MINISTER OF STATE BY ARGENTINE AMBASSADOR:  
MONDAY, 14 JANUARY, <sup>3.30</sup> 4.00 PM

1. The new Argentine Ambassador, Sr Carlos Ortiz de Rozas, arrived in London on 7 January to take up his appointment. He will be making his first calls on Monday, 14 January, and is to see Mr Ridley at 3.30 pm.

2. I submit biographical and background notes (of which copies have been distributed separately in accordance with Mr Martin's minute of 9 January).

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3. Substantive matters are not normally raised on first courtesy calls. But Sr Ortiz de Rozas may raise the question of further negotiations on the Falklands. Accordingly, I also submit a separate background brief on the current position. As the Minister of State knows, no dates have yet been fixed for future negotiations and we shall not be able to tell the Argentines anything more about our policy until Ministers have completed their review. Mr Bright will be available to take a note if required.

[Signature]

P R Fearn  
South America Department

11 January 1980

cc: Mr Harding

PA  
CER  
15/1

[Signature]

[Signature]

## CURRICULUM VITAE

ORTIZ DE ROZAS, Carlos

Born 1926.

A lawyer by training but a career diplomat since 1948. Has served in Bulgaria, Greece, UAR, and as Minister in London (1965/70). Ambassador to Vienna (1967/70) and to the UN (1970/77).

Chairman of UN Committee on Disarmament; and Special Adviser to the Foreign Minister. (1977-79).

Something of a nationalist, but urbane and cosmopolitan. Went to some trouble to achieve and maintain close relations with the FCO when in London. But as Argentine Permanent Representative at the UN he proved generally unhelpful to Britain and lobbied continuously in support of the Argentine claim to the Falkland Islands. He ran strongly as a candidate to replace U Thant as UN Secretary General in 1972. Said to have kept out of recent Argentine politics, perhaps because of his experiences in 1962 when, on the fall of President Frondizi, with whose regime he had then closely associated, he was placed en disponibilite for a year.

Married to Maria del Carmen Sarobe. Both he and his wife speak excellent English. He also speaks French and Italian.





## ARGENTINA

1. Argentina is the second largest country in South America by area and has a population of 26 million. The economy is based on agriculture, although it has considerable manufacturing ability including heavy industry. The GNP per capita at US\$1730 (1977) is the third highest in South America. Despite economic and social setbacks since the Second World War, Argentina is fast emerging from 'developing country' status.

2. The Military took power in March 1976 from the corrupt and inefficient government of General Peron's widow. The country is now ruled by President Videla, (technically a civilian since his retirement in August 1978 as Commander in Chief of the Army) and by a Junta of the three Service Chiefs. There is no real immediate prospect of a return to democratic civilian rule.

3. The Government has had some success in tackling the country's considerable economic problems. A healthy trade surplus in 1978 assisted early repayment of loans through refinancing. There is full employment. However, inflation, although much reduced from the chronic rate of 1976, was still 170% during 1978 and is estimated at 140% for 1979.

4. International attention has been focussed on the human rights record of the regime. Its successes in recent years against the guerrillas (Montoneros) have enabled it to relax a little and show some sign of responding to international criticism. But such improvements as there have been remain marginal and the overall situation is bad. Anything up to 15,000 people have "disappeared" over the last 4-5 years and most still remain unaccounted for; people continue to disappear; self-imposed press censorship remains; and trade union rights are still in abeyance. The regime's decision to accept a visit in September 1979 by the Inter-American Commission on Human

/Rights



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Rights was welcome. Their report - expected to be severely critical - has been given to the Argentine Government. The regime has recently allowed an increase in court investigations into disappearances which has in turn led to an increase in press coverage of human rights issues.

5. Argentina is nationalistic in outlook, a member of regional groupings and of the Non-Aligned Movement. But she retains close ties with Europe (especially Italy and Spain). Relations with the USA remain important but are poor because of outspoken US criticism of the regime's human rights record. Argentina has a longstanding rivalry with Brazil and is suspicious of Brazilian expansionist aims. The dispute with Chile over the sovereignty of the Beagle Channel and its off-shore islands brought the two countries to the brink of hostilities in late 1978, until the Vatican offered to mediate; this process will take some time.

6. Our relations with Argentina are overshadowed by Argentina's claim to sovereignty over the Falklands. More recently, they have been complicated by our dislike of human rights abuses. We are now restoring Ambassadors, following Argentina's withdrawal of her Ambassador from London in 1976 in irritation at lack of progress on the Falklands. The new British Ambassador to Argentina, Mr Anthony Williams, takes up his duties in February.

7. Argentina is our third largest market in South America (after Brazil and Venezuela) with exports in 1978 of £114 m (approximately 5% of the market) and imports of £153 m. There is scope for a continued expansion of trade.





## BACKGROUND NOTE: FALKLANDS: ANGLO/ARGENTINE NEGOTIATIONS

1. We have had exchanges with Argentina on the Falklands intermittently for over a decade. The last Government undertook a series of negotiations between December 1977 and March 1979.
2. The Terms of Reference for the negotiations included sovereignty, but the discussions were explicitly "under the sovereignty umbrella", i.e. without prejudice to either side's sovereignty claims. The Islanders were informed and consulted at each stage (with Argentine agreement, they could have participated but chose not to do so). No substantive progress was made. The fundamental difference on sovereignty remains. We have insisted that sovereign rights over the Islanders must remain with HMG as long as the Islanders wish. Successive Governments have undertaken to bring no solution to Parliament which did not have the support of the Islanders.
3. No formal discussions have been held with the Argentines since the change of Government. The Secretary of State, in a personal letter to the Argentine Foreign Minister of 14 June 1979, said only that "I hope we shall continue the dialogue in a constructive spirit". He spoke in similar terms when he met the Foreign Minister in New York on 26 September 1979. Mr Ridley touched on the question, but only in general terms during his visit to Buenos Aires last July.
4. Ministers have been prevented from focussing on the issue by the Lancaster House Conference on Rhodesia and by problems of European Community affairs. No dates have yet been fixed for further negotiations.
5. The Argentines have been looking to us now for some time to agree on a further round. They have proposed various contacts (with Mr Ridley and at official level) but we have managed so far to hold the line pending our policy review.