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12167 - 1

DD 121730Z PORT STANLEY

GRS 571

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FM FCO 121630Z JAN 84

TO IMMEDIATE PORT STANLEY (PERSONAL FOR CIVIL COMMISSIONER)

TELEGRAM NUMBER PERSONAL 1 OF 12 JANUARY

FOR PS/LADY YOUNG AND ROBERTS

TEL NO 008 TO DAKAR: FALKLAND ISLANDS: SPECULATION ABOUT
BRITISH POLICY

1. THERE HAS BEEN FURTHER SPECULATION BOTH HERE AND IN
ARGENTINA ABOUT THE IMPLICATIONS OF WHAT MRS THATCHER SAID
IN HER INTERVIEW WITH SIR A BURNET. TELEGRAMS AND PRESS
COMMENT FROM BUENOS AIRES HAVE REPORTED:

A. THAT THE ARGENTINE PRESIDENT IS REPRESENTING THE PRIME
MINISTER'S REMARKS ABOUT THE FIPZ AS 'A MOST IMPORTANT
STEP':

B. THAT THE ALFONSIN REGIME CONTINUE TO SPEAK IN
UNCOMPROMISING TERMS ABOUT THE NEED FOR ANY SOLUTION
TO BE BASED ON UN RESOLUTIONS WHICH THEY KNOW ARE
UNACCEPTABLE TO US, AND TO PUT AROUND INTERPRETATIONS
OF THE PURPOSES OF OUR MILITARY DISPOSITION IN THE
ISLANDS WHICH THEY REALLY CANNOT SERIOUSLY BELIEVE.

2. IF SHE IS ASKED ABOUT THIS, THE MINISTER OF STATE MAY
FIND HELPFUL THE FOLLOWING AMPLIFICATION OF POINTS IN TUR.

A. THE PRIME MINISTER DID NOT REPEAT NOT SAY THAT WE
COULD NOT TALK TO THE ARGENTINES AT ALL, E.G. ABOUT
BILATERAL COMMERCIAL AND ECONOMIC RELATIONS, WITHOUT A
FORMAL DECLARATION FROM ARGENTINA THAT HOSTILITIES WERE AT
AN END. SHE LAID DOWN NO PRE-CONDITIONS FOR QUOTE TRYING
TO RESTORE MORE NORMAL COMMERCIAL RELATIONS UNQUOTE.

B. ON THE OTHER HAND, MRS THATCHER DID SAY THAT DIPLOMATIC
RELATIONS COULD NOT BE RESTORED WITHOUT AN ARGENTINE
DECLARATION THAT HOSTILITIES WERE AT AN END. AS
PARAGRAPH 3(B) OF TUR SUGGESTED, THIS NEED NOT RULE OUT
INTERMEDIATE STEPS, FOR EXAMPLE LARGER INTERESTS SECTIONS

RESTRICTED

12167 - 1

IN THE EMBASSIES OF THE PROTECTING POWERS.

C. IT WOULD BE WRONG TO JUMP TO CONCLUSIONS ABOUT PARTICULAR BRITISH REACTIONS IN THE EVENT OF THE ARGENTINES FORMALLY DECLARING A CESSATION OF HOSTILITIES. GUIDANCE TELEGRAM NO 166 OF 15 DECEMBER 1983 EXPLAINED THAT WE NEVER COMMITTED OURSELVES TO ANY PARTICULAR STEP IN THESE CIRCUMSTANCES. SUCH AN ARGENTINE DECLARATION WOULD GIVE A WELCOME IMPETUS TO THE NORMALISATION OF BILATERAL RELATIONS, AND WOULD HELP TO REDUCE TENSION. BUT, AS WE HAVE REGULARLY SAID, WE WOULD ALSO NEED A CONVINCING DEMONSTRATION OVER A PERIOD OF TIME THAT ARGENTINA HAD GENUINELY RENOUNCED THE FUTURE USE OF FORCE. WE DO NOT ENVISAGE KEEPING THE PROTECTION ZONE INDEFINITELY. AS EARLY AS 22 JULY 1983 WE TOOK THE SUBSTANTIAL STEP OF REPLACING THE 200-MILE EXCLUSION ZONE WITH THE PRESENT 150-MILE PROTECTION ZONE.

D. IT IS IMPORTANT MEANWHILE TO EMBARK ON THE PROCESS OF RECREATING MUTUAL CONFIDENCE. THE RATIONAL WAY TO DO THIS IS THROUGH DISCUSSION OF AREAS OF BILATERAL RELATIONS IN WHICH AGREEMENT SHOULD BE ATTAINABLE WITHOUT DIFFICULTY. AS THE PRIME MINISTER PUT IT TO SIR A BURNET, WE WOULD OBVIOUSLY LIKE TO HAVE MORE NORMAL RELATIONS WITH ARGENTINA. THE SECRETARY OF STATE SUGGESTED IN HIS RADIO INTERVIEW ON 11 DECEMBER 1982 (FCO TELNO 595 TO PORT STANLEY) SPECIFIC AREAS IN WHICH PROGRESS MIGHT BE FEASIBLE.

E. WE HAVE BEEN GLAD TO NOTE STATEMENTS BY PRESIDENT ALFONSIN AND HIS COLLEAGUES THAT THEY WISH A PEACEFUL SOLUTION TO THE DISPUTE, BUT THEY CONTINUE TO INSIST THAT THIS MUST BE BASED ON RESOLUTIONS OF THE UN GENERAL ASSEMBLY KNOWN TO BE UNACCEPTABLE TO US. WE HOPE THEY WILL COME TO SHARE OUR CONVICTION THAT IT IS MUCH MORE REASONABLE TO CONTEMPLATE DISCUSSION OF PRACTICAL TOPICS. THIS SHOULD BE THE WAY AHEAD, RATHER THAN ANY ATTEMPT TO DISCUSS SOVEREIGNTY.

HOWE

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