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Foreign and Commonwealth Office

London SW1A 2AH

24 January 1984

Dear John,

Relations with Argentina

The Foreign Secretary circulated on 19 January a Memorandum (OD(84)1) for discussion on 25 January, recommending the next steps we might take towards more normal relations with Argentina. There have this week been press reports from Buenos Aires that the Argentines may soon make some 'offer' to us: Sir Geoffrey Howe believes OD colleagues might find it useful to have some comments on these before the meeting of OD tomorrow afternoon.

According to the press reports the 'offer' would entail the declaration by Argentina of a formal cessation of hostilities, and of willingness to restore diplomatic and commercial relations. In return, Argentina would require us to lift the Falkland Islands Protection Zone; to make 'drastic' reductions in our force levels in the Falklands; and to make a commitment to engage in talks about the future relationship of the Falklands with Argentina.

Our press line in response has been to reconfirm that there can be no question of our entering into talks about sovereignty; and to point out that a formal cessation of hostilities does not logically require us to take any particular step in return, although it would give welcome impetus to the normalisation of bilateral relations. We have also made the point that we hope for a convincing demonstration over a period of time that Argentina genuinely renounces the future use of force; and that we have noted that the Alfonsin government has consistently stated its commitment to peaceful means of pursuing their claim.

The press reports suggest that the Argentines wish, for their own reasons, to be seen to be proposing 'initiatives'. We have recently had some interesting accounts of the factors influencing the formulation of President Alfonsin's foreign policy. The Italians have told us of a discussion with

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Gobbi, the junior Minister responsible for Falklands policy in the Argentine MFA. Gobbi told the Italians that President Alfonsin's response to the Prime Minister's interview of 4 January should be interpreted as a wish to maintain an impression of momentum in areas which give him scope to diminish further the power of the Argentine military. Gobbi added that President Alfonsin and his team knew perfectly well that British policy was not really changing, and did not seriously expect us to lift the FIPZ in return for a simple declaration on their part that hostilities were at an end.

We have some collateral for this from a discussion which Gobbi recently had with the head of our Interests Section in the Swiss Embassy in Buenos Aires. Gobbi repeated the line he had taken with the Italians, arguing that President Alfonsin needed success over the Beagle Channel to show the Argentine people that the military did not require extra resources to deal with any threat from Chile; and that he would like to achieve progress in Argentine/UK relations for the same purpose. Gobbi implied that Argentina would not be prepared to take part in talks from which the question of sovereignty was specifically excluded, but accepted that the UK had 'difficulties over discussing sovereignty' and said that the Argentines might be prepared to contemplate some 'substitute concept'.

These reports suggest that the Argentines have decided that an active posture in their policy towards us will best serve their interests. The fact that Gobbi seemed keen to go over the ground with Mr Joy lends further weight to this view. We should assume that the Argentines will be seeking to make the best use of what they will represent as a forthcoming position in advancing their cause with the Americans and West Europeans, and more widely.

I am copying this letter to Private Secretaries to other members of OD and to Richard Hatfield (Cabinet Office).

*Yours ever,*

(P F Ricketts)  
Private Secretary

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