CONFIDENTIAL

FILE

RUS

10 DOWNING STREET

From the Private Secretary

9 April, 1984

RELATIONS WITH ARGENTINA

You will doubtless be providing further advice in due course on this subject in the light of Berne telegram number 113.

Meanwhile you should know that the Prime Minister saw this telegram over the weekend. She has made the preliminary comment that the distinction which Mr. Caputo appears to be trying to draw between discussion and negotiation is unconvincing since the Argentines appear to be using the one to lead to the other. Mrs. Thatcher has also noted the implication in sub-paragraph vii of paragraph 4 that the question of sovereignty might be raised during the discussions and that it would then be for us to break off the discussions if we felt it necessary to do so. This does not of course accord with our view that sovereignty cannot be raised during the discussions. Finally, the references to "future negotiations" in that paragraph are unwelcome.

A. J. COLES

P. Ricketts, Esq.,
Foreign and Commonwealth Office

CONFIDENTIAL

CST

PS
PS/LADY YOUNG
PS/MR WHITNEY
PS/[redacted] RIFKIND
PS/PUS
SIR J BULLARD
SIR I SINCLAIR
SIR W HARDING
MR WRIGHT
MR ADAMS
LORD N G LENNOX
SIR C TICKELL
MR D C THOMAS
MR CARTLEDGE

ED/PUSD (2)
ED/SAMD
ED/FID
~~ED/DEFENCE DEPT~~
ED/NEWS DEPT
ED/ERD
ED/ECD(E)
ED/UND
ED/PLANNING STAFF

PS/NO 10 DOWNING ST (3)

PS/S OF S FOR DEFENCE
MR J STEWART AUSD STAFF MOD

PS/CHANCELLOR)
MISS M E CUND) TREASURY
MR LITTLER)

SIR R ARMSTRONG)
MR A D S GOODALL) CABINET OFF
DIO)

~~MR M A PATTISON, FID, ODA~~
Mr POWER, SAD, ODA

Mr A FORTNAM IAT/ D. TRANSPORT

~~PRESIDENT CLERK~~

MO

CONFIDENTIAL

FM BERNE 071616Z

D FCO 071645Z

IMMEDIATE

ADVANCE COPY

TO IMMEDIATE DESKBY FCO
TELNO 113 OF 07 APRIL
INFO DESKBY UKMIS NEW YORK WASHINGTON 071715Z
PRIORITY BRASILIA PORT STANLEY EC POSTS

MY TELNO 112: RELATIONS WITH ARGENTINA

SUMMARY

1. REPORT BY SWISS AMBASSADOR AT BUENOS AIRES OF CAPUTO'S REACTIONS TO BRITISH GOVERNMENT'S COMMUNICATION. CAPUTO DRAWS DISTINCTION BETWEEN DISCUSSIONS AND NEGOTIATIONS. HE WISHES TO PROCEED WITH DISCUSSIONS WITHOUT PRECONDITIONS OR FIXED AGENDA. ALFONSIN'S REACTIONS NOT YET KNOWN. NO PUBLICITY TO BE GIVEN TO BRITISH COMMUNICATION PENDING FURTHER ADVICE.

UNICATION PENDING FURTHER ADVICE.

DETAIL

2. STATE SECRETARY INVITED ME TO CALL THIS AFTERNOON (7 APRIL) IN ORDER TO HEAR KEUSCH'S REPORT ON HIS MEETING YESTERDAY WITH CAPUTO WHICH STARTED AT APPROXIMATELY 1645 LOCAL TIME AND LASTED ABOUT ONE HOUR. KEUSCH HANDED OVER THE TEXT IN YOUR TELNO 63 AND HAD WITH HIM BUT DID NOT HAND OVER THE BOUT DE PAPIER WHICH I GAVE TO BRUNNER BASED ON YOUR TELNO 62. HIS COVERING INSTRUCTIONS WILL HAVE BEEN BASED ON MY ORAL COMMUNICATION OF YOUR TELNO 61.

3. CAPUTO ASKED KEUSCH NOT TO INFORM THE PRESS OF DELIVERY OF YOUR MESSAGE UNTIL HE HEARD FURTHER FROM ELSA KELLY WHO WAS PRESENT AND WAS DUE TO DISCUSS DETAILED POINTS LATER WITH ALFONSIN, TO WHOM CAPUTO ONLY HAD TIME TO TRANSMIT THE BASIC DOCUMENT BEFORE LEAVING TO CATCH HIS FLIGHT TO NEW YORK. BRUNNER WAS STILL WAITING TO HEAR FROM KEUSCH ABOUT ANY PUBLICITY ARRANGEMENTS AND SUGGESTED THAT MEANWHILE IT WOULD BE BETTER TO MAKE NO ANNOUNCEMENT.

4. KEUSCH REPORTED CAPUTO'S OBSERVATIONS ON HIS COMMUNICATION UNDER NINE HEADS:-

I. THE BRITISH ANSWER WAS MAINLY A REPETITION OF FUNDAMENTAL POINTS SET OUT IN OUR PROPOSAL OF 26 JANUARY.

II. CAPUTO SHARES FROM THE OPPOSITE SIDE MANY OF THE SAME DIFFICULTIES EXPRESSED IN OUR LATEST COMMUNICATION PARTICULARLY AS CONCERNS THE PROBLEM OF SOVEREIGNTY AFTER ALL THAT HAPPENED IN 1982. HE FEELS THAT THE ARGENTINE GOVERNMENT AND THE RADICAL PARTY HAVE GONE A VERY LONG WAY IN THE DIRECTION OF REALISM.

