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DD 271900Z PORT STANLEY
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DESKBY 271900Z JAN
FM FCO 271830Z JAN 84
TO IMMEDIATE PORT STANLEY
TELEGRAM NUMBER PERSONAL 2 OF 27 JANUARY
PERSONAL FOR CIVIL COMMISSIONER
RELATIONS WITH ARGENTINA

A.J.C. 207
f.a.

1. STRICTLY FOR YOUR OWN INFORMATION, MINISTERS HAVE DECIDED THAT THE TIME HAS COME TO FOLLOW UP THROUGH THE SWISS PROTECTING POWER THE EXCHANGE OF MESSAGES BETWEEN THE PRIME MINISTER AND PRESIDENT ALFONSIN (OUR TEL NO 591 OF 9 DECEMBER 1983).
2. HM AMBASSADOR IN BERNE HAS ACCORDINGLY ASKED THE SWISS GOVERNMENT ON 26 JANUARY TO INSTRUCT THEIR AMBASSADOR IN BUENOS AIRES TO PROPOSE TO THE ARGENTINES TERMS OF REFERENCE FOR OFFICIAL TALKS AIMED AT NORMALISATION OF OUR BILATERAL RELATIONS. THE SWISS AMBASSADOR IS INSTRUCTED TO EMPHASISE THAT SOVEREIGNTY IS NOT AND CANNOT BE ON THE AGENDA. HE WILL PROPOSE THAT THE AGENDA COULD INCLUDE:
 - A. THE RECIPROCAL LIFTING OF RESTRICTIONS ON TRADE BETWEEN THE UNITED KINGDOM AND ARGENTINA.
 - B. THE LIFTING OF ALL OUTSTANDING FINANCIAL RESTRICTIONS.
 - C. ARRANGEMENTS FOR THE RETURN OF THE ARGENTINE DEAD FROM THE FALKLAND ISLANDS OR, FAILING THAT, FOR A NEXT-OF-KIN VISIT.
 - D. THE RESTORATION OF THE AIR SERVICES AGREEMENT BETWEEN BRITAIN AND ARGENTINA.
 - E. THE RESUMPTION OF CULTURAL, SCIENTIFIC AND FULL SPORTING CONTACTS.
 - F. THE UP-GRADING OF OFFICIAL RELATIONS.
3. THIS APPROACH IS CONSISTENT WITH THE POLICY WHICH LADY YOUNG WAS ABLE TO DISCUSS FULLY DURING HER VISIT TO THE ISLANDS. AS SHE EMPHASISED, WE ARE NOT GOING TO ENTER INTO

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NEGOTIATIONS ABOUT SOVEREIGNTY. BUT IT IS ONLY SENSIBLE, AND IN THE INTERESTS OF THE ISLANDERS AS WELL AS OURSELVES, FOR US TO SEEK TO RESTORE MORE NORMAL BILATERAL RELATIONS BETWEEN BRITAIN AND ARGENTINA. THIS IS NOT INCONSISTENT WITH OUR CONTINUING DETERMINATION TO STAND FIRMLY BY ALL OUR COMMITMENTS TO THE ISLANDERS.

4. THE SWISS WILL BE MAKING CLEAR TO THE ARGENTINES THAT WE WOULD NOT (NOT) WELCOME SECRET TALKS, SEEING NO NEED TO CLOAK IN SECRECY MEETINGS ABOUT THE NORMALISATION OF BILATERAL RELATIONS. BUT WE WISH TO KEEP THE PRESENT APPROACH CONFIDENTIAL. NEWS DEPARTMENT ARE MERELY CONFIRMING IN GENERAL TERMS, IN ANSWER TO QUESTIONS, THAT MEANS ARE BEING EXPLORED OF CARRYING FORWARD THE PROCESS INITIATED BY THE EXCHANGE OF MESSAGES. I SAID IN THE HOUSE OF COMMONS ON 25 JANUARY THAT QUOTE THE RIGHT WAY OF SETTING ABOUT THIS PROCESS IS TO SEEK TO IMPROVE RELATIONS THROUGH THE INTER-MEDIATION OF THE PROTECTING POWERS, AND TO MOVE FROM THAT TO TRY TO ESTABLISH A NORMAL PATTERN OF BUSINESS BETWEEN THE TWO COUNTRIES UNQUOTE. THE PRIME MINISTER, ASKED BY A JOURNALIST IN ROME TODAY WHETHER WE ENVISAGE ITALIAN QUOTE MEDIATION UNQUOTE WITH ARGENTINA, REPLIED QUOTE THE ANSWER IS NO. IF WE FEEL THAT WE ARE LIKELY TO GET ANY FURTHER WITH RESUMING BETTER COMMERCIAL RELATIONS AND TRYING TO ESTABLISH MORE FRIENDLY RELATIONS WHICH WE WOULD LIKE, WE FEEL IT IS BETTER TO DO THOSE NEGOTIATIONS, OR EXPLORE THAT FACT, DIRECT UNQUOTE.

5. IF THERE IS SPECULATION IN THE ISLANDS, E.G. ABOUT REPORTS FROM ROME, YOU SHOULD FOR THE TIME BEING CONFINE YOURSELF TO REPLIES ALONG THE LINES OF THESE MINISTERIAL STATEMENTS. YOU SHOULD NOT REPEAT NOT YET INFORM COUNCILLORS OR OTHER ISLANDERS ABOUT OUR APPROACH THROUGH THE SWISS. WE SHALL BE IN CONTACT WITH YOU AGAIN BY TELEGRAM WHEN THE SWISS REPORT ON THE ACTION THEY HAVE TAKEN IN BUENOS AIRES. UNLESS THEIR REPORT CONTAINS SOME MAJOR SURPRISE, WE WOULD ENVISAGE YOUR BRIEFING COUNCILLORS, IN STRICT CONFIDENCE, AS FOLLOWS:

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- A. THE PRIME MINISTER'S MESSAGE TO PRESIDENT ALFONSIN WAS INTENDED TO PAVE THE WAY TOWARDS MORE NORMAL RELATIONS BETWEEN BRITAIN AND ARGENTINA.
- B. MEANS OF DOING THIS ARE NOW BEING EXPLORED THROUGH THE SWISS PROTECTING POWER.
- C. THE SWISS ARE AT THE PRELIMINARY STAGE OF SEEKING TO ESTABLISH TERMS OF REFERENCE FOR OFFICIAL BILATERAL TALKS. THEY ARE FROM THE FIRST EMPHASISING THAT SOVEREIGNTY IS NOT AND CANNOT BE ON THE AGENDA. WE SHALL ADHERE FIRMLY TO THIS.
- D. IF THE SWISS ESTABLISH THAT THERE IS A REAL PROSPECT OF OFFICIAL TALKS BETWEEN THE ARGENTINES AND OURSELVES, WE SHALL OF COURSE KEEP THE FALKLAND ISLANDS GOVERNMENT CLOSELY INFORMED OF DEVELOPMENTS.

HOWE

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