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TO IMMEDIATE DESKBY FCO

TELEGRAM NUMBER 144 OF 29 APRIL 1984

INFO ROUTINE UKMIS NEW YORK WASHINGTON BRASILIA PORT STANLEY
ALL EC POSTS

MY TEL NO 143: RELATIONS WITH ARGENTINA

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SUMMAR Y

- 1. ARGENTINE GOVERNMENT HAS ACCEPTED SWISS PROPOSAL FOR A MEETING IN BERNE SUBJECT TO CERTAIN CONDITIONS
 DETAIL
- 2. AT A RECEPTION ON 27 APRIL STATE SECRETARY SAID THAT AN IMPORTANT POINT WHICH HE HAD NOT MENTIONED AT OUR MEETINGS REPORTED IN MY TEL NOS 139 AND 143 WAS THAT ARGENTINE AMBASSADOR IN BERNE WAS NOT AWARE OF RECENT DEVELOPMENTS CONCERNING CAPUTO'S POSITION. BRUNNER INTERPRETED THIS AS FURTHER DEMONSTRATION OF CAPUTO'S LACK OF CONFIDENCE IN HIS OWN PEOPLE.
- 3. KEUSCH'S REPORT ON THE OUTCOME OF CAPUTO'S DISCUSSION WITH ALFONSIN WAS EXPECTED THAT EVENING BUT IN THE EVENT WAS DELAYED BY 24 HOURS. BRUNNER EVENTUALLY ASKED ME TO CALL AT HIS HOUSE AT 1000 ON 29 APRIL. HE READ OVER A TELEGRAM FROM KEUSCH REPORTING CONVERSATION THE PREVIOUS DAY WITH DIRECTOR DELPECHE WHO HAD HANDED OVER A BOUT DE PAPIER EXPLAINING THAT THIS WAS A COMMUNICATION TO THE SWISS GOVERNMENT AND NOT FOR TRANSMISSION IN WRITING TO LONDON (OR IT WOULD HAVE HAD TO GO VIA BRASIL). DELPECHE ALSO GAVE SOME ORAL EXPLANATIONS.
- 4. ARGENTINE GOVERNMENTS POSITION (FOLLOWING CAPUTO'S CONSULTATION WITH ALFONSIN) WAS SET OUT UNDER FIVE HEADS:-
- I) ARGENTINE GOVERNMENT FINDS ACCEPTABLE IN PRINCIPLE THE IDEA OF HOLDING A CONFIDENTIAL MEETING BETWEEN REPRESENTATIVES OF THE REPUBLIC AND THE UNITED KINGDOM IN BERNE. DELPECHE ADDED CRALLY THAT IT WOULD BE ACCEPTABLE THAT THIS SHOULD BE AT LEVEL OF AMBASSADORS. A POSSIBLE MINISTERIAL MEETING WAS NOT MENTIONED.

 II) ARGENTINE SIDE CONSIDERED THAT BEFORE THE MEETING COULD TAKE PLACE IT WOULD BE DESIRABLE THAT BOTH ARGENTINE AND BRITISH GOVERNMENTS SHOULD RECEIVE A FORMAL INVITATION FROM SWISS GOVERNMENT AND SHOULD ACCEPT IT FORMALLY. IT WAS UNDERSTOOD THAT TERMS OF INVITATION SHOULD BE SUBJECT TO PRIOR AGREEMENT BY BOTH SIDES. BRUNNER COMMENTED THAT THIS POINT SEEMED DESIGNED TO UNDERLINE THAT INITIATIVE CAME FROM THE SWISS, WHICH CAPUTO HAD STRESSED IN PARIS.