III. HE UNDERSTOOD THE DIFFICULTIES ENCOUNTERED BY EACH SIDE IN ENDEAVOURING TO EXPLAIN ITS POSITION TO THE OTHER BUT AT THE SAME TIME FELT THAT EXCHANGING NOTES AT INTERVALS OF MORE THAN ONE MONTH WAS NOT A VERY HELPFUL METHOD OF PROCEEDING.

IV. FOR CAPUTO THERE IS A CLEAR AND FUNDAMENTAL DISTINCTION BETWEEN DISCUSSION AND NEGOTIATION. WE MUST TOGETHER SEEK TO FIND WAYS FOR FUTURE NEGOTIATION.

V. ARGENTINA SEEKS ONLY DISCUSSION FOR THE TIME BEING WITH THE PURPOSE OF ASCERTAINING IF WAYS FOR FUTURE NEGOTIATIONS CAN BE FOUND.

VI. THESE DISCUSSIONS SHOULD BE FACE TO FACE WITHOUT CONDITIONS AND IN THIS CONTEXT (DANS CETTE OPTIQUE) THERE IS NO PLACE FOR PRIOR DECLARATIONS.

VII. THE AGENDA FOR DISCUSSIONS SHOULD BE OPEN AND UNCONDITIONAL (SANS PREALABLES). IF SOVEREIGNTY OR ANY OTHER UNACCEPTABLE

VII. THE AGENDA FOR DISCUSSIONS SHOULD BE OPEN AND UNCONDITIONAL (SANS PREALABLES). IF SOVEREIGNTY OR ANY OTHER UNACCEPTABLE QUESTIONS WERE RAISED IT WOULD BE FOR EITHER SIDE TO BREAK THE DISCUSSIONS IF THEY FELT IT NECESSARY.

VIII. TO ILLUSTRATE HIS DISTINCTION BETWEEN DISCUSSION AND NEGOTIATION CAPUTO GAVE AS AN EXAMPLE THAT BEFORE 1982 GREAT BRITAIN WAS NEGOTIATING WITH ARGENTINA. HE DOES NOT WISH TO COME BACK TO THAT POINT AND CONSIDERS THE TERM NEGOTIATION RISKS CREATING FALSE PERSPECTIVES AND THAT ITS USE SHOULD BE AVOIDED.

IV. HE IS EAGER TO KNOW IF THE BRITISH GOVERNMENT HAS REALLY GRASPED HIS DISTINCTION BETWEEN DISCUSSION AND NEGOTIATION AND ACCEPTS THAT WHAT ARGENTINA REALLY (VERITABLEMENT) DESIRES IS A DISCUSSION.

No - because they are using the one to lead to the other.

5. KEUSCH OFFERED THE COMMENT THAT THIS LATEST DISCUSSION WITH CAPUTO HAD PROVIDED A MUCH CLEARER VIEW OF THE TRUE ARGENTINE POSITION THAN THAT CONTAINED IN THEIR COMMUNICATION OF 16 FEBRUARY.

6. IN RESPONSE TO MY QUESTION BRUNNER SAID THAT THERE HAD BEEN NO DISCUSSION OF THE PLACE, FORM OR TIMING OF THE DISCUSSIONS. ONCE THE PRINCIPLE HAD BEEN ACCEPTED THIS QUESTION SHOULD BE EASY TO SETTLE. BRUNNER ADDED THAT AS HE SAW IT THE ARGENTINIANS WERE EAGER TO SIT DOWN IN AN INFORMAL WAY AND TALK BETWEEN RESPONSIBLE OFFICIALS ABOUT THE WHOLE PROBLEM OF THEIR RELATIONS WITH THE UNITED KINGDOM. HE SUGGESTED THE PRIMARY OBJECTIVE WOULD BE TO FIND OUT WHETHER AND HOW THIS COULD LEAD TO SOMETHING CONCRETE IN THE DIRECTION OF YOUR SIX POINTS. THE RENEWAL OF CONTACT WAS THE FIRST ESSENTIAL STEP AFTER WHICH IT WOULD BE POSSIBLE TO DISCOVER HOW THE QUESTIONS FOR DISCUSSION COULD BEST BE HANDLED.

7. IN REPLY TO MY FURTHER QUESTION BRUNNER SAID THAT THE REACTION OF ALFONSIN WAS SO FAR UNKNOWN. HE SAID IT WAS ALSO NOT YET CLEAR WHETHER A FURTHER MORE FORMAL REPLY TO YOUR LATEST MESSAGE SHOULD BE EXPECTED OR WHETHER THE REPORT HE HAD NOW GIVEN TO ME OF ITSELF CONSTITUTED A SUFFICIENT ANSWER. CLARIFICATION OF THESE POINTS WOULD AWAIT CONSULTATIONS BETWEEN ALFONSIN AND CAPUTO. KEUSCH DID NOT EXPECT ANY FURTHER DEVELOPMENT IN BUENOS AIRES UNTIL AFTER THE LATTER'S RETURN ON 13 APRIL.

8. WHEN I RETURNED TO THE QUESTION OF MODALITIES BRUNNER SAID THAT THERE WAS ALREADY A LARGE MEASURE OF AGREEMENT AND REFERRED TO OUR CONVERSATION REPORTED IN MY TELNO 103. IT DID NOT APPEAR FROM KEUSCH'S REPORT THAT THERE HAD BEEN ANY FURTHER DEVELOPMENT YESTERDAY.

POWELL-JONES