III) GOVERNMENT OF ARGENTINA IS OF OPINION THAT MEETING COULD ONLY HAVE A USEFUL PURPOSE IF BOTH BRITISH AND ARGENTINE REPRESEN-TATIVES COULD FREELY EXCHANGE VIEWS AND OPINIONS ON ALL SUBJECTS. DELPECHE'S ORAL COMMENT HERE WAS THAT THIS WAS HOW ARGENTINE SIDE INTERPRETED PHRASE QUOTE SANS PREALABLES UNQUOTE, WHICH BRUNNER HAD USED TO CAPUTO. BRUNNER'S OWN COMMENT TO ME WAS THAT IN FORMULATING THEIR INVITATION SWISS WOULD AIM TO COVER THIS POINT BY A CONSTRUCTIVE AMBIGUITY (C.F. PARA 4 OF MY TUR) . HE ALSO POINTED OUT HERE THAT THE ARGENTINES WERE NOW TALKING OF A MEETING FOR EXCHANGE OF OPINIONS AND NOT OF NEGOTIATIONS . IV) GOVERNMENT OF ARGENTINA WOULD ALSO DESIRE THAT THE FACT OF THESE CONVERSATIONS BEING HELD AND THEIR CONTENT SHOULD BE SURROUNDED BY THE GREATEST POSSIBLE CONFIDENTIALITY IN ORDER TO ESTABLISH A CALM AND BUSINESS LIKE ATMOSPHERE AND AVOID SPECULATIONS BY PRESS WHICH MIGHT AROUSE EXAGGERATED EXPECTATIONS . BRUNNER COMMENTED THAT THIS WAS A CONSIDERABLE STEP FORWARD BY COMPAR-ISON WITH CAPUTO'S POSITION WHEN IN BERNE (MY TEL NO 65 PARA 6). ON THIS POINT KEUSCH HAD ENQUIRED HOW ARGENTINE SIDE WISHED TO HANDLE PUBLICITY. DELPECHE REPLIED THAT SIMULTANEOUS ANNOUNCEMENTS IN THE THREE CAPITALS ON THE DAY THE MEETING OPENED WOULD BE APPROPRIATE. DELPECHE HAD ALSO REQUESTED THAT BRITISH AUTHORITIES SHOULD NOT PASS ON PRESENT ARGENTINE COMMUNICATION TO THEIR FRIENDS , AT LEAST UNTIL MATTERS WERE FUTHER ADVANCED. BRUNNER SAID WITH A SMILE THAT HE TOOK THIS AS APPLYING PARTICUL-ARLY TO THE ITALIANS. HE ADDED THAT ARGENTINES HAD PARLIAMENTARY REASONS FOR KEEPING THE WHOLE DEVELOPMENT IN A LOW KEY AND

- V) GOVERNMENT OF ARGENTINA FINALLY WISHED TO TRANSMIT TO SWISS GOVERNMENT ITS GRATITUDE FOR HAVING TAKEN INITIATIVE IN GIVING A NEW IMPULSE TO THE IDEA OF TALKS WHICH REFLECTED GENUINE INTEREST OF ARGENTINE IN THE PRESERVATION OF PEACE AND PROMOTION OF PEACEFUL SOLUTION TO DISPUTE SEPERATING ARGENTINE AND UK.
- 5. BRUNNER ADDED THAT IF THE MEETING IN BERNE SHOULD MATERIALIZE THE BRITISH GOVERNMENT SHOULD NOT EXPECT ANY FURTHER RESPONSE TO OUR COMMUNICATION OF 6 APRIL.
- 6. BRUNNER ALSO TOLD ME SWISS GOVERNMENTS PRESENT VIEWS ON TIMING AND MODALITIES. THE NEXT STAGE WOULD BE BRITISH REACTION TO FRESENT COMMUNICATION. IF IT WAS POSITIVE SWISS WOULD THEN DRAFT AN INVITATION AND SHOW IT TO BOTH SIDES FOR COMMENTS. INVITATION WOULD NOT ISSUE UNTIL AGREED BY BOTH SIDES. HE TENTATIVELY ENVISAGED TALKS STARTING IN WEEK BEGINNING 14 MAY. MEMBERSHIP OF DELEGATIONS WOULD NEED TO BE ESTABLISHED IN ADVANCE AND APPROXIMATELY BALANCED. SWISS WOULD BE OPEN TO DISCUSSION ON WHETHER AFTER INITIAL SCCIAL ENCOUNTER TALKS SHOULD PROCEDE IN SWISS PREMISES OR SHOULD ALTERNATE BETWEEN EMBASSIES AND WHETHER SWISS PRESENCE SHOULD BE MAINTAINED OR WITHDRAWN. I TOLD HIM MY PERSONAL PREFERENCE WOULD BE FOR SWISS PREMISES AND CONTINUED PRESENCE, AT LEAST INITIALLY (FOR REASONS OF SECURITY AND CONFIDENTIALITY AMONG OTHERS).

CONFIDENTIAL 7. A FURTHER REPORT IS EXPECTED LATER TODAY FROM KEUSCH ON A MEETING WITH CAPUTO WHICH WAS DUE TO TAKE PLACE LATE IN THE EVENING OF 28 APRIL (BUENOS AIRES TIME) . BRUNNER DOUBTED WHETHER IT WOULD CHANGE ANYTHING IN THE FOREGOING, BUT MIGHT INCLUDE A GLOSS ON PARA 4(1) CONCERNING AN EVENTUAL MEETING OF MINISTERS. (REPEATED AS REQUESTED) POWELL-JONES in the second [COPIES SENT TO NO 10 DOWNING STREET] FAIKLAND ISLANDS GENERAL FCO ADDITIONAL DISTRIBUTION FID FAIKLAND ISLANDS CABINET OFFICE CONFIDENTIAL